Davis All-Cap SMA Portfolio

Winter Update 2023

50 YEARS DAVIS ADVISORS

Davis ADVISORS

The Equity Specialists

Portfolio Commentary

Market Perspectives

The switch from greed and euphoria to fear and pessimism has been sudden and dramatic, but it is not unexpected. In 2022, the game finally and definitively ended and stocks reverted to reflecting economic reality.

In 2022, for the first time in nearly half a century, investors faced the combination of declining stock, bond and real estate prices in conjunction with significantly rising fuel, food and energy prices. In addition to this financial one-two punch, the geopolitical landscape darkened in February, when Russia launched a full-scale attack on Ukraine, the biggest mobilization of troops in Europe since 1945. Finally, relations between the United States and China—our largest creditor, supplier and customer—deteriorated sharply. Against such a backdrop, fear and pessimism unsurprisingly dominated markets, headlines and dinner table conversations.

What a change from a year ago when stocks were near all-time highs, interest rates at all-time lows, and speculation, greed and euphoria dominated. The financial press and social media trumpeted hot IPOs (initial public offerings), "Unicorns" (private companies with a valuation greater than $1 billion), SPACs (special-purpose acquisition companies), Crypto (cryptocurrencies), ICOs (initial coin offerings) and NFTs (non-fungible tokens).

While the switch from greed and euphoria to fear and pessimism has been sudden and dramatic, it is not unexpected. In 2022, the game finally and definitively ended.

Although this about face may feel painful and volatile, we view it as an overdue return to economic reality. With a portfolio of resilient companies valued on economic fundamentals rather than speculative hype, we welcome this change. For much of the last decade, we have held fast to our long-term investment approach and valuation discipline even though it was out of fashion. As the bubble continues to deflate, our focus on durable businesses with proven growth and low valuations should return to the forefront of investors' minds. This return to reality leaves us in a strong position to continue building wealth for our shareholders and make up for ground lost in the frenzy of recent years. ■

Decade of Distortion

To understand why we are well positioned for the reality of the next decade, we must first review the distortions of the past decade. The foundation of this distortion was the artificial suppression of interest rates. Pushing down interest rates became a matter of national policy—first in response to the great financial crisis of 2008–2009 and then the COVID-19 crisis in 2020–2021. Unfortunately, we believe policymakers pushed rates down too low for too long, which created massive distortions in financial markets and the economy.

To comprehend just how extreme this period was, think of interest rates as the price charged for using someone else's money or capital. As Figure 1 shows, throughout *all* of recorded human history, users of capital—whether individuals, corporations or governments—have *always* had to pay providers of capital—be they lenders, creditors or investors—for use of their funds. Only twice in all of history have short-term rates approached zero: the 1930s and the period since 2009; and *never* have long-term rates been lower than they were in the past decade.

By reducing the cost of money almost to zero, these artificially low interest rates fueled high leverage, provided cheap capital for speculative business models, led to absurdly high valuations for remote potential earnings and provided easy funding for companies that promised to disrupt whole sectors of the economy. In short, this environment rewarded just the sort of business models we tend to avoid as too risky or too overvalued. For more than a decade, market returns were driven by market darlings trading at ever-higher valuations.

In fact, as you can see in Figure 2, during the recent bubble, a record-breaking 73 companies in the S&P 500 Index traded at more than 10 times sales—an indication of excess never before seen in stock market history.

Fig. 1: **Historical Interest Rates**[1]

