Large Cap Value SMA Portfolio
All-Cap SMA Portfolio

Spring Update 2019

Davis Advisors

The Equity Specialists

50 Years Davis Advisors

Portfolio Commentary

Market Perspectives

During the first quarter of 2019, the S&P 500 Index returned 13.65%, offsetting 2018's performance of –4.38%. The Davis Large Cap Value SMA strategy delivered strong returns in the period led by health care, consumer discretionary and industrials holdings while financials holdings lagged.[1]

With respect to last year's correction, we believe the pullback was long overdue based on historical experience. That said, we saw little indication the short-term volatility in stock prices reflected weakness in the underlying economy. In our view, while stocks entered correction territory in the second half of last year, the bear market in share prices was not driven by otherwise healthy business and economic fundamentals but rather by investor sentiment and macroeconomic concerns we believed would likely prove temporary. As a result, our conviction in the stocks we owned and the stocks we purchased during the period generally increased as prices declined given the strength of our strategy's companies' balance sheets, competitive moats, earnings drivers, and proven management teams, coupled with more attractive valuations. We believe our focus on selective, growing and undervalued businesses should yield attractive results over the long term.

Portfolio Review

In keeping with our philosophy of buying durable businesses at value prices and holding them for the long term, we are investing selectively in businesses with attractive valuations that meet our investment criteria of strong balance sheets, durable competitive moats and the potential for earnings to expand over time.

The Davis Large Cap Value SMA strategy holds three categories of businesses including in order of proportion:

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

Alphabet, known for its core search engine Google, is a diversified technology company with a dominant search and advertising business and a strong position in cloud computing.[3] The company is also the foremost innovator of self-driving vehicles in the U.S. as well as both a pioneer and leader in artificial intelligence, among other business activities. Alphabet is representative of what we look for in market leaders—a strong balance sheet with currently more than $100 billion of cash and liquid securities representing more than 10% of the company's market capitalization, strong competitive positions in growing markets and a proven

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. **1.** Davis Advisors' Large Cap Value (SMA) Composite. **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 well as recent purchases and recent sales and are intended only as illustrations of the Davis Investment. They are not recommendations to buy, sell or hold any security. Individual account holdings may vary.

management team and culture. While the company's revenues continue to grow at a rate of more than 22%, the company trades at a reasonable multiple of owner earnings after adjustments.

The core of the strategy consists not only of dominant market leaders but also includes a number of out-of-the-spotlight businesses in areas ranging from aerospace to conservatively-managed financial companies to health care. What these businesses have in common is they represent well-priced, growing businesses that are often overlooked by the market despite their ability to compound earnings over the long term.

Our current headline risk positions include Adient, a global manufacturer of automotive seating now in the process of correcting plant operational issues that came to light in 2018. We believe these issues are fixable given time. Meanwhile, the company's shares trade at less than five times owner earnings.

A second company in the strategy that is both out of favor and mispriced, in our opinion, is Apache, a U.S.-focused energy exploration and production company with significant operations in attractive North American basins for shale oil and gas. We believe the company's shares are overly discounted relative to expected future cash flows.

During the first quarter of 2019 we purchased shares in Quest Diagnostics, a leading independent laboratory company. We believe the company should benefit from the industry wide focus on containing health care costs as Quest's business model is designed to provide lab testing and other services at a far more reasonable cost than hospitals.

Overall, we believe our strategy is positioned to provide a diversified balance of durable, well-managed businesses with attractive growth prospects.

