Large Cap Value SMA Portfolio
All-Cap SMA Portfolio

Summer Update 2019

Commentary

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Davis ADVISORS

THE EQUITY SPECIALISTS

50 YEARS DAVIS ADVISORS

Portfolio Commentary

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In the year-to-date period, the Davis Large Cap Value SMA Portfolio delivered double-digit returns, building further on our long-term record of growing wealth for our clients. Our investment approach seeks to add value over multi-year holding periods. It is important to us, therefore, that historically, the longer clients have remained invested in Large Cap Value strategy, the more likely they have realized positive wealth building. Over the most recent one, five and ten year periods, a $100,000 investment in Davis Large Cap Value SMA Strategy grew to $98,245, $127,393 and $238,649, respectively.[1]

Portfolio Review

Our performance relative to the S&P 500 Index this year and calendar year 2018 has been strongly influenced by our conscious positioning, which reflects our assessment of where true value resides in the broader market, and by where we feel risks have increased and should be avoided (the so-called "dividend darlings" being the notable example in our view).

On the first question of where we are positioned, we currently hold 26 high-conviction equity positions in what we believe are durable businesses that have delivered above-average earnings-per-share growth of more than 22% per year over the last five years. They are trading at only 14.3 times forward earnings despite this compelling and attractive growth rate.

	Portfolio	Index
P/E (Forward)	14.3x	17.9x
EPS Growth (5 Year)	22.4%	16.4%
Holdings	26	505

The S&P 500 Index, by comparison, holds 505 securities with an approximate average position size of 0.20%, which we believe is overly-diversified and not focused enough on a set of best ideas. The index has grown earnings per share at a rate of more than 16% over the trailing five years, 6% below the Davis Large Cap Value SMA Portfolio's companies' record. Despite this earnings growth difference, the S&P 500 Index's underlying holdings actually trade at a much higher valuation of 17.9 times forward earnings than those of our Portfolio, whose average valuation is only a multiple of 14.3.

It is worth noting that many of the market's leading performers have relatively high valuations and should be avoided at this time, in our opinion. The corollary to this is that elsewhere in the market, stocks have lagged the broader average. It has come to the point where we believe the market is now presenting stockpickers with a rare opportunity to buy extremely robust earnings growth at discounted prices. Furthermore, most of our holdings have fortress balance sheets, and we always seek discernible competitive advantages—both of which are important buffers against many different types of risks.

We believe this market setup is ideally suited for our approach of buying durable, growing businesses at value prices and holding them for the long term; we believe this may provide a powerful springboard from which to generate attractive future returns.

Given the opportunity today to purchase durable growth at discounted prices, we are finding the most value, broadly speaking, in:

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.** The Davis Large Cap Value portfolio is represented by Davis Advisors' Large Cap Value (SMA) Composite. **Past performance is not a guarantee of future results. Based on a hypothetical $100,000 investment in the Portfolio.**

- **Financials—**a natural core of the Portfolio, based on cash earnings generation, soundness of balance sheets, attractive returns on equity, and very cheap valuations, with many of our top holdings trading at 9–11 times owner earnings. Much of our thesis for financials is predicated on the belief that return of capital through rapidly rising dividends and large share buybacks will constitute a large portion, and in some instances the majority, of our expected total return. One of our top bank holdings, for instance, has a 3.8% dividend yield, earns more than $27 billion pre-tax, and returned more than $24 billion to shareholders in 2018 alone. Meanwhile, its multiple is roughly 10 times earnings. Other financial businesses in the portfolio share similar attributes.

- **Consumer businesses—**companies that can benefit from strong consumption trends, both in the U.S. and internationally. The growth of the online dominant players is explained in no small part by the growing penetration of online versus offline businesses around the world. Taking retail as an example, within the U.S., only 10% of retail volume is online today, and this secular trend is still in its infancy. Globally, that share is even smaller but is growing at double-digit rates. In other words, the online theme has a long runway for stockpickers searching for selective companies that are natural beneficiaries of Internet-enabled business models; these opportunities touch multiple geographies and are creating disruption (and opportunities) in consumer-related industries ranging from retail to media to video gaming.