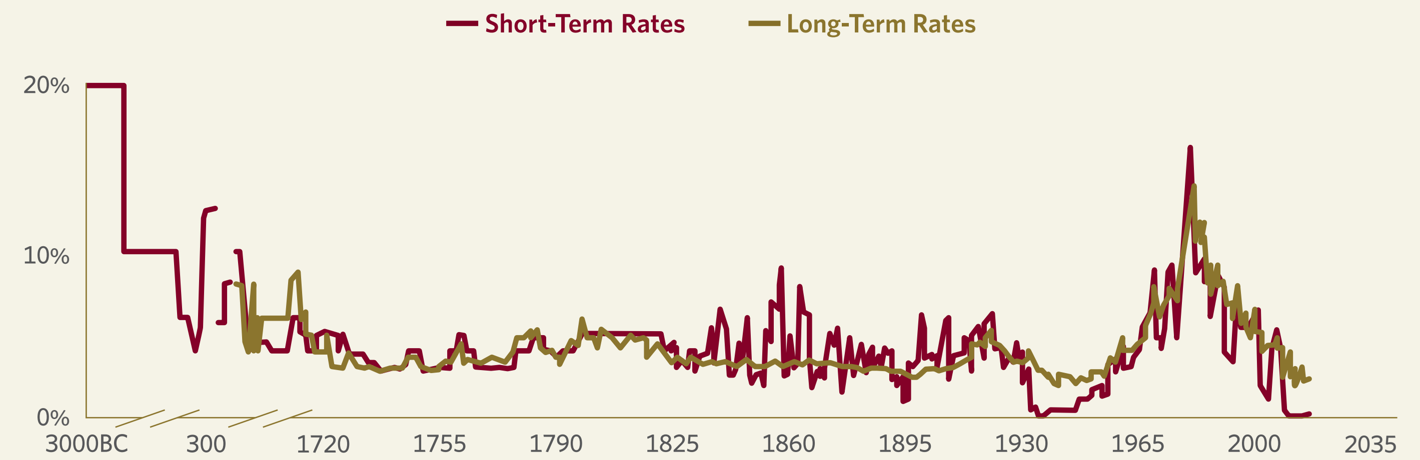
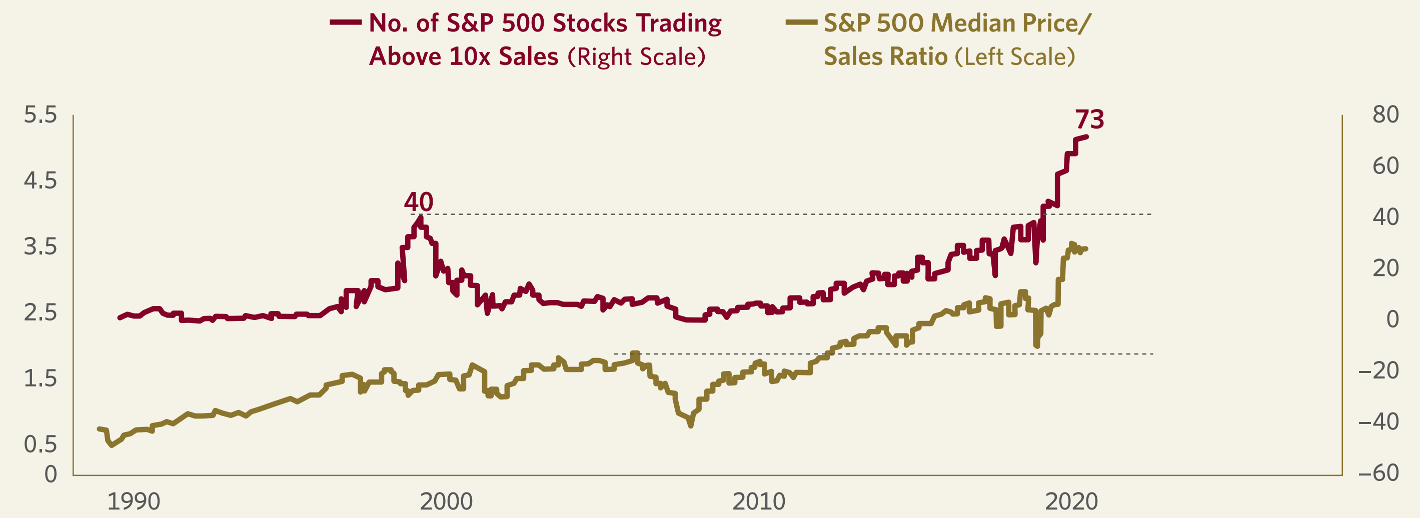


Fig. 2: **S&P 500 Stocks That Traded Higher Than 10 Times Sales**[2]
1990–2021



1. Underlying sources: Bank of England; Global Financial Data; Sidney Homer and Richard Sylla. "A History of Interest Rates," 4th ed., Hoboken, NJ: Wiley Finance.
2. Source: Leuthold Group.

While this distorted environment inflated the value of speculative growth companies, it also led to the undervaluation of many businesses with characteristics central to our long-term investment discipline—such as conservative balance sheets, proven long-term business models, a return-on-capital mindset and expense discipline. Furthermore, with rates near zero, earnings of financial firms that rely on interest income—such as banks and insurers—were thwarted, and current cash flow and dividends became undervalued relative to future promises.

