

About Davis Advisors

Davis Advisors is an independent money management firm founded in 1969, with institutional and individual clients worldwide.

All-Cap Equity Strategy Summary

- Fundamentals-based, bottom-up research conducted in-house
- All-Cap Equity portfolio holdings represent high conviction ideas from a universe of investment opportunities across market capitalizations
- Benchmark agnostic
- Team-managed
- Significant co-investment in strategy

Performance Summary

The Davis investment discipline starts with the premise that stocks represent fractional ownership in real businesses. We seek to purchase durable businesses at value prices and hold them for the long term. We believe that owning shares of well-managed businesses with attractive reinvestment rates, purchased at reasonable valuations and held for years to allow the power of compounding to work, is a reliable method for building capital over long investment horizons. Our portfolios hold three categories of investments: global leaders with strong balance sheets, “out-of-the-spotlight” businesses and “headline risk,” or contrarian, investments.

For the trailing three month period ending June 30, 2010, the Russell 3000® Index returned -11.32%. The Davis All-Cap Portfolios performed in line with the benchmark during the period. All sectors declined during the quarter. Relative contributors included consumer discretionary and health care positions while select financials and information technology holdings were among the relative detractors.

As a sign of our commitment to all those who have entrusted capital to us, the Davis family, Davis Advisors, employees, and directors have more than \$2 billion of their own money invested side by side with clients.¹ ■

The performance presented represents past performance of the Davis Multi-Cap Equity Composite 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 an account might realize a gain or loss. Current performance may be higher or lower. Please contact your Davis Advisors representative for most recent month-end returns.

Portfolio Characteristics²

	Model Account	Russell 3000®
Number of Holdings	50	2,995
Positive Price/Earnings (Trailing)	14.6	14.9
Positive Price/Earnings (Forward)	12.6	12.8
Price/Book	2.9	2.7
Yield (%)	1.9	2.0
Beta (5 years)	0.9	1.0
Wtd. Avg. Market Cap (\$bn)	59.2	61.0
Median Market Cap (\$bn)	18.2	0.7

Performance

	2Q10 ³	1 Year	3 Years	5 Years	10 Years	Inception (1/1/99)
All-Cap Equity (gross)	-11.91%	12.52%	-11.19%	-0.97%	2.87%	5.82%
All-Cap Equity (net)	-12.06	11.79	-11.85	-1.68	2.11	5.04
Russell 3000® Index	-11.32	15.72	-9.47	-0.48	-0.92	0.93

Market Cap Breakdown

	Model Account	Russell 3000®
Less than \$3 Billion	4.3%	13.9%
\$3-10 Billion	21.6	17.2
Greater than \$10 Billion	74.1	68.9

Sector Breakdown

	Model Account	Russell 3000®
Consumer Discretionary	10.6%	10.9%
Consumer Staples	9.0	9.8
Energy	8.2	10.0
Financials	9.6	17.1
Health Care	22.6	12.3
Industrials	5.8	11.3
Information Technology	26.4	18.1
Materials	6.8	3.9
Telecommunication Services	1.0	2.8
Utilities	0.0	3.8

Top Ten Holdings⁴

Merck	Texas Instruments
Johnson & Johnson	Coca-Cola
Google	Yum! Brands
Microsoft	Becton, Dickinson
Walt Disney	Signa-Aldrich Corp.

¹As of June 30, 2010. ²Figures reflect a representative Davis All-Cap Equity account. Individual accounts may not have the same results and characteristics will change over time. Source: Davis Advisors and Wilshire Atlas. ³Returns for periods less than one year are not annualized. ⁴For information purposes only. Not a recommendation to purchase or sell any security. There can be no assurance that an investor will earn a profit and not lose money.

Institutional Services and Research

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Gross performance presented does not reflect the deduction of investment advisory fees. A client's returns will be reduced by the advisory fees and other expenses it may incur as a client. The reader is referred to Davis Advisors' ADV Part II for a full disclosure of the fee schedule. As fees are deducted quarterly, the compounding effect will be to increase the impact of the fees by an amount directly related to the gross account performance. For example, on an account with a 1% annual fee, if the gross performance is 10%, the compounding effect of the fees will result in a net performance of approximately 8.93%.

This material has been approved for institutional client use only. A client should carefully consider an investment's strategies, risks, fees, and expenses before investing. Davis Advisors' Form ADV contains this and other information and can be obtained by calling 212-891-5561. Please read the documents carefully before investing or sending money.

The performance of mutual funds is included in the Composite. The performance of the mutual funds and private accounts may be materially different. For example, Davis Opportunity Fund may be significantly larger than a typical private 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.

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 include "forward looking statements" which may or may not be accurate over the long term. 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. These opinions are current as of the date of this report but are subject to change. Market values will vary so that an investor may experience a gain or a loss.

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: market risk, company risk, small- and medium-capitalization risk, foreign country risk, fees and expenses risk, and headline risk. See the ADV Part II for a description of these principal risks.

Investments in initial public offerings (IPOs) had a favorable impact on Davis Advisors' performance in 1999 and 2000. This was a time when the IPO market was very active. No assurance can be given the Multi-Cap Equity Composite will continue to invest in IPOs to the same extent in the future or that such investments would be profitable.

Davis All-Cap Equity is represented by Davis Advisors' Multi-Cap Equity Composite. Davis Advisors' Multi-Cap Equity Composite includes all actual, fee-paying, discretionary Multi-Cap Equity investing style institutional accounts, mutual funds and wrap accounts under management for each investment period from January 1, 1999, through the date of this report, including those accounts no longer managed. Effective January 1, 1998, 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. 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.

Allocations provided are defined by Standard and Poor's® Global Industry Classification Standards (GICS). The Advisor may reclassify a company into an entirely different industry if it believes that the GICS classification for a specific company does not accurately describe the company.

The **Russell 3000® Index** measures the performance of the 3,000 largest companies incorporated in the United States and its territories and listed on the NYSE, AMEX or NASDAQ. The companies are ranked by decreased total market capitalizations. Investments cannot be made directly in an index.

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.