

International Equity

March 31, 2017

Long-Term Capital Appreciation

Davis International Equity is a portfolio of attractive businesses from outside of the U.S. selected using the time-tested Davis Investment Discipline. The Portfolio is team managed utilizing fundamental, bottom-up research for stock selection. The Portfolio has outperformed its benchmark index over the three, five and ten year periods. As one of the largest investors in the strategy, we have a unique commitment to client stewardship.

► Why Invest in the Davis International Equity Portfolio

- **Equity-Focused Research Firm:** Established in 1969, Davis is a leading specialist in equity investing.
- **Portfolio of Best of Breed Businesses:** The Portfolio invests in businesses outside the U.S. from both developed and developing markets. Utilizing rigorous independent research, we invest in durable, well-managed businesses with sustainable competitive advantages and attractive long-term growth prospects selling at a discount to their true value.
- **Attractive Results:** The Portfolio has outperformed the MSCI ACWI ex US since inception ending March 31, 2017.
- **Flexible, Opportunistic Approach:** We believe a bottom-up stock selection process and not mirroring the benchmark index are keys to long-term outperformance.
- **We Are Among the Largest Investors:** We have a unique commitment to stewardship, generating attractive long-term results, managing risks and minimizing fees.

► Performance Summary

For the trailing quarter, the MSCI ACWI ex US Index (net dividends) returned 7.86%. The Davis International Equity Portfolio outperformed the Index during this period. On a sector basis and relative to the Index, the consumer discretionary and financials sectors contributed to performance while information technology was a detractor.

► Our Investment Alongside Clients

We have more than \$2 billion of our own money invested side by side with clients.¹

► Vehicles

- Institutional Separately Managed Accounts
- Davis International Fund
A Shares DILAX Y Shares DILYX
- Selected International Fund
S Shares SLSSX D Shares SLSDX

► Geographically Diverse Portfolio

Asia	43.2%
Europe	32.3
North America	11.6
South America	7.1
Africa	5.8

► Portfolio Characteristics²

	Davis	MSCI ACWI ex US
Number of Holdings	40	1,853
Trailing Positive P/E Ratio	24.6	17.5
Price/Book	3.4	2.6
Yield (%)	1.1	2.9
Beta (5 years)	1.1	1.0
Weighted Average Market Capitalization (\$bn)	40.0	53.0
Median Market Capitalization (\$bn)	9.1	7.3

► Performance

	1Q17 ³	1 Year	3 Years	5 Years	10 Years	Inception 1/1/05
International Equity (gross)	11.23%	16.08%	2.90%	7.92%	3.29%	6.98%
International Equity (net)	11.15	15.62	2.39	7.36	2.70	6.33
MSCI ACWI ex US	7.86	13.13	0.56	4.36	1.35	4.69

► Top 10 Holdings⁴

Encana
Naspers-N
Didi Chuxing Joint Co.-Series A
Safran S.A.
JD.com, Class A-ADR
LafargeHolcim
Sul America
New Oriental Education & Technology
Roche Holding AG
Tal Education Group-ADR

► Sector Breakdown

	Davis	MSCI ACWI ex US
Consumer Discretionary	35.2%	11.3%
Consumer Staples	0.0	9.9
Energy	8.4	6.8
Financials	11.7	23.3
Health Care	8.1	8.0
Industrials	19.9	11.9
Information Technology	7.6	9.9
Materials	9.1	8.0
Real Estate	0.0	3.2
Telecommunication Services	0.0	4.5
Utilities	0.0	3.2

The performance presented represents past performance of the Davis International Equity Composite and is not a guarantee of future results. Total return assumes reinvestment of dividends and capital gain distributions. Investment return and principal value will vary so that an account might realize a gain or loss. Current performance may be higher or lower. Please contact your Davis Advisors representative for most recent month-end returns. Davis Advisors' International Equity Composite returns for the period of January 1, 2005 through December 31, 2006 represent a carve out position from the Davis Advisors' Global Equity Composite. Davis Advisors has computed the performance by removing all U.S. securities from the Global Equity Composite. Gross performance presented does not reflect the deduction of investment advisory fees. See endnotes for a description of gross performance.

Contacts

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1. Includes the Davis family, Davis Advisors, employees and directors. As of December 31, 2016.
2. Portfolio characteristics may change over time. Source: Davis Advisors and Wilshire Atlas.
3. Returns for periods less than one year are not annualized.
4. For information purposes only. Not a recommendation to purchase or sell any security. There can be no assurance that an investor will earn a profit and not lose money.

