Large Cap Value Portfolio
All-Cap Portfolio

Fall Update 2017

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Davis ADVISORS

THE EQUITY SPECIALISTS

Davis ADVISORS

Large Cap Value Portfolio Commentary

Market Perspectives

In the year-to-date period ending September 30, 2017, the U.S. stock market advanced with the S&P 500 Index returning 14.24%. The Davis Large Cap Value Portfolio also delivered positive results, performing in line with its benchmark.[1]

Business conditions remain favorable with relatively full employment and moderate growth prospects in the United States coupled with low interest rates and inflation levels. In our view, now more than at any other point in the current business cycle investors must select companies individually using a true active management approach as businesses differ widely in their growth rates and valuations and, as a result, in their risk and return profiles.

In addition, current valuations and operating margins favor investing selectively. We continue to find value on a company-by-company basis both in businesses with wide competitive moats and room for margin expansion and earnings growth as well as in select out-of-favor businesses, particularly in the financial services and energy sectors. We have also made long-term investments in leading technology companies whose long-term growth prospects are more durable than the market recognizes in our estimation.

Portfolio Review

The Davis Large Cap Value Portfolio holds three categories of businesses including, in order of proportion:

- Dominant market leaders
- Lesser-known, "out-of-the-spotlight" businesses
- Contrarian investments[2]

A representative market leader in the Portfolio is Visa, the largest company in the global payments processing market.[3] Visa operates in a near duopoly strategically situated as the network that routes electronic payment transactions such as those on Visa-branded credit cards between banks and merchants. As a processor of transactions Visa assumes no credit risk, which is instead absorbed by its banking partners that issue cards branded with Visa's name. Visa in essence acts as a toll taker earning a fee on each transaction processed and benefits from the continued growth of electronic payments relative to cash transactions. The company has a strong competitive position due to its large installed merchant base, well-known and trusted brand, and hard to replicate and secure payment network.

Aetna, another market leader in the Portfolio, is ranked among the five largest health insurers in the United States. The company has a strong negotiating

This report includes candid statements and observations regarding investment strategies, individual securities, and economic and market conditions; however, there is no guarantee that these statements, opinions or forecasts will prove to be correct. Equity markets are volatile and an investor may lose money. **Past performance is not a guarantee of future results. 1.** Davis Advisors' Large Cap Value SMA Composite, gross of fees. The Davis Large Cap Value SMA Composite is a representation of Davis Advisors' overall results employing this strategy. Individual account performance may vary. **Past performance is not a guarantee of future results. 2.** While we research companies subject to such contingencies, we cannot be correct every time, and a company's stock may never recover. **3.** Holdings discussed in this commentary are selected according to objective, non-performance-based criteria. They are chosen each quarter according to a consistent methodology based on their weight in the Davis Advisors Large Cap Value model portfolio as well as recent purchases and recent sales and are intended only as illustrations of the Davis Investment Discipline. They are not recommendations to buy, sell or hold any security. Individual account holdings may vary.

position in most markets and has successfully branched into Medicare and Medicaid in addition to the company's commercial health insurance lines. We like Aetna's solid business model, good growth prospects and return on capital coupled with its fair valuation.

A current out-of-the-spotlight business in the Portfolio is Chubb, the largest property and casualty insurer globally. Following a successful merger with ACE in 2016, Chubb offers a variety of insurance products including homeowners, automobile, valuables, umbrella liability, professional liability, and director and officer coverage as well as coverage for niche areas such as aviation and energy. The company's strengths include a disciplined underwriting culture and a capable management team. While property and casualty insurance is a cyclical business, we believe Chubb has the financial strength to navigate through good times and bad and to continue growing shareholder wealth for many years to come.

Among the more contrarian investments in the Portfolio are select energy companies that, despite recent volatility in energy prices as well as share prices for the group as a whole, remain undervalued in our view based on their current and expected production growth per share.