- **Technology—**With more than 50 years of history investing in technology, we are very comfortable owning many different segments of the sector, including Amazon, Oracle, Applied Materials, and Intel.[2] Our recent additions have primarily been in the semiconductor space, where we believe valuations are low, even on trough earnings. Other technology businesses possess strong cloud businesses, enterprise software cash cow businesses, leadership positions in artificial intelligence, dominant online video services, and video gaming.

- **Industrials—**Our interest in this sector lies primarily in the aerospace industry, as evidenced by our positions in certain companies, such as a leader in the manufacturing and services of jet engines. Our thesis is based on the fact that the world supply of passenger and cargo jets is woefully behind demand. This is because global expansion of air travel linkages is running into a bottleneck on the assembly lines of the two largest airplane manufacturers. The backlog of orders for both is measured in years, not months. As such, we feel the manufacturers who make the engines and provide high-margin maintenance parts and services over the life of planes are exceptionally well-positioned to grow with aerospace around the world. In addition, in the past year, we sold our position in Wabtec, a manufacturing company in the railway industry, to reallocate our capital to other opportunities.

- **Energy—**Our interest lies primarily in North American shale players today. There is a select list of companies with excellent, high-productivity acreage that should, within the very near future, begin producing oil and natural gas at increasing rates. Our observation is that the performance of this group has reflected widespread capitulation among investors in this sector, driving down valuations to bargain prices. We understand the contrarian posture this represents. We are invested in this sector because we do not believe the market's price accurately reflects the growth potential of our names, on the one hand; on the other hand, we believe the market under-appreciates the companies' staying power—as expressed in balance sheet liquidity. In addition, we own relatively mid-size companies; hence, we believe there are two ways to win—organically or by acquisition. Either way, we see real value in this extremely beaten-down sector.

2. 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 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.

However markets behave for a time, we must at all times remain singularly focused on pursuing investments that, at the business and industry level, represent acceptable and attractive long-term opportunities to us and our clients. Historically, the longer clients have remained invested in the Large Cap Value strategy the more likely they have realized positive wealth building. We believe that an ability to look through the current market gyrations and recognize the confidence we have in businesses we own is critical to staying the course. For suitable clients, this may also be an attractive time to add further capital, given the opportunity set.

Conclusion

The following summarizes our views relative to today's markets and the Portfolio:

- Selectivity, earnings growth and value are a powerful combination that is possible to achieve in a single portfolio, based on today's excellent market opportunities.

	Portfolio	Index
P/E (Forward)	14.3x	17.9x
EPS Growth (5 Year)	22.4%	16.4%
Holdings	26	505

- Equities remain the most attractive asset class long-term versus bonds and cash.
- Current events such as the U.S.-China trade dispute, while a headwind to the market's advance, should eventually de-escalate, which we believe would be bullish for equities—and the market has successfully proven its resilience during much more serious tensions over the course of history.
- Economic and business fundamentals remain generally healthy in the U.S.
- The current market conditions are favorable to active stockpickers.

At Davis Advisors, we seek to purchase durable, growing businesses at value prices and hold them for the long term. Since our firm's inception more than 50 years ago, we have adhered to the same, time-tested investment philosophy and rigorous research process of buying durable businesses at attractive prices and holding them for the long term. The more than $2 billion Davis Advisors, the Davis family and Foundation, our employees, and Fund directors have invested in similarly managed accounts and strategies remains a true sign of our commitment to and conviction in this enduring philosophy.[3] ■

3. As of 6/30/19.

Davis Large Cap Value SMA Portfolio

June 30, 2019

Davis Large Cap Value is a portfolio of attractive businesses primarily in the U.S. 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.