Since our firm's inception over 50 years ago, Davis Advisors has employed a time-tested investment discipline of buying durable businesses at attractive prices and holding them for the long term. The more than $2 billion the Davis family and Foundation, Davis Advisors, and our employees have invested in similarly managed accounts and strategies remains a true sign of our commitment to and conviction in this enduring philosophy.[4] ■

4. As of 12/31/18.

Large Cap Value SMA Portfolio Profile

March 31, 2019

Long-Term Capital Appreciation

	VALUE	GROWTH
LARGE	■	
SMALL		

Davis Large Cap Value consists of portfolios 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 Strategy

- **Equity-Focused Research Firm:** Established in 1969, Davis is a leading specialist in equity investing.[1]
- **Portfolios of Best of Breed Businesses:** The strategy 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, *30 years with Davis Advisors*
Danton Goei, *20 years with Davis Advisors*

Our Investment Alongside Our Clients

We have more than $2 billion of our own money invested in similarly managed strategies and funds.[2]

Top 10 Holdings[3]

Alphabet	7.0%
Berkshire Hathaway	7.0
Wells Fargo	7.0
Amazon.com	6.4
United Technologies	5.9
Capital One Financial	5.8
Bank of New York Mellon	5.7
Facebook	5.6
JPMorgan Chase	5.0
Apache	4.7

Industry Groups[4]

Diversified Financials	24.0%
Banks	14.8
Media & Entertainment	13.2
Capital Goods	11.1
Information Technology	10.8
Retailing	10.4
Energy	6.5
Consumer Services	3.9
Insurance	2.7
Health Care	1.7
Automobiles & Components	0.9

Portfolio Characteristics

Portfolio Characteristics	Portfolio	S&P 500 Index
Number of Holdings	28	505
Turnover Rate (%)	19.5	4.8
Median Market Cap ($bn)	82.0	21.7
Weighted Average Market Cap ($bn)	261.9	223.5
Trailing Positive P/E Ratio[5]	16.4	19.7
P/E (Forward)[6]	14.1	17.2
P/B	2.4	3.8
Weighted Average Yield (%)	1.5	2.0
EPS Growth–Last 5 years (%)[7]	20.3	15.5
Beta (3 years)	1.3	1.0
R-Squared	0.9	1.0

The average annual total returns for the Davis Large-Cap SMA Composite for periods ending March 31, 2019, after adjusting for hypothetical 3% maximum wrap fee are: 1 year, –0.78%; 5 years, 4.92%; and 10 years, 10.59%. The performance presented 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, when redeemed, an investor's shares may be worth more or less than their original cost. Current performance may be higher or lower. Total return updates are available quarterly. Please contact your Davis Advisors representative for most recent month-end returns.*

Portfolio characteristics, holdings and industry groups are subject to change. Davis Advisors classifies its Large Cap Value strategy 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. Past performance is not a guarantee of future results. 2.** As of 12/31/18. Includes Davis Advisors, Davis Family and Foundation, our employees and Fund Directors. **3.** For information purposes only. Not a recommendation to buy or sell any security. **4.** Sources: Davis Advisors and Wilshire Atlas. **5.** Trailing Positive P/E Ratio is the ratio of the closing stock price and trailing 12 months' earnings per share. Portfolio totals are computed using an Inverse Harmonic methodology (stocks with negative P/E ratios are excluded from the portfolio totals). **6.** 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). **7.** 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 Fund.

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Large Cap Value SMA Portfolio Holdings

March 31, 2019

Ticker	Security Description	Percent
MULTI	Alphabet (Class A and C)	7.0%
BRK/B	Berkshire Hathaway	7.0
WFC	Wells Fargo	7.0
AMZN	Amazon.com	6.4
UTX	United Technologies	5.9
COF	Capital One Financial	5.8
BK	Bank of NY Mellon	5.7
FB	Facebook	5.6
JPM	JPMorgan Chase	5.0
APA	Apache	4.7
AMAT	Applied Materials	4.6
AXP	American Express	4.5
EDU	New Oriental Education–ADR	3.7
BABA	Alibaba Group Holding–ADR	3.3
TXN	Texas Instruments	3.2
JCI	Johnson Controls	3.1
USB	US Bancorp	2.1
MSFT	Microsoft	1.6
DGX	Quest Diagnostics	1.6
CB	Chubb	1.5
ECA	Encana	1.5
GE	General Electric	1.5
L	Loews	1.1
ADNT	Adient PLC	0.9
ORCL	Oracle	0.9
QRTEA	Qurate Retail Group	0.2
WAB	Wabtec	0.1
CASH		4.5
TOTAL		**100.0%**

The above listed securities are representative of a model Davis Large Cap Value SMA 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.

