

SMA: Selective. Attractive Growth. Undervalued.



“What gives us confidence that our SMAs may 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, we’ve built portfolios in which 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.”

Chris Davis, Portfolio Manager

	Selective Holdings	Attractive Growth EPS Growth (5 Year) ¹	Undervalued P/E (Forward) ²
Davis Large Cap Value SMA Portfolio	26	16.1%	14.2x
S&P 500 Index	504	14.9%	21.9x
Davis All-Cap SMA Portfolio	31	15.9%	13.2x
S&P 1500 Index	1,507	14.8%	21.4x
Davis International ADR SMA Portfolio	21	16.5%	7.6x
MSCI ACWI ex US	2,231	12.1%	13.9x
Davis Global ADR SMA Portfolio	33	18.1%	9.7x
MSCI ACWI	2,841	14.2%	18.3x

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. Not all assets of the Portfolios are accounted for in the calculation of 5-year EPS as relevant information on certain companies is not available to the Advisor's data provider. Approximate amounts are: LCV SMA, 0.00%; ACC SMA, 2.80%; Gbl ADR SMA, 7.50%; Intl ADR SMA, 13.30%. **2.** 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. The values for the Portfolios are a weighted average of the stocks in the Portfolios.

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 Davis Large Cap Value, Davis All-Cap, Davis International Equity, and Davis Global Equity accounts is long-term growth of capital. There can be no assurance that Davis will achieve its objective. The principal risks are: China risk (LCV, Global and International only), common stock risk, depository receipts risk, emerging markets risk, exposure to industry or sector risk (Global and International only), fees and expenses risk, financial

services risk, focused portfolio risk (LCV only), 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.

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

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. The **S&P 1500 Index** includes all stocks in the S&P 500, S&P MidCap 400,

and S&P SmallCap 600. This index covers approximately 90% of U.S. market capitalization. The **MSCI ACWI (All Country World Index) ex US** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets, excluding the United States. The index includes reinvestment of dividends, net of foreign withholding taxes. The **MSCI ACWI (All Country World Index)** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets throughout the world. The index includes reinvestment of dividends, net foreign withholding taxes. Investments cannot be made directly in an index.

The Equity SpecialistsSM is a service mark of Davis Selected Advisers, L.P.