

Unique Characteristics of the Davis All-Cap Portfolio

- 1. Investment Discipline:** Davis applies the firm's signature research process to a portfolio of small, medium and large size companies.¹
- 2. Research Team:** The Davis All-Cap Portfolio is team-managed by the same experienced group of investment professionals who conduct research for the Davis Large Cap effort. Members of the Davis All-Cap Portfolio management team select ideas to produce a portfolio that is diversified both by sector and by company size.
- 3. Culture of Stewardship:** 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.
- 4. Long-Term Results:** The Davis All-Cap Portfolio outperformed the Russell 3000® Index nine of eleven calendar years since Davis began managing this strategy in 1999. (As of December 31, 2009, net of fees.)

Who Should Consider the Davis All-Cap Portfolio

- 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.²
- Investors who need a **diversified equity** solution that offers access to small, medium and large companies.
- Investors who already have an appreciation for **Davis Advisors' signature investment approach, firm history and culture of stewardship.**

The performance discussed represents past performance 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. A maximum 3% wrap fee is not included and returns would be lower if a wrap fee were included. Total return updates are available quarterly. Please ask your financial advisor to contact Davis Advisors.

¹Davis All-Cap Portfolio may be subject to increased volatility as smaller companies typically have more limited product lines, markets and financial resources than larger companies, and their securities may trade less frequently and in more limited volume than those of larger, more mature companies. ²An Investor must be willing to accept the increased volatility which accompanies the potential for attractive long-term results. See the endnotes for a description of the principal risks.

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 II 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.

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 Opportunity 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 Opportunity Fund or any other fund.

The Davis All-Cap Portfolio is represented by Davis Advisors' Multi-Cap Equity Composite. Davis Advisors' Multi-Cap Equity Composite includes all actual, fee-paying, discretionary Multi-Cap Equity investing style institutional accounts, mutual funds and wrap accounts under management for each investment period from January 1, 1999, through the date of this report, 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. Wrap account returns are computed net of a 3% maximum wrap fee. A list of Davis Advisors' Composites is available upon request.

The investment objective of a Davis All-Cap Portfolio account is long-term growth of capital. There can be no assurance that Davis will achieve its objective. The principal risks are: market risk, company risk, small- and medium-capitalization risk, financial services risk, foreign country risk, headline risk, and selection risk. See the ADV Part II for a description of these principal risks.

Investments in initial public offerings (IPOs) had a favorable impact on Davis Advisors' performance in 1999 and 2000. This was a time when the IPO market was very active. 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.

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.

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. Investments cannot be made directly in an index.