Portfolio Commentary

Market Perspectives

During the first quarter of 2019, the S&P 500 Index returned 13.65%, offsetting 2018's performance of –4.38%. The S&P 1500 Index, a broader all-cap index, returned 13.64%, rebounding from a decline of –4.96%, in 2018. The Davis All-Cap Equity SMA strategy delivered strong returns in the period led by energy, communication services and industrials holdings while financials holdings lagged.[1]

With respect to last year's correction, we believe the pullback was long overdue based on historical experience. That said, we saw little indication the short-term volatility in stock prices reflected weakness in the underlying economy. In our view, while stocks entered correction territory in the second half of last year, the bear market in share prices was not driven by otherwise healthy business and economic fundamentals but rather by investor sentiment and macroeconomic concerns we believed would likely prove temporary. As a result, our conviction in the stocks we owned and the stocks we purchased during the period generally increased as prices declined given the strength of our strategy's companies' balance sheets, competitive moats, earnings drivers, and proven management teams, coupled with more attractive valuations. We believe our focus on select growing and undervalued businesses should yield attractive results over the long term.

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Alphabet, known for its core search engine Google, is a diversified technology company with a dominant search and advertising business and a strong position in cloud computing.[3] The company is also the foremost innovator of self-driving vehicles in the U.S. as well as both a pioneer and leader in artificial intelligence, among other business activities. Alphabet is representative of what we look for in market leaders—a strong balance sheet with currently more than $100 billion of cash and liquid securities representing more than 10% of the company's market capitalization, strong competitive positions in growing markets and a proven management team and culture. While the company's revenues continue to grow at a rate of more than 22%, the company trades at a reasonable multiple of owner earnings after adjustments.

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. **1.** Davis Advisors' Multi-Cap (SMA) Composite. **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 All-Cap 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.

SAP is another core holding in the dominant market leader category. Approximately 450,000 companies in 180 countries and spanning all major industries use SAP's enterprise solutions for business operations and customer relations' management. We believe the company's dominant, entrenched position in a rapidly growing global market, coupled with its reasonable valuation, make SAP an attractive long-term investment for the strategy.

The core of the strategy consists not only of dominant market leaders but also includes a number of out-of-the-spotlight businesses in areas ranging from aerospace to conservatively-managed financial companies to health care. What these businesses have in common is they represent well-priced, growing businesses that are often overlooked by the market despite their ability to compound earnings over the long term.

Our current headline risk positions include Adient, a global manufacturer of automotive seating now in the process of correcting plant operational issues that came to light in 2018. We believe these issues are fixable given time. Meanwhile, the company's shares trade at less than five times owner earnings.

A second company in the strategy that is both out of favor and mispriced, in our opinion, is Cabot Oil & Gas, a U.S.-focused energy exploration and production company with significant operations in attractive North American basins for shale oil and gas. We believe the company's shares are overly discounted relative to expected future cash flows.

Overall, we believe our strategy is positioned to provide a diversified balance of durable, well-managed businesses with attractive growth prospects.

Since our firm's inception more than 50 years ago, Davis Advisors has employed a time-tested investment discipline of buying durable businesses at attractive prices and holding them for the long term. The more than $2 billion the Davis family and Foundation, Davis Advisors, and our employees have invested in similarly managed accounts and strategies remains a true sign of our commitment to and conviction in this enduring philosophy.[4] ■

4. As of 12/31/18.

All-Cap SMA Portfolio Profile

March 31, 2019

Investment Discipline

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

- The Davis All-Cap strategy is team managed. The managers collaborate, sharing ideas and responsibilities for selecting the strategy's investments.
- The investment management team of the Davis All-Cap strategy has significant co-investments alongside clients in similarly managed strategies and funds. 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 strategy 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	4.7%
Mid Cap	4.2
Large Cap	91.1

