



Davis Series, Inc.

May 1, 2017

PROSPECTUS

Tickers:

Davis Financial Fund: Class A-RPFGX, Class B-DFIBX, Class C-DFFCX, Class Y-DVIFYX

Davis Opportunity Fund: Class A-RPEAX, Class B-RPFEX, Class C, DGOCX, Class Y-DGOYX

Davis Real Estate Fund: Class A-RPFRX, Class B-DREBX, Class C-DRECX, Class Y-DREYX

Davis Appreciation and Income Fund: Class A-RPFCX, CLASS B-DCSBX, Class C-DCSCX, CLASS Y-DCSYX

Davis Government Bond Fund: Class A-RFBAX, Class B-VRPFX, Class C-DGVCX, Class Y-DGVYX

Davis Government Money Market Fund: Class A, B, C and Y-RPGXX

The Securities and Exchange Commission has not approved or disapproved these securities or passed upon the adequacy of this prospectus. Any representation to the contrary is a criminal offense.

Over 45 Years of Reliable Investing™

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This prospectus contains important information. Please read it carefully before investing and keep it for future reference.

No financial adviser, dealer, salesperson or any other person has been authorized to give any information or to make any representations, other than those contained in this prospectus, in connection with the offer contained in this prospectus and, if given or made, such other information or representations must not be relied on as having been authorized by the Funds, the Funds' investment adviser or the Funds' distributor.

This prospectus does not constitute an offer by the Funds or by the Funds' distributor to sell or a solicitation of an offer to buy any of the securities offered hereby in any jurisdiction to any person to whom it is unlawful for the Funds to make such an offer.

DAVIS FINANCIAL FUND SUMMARY

Investment Objective

The Fund seeks long-term growth of capital.

Fees and Expenses of the Fund

These tables describe the fees and expenses that you may pay if you buy and hold shares of the Fund. You may qualify for sales charge discounts if you and your family invest, or agree to invest in the future, at least \$100,000 in Davis Funds. More information about these and other discounts is available from your financial professional and in the “How to Choose a Share Class” section of the Fund’s prospectus on page 44 and in the “Selecting the Appropriate Class of Shares” section of the Fund’s statement of additional information on page 42. In addition, descriptions of the sales load waivers and/or discounts for Class A shares with respect to certain financial intermediaries are reproduced in “Appendix A: Intermediary-Specific Sales Charge Waivers and Discounts” to the prospectus based on information provided by the financial intermediary.

Shareholder Fees <i>(fees paid directly from your investment)</i>	Class A shares	Class B shares	Class C shares	Class Y shares
Maximum Sales Charge (Load) Imposed on Purchases <i>(as a percentage of offering price)</i>	4.75%	None	None	None
Maximum Deferred Sales Charge (Load) <i>(as a percentage of the lesser of the net asset value of the shares redeemed or the total cost of such shares)</i>	0.50%*	4.00%	1.00%	None
Redemption Fee <i>(as a percentage of total redemption proceeds)</i>	None	None	None	None

* Only applies if you buy shares valued at \$1 million or more without a sales charge and sell the shares within one year of purchase.

Annual Fund Operating Expenses <i>(expenses that you pay each year as a percentage of the value of your investment)</i>	Class A shares	Class B shares	Class C shares	Class Y shares
Management Fees	0.55%	0.55%	0.55%	0.55%
Distribution and/or Service (12b-1) Fees	0.19%	1.00%	1.00%	0.00%
Other Expenses	0.18%	0.53%	0.19%	0.17%
Total Annual Operating Expenses	0.92%	2.08%	1.74%	0.72%

Example. This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and the Fund’s operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

	If you redeem your shares in:				If you did not redeem your shares in:			
	1 Year	3 Years	5 Years	10 Years	1 Year	3 Years	5 Years	10 Years
Class A shares	\$564	\$754	\$960	\$1,553	\$564	\$754	\$960	\$1,553
Class B shares	611	952	1,319	1,972	211	652	1,119	1,972
Class C shares	277	548	944	2,052	177	548	944	2,052
Class Y shares	74	230	401	894	74	230	401	894

Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund’s performance. During the most recent fiscal year, the Fund’s portfolio turnover rate was 17% of the average value of its portfolio.

Principal Investment Strategies

Davis Selected Advisers, L.P. (“Davis Advisors” or the “Adviser”), the Fund’s investment adviser, uses the Davis Investment Discipline to invest at least 80% of the Fund’s net assets, plus any borrowing for investment purposes, in securities issued by companies principally engaged in the financial services sector. The Fund invests principally in common stocks (including

indirect holdings of common stock through depositary receipts). The Fund 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.

