

Performance Update

September 30, 2017

Davis Advisors, founded in 1969, is an independent, employee-owned investment firm that specializes in managing long-only equity portfolios. Our organization is part of a successful legacy of investing started by the Davis family in the 1940s. As of September 30, 2017, Davis managed approximately \$28 billion. The company has offices in New York and Tucson.

Davis Advisors' Institutional Offerings							
	3Q17 ¹	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date ²
U.S. Large Cap Equity (gross)	4.84%	21.10%	11.67%	14.62%	6.76%	12.76%	4/1/69
U.S. Large Cap Equity (net of fees)	4.71	20.51	11.12	14.07	6.25	12.08	
S&P 500 Index	4.48	18.61	10.81	14.22	7.44	10.10	
International Equity (gross)	11.93	24.50	9.41	12.35	2.87	8.18	1/1/05 ³
International Equity (net of fees)	11.88	24.19	8.92	11.81	2.31	7.54	
MSCI ACWI ex US	6.16	19.61	4.70	6.97	1.28	5.46	
Global Equity (gross)	9.28	24.17	12.25	15.78	5.25	9.28	1/1/05
Global Equity (net of fees)	9.16	23.61	11.69	15.19	4.67	8.63	
MSCI ACWI (All Country World Index)	5.18	18.65	7.43	10.20	3.88	6.49	
U.S. All-Cap Equity (gross)	5.84	19.25	13.67	18.29	8.20	10.03	1/1/99
U.S. All-Cap Equity (net of fees)	5.73	18.68	13.08	17.67	7.56	9.30	
Russell 3000 Index	4.57	18.71	10.74	14.23	7.57	6.33	

The performance presented represents past performance of the composites 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. 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%.

Distinctive Attributes

Davis Advisors is distinguishable from other investment management firms in the following respects:

Independent, Employee-Owned Investment Manager Since 1969

- Our independence allows us to make what we believe are the best long-term investment decisions for our clients.
- Given our long history, we have experience investing successfully over long periods through a wide variety of market and economic conditions.

Focused, Research-Driven Organization

- All of our equity portfolios are managed according to the same investment philosophy of buying durable businesses at value prices and holding them for the long term.
- Davis Advisors builds portfolios using bottom-up portfolio construction that reflects fundamental-driven stock selection.

Long-Term, High-Conviction Investment Approach

- We select investments we believe have the potential to add significant value over a multiyear holding period.
- With this long-term perspective, we devote significant time and resources upfront to studying businesses rigorously—sometimes over the course of several years—until we build enough conviction to invest our clients' and our own capital.

Exceptional Alignment of Interests

- We believe investment managers should have a vested interest in the outcome of their clients' portfolios. The Davis family, Davis Advisors, employees, and directors have more than \$2 billion of their own money invested side by side with clients (as of June 30, 2017).

Contacts

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1. Returns for periods less than one year are not annualized. 2. Inception returns for the benchmark indices are based on the corresponding composite's inception date. 3. Returns for the period of January 1, 2005 through December 31, 2006 represent a carve out position from Davis Advisors' Global Equity Composite.

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.

Davis Advisors' Composite accounts include all actual, fee-paying, discretionary institutional accounts, mutual funds and wrap accounts under management for each investment period from the Composite inception (as identified on page 1), through the date of this report, including those accounts no longer managed. As of January 1, 2011, the Composites no longer include wrap accounts.

Effective January 1, 1998, a minimum account size of \$3,500,000 was 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. Wrap account returns are computed net of a 3% maximum wrap fee. 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.

The performance of mutual funds is included in the composites. The performance of mutual funds and private accounts may be materially different. For

example, a mutual 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.

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.

Investments in initial public offerings (IPOs) had a favorable impact on Davis Advisors' Multi-Cap Equity Composite performance in 2010. No assurance can be given that the Multi-Cap Equity composite will continue to invest in IPOs to the same extent in the future or that such investments would be profitable.

The investment objective of accounts in Davis Large Cap Value, Davis International Equity, Davis Global Equity, and Davis Multi-Cap Equity is long-term growth of capital. There can be no assurance that these accounts will achieve their objective. Each investment strategy is subject to risks. Davis Advisors' Form ADV Part 2 includes a description of the principal risks of each investment strategy. Each investment strategy may be subject to the following risks: common stock risk, depositary receipts risk, emerging markets risk, fees and expenses risk, financial services 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.

The **S&P 500 Index** is an unmanaged index of 500 selected common stocks, most of which are listed on the New York Stock Exchange. The Index is adjusted

for dividends, weighted towards stocks with large market capitalizations and represents approximately two-thirds of the total market value of all domestic common stocks. The **Russell 3000 Index** measures the performance of the 3,000 largest companies incorporated in the United States and its territories and listed on the NYSE, AMEX or NASDAQ. The companies are ranked by decreased total market capitalizations. The **MSCI ACWI (All Country World Index)** is an unmanaged, free float-adjusted, market capitalization-weighted index composed of stocks of companies located in countries throughout the world. It is designed to measure equity market performance in global developed and emerging markets. The Index includes reinvestment of dividends, net of foreign withholding taxes. The **MSCI ACWI (All Country World Index) 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.

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.

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