An example of an out-of-favor business is Apache Corporation, a North American based energy exploration and development company focused on oil production, most notably in the Permian Basin in Texas and New Mexico. Apache's CEO John Christmann is properly focused on shareholder returns and the company completed a series of advantageous property sales in recent years using a substantial portion of the proceeds to reduce debt. We believe Apache is well positioned in today's energy price environment and holds properties offering decades of potential growth.

During the quarter, we sold our investment in Priceline in order to allocate capital to other investment opportunities.

Overall, we believe the durability and growth potential of the individually selected companies that make up the Davis Large Cap Value Portfolio position us strongly for the years and even decades to come. Our perennial investment discipline has delivered attractive and consistent long-term results over many different market and economic cycles, and we believe we have the opportunity to continue building long-term wealth for shareholders using our proven, time-tested methodology.[4]

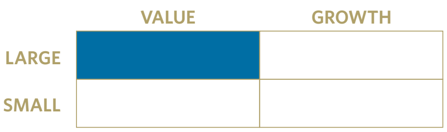
The Davis family, our firm and our employees have more than $2 billion invested side by side with clients.[5] We look forward to continuing our investment journey together. ■

4. 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. Equity markets are volatile and an investor may lose money. **5.** As of June 30, 2017.

Large Cap Value Portfolio Profile

September 30, 2017

Long-Term Capital Appreciation



Davis Large Cap Value is a portfolio of attractive businesses primarily in the U.S. selected using the time-tested Davis Investment Discipline. As one of the largest investors in the strategy, we have a unique commitment to client stewardship.

Why Invest in the Davis Large Cap Value 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 in the U.S. 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.
- **We Are Among the Largest Investors in the Strategy:** We have a unique commitment to stewardship, generating attractive long-term results, managing risks and minimizing fees.

Experienced Management

Chris Davis, *28 years with Davis Advisors*
Danton Goei, *19 years with Davis Advisors*

Our Investment Alongside Our Clients

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

Top 10 Holdings[2]

Alphabet	7.0%
Amazon.com	7.0
Berkshire Hathaway	6.2
Wells Fargo	6.2
JPMorgan Chase	5.4
Bank of New York Mellon	5.3
American Express	4.9
Apache	4.6
Capital One Financial	4.0
United Technologies	3.9

Industry Groups[3]

Diversified Financials	21.5%
Technology	16.3
Banks	12.2
Energy	12.0
Retailing	9.3
Capital Goods	6.7
Pharmaceuticals & Health Care	5.5
Automobiles & Components	4.8
Materials	4.1
Insurance	2.1
Food & Staples	2.0
Transportation	1.9
Media	1.6

Portfolio Characteristics

Portfolio Characteristics	Portfolio	S&P 500 Index
Number of Holdings	35	505
Turnover Rate (%)	14.1	4.7
Median Market Cap ($bn)	54.8	21.0
Weighted Average Market Cap ($bn)	192.4	173.1
Trailing Positive P/E Ratio	21.1	22.3
P/E Ratio FY1	20.4	19.3
P/B	3.2	4.0
Weighted Average Yield (%)	1.3	2.0
EPS Growth–Last 5 years (%)	12.2	12.2
Beta (3 years)	1.1	1.0
R-Squared	0.8	1.0

Portfolio characteristics, holdings and industry groups are subject to change. Davis Advisors classifies its Large Cap Value Portfolio as such based on its overall investment strategy. At the time of this report, this classification may or may not agree with classifications by other third party information services. **1.** Includes the Davis family, Davis Advisors, employees and directors. As of June 30, 2017. **2.** For information purposes only. Not a recommendation to buy or sell any security. **3.** Sources: Davis Advisors and Wilshire Atlas.