Unique Attributes of Davis Large Cap Value SMA

- **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.
- **Portfolios 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.
- **Flexible, Opportunistic Approach:** We believe a bottom-up stock selection process and not mirroring the benchmark index are keys to long-term outperformance.
- **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[1]

		Fund	Index
Undervalued	P/E (Forward)	14.3x	17.9x
Attractive Growth	EPS Growth (5 Year)	22.4%	16.4%
Selective	Holdings	26	505

Experienced Management

Chris Davis, *30 years with Davis Advisors*
Danton Goei, *21 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.[3]

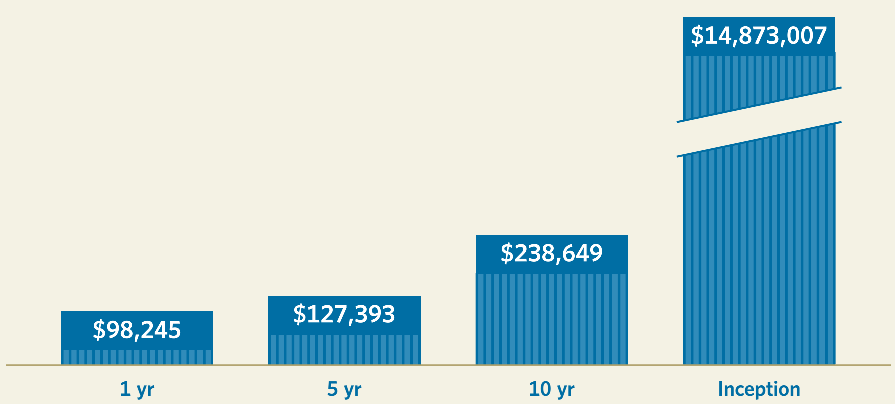
Top 10 Holdings[2]

	Portfolio	Index
Alphabet	7.0%	2.7%
Amazon.com	7.0	3.2
Berkshire Hathaway	7.0	1.7
Wells Fargo	6.6	0.8
Capital One Financial	6.4	0.2
United Technologies	6.0	0.4
Facebook	5.4	1.9
JPMorgan Chase	5.3	1.5
American Express	5.0	0.4
Applied Materials	5.0	0.2

Sectors[4]

	Portfolio	Index
Financials	42.0%	14.4%
Consumer Discretionary	16.7	10.2
Information Technology	13.8	20.1
Communication Services	13.1	10.2
Industrials	6.4	9.4
Energy	5.3	5.0
Health Care	2.7	14.2
Consumer Staples	0.0	7.3
Utilities	0.0	3.3
Real Estate	0.0	3.1
Materials	0.0	2.8

LCV SMA Portfolio Has Grown Shareholder Wealth Over the Long Term[5]



***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 ask your financial advisor to contact Davis Advisors. See endnotes for a description of the Composite.*

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.** 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. **2.** For information purposes only. Not a recommendation to buy or sell any security. **3.** As of 6/30/19. Includes Davis Advisors, Davis Family and Foundation, our employees and Fund Directors. **4.** Sources: Davis Advisors and Wilshire Atlas. **5.** Based on a hypothetical $100,000 investment in the Portfolio. **Past performance is not a guarantee of future results.**

Davis ADVISORS

Large Cap Value SMA Portfolio Holdings

June 30, 2019

Ticker	Security Description	Percent
MULTI	Alphabet	7.0%
AMZN	Amazon.com	7.0
BRK/B	Berkshire Hathaway	7.0
WFC	Wells Fargo	6.6
COF	Capital One Financial	6.4
UTX	United Technologies	6.0
FB	Facebook	5.4
JPM	JPMorgan Chase	5.3
AXP	American Express	5.0
AMAT	Applied Materials	5.0
BK	Bank of NY Mellon	4.6
EDU	New Oriental Education & Technology	4.3
APA	Apache	4.0
TXN	Texas Instruments	3.3
BABA	Alibaba Group Holding	3.0
DGX	Quest Diagnostics	2.5
USB	US Bancorp	2.1
INTC	Intel	1.9
MSFT	Microsoft	1.9
CB	Chubb	1.6
ADNT	Adient PLC	1.3
L	Loews	1.2
ECA	Encana	1.0
ORCL	Oracle	0.9
QRTEA	Qurate Retail Group	0.2
CASH		5.5
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