Gross performance presented does not reflect the deduction of investment advisory fees. A client's returns will be reduced by the advisory fees and other expenses it may incur as a client. The reader is referred to Davis Advisors' ADV Part 2 for a full disclosure of the fee schedule. As fees are deducted quarterly, the compounding effect will be to increase the impact of the fees by an amount directly related to the gross account performance. For example, on an account with a 1% annual fee, if the gross performance is 10%, the compounding effect of the fees will result in a net performance of approximately 8.93%.

This material has been approved for institutional client use only. A client should carefully consider an investment's strategies, risks, fees, and expenses before investing. Davis Advisors' Form ADV contains this and other information and can be obtained by calling 212-891-5512. Please read the documents carefully before investing or sending money.

The performance of mutual funds is included in the Composite. The performance of the mutual funds and private accounts may be materially different. For example, Davis International Fund may be significantly larger than a typical private account and may be managed with a view toward different client needs and considerations. The differences that may affect investment performance include, but are not limited to: the timing of cash deposits and withdrawals, the possibility that Davis Advisors may not purchase or sell a given security on behalf of all clients

pursuing similar strategies, the price and timing differences when buying or selling securities, the size of the account, the differences in expenses and other fees, and the clients pursuing similar investment strategies but imposing different investment restrictions. This is not a solicitation to invest in the Davis International Fund or any other fund.

Davis Advisors is committed to communicating with our investment partners as candidly as possible because we believe our investors benefit from understanding our investment philosophy and approach. Our views and opinions regarding the investment prospects of our portfolio holdings include "forward-looking statements" which may or may not be accurate over the long term. While we believe we have a reasonable basis for our appraisals and we have confidence in our opinions, actual results may differ materially from those we anticipate. These opinions are current as of the date of this report but are subject to change. Market values will vary so that an investor may experience a gain or a loss.

The investment objective of a Davis International Equity account is long-term growth of capital. There can be no assurance that Davis will achieve its objective. Davis Advisors uses the Davis Investment Discipline to invest a client's portfolio principally in common stocks (including indirect holdings of common stock through depositary receipts) issued by foreign companies, including countries with developed or emerging markets. The international companies strategy may invest in large, medium, or small companies without regard to market capitalization. The principal risks are: common stock risk, depositary receipts risk, emerging markets risk, fees and expenses risk, foreign country risk, foreign currency risk, headline risk, large-capitalization companies risk, manager risk, mid- and small-capitalization companies risk, and stock market risk. See the ADV Part 2 for a description of these principal risks.

Davis Advisors' International Equity Composite includes all actual, fee-paying, discretionary International investing style institutional accounts and mutual funds under management for each investment period from January 1, 2005, through the date of this report, including those accounts no longer managed. A minimum account size of \$3,500,000 has been established. Accounts below this minimum are deemed not to be representative of the Composite's intended strategy and as such are not included in the Composite. A time-weighted internal rate of return formula is used to calculate performance

for the accounts included in the Composite. For the net of advisory fees performance results, custodian fees are treated as cash withdrawals and advisory fees are treated as a reduction in market value. For mutual funds, the Composite uses the rate of return formula used by the open-end mutual funds calculated in accordance with the SEC guidelines adjusted to treat mutual fund expenses other than advisory fees as cash withdrawals; sales charges are not reflected. For the gross performance results, custodian fees and advisory fees are treated as cash withdrawals. A list of Davis Advisors' Composites is available upon request.

Allocations provided are defined by Standard and Poor's Global Industry Classification Standards (GICS). The Advisor may reclassify a company into an entirely different industry if it believes that the GICS classification for a specific company does not accurately describe the company.

The MSCI ACWI ex US is an unmanaged, free float-adjusted, market capitalization-weighted index composed of stocks of companies located in countries throughout the world, excluding the United States. It is designed to measure equity market performance in global developed and emerging markets outside the United States. The Index includes reinvestment of dividends, net of foreign withholding taxes. Investments cannot be made directly in an index.

Broker-dealers and other financial intermediaries may charge Davis Advisors substantial fees for selling its products and providing continuing support to clients and shareholders. For example, broker-dealers and other financial intermediaries may charge: sales commissions; distribution and service fees, and record-keeping fees. In addition, payments or reimbursements may be requested for: marketing support concerning Davis Advisors' products; placement on a list of offered products; access to sales meetings, sales representatives and management representatives; and participation in conferences or seminars, sales or training programs for invited registered representatives and other employees, client and investor events, and other dealer-sponsored events. Financial advisors should not consider Davis Advisors' payment(s) to a financial intermediary as a basis for recommending Davis Advisors.

Shares of the Davis Funds and Selected Funds are not deposits or obligations of any bank, are not guaranteed by any bank, are not insured by the FDIC or any other agency, and involve investment risks, including possible loss of the principal amount invested.