

## Davis Large Cap Value SMA Portfolio: Selective. Attractive Growth. Undervalued.

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

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

		Davis Large Cap Value SMA Portfolio	S&P 500 Index
Selective	Holdings	26	505
Attractive Growth	EPS Growth (5 Year) <sup>1</sup>	22.4%	16.4%
Undervalued	P/E (Forward) <sup>2</sup>	14.3x	17.9x

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

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

*This material may be shared with existing and potential clients to provide information concerning market conditions and the investment strategies and techniques used by Davis Advisors to manage its client accounts. Please refer to Davis Advisors Form ADV Part 2 for more information regarding investment strategies, risks, fees, and expenses. Clients should also review other relevant material, including a schedule of investments listing securities held in their account.*

The investment objective of a Davis 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, depository 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.

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.