In the year-to-date period, the Davis All-Cap Equity SMA Portfolio delivered double-digit returns, building further on our long-term record of growing wealth for our clients. Our investment approach seeks to add value over multi-year holding periods. It is important to us, therefore, that historically, the longer clients have remained invested in the All-Cap Equity strategy, the more likely they have realized positive wealth building. Over the most recent one, five and ten year periods, a $100,000 investment in Davis All-Cap SMA Strategy grew to $91,125, $122,590, and $249,715, respectively.[1]

Portfolio Review

Our performance this year has been strongly influenced by our conscious positioning, which reflects our assessment of where true value resides in the broader market, and by where we feel risks have increased and should be avoided (the so-called "dividend darlings" being the notable example in our view).

On the first question of where we are positioned, we currently hold 33 high-conviction equity positions in what we believe are durable businesses that have delivered above-average earnings-per-share growth of almost 19% per year over the last five years. They are trading at only 14.3 times forward earnings despite this compelling and attractive growth rate.

	Portfolio	Index
P/E (Forward)	14.3x	17.8x
EPS Growth (5 Year)	18.9%	16.3%
Holdings	33	1,506

The S&P 1500 Index, by comparison, holds 1,506 securities with an approximate average position size of 0.07%, which we believe is overly-diversified and not focused enough on a set of best ideas. The index has grown earnings per share at a rate of more than 16% over the trailing five years, nearly 3% below the SMA Portfolio's companies' record. Despite this earnings growth difference, the S&P 1500 Index's underlying holdings actually trade at a much higher valuation of 17.8 times forward earnings than those of our Portfolio, whose average valuation is only a multiple of 14.3.

It is worth noting that many of the market's leading performers have relatively high valuations and should be avoided at this time, in our opinion. The corollary to this is that elsewhere in the market, stocks have lagged the broader average. It has come to the point where we believe the market is now presenting stockpickers with a rare opportunity to buy extremely robust earnings growth at discounted prices. Furthermore, most of our holdings have fortress balance sheets, and we always seek discernible competitive advantages—both of which are important buffers against many different types of risks.

However markets behave for a time, we must at all times remain singularly focused on pursuing investments that, at the business and industry level, represent acceptable and attractive long-term opportunities to us and our clients. Historically, the longer clients have remained invested in the All-Cap Equity strategy, the more likely they have realized positive wealth building. We believe that an ability to look through the current market gyrations and recognize the confidence we have in businesses we own is critical to staying the course. For suitable clients, this may also be an attractive time to add further capital, given the opportunity set.

We believe this market setup is ideally suited for our approach of buying durable, growing businesses at value prices and holding them for the long term; we believe this may provide a powerful springboard from which to generate attractive future returns.

 1. The Davis All Cap Equity portfolio is represented by Davis Advisors' Multi-Cap (SMA) Composite. **Past performance is not a guarantee of future results.** Based on a hypothetical $100,000 investment in the Portfolio.

Given the opportunity set today, it is possible to purchase durable growth at discounted prices. The areas where we are finding the most value are:

- **Financials—**a natural core part of the Portfolio, based on cash earnings generation, soundness of balance sheets, attractive returns on equity, and very cheap valuations, with many of our top holdings such as Capital One Financial, trade at a modest 9–11 times owner earnings. Much of our thesis for financials is predicated on the belief that return of capital through rapidly rising dividends and large share buybacks will constitute a large portion, and in some instances the majority, of our expected total return. One of our top bank holdings, for instance, has a 3.8% dividend yield, earns more than $27 billion pre-tax, and returned more than $24 billion to shareholders in 2018 alone. Meanwhile, its multiple is roughly 10 times earnings. Other financial businesses in the portfolio share similar attributes.

