

# Davis Large Cap Value SMA Portfolio

March 31, 2024

Davis Large Cap Value is a portfolio of attractive businesses selected using the time-tested Davis Investment Discipline. The portfolio has outperformed its benchmark since inception. As one of the largest investors in the strategy, we have a unique commitment to client stewardship.<sup>1</sup>

## Unique Attributes of Davis Large Cap Value SMA Portfolio

- Equity-Focused Research Firm:**  
 Established in 1969, Davis is a leading specialist in equity investing. Our primary focus on research and unique investment discipline has built wealth for our clients over the long term.
- Portfolio of Best of Breed Businesses:**  
 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.
- Flexible, Opportunistic Approach:**  
 We believe a bottom-up stock selection process and not mirroring the benchmark index are keys to long-term outperformance. Active Share = 82%.
- We Are One of the Largest Investors:**  
 We have a unique commitment to stewardship, generating attractive long-term results and managing risks.

## Undervalued. Attractive Growth. Selective.<sup>2</sup>

		Portfolio	Index
<b>Undervalued</b>	P/E (Forward)	14.2x	21.9x
<b>Attractive Growth</b>	EPS Growth (5 Year)	16.1%	14.9%
<b>Selective</b>	Holdings	26	504

## Experienced Management

Chris Davis, 35 years with Davis Advisors  
 Danton Goei, 25 years with Davis Advisors

## Our Investment Alongside Our Clients

We have more than \$2 billion of our own money invested in Davis strategies and funds.<sup>1</sup>

## Top 10 Holdings<sup>3</sup>

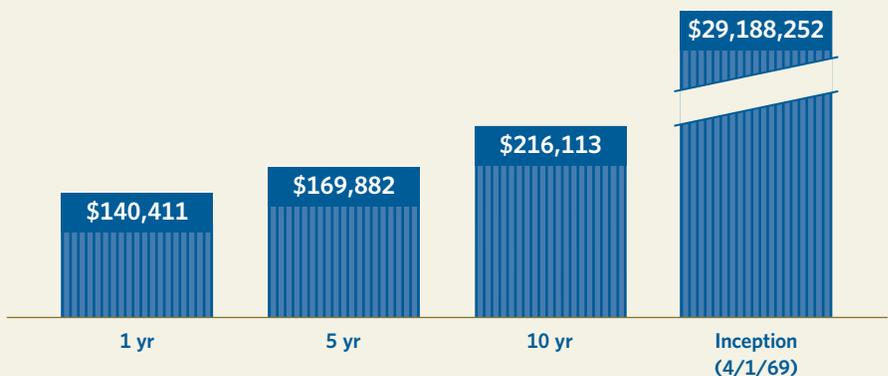
	Portfolio	Index
Amazon.com	7.0%	3.7%
Applied Materials	7.0	0.4
Berkshire Hathaway	7.0	1.7
Capital One Financial	7.0	0.1
Meta Platforms	7.0	2.4
Wells Fargo	7.0	0.5
Viatis	5.2	0.0
Humana	4.7	0.1
JPMorgan Chase	4.6	1.3
Bank of New York Mellon	4.0	0.1

## Sectors<sup>4</sup>

	Portfolio	Index
Financials	39.5%	13.2%
Health Care	15.3	12.4
Information Technology	15.1	29.4
Communication Services	12.0	9.0
Consumer Discretionary	10.7	10.3
Industrials	3.7	8.8
Materials	2.9	2.4
Consumer Staples	0.8	6.0
Energy	—	4.0
Real Estate	—	2.3
Utilities	—	2.2

## Wealth Over the Long Term<sup>5</sup>

### \$100,000 Hypothetical Investment



Net average annual total returns as of March 31, 2024 for Davis Large Cap Value SMA Composite with a 3% maximum wrap fee: 1 year, 40.41%; 5 years, 11.18%; 10 years, 8.01%. Total return assumes reinvestment of dividends. Investment return and principal value will vary so that an investor may lose money. For current, quarterly returns, please ask your financial advisor to contact Davis Advisors. Current performance may be higher or lower.

The investment strategies described herein are those of Davis Advisors. These materials are being provided for illustrative and informational purposes only. The information contained herein is obtained from multiple sources that are believed to be reliable. However, such information has not been verified, and may be different from the information included in documents and materials created by the sponsor firm in whose investment program a client participates. Some sponsor firms may require that these materials are preceded or accompanied by investment profiles or other documents or materials prepared by such sponsor firms, which will be provided upon a client's request. For additional information, documents and/or materials, please speak to your Financial Advisor.

1. As of 3/31/24. This includes Davis Advisors, the Davis family and Foundation, and our employees. 2. 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.** Five-year EPS Growth Rate (5-year EPS) is the average annualized earnings per share growth for a company over the past 5 years. The values shown are the weighted average of the 5-year EPS of the stocks in the Portfolio or Index. Forward Price/Earnings (Forward P/E) Ratio is a stock's price at the date indicated divided by the company's forecasted earnings for the following 12 months based on estimates provided by the Advisor's data provider. These values for both the Portfolio and the Index are the weighted average of the stocks in the Portfolio or Index. 3. For information purposes only. Not a recommendation to buy or sell any security. 4. Sources: Davis Advisors and Wilshire Atlas. 5. Net of fees. As of 3/31/24.

*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 investors benefit from understanding our investment philosophy and approach. Our views and opinions regarding the investment prospects of our portfolio holdings and Composite 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 when discussing prospects for particular portfolio holdings and/or the Composite. 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.

Returns from inception (4/1/69) through 12/31/01, were calculated from the Davis Large Cap Value Composite (see description below). Returns from 1/1/02, 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 1/1/98, 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 1/1/02, through 12/31/10, 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 1/1/11, 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 1/1/06, 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 large companies with market

capitalizations of at least \$10 billion. The principal risks are: 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. See the ADV Part 2 for a description of these principal risks.

Active Share is a measure of the percentage of stock holdings in a manager's portfolio that differ from the benchmark index.

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Data provided herein and references to portfolio herein is representative of a model account. Data provided is as of the date indicated and is subject to change. This material should not be considered a recommendation to buy, sell or hold any of the securities mentioned. We gather our index data from a combination of reputable sources, including, but not limited to, Wilshire, Lipper, and index websites.

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.

After 7/31/24, this material must be accompanied by a supplement containing performance data for most recent quarter end.