

Davis All-Cap SMA Portfolio: Selective. Attractive Growth. Undervalued.

Today, the Davis All-Cap SMA Portfolio holdings can be characterized by three characteristics: selective, attractive growth potential and undervalued. Selectivity allows us to reject the vast majority of companies that make up the index and instead build a portfolio of

those few companies that have above-average growth and below-average valuations. This combination is a value investor's dream and should create wealth for our shareholders in the years and decades to come.

		Davis All-Cap SMA Portfolio	S&P 1500 Index
Selective	Holdings	33	1,506
Attractive Growth	EPS Growth (5 Year) ¹	18.9%	16.3%
Undervalued	P/E (Forward) ²	14.3x	17.8x

The Attractive Growth and Undervalued reference in this piece relates to underlying characteristics of the portfolio holdings. There is no guarantee that the Portfolio's performance will be positive as equity markets are volatile and an investor may lose money. **Past performance is not a guarantee of future returns.** Performance may vary.

Data is as of 6/30/19 unless otherwise specified. Number of holdings is subject to change. **1.** Historical 5 Year EPS Growth represents the annualized rate of net-income-per-share growth over the trailing five-year period for the stocks held by the Portfolio. **2.** The Forward P/E ratio is the aggregate of the Forward P/E ratios of the holdings. The ratio is not a forecast of performance and is calculated for each security by dividing the current ending price of the stock by a forecast of its projected Earnings Per Share (EPS).

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.

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. Davis Advisors uses the Davis Investment Discipline to invest a client's portfolio principally in common stocks (including indirect holdings of common stock through depository receipts). The Multi-Cap Equity strategy may invest in large, medium, or small companies without regard to market capitalization and may invest in issuers in foreign countries, including countries with developed or emerging markets. The principal risks are: common stock risk, depository 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.

The S&P 1500 Index is comprised of the S&P 500, MidCap 400, and SmallCap 600, which together represent approximately 90% of the U.S. equity market. Investments cannot be made directly in an index.