Davis ADVISORS

Large Cap Value Portfolio Holdings

September 30, 2017

Ticker	Security Description	Percent
MULTI	Alphabet (Class A and C)	7.0%
AMZN	Amazon.com	7.0
BRK/B	Berkshire Hathaway–Class B	6.2
WFC	Wells Fargo	6.2
JPM	JPMorgan Chase	5.4
BK	Bank of New York Mellon	5.3
AXP	American Express	4.9
APA	Apache	4.6
COF	Capital One Financial	4.0
UTX	United Technologies	3.9
FB	Facebook	3.0
ADNT	Adient PLC	2.9
AET	Aetna	2.9
ECA	Encana	2.9
JCI	Johnson Controls	2.5
TXN	Texas Instruments	2.5
OXY	Occidental Petroleum	2.1
COST	Costco Wholesale	1.9
PX	Praxair	1.9
COG	Cabot Oil & Gas	1.8
FDX	FedEx	1.8
DLPH	Delphi Automotive PLC	1.7
KMX	CarMax	1.5
LBTYK	Liberty Global PLC–Series C	1.5
AXTA	Axalta Coating Systems	1.3
ESRX	Express Scripts Holding	1.2
L	Loews	1.2
MSFT	Microsoft	1.2
UNH	UnitedHealth Group	1.1
V	Visa–Class A	1.0
CB	Chubb	0.8
ORCL	Oracle	0.8
ECL	Ecolab	0.7
QVCA	Liberty Interactive–Series A	0.3
CASH		5.0
TOTAL		**100.0%**

The above listed securities are representative of the Davis Large Cap Value Portfolio as of the indicated date. Portfolio holdings may change over time. Individual accounts may contain different securities. There is no assurance that any securities listed herein will remain in an individual account at the time you receive this report. The information provided should not be considered a recommendation to buy or sell any particular security. There can be no assurance that an investor will earn a profit and not lose money.

All-Cap Portfolio Commentary

Market Perspectives

In the year-to-date period ending September 30, 2017, the U.S. stock market advanced with the Russell 3000 Index returning 13.91%. The Davis All-Cap Portfolio also delivered positive results, outperforming its benchmark.[1]

Business conditions remain favorable with relatively full employment and moderate growth prospects in the United States coupled with low interest rates and inflation levels. In our view, now more than at any other point in the current business cycle investors must select companies individually using a true active management approach as businesses differ widely in their growth rates and valuations and, as a result, in their risk and return profiles.

In addition, current valuations and operating margins favor investing selectively. We continue to find value on a company-by-company basis both in businesses with wide competitive moats and room for margin expansion and earnings growth as well as in select out-of-favor businesses, particularly in the financial services and energy sectors. We have also made long-term investments in leading technology companies whose long-term growth prospects are more durable than the market recognizes in our estimation.

Portfolio Review

The Davis All-Cap Portfolio holds three categories of businesses including, in order of proportion:

- Dominant market leaders
- Lesser-known, "out-of-the-spotlight" businesses
- Contrarian investments[2]

A representative market leader in the Portfolio is Texas Instruments, the world's largest manufacturer of analog semiconductor chips.[3] The company designs, tests and builds a broad array of analog and embedded processing products—two areas in the semiconductor industry that offer growth, diversity and attractive financial characteristics. Both analog and embedded processing are pervasive technologies used worldwide by more than 100,000 of the company's customers. Texas Instruments has a strong competitive position in these large and highly fragmented but growing markets that should translate into expanding revenues over the long term. The company invests more than $1 billion annually in R&D to develop new products, exercises greater control over its supply chain by owning its own factories, and has strategically expanded capacity and equipment well ahead of demand. In addition to positioning Texas Instruments for growth, the company's management team distributes a substantial amount of excess cash to shareholders through dividend increases and share buybacks.