- **Consumer businesses—**companies that can benefit from strong consumption trends, both in the U.S. and internationally. The growth of the online dominant players is explained in no small part by the growing penetration of online versus offline businesses around the world. Taking retail as an example, within the U.S., only 10% of retail volume is online today, and this secular trend is still in its infancy. Globally, that share is even smaller but is growing at double-digit rates. In other words, the online theme has a long runway for stockpickers searching for selective companies that are natural beneficiaries of Internet-enabled business models; these opportunities touch multiple geographies and are creating disruption (and opportunities) in consumer-related industries ranging from retail to media to video gaming. While most of our consumer-facing businesses are based in the U.S., we also have an expertise in the online businesses in other geographies and hold a position in IQIYI, a leader in video streaming in China.[2]

- **Technology—**With more than 50 years of history investing in technology, we are very comfortable owning many different segments of the sector. Our recent additions have primarily been in the semiconductor space, where we believe valuations are low, even on trough earnings. Other technology businesses possess strong cloud businesses, enterprise software cash cow businesses, leadership positions in artificial intelligence, dominant online video services, and video gaming.

- **Industrials—**Our interest in this sector lies primarily in the aerospace industry, as evidenced by our positions in companies like United Technologies, a leader in the manufacturing and services of jet engines. Our thesis is based on the fact that the world supply of passenger and cargo jets is woefully behind demand. This is because global expansion of air travel linkages is running into a bottleneck on the assembly lines of the two largest airplane manufacturers. The backlog of orders for both is measured in years, not months. As such, we feel the manufacturers who make the engines and provide high-margin maintenance parts and services over the life of planes are exceptionally well-positioned to grow with aerospace around the world. In addition, in the past year, we sold our position in Wabtec, a manufacturing company in the railway industry, to reallocate our capital to other opportunities.

- **Energy—**Our interest lies primarily in North American shale players today. There is a select list of companies with excellent, high-productivity acreage that should, within the very near future, begin producing oil and natural gas at increasing rates. Our observation is that the performance of this group has reflected widespread capitulation among investors in this sector, driving down valuations to bargain prices. We understand the contrarian posture this represents. We are invested in this sector because we do not believe the market's price accurately reflects the growth

2. 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.

potential of our names, on the one hand; on the other hand, we believe the market under-appreciates the companies' staying power—as expressed in balance sheet liquidity. In addition, we own relatively mid-size companies; hence, we believe there are two ways to win—organically or by acquisition. Either way, we see real value in this extremely beaten-down sector.

- **Healthcare—**a contrarian investment currently, with insurers such as Cigna and Humana in particular out of favor. While uncertainty exists relative to potential healthcare policy proposals in the future, we believe current valuations are attractive enough to provide a margin of safety.

Conclusion

The following summarizes our views relative to today's markets and the Portfolio:

- Selectivity, earnings growth and value are a powerful combination that is possible to achieve in a single portfolio, based on today's excellent market opportunities.

	Portfolio	Index
P/E (Forward)	14.3x	17.8x
EPS Growth (5 Year)	18.9%	16.3%
Holdings	33	1,506

- Equities remain the most attractive asset class long-term versus bonds and cash.

- Current events such as the U.S.-China trade dispute, while a headwind to the market's advance, should eventually de-escalate, which we believe would be bullish for equities—and the market has successfully proven its resilience during much more serious tensions over the course of history.

- Economic and business fundamentals remain generally healthy in the U.S.

- The current market conditions are favorable to active stockpickers.

At Davis Advisors, we seek to purchase durable, growing businesses at value prices and hold them for the long term. Since our firm's inception more than 50 years ago, we have adhered to the same, time-tested investment philosophy and rigorous research process of buying durable businesses at attractive prices and holding them for the long term. The more than $2 billion Davis Advisors, the Davis family and Foundation, our employees, and Fund directors have invested in similarly managed accounts and strategies remains a true sign of our commitment to and conviction in this enduring philosophy.[3] ■

3. As of 6/30/19.

Davis ADVISORS

Davis All-Cap SMA Portfolio

June 30, 2019

Davis All-Cap SMA is a portfolio of small, medium and large companies 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.