During this decade of distortion, the durable and resilient economic fundamentals of our portfolio companies fell dramatically out of fashion. This fall from favor was reflected in the companies' declining valuation relative to the market, despite their sound fundamentals. ■

Portfolio Review

In the short term the market is a voting machine, but in the long term it is a weighing machine.

In the year 2022 Davis All-Cap SMA Portfolio declined but outperformed its benchmark, the S&P 1500 Index, by a wide margin. We attribute this strong relative performance first and foremost to stock selection reflecting our bottom-up, company-by-company investment approach. In addition, we have remained true to our discipline of buying durable businesses with attractive long-term growth potential while at the same time being sensible, and in our view conservative, relative to the prices we pay to own them.

Figure 3 illustrates this rather rare combination of buying growth at value prices. The companies comprising Davis All-Cap SMA Portfolio have seen their earnings per share grow more than 40% over the last half decade. The portfolio remains attractive in our opinion on a forward-looking basis as well, currently trading at 10.0 times forward earnings versus 17.3 times for the broader market index.

Fig. 3: **Selective, Attractive Growth, Undervalued**

	Portfolio	Index[3]
Holdings	33	1,505
EPS Growth (5 Year)[4]	17.2%	10.3%
P/E (Forward)[5]	10.0x	17.3x

We view stocks as ownership in real businesses and believe the market generally tends to be fairly efficient and rational in its pricing of individual businesses over time. That said, over shorter-term timeframes share prices can be volatile and at a given moment in time they may or may not accurately reflect the true intrinsic worth of a company based on true long-term earnings power. In other words, in the short term the market is a "voting machine" but in the long run it tends to be a "weighing machine." We welcome the bursting of the asset bubble created by artificially low interest rates of the past decade as it represents a reversion to rationality insofar as the inextricable relationship between stocks and underlying businesses is concerned, and we look forward to the decade ahead with optimism based on the current portfolio. ■

Key Themes

Best-in-class healthcare, financials, and technology-related businesses constitute our main portfolio themes presently.

The portfolio's largest sector exposure is healthcare, particularly generic pharmaceuticals companies, lab and diagnostics service providers such as Quest Diagnostics and well-managed, leading healthcare insurers including Humana. What our healthcare investments have in

3. S&P 1500 Index. **4.** Five-year EPS Growth Rate (5-year EPS) is the average annualized earnings per share growth for a company over the past 5 years. The values shown are the weighted average of the 5-year EPS of the stocks in the Portfolio or Index. Approximately 4.90% of the assets of the Portfolio are not accounted for in the calculation of 5-year EPS as relevant information on certain companies is not available to the Advisor's data provider. **5.** Forward Price/Earnings (Forward P/E) Ratio is a stock's price at the date indicated divided by the company's forecasted earnings for the following 12 months based on estimates provided by the Advisor's data provider. These values for both the Portfolio and the index are the weighted average of the stocks in the Portfolio or index.

common is that each has demonstrated both management prowess, but also an ability to save the system costs, which we believe is an important factor long-term given how significant healthcare spend is as a percentage of U.S. economic output.

A second theme in the portfolio is high-grade financials and rests on our belief that since the great financial crisis of 2008–2009, investors have undervalued financials. This undervaluation stems from the scars and memories of that crisis and a failure to appreciate that subsequent changes have made the best banks far safer than they were in 2008. The combination of more capital, better management, rising dividends and extremely low valuations make financials among the most attractive sectors of the market today. We own a number of high quality and storied financials in the portfolio that have both stood the test of time and are well positioned in our estimation for the future.

In addition to financials we own an array of technology-related companies that touch not only traditional areas of technology such as semi-conductors (e.g., Intel Corp.), enterprise software and cloud computing but also select technology-based business models that reach a broader market of consumers in the e-commerce, online search, and social media (e.g., Meta).

In the most recent quarter we added MasterBrand, the largest cabinet maker in North America whose long-term economics appear attractive and significantly underestimated presently in our opinion. We sold our position in AIA Group to allocate capital to other opportunities. ■

Conclusion

2022 represented a complete change in market fundamentals and sentiment as we moved from a time of record-low interest rates, speculative bubbles and market highs to a period of inflation, recession and a bear market. Although painful, this transformation represents a long overdue return to normalcy after a decade in which the suppression of interest rates inflated asset prices, rewarded speculation and devalued economic fundamentals.