A company is principally engaged in financial services if it owns financial services-related assets that constitute at least 50% of the value of all of its assets, or if it derives at least 50% of its revenues from providing financial services. Companies are classified by GICS based on their principal business activity. Revenue is a key factor in determining a firm's principal business activity. Companies with their principal business activity in one of the following areas are considered financial services firms: banks, thrifts and mortgage, specialized finance, consumer finance, asset management, custody, investment banking, brokerage, insurance, financial exchanges and data, and mortgage REITs.

Davis Investment Discipline. Davis Advisors manages equity funds using the Davis Investment Discipline. Davis Advisors conducts extensive research to try to identify businesses that possess characteristics that Davis Advisors believes foster the creation of long-term value, such as proven management, a durable franchise and business model, and sustainable competitive advantages. Davis Advisors aims to invest in such businesses when they are trading at discounts to their intrinsic worth. Davis Advisors emphasizes individual stock selection and believes that the ability to evaluate management is critical. Davis Advisors routinely visits managers at their places of business in order to gain insight into the relative value of different businesses. Such research, however rigorous, involves predictions and forecasts that are inherently uncertain. After determining which companies Davis Advisors believes the Fund should own, Davis Advisors then turns its analysis to determining the intrinsic value of those companies' equity securities. Davis Advisors seeks companies whose equity securities can be purchased at a discount from Davis Advisors' estimate of the company's intrinsic value based upon fundamental analysis of cash flows, assets and liabilities, and other criteria that Davis Advisors deems to be material on a company-by-company basis. Davis Advisors' goal is to invest in companies for the long term (ideally, five years or longer, although this goal may not be met). Davis Advisors considers selling a company's equity securities if the securities' market price exceeds Davis Advisors' estimates of intrinsic value, if the ratio of the risks and rewards of continuing to own the company's equity securities is no longer attractive, to raise cash to purchase a more attractive investment opportunity, to satisfy net redemptions or for other purposes.

Principal Risks of Investing in Davis Financial Fund

You may lose money by investing in the Fund. Investors in the Fund should have a long-term perspective and be able to tolerate potentially sharp declines in value.

The principal risks of investing in the Fund are:

- ***Common Stock Risk.*** Common stock represents an ownership position in a company. An adverse event may have a negative impact on a company and could result in a decline in the price of its common stock. Common stock is generally subordinate to an issuer's other securities, including preferred, convertible and debt securities.
- ***Credit Risk.*** Financial institutions are often highly leveraged and may not be able to make timely payments of interest and principal.
- ***Depositary Receipts Risk.*** Depositary receipts, consisting of American Depositary Receipts, European Depositary Receipts and Global Depositary Receipts, are certificates evidencing ownership of shares of a foreign issuer. Depositary receipts are subject to many of the risks associated with investing directly in foreign securities. Depositary receipts may trade at a discount, or a premium, to the underlying security and may be less liquid than the underlying securities listed on an exchange.
- ***Fees and Expenses Risk.*** The Fund may not earn enough through income and capital appreciation to offset the operating expenses of the Fund. All mutual funds incur operating fees and expenses. Fees and expenses reduce the return that a shareholder may earn by investing in a fund, even when a fund has favorable performance. A low-return environment, or a bear market, increases the risk that a shareholder may lose money.
- ***Financial Services Risk.*** Risks of investing in the financial services sector include: (i) systemic risk: factors outside the control of a particular financial institution may adversely affect the ability of the financial institution to operate normally or may impair its financial condition; (ii) regulatory actions: financial services companies may suffer setbacks if regulators change the rules under which they operate; (iii) changes in interest rates: unstable and/or rising interest rates may have a disproportionate effect on companies in the financial services sector; (iv) non-diversified loan portfolios: financial services companies may have concentrated portfolios that makes them vulnerable to economic conditions that affect an industry; (v) credit: financial services companies may have exposure to investments or agreements that may lead to losses; and (vi) competition: the financial services sector has become increasingly competitive.
- ***Focused Portfolio Risk.*** Funds that invest in a limited number of companies may have more risk because changes in the value of a single security may have a more significant effect, either negative or positive, on the value of the Fund's total portfolio.
- ***Foreign Country Risk.*** Securities of foreign companies (including ADRs) may be subject to greater risk, as foreign economies may not be as strong or diversified, foreign political systems may not be as stable and foreign financial

reporting standards may not be as rigorous as they are in the United States. There may also be less information publicly available regarding the non-U.S. issuers and their securities. These securities may be less liquid (and, in some cases, may be illiquid) and could be harder to value than more liquid securities.