Unique Attributes of Davis All-Cap SMA

- **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.
- **Portfolios of Best of Breed Businesses:** The Portfolio invests in businesses and is not bound by market cap, sector or industry constraints. 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.
- **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[1]

		Fund	Index
Undervalued	P/E (Forward)	14.3x	17.8x
Attractive Growth	EPS Growth (5 Year)	18.9%	16.3%
Selective	Holdings	33	1,506

Market Capitalization

Large Cap	84.1%
Mid Cap	9.9
Small Cap	6.0

Top 10 Holdings[2]

	Portfolio	Index
Alphabet	7.0%	2.4%
Quest Diagnostics	7.0	0.1
United Technologies	7.0	0.4
Wells Fargo	6.1	0.7
Amazon.com	5.6	2.9
Encana	5.0	—
Apache	4.3	0.0
UnitedHealth Group	4.3	0.9
Capital One Financial	4.2	0.2
Humana	3.3	0.1

Experienced Management

The research team has an average of 18 years investment experience.

Sectors[3]

	Portfolio	Index
Health Care	17.7%	13.9%
Industrials	16.9	10.1
Financials	16.0	14.6
Consumer Discretionary	14.7	10.4
Information Technology	14.4	19.6
Energy	10.8	4.9
Communication Services	9.5	9.5
Consumer Staples	0.0	6.9
Real Estate	0.0	3.6
Utilities	0.0	3.4
Materials	0.0	3.1

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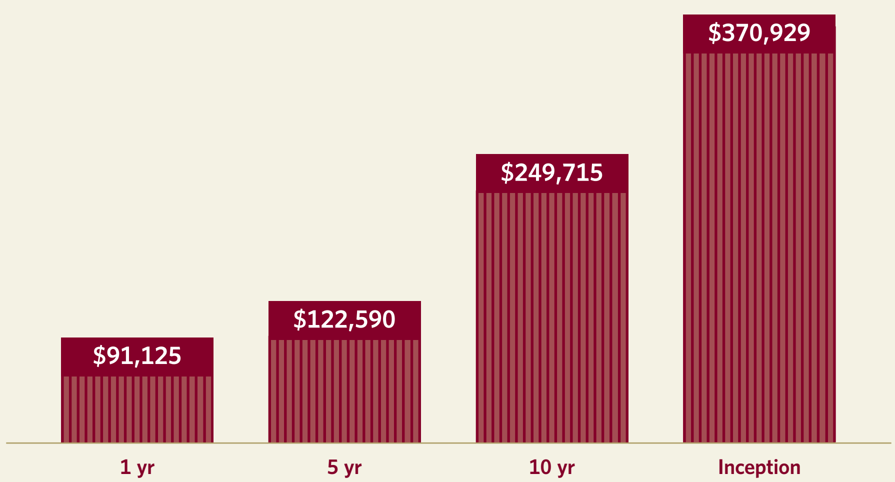
All-Cap SMA Portfolio Has Grown Shareholder Wealth Over the Long Term[4]



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 ask your financial advisor to contact Davis Advisors. See endnotes for a description of the Composite.*

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.** 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. **2.** For information purposes only. Not a recommendation to buy or sell any security. **3.** Sources: Davis Advisors and Wilshire Atlas. **4.** Based on a hypothetical $100,000 investment in the Portfolio. **Past performance is not a guarantee of future results.**