Despite near-term concerns about the economic slowdown taking place, we believe now is an advantageous time to invest given the opportunity to own select companies with attractive long-term growth prospects at very reasonable valuations. The combination of resiliency and growth at more than a 40% discount to the averages is a value investor's dream.

During the past decade, as the floodwaters rose around us, we built an ark to ride out the storm. In the years ahead, we expect that our values of discipline and patience will be rewarded.

Above all, we never forget that we are stewards of our shareholders' savings and that our most important job is growing the value of the funds entrusted to us. With more than $2 billion of our own money invested alongside clients, we are on this journey together and our conviction in our portfolio of carefully selected companies is more than just words.[6] This alignment with our shareholders is an uncommon advantage. While we do not welcome the pessimism and fear that have characterized our world recently, we are well prepared for it and, more importantly well positioned for the future. Thank you for the trust you have placed in us. ■

6. As of 12/31/22 Davis Advisors, the Davis family and Foundation, and our employees have more than $2 billion invested alongside clients in similarly managed accounts and strategies.

Davis
ADVISORS

Davis All-Cap SMA Portfolio

Selective. Attractive Growth. Undervalued.

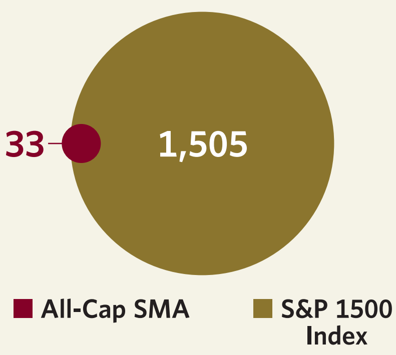
What gives us confidence that Davis All-Cap Value SMA will build wealth for our shareholders in the years and decades to come? The compelling attributes of our businesses.

By being highly selective and rejecting the vast majority of companies in the index, the companies of Davis All-Cap SMA Portfolio have grown at a similar rate to the companies in the index, yet are 42% less expensive. The gap between price and value is among the widest we have ever seen. We believe this sets the stage for attractive returns in the years ahead.

Selective

All-Cap SMA invests in only a select group of well-researched companies

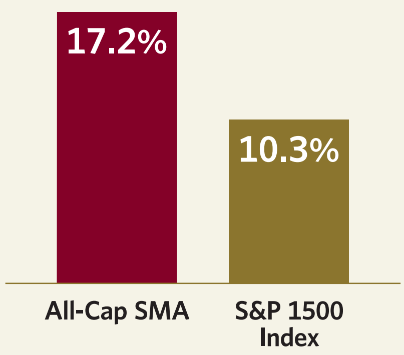
Holdings



Attractive Growth

All-Cap SMA portfolio companies have grown at a similar rate to the index

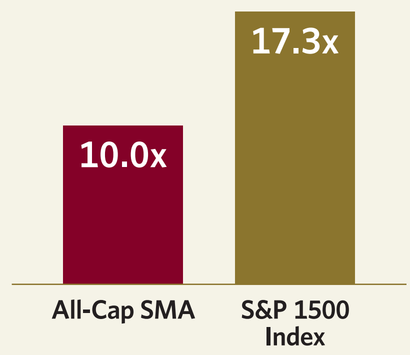
EPS Growth (5 Year)[1]



Undervalued

All-Cap SMA portfolio companies are 42% less expensive than the index

P/E (Forward)[2]



As of 12/31/22. 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. **1.** Five-year EPS Growth Rate (5-year EPS) is the average annualized earnings per share growth for a company over the past 5 years. The values shown are the weighted average of the 5-year EPS of the stocks in the Portfolio or Index. Approximately 4.90% of the assets of the Portfolio are not accounted for in the calculation of 5-year EPS as relevant information on certain companies is not available to the Advisor's data provider. **2.** Forward Price/Earnings (Forward P/E) Ratio is a stock's current price divided by the company's forecasted earnings for the following 12 months. The values for the portfolio and index are the weighted average of the P/E ratios of the stocks in the portfolio or index.

Davis All-Cap SMA Portfolio Holdings

December 31, 2022

High Conviction. Different from the Index.