Top 10 Holdings[2]

Alphabet	7.0%
United Technologies	7.0
Apache	6.6
Wells Fargo	6.2
Quest Diagnostics	6.0
Amazon.com	5.0
Johnson Controls	4.9
Encana	4.0
Capital One Financial	3.1
Berkshire Hathaway	2.9

Industry Groups[3]

Capital Goods	20.9%
Information Technology	13.7
Energy	13.1
Media & Entertainment	11.7
Health Care	10.7
Retailing	10.1
Banks	6.5
Diversified Financials	6.3
Automobiles & Components	5.1
Insurance	1.9

Portfolio Characteristics

	Portfolio	S&P 1500 Index
Number of Holdings	34	1,506
Turnover Rate (%)	26.5	5.4
Trailing Positive P/E Ratio[4]	18.1	19.6
EPS Growth–Last 5 years (%)[5]	16.0	15.5
Standard Deviation (5 years)[6]	13.7	11.3

Portfolio characteristics, holdings and industry groups are subject to change. Davis Advisors classifies its All-Cap strategy 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.** An investor must be willing to accept the increased volatility which accompanies the potential for attractive long-term results. **2.** For information purposes only. Not a recommendation to buy or sell any security. **3.** Sources: Davis Advisors and Wilshire Atlas. **4.** Trailing Positive P/E Ratio is the ratio of the closing stock price and trailing 12 months' earnings per share. Portfolio totals are computed using an Inverse Harmonic methodology (stocks with negative P/E ratios are excluded from the portfolio totals). **5.** 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 Fund. **6.** Source: Morningstar Direct.

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All-Cap SMA Portfolio Holdings

March 31, 2019

Ticker	Security Description	Percent
MULTI	Alphabet (Class A and C)	7.0%
UTX	United Technologies	7.0
APA	Apache	6.6
WFC	Wells Fargo	6.2
DGX	Quest Diagnostics	6.0
AMZN	Amazon.com	5.0
JCI	Johnson Controls	4.9
ECA	Encana	4.0
COF	Capital One Financial	3.1
BRK/B	Berkshire Hathaway	2.9
ETN	Eaton PLC	2.9
FB	Facebook	2.8
QRVO	Qorvo	2.7
APTV	Aptiv PLC	2.6
GE	General Electric	2.5
INTC	Intel	2.5
JD	JD.com–ADR	2.5
ADNT	Adient PLC	2.3
QUOT	Quotient Technology	2.2
ORCL	Oracle	2.1
COG	Cabot Oil & Gas	2.0
UNH	UnitedHealth Group	2.0
MKL	Markel	1.8
TXN	Texas Instruments	1.7
AMAT	Applied Materials	1.5
FERGY	Ferguson PLC–ADR	1.5
CI	Cigna	1.4
IQ	IQIYI–ADR	1.4
MSFT	Microsoft	1.4
OC	Owens Corning	1.3
SAP	SAP SE–ADR	1.2
CVS	CVS Health	0.9
WAB	Wabtec	0.1
CASH		4.0
TOTAL		**100.0%**

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Investment Management Team

Christopher C. Davis joined Davis Advisors in 1989. He has more than 30 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.

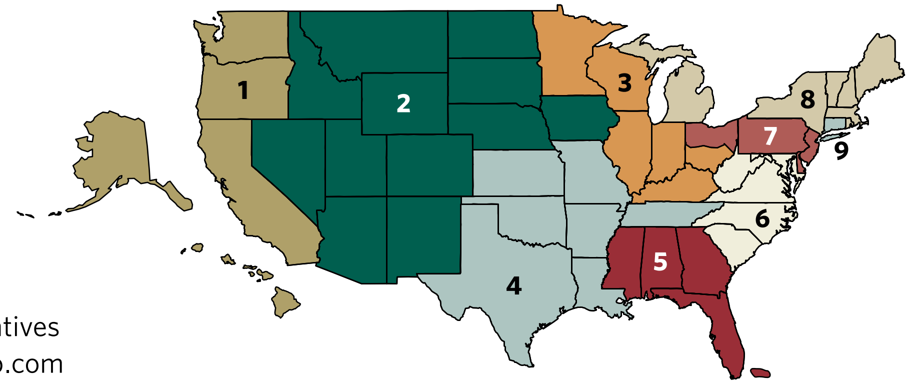
Pierce B.T. Crosbie joined Davis Advisors in 2008. He is a portfolio manager for the Financial Portfolios and is a member of the research team for other portfolios. Previously, he worked as a research analyst at Davidson Kempner Capital Management in the distressed debt group, and in the mergers and 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. Mr. Whitaker 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