This report includes candid statements and observations regarding investment strategies, individual securities, and economic and market conditions; however, there is no guarantee that these statements, opinions or forecasts will prove to be correct. Equity markets are volatile and an investor may lose money. **Past performance is not a guarantee of future results. 1.** Davis Advisors' Multi-Cap Equity SMA Composite, gross of fees. The Davis Multi-Cap Equity SMA Composite is a representation of Davis Advisors' overall results employing this strategy. Individual account performance may vary. **Past performance is not a guarantee of future results. 2.** While we research companies subject to such contingencies, we cannot be correct every time, and a company's stock may never recover. **3.** Holdings discussed in this commentary are selected according to objective, non-performance-based criteria. They are chosen each quarter according to a consistent methodology based on their weight in the Davis Advisors Multi-Cap Equity Composite model portfolio as well as recent purchases and recent sales and are intended only as illustrations of the Davis Investment Discipline. They are not recommendations to buy, sell or hold any security. Individual account holdings may vary.

Current out-of-the-spotlight businesses in the Portfolio include Express Scripts and Eaton Corporation.

Express Scripts is a market-leading U.S.-based pharmacy benefits management firm. While the health care industry continues to undergo change, we believe Express Scripts maintains a highly durable competitive position and, trading at less than 13 times earnings, offers value to patient long-term shareholders.

Eaton Corporation is a multinational industrial conglomerate with operating units that manufacture truck and car engine components as well as hydraulic and aerospace systems used by both commercial and military aircraft. Importantly, through its 2012 acquisition of Cooper Industries, Eaton astutely acquired a leading provider of power management systems. Because of Eaton's complex conglomerate structure, the company's potential is not fully recognized by investors in our view. Eaton is a solid company that continues to improve margins and, while challenges remain, we are optimistic about the long-term prospects for this durable business.

Among the more contrarian investments in the Portfolio are select energy companies that, despite recent volatility in energy prices as well as share prices for the group as a whole, remain undervalued in our view based on their current and expected production growth per share.

An example of an out-of-favor business is Apache Corporation, a North American based energy exploration and development company focused on oil production, most notably in the Permian Basin in Texas and New Mexico. Apache's CEO John Christmann is properly focused on shareholder returns and the company completed a series of advantageous property sales in recent years using a substantial portion of the proceeds to reduce debt. We believe Apache is well positioned in today's energy price environment and holds properties offering decades of potential growth.

During the quarter we initiated a position in Intel, the U.S.-based leader in microprocessors with a market capitalization of $170 billion. Intel is the second largest semiconductor chipmaker globally based on revenue and dominates the PC, Mac, and server markets with a vast installed base of platforms that run on the company's design. We believe the company will continue to expand margins as its unit costs gradually decline while at the same time growing revenue in the high single digit range for years to come.

Overall, we believe the durability and growth potential of the individually selected companies that make up the Davis All-Cap Portfolio position us strongly for the years and even decades to come. Our perennial investment discipline has delivered attractive and consistent long-term results over many different market and economic cycles, and we believe we have the opportunity to continue building long-term wealth for shareholders using our proven, time-tested methodology.[4]

The Davis family, our firm and our employees have more than $2 billion invested side by side with clients.[5] We look forward to continuing our investment journey together. ■

4. 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. Equity markets are volatile and an investor may lose money. **5.** As of June 30, 2017.

Davis ADVISORS

All-Cap Portfolio Profile

September 30, 2017

Investment Discipline

The Davis All-Cap Portfolio applies the firm's signature research process to a portfolio of small, medium and large size companies.

- The Davis All-Cap Portfolio is team managed. The managers collaborate, sharing ideas and responsibilities for selecting the Portfolio's investments.
- The investment management team of the Davis All-Cap Portfolio has significant co-investments alongside clients in the same strategy. In addition, the team's compensation is tied to long-term investment results. These facts help to ensure an appropriate alignment of interests with clients.
- The Davis All-Cap Portfolio is appropriate for: 1) Investors who understand opportunistic strategies that are not bound by market cap, sector or industry constraints may offer the potential for attractive long-term results;[1] 2) Investors who need a diversified equity solution that offers access to small, medium and large companies; 3) Investors who already have an appreciation for Davis Advisors' signature investment approach, firm history and culture of stewardship.