Holding	Portfolio (%)	S&P 1500 Index (%)
Cigna	7.0%	0.3%
Wells Fargo	6.8	0.5
Capital One Financial	6.2	0.1
Quest Diagnostics	6.2	0.1
Viatris	6.1	0.0
Owens Corning	5.5	0.0
Teck Resources	4.9	—
UnitedHealth Group	4.9	1.4
U.S. Bancorp	4.7	0.2
Markel	3.7	—
Darling Ingredients	3.0	0.0
Berkshire Hathaway	2.9	1.6
Applied Materials	2.6	0.2
Eaton	2.6	0.2
Johnson Controls International	2.6	0.1
Ferguson	2.4	—
Carrier Global	2.3	0.1
Alphabet	1.9	2.8
Humana	1.9	0.2
Meta Platforms	1.9	0.8
Texas Instruments	1.9	0.4
Amazon.com	1.7	2.1
CVS Health	1.7	0.4
Wesco International	1.6	—
Intel	1.5	0.3
Masterbrand	1.5	0.0
Oracle	1.3	0.4
Raytheon Technologies	1.1	0.4
SAP	1.1	—
Microsoft	0.9	5.1
Clear Secure	0.7	—
IAC	0.6	—
Vimeo	0.3	—
CASH	4.0	—
	100.0%	

The securities listed on the left 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 securities listed for the S&P 1500 Index are not representative of the entire portfolio, which consists of 1,505 securities. 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 All-Cap SMA Portfolio

December 31, 2022

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.[1]

Unique Attributes of Davis All-Cap SMA Portfolio

- **Equity-Focused Research Firm:** Established in 1969, Davis is a leading specialist in equity investing. Our primary focus on research and unique investment discipline has built wealth for our clients over the long term.
- **Portfolio of Best of Breed Businesses:** Utilizing rigorous independent research, we invest in durable, well-managed businesses with sustainable competitive advantages and attractive long-term growth prospects selling at a discount to their true value.
- **Flexible, Opportunistic Approach:** The portfolio can opportunistically invest across all market caps, sectors and industries. We believe in a bottom-up stock selection process and in not mirroring the benchmark index. Active Share 89%.
- **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.[2]		Portfolio	Index
Undervalued	P/E (Forward)	10.0x	17.3x
Attractive Growth	EPS Growth (5 Year)	17.2%	10.3%
Selective	Holdings	33	1,505

Experienced Management

The research team has an average of 24 years investment experience.

Top 10 Holdings[3]	Portfolio	Index
Cigna	7.0%	0.3%
Wells Fargo	6.8	0.5
Capital One Financial	6.2	0.1
Quest Diagnostics	6.2	0.1
Viatris	6.1	0.0
Owens Corning	5.5	0.0
Teck Resources	4.9	—
UnitedHealth Group	4.9	1.4
U.S. Bancorp	4.7	0.2
Markel	3.7	—

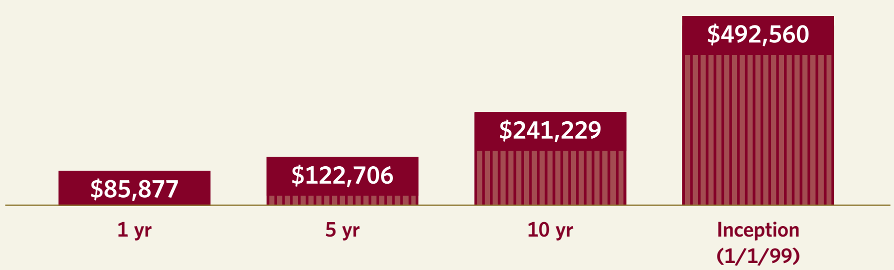
Market Capitalization

Large Cap	89.4%
Mid Cap	8.0
Small Cap	2.6

Sectors[4]	Portfolio	Index
Health Care	29.0%	15.4%
Financials	25.3	13.0
Industrials	20.4	9.5
Information Technology	10.4	23.7
Materials	5.1	3.0
Communication Services	4.9	6.8
Consumer Staples	3.1	7.0
Consumer Discretionary	1.8	10.1
Energy	—	5.1
Real Estate	—	3.2
Utilities	—	3.2

Wealth Over the Long Term[5]