Contacts



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

1	**West Coast** Alaska, California, Hawaii, Oregon, Washington			
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	Jon Franke	Senior Regional Representative	800-717-3477 Ext. 2663	jfranke@dsaco.com
2	**Central** Arizona, Colorado, Idaho, Iowa, Montana, Nebraska, Nevada, New Mexico, North Dakota, South Dakota, Utah, Wyoming			
	Dan Steichen	Regional Director	800-279-2279 Ext. 2262	dsteichen@dsaco.com
	Sean Lynch	Senior Regional Representative	800-717-3477 Ext. 2675	slynch@dsaco.com
3	**Great Lakes** Illinois, Indiana, Kentucky, Minnesota, Southern Ohio, Wisconsin			
	Bill Coughlin	Regional Director	800-279-2279 Ext. 3783	bcoughlin@dsaco.com
	Nancy Brennan	Senior Regional Representative	800-717-3477 Ext. 2679	nbrennan@dsaco.com
4	**South Central** Arkansas, Kansas, Louisiana, Missouri, Oklahoma, Tennessee, Texas			
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5	**Southeast** Alabama, Florida, Georgia, Mississippi, Puerto Rico			
	Peter Yensel	Regional Director	800-279-2279 Ext. 3785	pyensel@dsaco.com
	Mike Longoni	Senior Regional Representative	800-717-3477 Ext. 2261	mlongoni@dsaco.com
6	**Mid-Atlantic** Maryland, North Carolina, South Carolina, Virginia, Washington DC, West Virginia			
	Mari Downey	Senior Regional Representative	800-717-3477 Ext. 2665	mdowney@dsaco.com
7	**North Atlantic** Delaware, New Jersey, Northern Ohio, Pennsylvania			
	Reed Finley	Regional Director	800-279-2279 Ext. 6906	rfinley@dsaco.com
	Ilia Geronov	Senior Regional Representative	800-717-3477 Ext. 2677	igeronov@dsaco.com
8	**Northeast** Maine, Massachusetts, Michigan, New Hampshire, Northern New York, Rhode Island, Vermont			
	Steve Coyle	Regional Director	800-279-2279 Ext. 3790	coyle@dsaco.com
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9	**New York City** Connecticut, Southern New York			
	Jim Ambrosio	Regional Director	800-279-2279 Ext. 3787	jambrosio@dsaco.com
	Laurel Hardy	Senior Regional Representative	800-717-3477 Ext. 2683	lhardy@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. As this is primarily a domestic equity strategy, no more than one foreign holding will be discussed in any report. If more than one foreign holding would be discussed based on the criteria above, the holding with the largest percent of assets in the model portfolio would be chosen. However, if the model portfolio has an aggregate foreign holding percentage that is greater than 15% the commentary would include a discussion of the largest foreign holding in the model portfolio that has not been 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 **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. 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 (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 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

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 Equity is represented by Davis Advisors' Multi-Cap Equity Composite. Performance shown from 1/1/99, through 12/31/05, 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 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. 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 1/1/11, Davis Advisors created a Multi-Cap SMA Composite which excludes institutional accounts and mutual funds. For performance shown from 1/1/06, through 12/31/10, 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 1/1/11, 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.

After 7/31/19, this material must be accompanied by a supplement containing performance data for most recent quarter end.

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Item #3845 3/19