Market Capitalization

Small Cap	8.1%
Mid Cap	8.0
Large Cap	83.9

Top 10 Holdings[2]

Alphabet	7.0%
Apache	6.5
Wells Fargo	5.7
Amazon.com	5.4
Cabot Oil & Gas	5.2
Encana	5.0
Adient PLC	4.6
Delphi Automotive PLC	4.2
United Technologies	4.0
Aetna	3.4

Industry Groups[3]

Technology	23.0%
Energy	19.0
Capital Goods	9.7
Automobiles & Components	9.3
Pharmaceuticals & Health Care	9.1
Retailing	8.0
Banks	7.5
Diversified Financials	5.8
Transportation	3.3
Insurance	1.8
Materials	1.8
Media	1.7

Portfolio Characteristics

	Portfolio	Russell 3000 Index
Number of Holdings	38	2,973
Turnover Rate (%)	25.9	3.1
Trailing Positive P/E Ratio	22.1	22.3
EPS Growth–Last 5 years (%)	12.0	12.7
Standard Deviation (5 years)[4]	11.3	9.8

1. An investor must be willing to accept the increased volatility which accompanies the potential for attractive long-term results. See endnotes for a description of the principal risks. **2.** For information purposes only. Not a recommendation to buy or sell any security. **3.** Sources: Davis Advisors and Wilshire Atlas. **4.** Source: Morningstar Direct.

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All-Cap Portfolio Holdings

September 30, 2017

Ticker	Security Description	Percent
MULTI	Alphabet (Class A and C)	7.0%
APA	Apache	6.5
WFC	Wells Fargo	5.7
AMZN	Amazon.com	5.4
COG	Cabot Oil & Gas	5.2
ECA	Encana	5.0
ADNT	Adient PLC	4.6
DLPH	Delphi Automotive PLC	4.2
UTX	United Technologies	4.0
AET	Aetna	3.4
ANGI	Angie's List	3.2
BRK/B	Berkshire Hathaway–Class B	3.1
ETN	Eaton PLC	2.9
COF	Capital One Financial	2.4
FB	Facebook	2.4
JCI	Johnson Controls	2.2
FDX	FedEx	1.9
JD	JD.com–ADR	1.8
UNH	UnitedHealth Group	1.8
AXTA	Axalta Coating Systems	1.7
MKL	Markel	1.7
DPLO	Diplomat Pharmacy	1.6
LBTYK	Liberty Global PLC–Series C	1.6
JPM	JPMorgan Chase	1.4
SFUN	Fang, Class A–ADR	1.3
ORCL	Oracle	1.3
CXO	Concho Resources	1.2
QUOT	Quotient Technology	1.2
TXN	Texas Instruments	1.2
ZTO	ZTO Express Cayman–ADR	1.2
AMAT	Applied Materials	1.1
ESRX	Express Scripts Holding	1.0
INTC	Intel	1.0
MSFT	Microsoft	1.0
SAP	SAP SE–ADR	1.0
DGX	Quest Diagnostics	0.8
VIPS	Vipshop Holdings–ADR	0.3
CASH		5.7
TOTAL		**100.0%**

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Investment Management Team

Christopher C. Davis joined Davis Advisors in 1989. He has more than 29 years experience in investment management and securities research. He is a portfolio manager for the Davis Large Cap Value Portfolios and a member of the research team for other portfolios. Mr. Davis received his M.A. from the University of St. Andrews in Scotland.

Danton G. Goei joined Davis Advisors in 1998. He is a portfolio manager for the Davis Large Cap Value Portfolios and a member of the research team for other portfolios. Mr. Goei received his B.A. from Georgetown University and his M.B.A. from The Wharton School. He was previously employed at Bain & Company, Morgan Stanley Asia Ltd. and Citicorp. Mr. Goei speaks multiple languages and has lived in Europe, Asia and currently resides in New York City.

Dwight C. Blazin joined Davis Advisors in 1995. He was previously a consultant for IT Consulting and Systems Design. His research analysis has been shaped by working with Shelby M.C. Davis for more than five years. Mr. Blazin received his B.A. from Brigham Young University and his M.A. and Ph.D. from New York University.