$100,000 Hypothetical Investment



Net average annual total returns as of December 31, 2022 for Davis Multi-Cap Equity SMA Composite with a 3% maximum wrap fee: 1 year, −14.12%; 5 years, 4.18%; 10 years, 9.21%. The performance presented represents past performance and is not a guarantee of future results. *Total return assumes reinvestment of dividends. Investment return and principal value will vary so that an investor may lose money. For current, quarterly returns, please ask your financial advisor to contact Davis Advisors. Current performance may be higher or lower.* The investment strategies described herein are those of Davis Advisors. These materials are being provided for illustrative and informational purposes only. The information contained herein is obtained from multiple sources that are believed to be reliable. However, such information has not been verified, and may be different from the information included in documents and materials created by the sponsor firm in whose investment program a client participates. Some sponsor firms may require that these materials are preceded or accompanied by investment profiles or other documents or materials prepared by such sponsor firms, which will be provided upon a client's request. For additional information, documents and/or materials, please speak to your Financial Advisor. **1.** As of 12/31/22. This includes Davis Advisors, the Davis family and Foundation, and our employees. **2.** The Attractive Growth and Undervalued reference in this piece relates to underlying characteristics of the portfolio holdings. There is no guarantee that the portfolio performance will be positive as equity markets are volatile and an investor may lose money. **Past performance is not a guarantee of future returns.** Five-year EPS Growth Rate (5-year EPS) is the average annualized earnings per share growth for a company over the past 5 years. The values shown are the weighted average of the 5-year EPS of the stocks in the portfolio or index. Approximately 4.90% of the assets of the Porfolio are not accounted for in the calculation of 5-year EPS as relevant information on certain companies is not available to the data provider. Forward Price/Earnings (Forward P/E) Ratio is a stock's price at the date indicated divided by the company's forecasted earnings for the following 12 months based on estimates provided by the data provider. These values for both the portfolio and the index are the weighted average of the stocks in the portfolio or index. **3.** For information purposes only. Not a recommendation to buy or sell any security. **4.** Sources: Davis Advisors and Wilshire Atlas. **5.** Net of fees. As of 12/31/22.

Investment Professionals

Christopher C. Davis joined Davis Advisors in 1989. He has almost 35 years experience in investment management and securities research. Mr. Davis received his M.A. from the University of St. Andrews in Scotland.

Danton G. Goei joined Davis Advisors in 1998. 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, CFA joined Davis Advisors in 2008. Previously, he worked as a research analyst at Davidson Kempner Capital Management and in mergers and acquisitions at RBC Capital Markets. Mr. Crosbie received his B.A. from McGill University, 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.

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.

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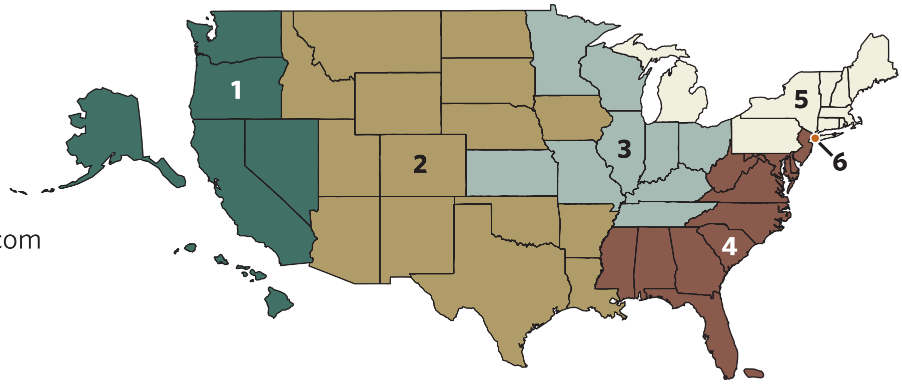

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This material may be shared with existing and potential clients to provide information concerning market conditions and the investment strategies and techniques used by Davis Advisors to manage its client accounts. Please refer to Davis Advisors Form 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.

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 buy 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 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.

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. 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.

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 Multi-Cap 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. If there are multiple purchases and/or sales on the same day, the one that is the largest percentage of assets will be discussed. No holding can be discussed if it was 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.

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. Davis Advisors uses the Davis Investment Discipline to invest a client's portfolio principally in common stocks (including indirect holdings of common stock through depositary receipts). The Multi-Cap Equity strategy may invest in large, medium, or small companies without regard to market capitalization and may invest in issuers in foreign countries, including countries with developed or emerging markets. The principal risks are: common stock risk, depositary receipts risk, emerging markets risk, fees and expenses 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.

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.

We gather our index data from a combination of reputable sources, including, but not limited to, Lipper, Wilshire, and index websites.

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.

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Item #3838 12/22