All-Cap SMA Portfolio Holdings

June 30, 2019

Ticker	Security Description	Percent
MULTI	Alphabet	7.0%
DGX	Quest Diagnostics	7.0
UTX	United Technologies	7.0
WFC	Wells Fargo	6.1
AMZN	Amazon.com	5.6
ECA	Encana	5.0
APA	Apache	4.3
UNH	UnitedHealth Group	4.3
COF	Capital One Financial	4.2
HUM	Humana	3.3
ETN	Eaton PLC	3.1
BRK/B	Berkshire Hathaway	3.0
JCI	Johnson Controls PLC	2.9
QRVO	Qorvo	2.8
ADNT	Adient PLC	2.4
INTC	Intel	2.4
JD	JD.com	2.4
QUOT	Quotient Technology	2.3
MKL	Markel	2.0
AMAT	Applied Materials	1.8
TXN	Texas Instruments	1.8
MSFT	Microsoft	1.7
ORCL	Oracle	1.7
OC	Owens Corning	1.6
FERGY	Ferguson PLC	1.5
SAP	SAP SE	1.5
CI	Cigna	1.4
APTV	Aptiv PLC	1.3
FB	Facebook	1.1
CVS	CVS Health	1.0
IQ	IQIYI	1.0
MGY	Magnolia Oil & Gas	1.0
CASH		4.5
TOTAL		**100.0%**

The above listed securities are representative of a model Davis All-Cap 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.

Davis ADVISORS

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. 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.

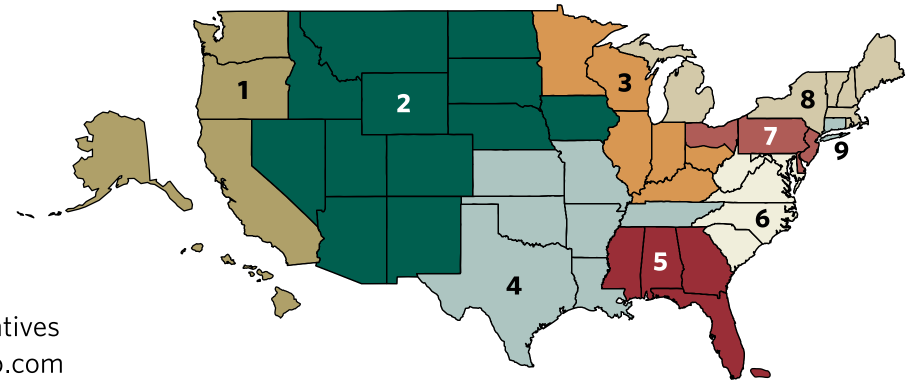
Edward Yen joined Davis Advisors in 2013. Previously, he worked at Dodge & Cox and Lehman Brothers. Mr. Yen received his B.S. from the University of California, Berkeley and his M.B.A. from Stanford University.

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.

Benjamin Betcher, CFA joined Davis Advisors in 2017. Previously, he worked as a research analyst at Sanford Bernstein and as head of finance at Ampush Media. Mr. Betcher received his B.S. from Tufts University and is a CFA charter holder.

Sobby Arora, CFA joined Davis Advisors in 2017. Previously, he worked as a research analyst at Federated Global Investment Management and ING Investment Management. Mr. Arora received his B.A. from Colgate University, his M.B.A. from The Stern School of Business and is a CFA charter holder.

Contacts



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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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2	**Central** Arizona, Colorado, Idaho, Iowa, Montana, Nebraska, Nevada, New Mexico, North Dakota, South Dakota, Utah, Wyoming			
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3	**Great Lakes** Illinois, Indiana, Kentucky, Minnesota, Southern Ohio, Wisconsin			
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4	**South Central** Arkansas, Kansas, Louisiana, Missouri, Oklahoma, Tennessee, Texas			
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5	**Southeast** Alabama, Florida, Georgia, Mississippi, Puerto Rico			
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6	**Mid-Atlantic** Maryland, North Carolina, South Carolina, Virginia, Washington DC, West Virginia			
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7	**North Atlantic** Delaware, New Jersey, Northern Ohio, Pennsylvania			
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8	**Northeast** Maine, Massachusetts, Michigan, New Hampshire, Northern New York, Rhode Island, Vermont			
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9	**New York City** Connecticut, Southern New York			
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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 10/31/19, this material must be accompanied by a supplement containing performance data for most recent quarter end.

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