Darin Prozes joined Davis Advisors in 2004. He previously worked for the Parthenon Group, a strategy consulting firm. Mr. Prozes received his B.A. from Princeton University and his M.B.A. from Stanford University.

John Chen joined Davis Advisors in 2007. He previously was employed at Milbank, Tweed, Hadley & McCloy LLP. Mr. Chen received his B.A. from the University of Chicago and his J.D. from Georgetown University.

Pierce B.T. Crosbie joined Davis Advisors in 2008. Previously, he worked as a research analyst at Davidson Kempner Capital Management in the distressed debt group, and in the mergers and acquisitions group at RBC Capital Markets. Mr. Crosbie received his B.A. from McGill University and his M.B.A. from the Harvard Business School and is a CFA charter holder.

Kent Y. Whitaker joined Davis Advisors in 2014. Previously, he worked at Amoco Corporation, British Petroleum, Hunt Energy Corporation, and Asarco. Kent holds a B.A. from Dartmouth College, a M.S. from Miami University and a M.B.A. from the Amos Tuck Business School.

Edward Yen joined Davis Advisors in 2013. Previously, he worked at Dodge & Cox and Lehman Brothers. Mr. Yen received his B.S. from the University of California, Berkeley and his M.B.A. from Stanford University.

Davis ADVISORS

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Contact Regional Directors or Regional Representatives to arrange meetings or for information on our investment process, philosophy and performance.

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Mari Downey	Senior Regional Representative	800-717-3477 Ext. 2665	mdowney@dsaco.com

This material may be shared with existing and potential clients to provide information concerning market conditions and the investment strategies and techniques used by Davis Advisors to manage its client accounts. Please refer to Davis Advisors Form ADV Part 2 for more information regarding investment strategies, risks, fees, and expenses. Clients should also review other relevant material, including a schedule of investments listing securities held in their account.

Davis Advisors is committed to communicating with our investment partners as candidly as possible because we believe our clients benefit from understanding our investment philosophy and approach. Our views and opinions include "forward-looking statements" which may or may not be accurate over the long term. Forward-looking statements can be identified by words like "believe," "expect," "anticipate," or similar expressions. You should not place undue reliance on forward-looking statements, which are current as of the date of this report. We disclaim any obligation to update or alter any forward-looking statements, whether as a result of new information, future events or otherwise. 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.

This report discusses companies in conformance with Rule 206(4)-1 of the Investment Advisers Act of 1940 and guidance published thereunder. The companies we discuss are chosen in the following manner: starting at the beginning of the year, the holdings from a Large Cap Value and an All Cap Core model portfolio are listed in descending order based on percentage owned. Companies that reflect different weights are then selected. (For the first quarter, holdings numbered 1, 11, 21, and 31 are selected and discussed. For the second quarter, holdings numbered 2, 12, 22, and 32 are selected and discussed. This pattern then repeats itself for the following quarters. No more than two of these holdings can come from the same sector per piece.); one recent purchase and one recent sale are also discussed. A sale is defined as a position that is completely eliminated from the portfolio before the end of the quarter in question. If there were no purchases or sales, the purchases and sales are omitted from the report. If there were multiple purchases and/or sales, the purchase and sale discussed shall be the earliest to occur; no holding can be discussed if it was discussed in the previous three quarters. The information provided in this report does not provide information reasonably sufficient upon which to base an investment decision and should not be considered a recommendation to buy or sell any particular security.

There is no assurance that any of the securities discussed herein will remain in an account at the time this report is received or that securities sold have not been repurchased. The securities discussed do not represent an account's entire portfolio and in the aggregate may represent only a small percentage of any account's portfolio holdings. It should not be assumed that any of the securities discussed were or will prove to be profitable, or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the securities discussed herein. It is possible that a security was profitable over the previous five year period of time but was not profitable over the last year. In order to determine if a certain security added value to a specific portfolio, it is important to take into consideration at what time that security was added to that specific portfolio. A complete listing of all securities purchased or sold in an account, including the date and execution prices, is available upon request.

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.

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 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. Investments cannot be made directly in an index.

Davis Large Cap Value Portfolio

The performance of mutual funds is included in the Composite. The performance of the mutual funds and other Davis managed accounts may be materially different. For example, the Davis New York Venture Fund may be significantly larger than another Davis managed 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 New York Venture Fund or any other fund.

Returns from inception (April 1, 1969) through December 31, 2001, were calculated from the Davis Large Cap Value Composite (see description below). Returns from January 1, 2002, through the date of this report were calculated from the Large Cap Value SMA Composite. Davis Advisors' Large Cap Value Composite includes all actual, fee-paying, discretionary Large Cap Value investing style institutional accounts, mutual funds and wrap accounts under management including those accounts no longer managed. 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.

Davis Advisors' Large Cap Value SMA Composite excludes institutional accounts and mutual funds. Performance shown from January 1, 2002, through December 31, 2010, includes all eligible wrap accounts with a minimum account size of $3,500,000 from inception date for the first full month of account management and includes closed accounts through the last day of the month prior to the account's closing. For the performance shown from January 1, 2011, through the date of this report, the Davis Advisors' Large Cap Value SMA Composite includes all eligible wrap accounts with no account minimum from inception date for the first full month of account management and includes closed accounts through the last day of the month prior to the account's closing. The net of fees rate of return formula used by the wrap-fee style accounts is calculated based on a 3% maximum wrap fee charged by the wrap account sponsor for all account service, including advisory fees for the period January 1, 2006, and thereafter. 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 investment objective of a Davis Large Cap Value account is long-term growth of capital. There can be no assurance that Davis will achieve its objective. Davis Large Cap Value accounts invest primarily in common stock of at least $10 billion. The principal risks are: stock market risk, manager risk, common stock risk, large-capitalization companies risk, mid- and small-capitalization risk, financial services risk, foreign country risk, emerging markets risk, foreign currency risk, depositary receipts risk, and fees and expenses risk. See the ADV Part 2 for a description of these principal risks.

Davis All-Cap Portfolio

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 Opportunity Fund or any other fund.

The Davis All-Cap Equity is represented by Davis Advisors' Multi-Cap Equity Composite. Performance shown from January 1, 1999, through December 31, 2005, is the Davis Advisors' Multi-Cap Composite which includes all actual, fee paying, discretionary Multi-Cap investing style institutional accounts, mutual funds and wrap accounts under management including those accounts no longer managed. 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.

Effective January 1, 2011, Davis Advisors created a Multi-Cap SMA Composite which excludes institutional accounts and mutual funds. For performance shown from January 1, 2006, through December 31, 2010, the Davis Advisors' Multi-Cap SMA Composite includes all eligible wrap accounts with a minimum account size of $3,500,000 from inception date for the first full month of account management and includes closed accounts through the last day of the month prior to the account's closing. For the performance shown from January 1, 2011, through the date of this report, the Davis Advisors' Multi-Cap SMA Composite includes all eligible wrap accounts with no account minimum from inception date for the first full month of account management and includes closed accounts through the last day of the month prior to the account's closing. 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 investment objective of a Davis Multi-Cap Equity account is long-term growth of capital. There can be no assurance that Davis will achieve its objective. The principal risks are: stock market risk, manager risk, common stock risk, large-capitalization companies risk, mid- and small-capitalization companies risk, headline risk, foreign country risk, emerging markets risk, foreign currency risk, depositary receipts risk, and fees and expenses risk. See the ADV Part 2 for a description of these principal risks.

Small cap companies have market capitalizations less than $3 billion. Mid cap companies have market capitalizations from $3 billion to $10 billion. Large cap companies have market capitalizations greater than $10 billion. Under normal circumstances, the Multi-Cap Equity Composite invests the majority of its assets in equity securities issued by companies with market capitalizations of less than $20 billion.

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