- **Foreign Currency Risk.** The change in value of a foreign currency against the U.S. dollar will result in a change in the U.S. dollar value of securities denominated in that foreign currency. For example, when the Fund holds a security that is denominated in a foreign currency, a decline of that foreign currency against the U.S. dollar would generally cause the value of the Fund’s shares to decline.
- **Headline Risk.** The Fund may invest in a company when the company becomes the center of controversy after receiving adverse media attention concerning its operations, long-term prospects, management or for other reasons. While Davis Advisors researches companies subject to such contingencies, it cannot be correct every time, and the company’s stock may never recover or may become worthless.
- **Interest Rate Sensitivity Risk.** Interest rates may have a powerful influence on the earnings of financial institutions.
- **Large-Capitalization Companies Risk.** Companies with \$10 billion or more in market capitalization are considered by the Adviser to be large-capitalization companies. Large-capitalization companies generally experience slower rates of growth in earnings per share than do mid- and small-capitalization companies.
- **Manager Risk.** Poor security selection or focus on securities in a particular sector, category or group of companies may cause the Fund to underperform relevant benchmarks or other funds with a similar investment objective.
- **Mid- and Small-Capitalization Companies Risk.** Companies with less than \$10 billion in market capitalization are considered by the Adviser to be mid- or small-capitalization companies. Mid- and small-capitalization companies typically have more limited product lines, markets and financial resources than larger companies, and their securities may trade less frequently and in more limited volume than those of larger, more mature companies.
- **Stock Market Risk.** Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices, including the possibility of sharp declines.

Your investment in the Fund is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency, entity or person.

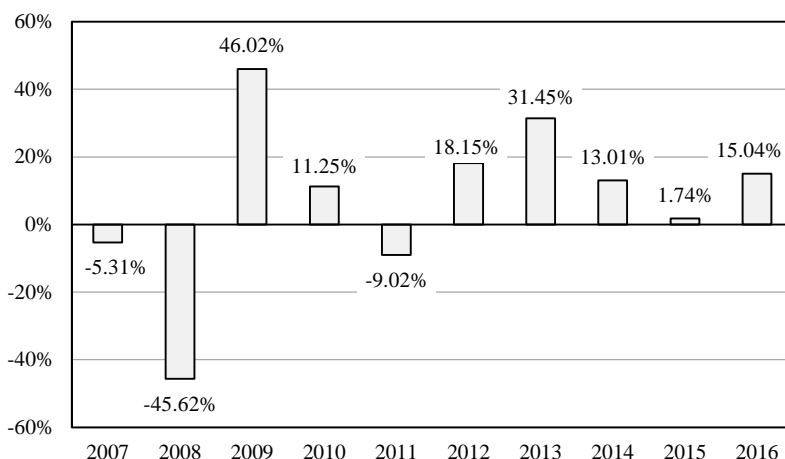
Performance Results

The bar chart below provides some indication of the risks of investing in Davis Financial Fund by showing how the Fund’s investment results have varied from year to year. The following table shows how the Fund’s average annual total returns, for the periods indicated, compare with those of the S&P 500® Index, a broad-based securities market index. The Fund’s past performance (before and after taxes) is not necessarily an indication of how the Fund will perform in the future. Updated information on the Fund’s results can be obtained by visiting www.davisfunds.com or by calling **1-800-279-0279**.

After-tax returns are shown only for Class A shares; after-tax returns for other share classes will vary. After-tax returns are calculated using the highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor’s tax situation and may differ from those shown, and after-tax returns shown are not relevant to investors who hold their Fund shares through a tax-deferred arrangement, such as a 401(k) plan or an individual retirement account.

Calendar Year Total Returns for Class A Shares

(Sales loads are not reflected in the bar chart and, if these amounts were reflected, returns would be less than those shown.)



Highest/Lowest quarterly results during the time period were:

Highest

28.82% (quarter ended June 30, 2009)

Lowest

-27.10% (quarter ended December 31, 2008)

Total return for the three months ended

March 31, 2017 (non-annualized) was 4.13%.

Average Annual Total Returns <i>(For the periods ended December 31, 2016, with maximum sales charge)</i>	Past 1 Year	Past 5 Years	Past 10 Years
Class A shares <i>return before taxes</i>	9.57%	14.37%	4.06%
Class A shares <i>return after taxes on distributions</i>	9.15%	13.37%	3.14%
Class A shares <i>return after taxes on distributions and sale of Fund shares</i>	5.78%	11.45%	3.10%
Class B shares <i>return before taxes</i>	9.71%	13.96%	3.78%
Class C shares <i>return before taxes</i>	13.08%	14.46%	3.64%
Class Y shares <i>return before taxes</i>	15.27%	15.69%	4.72%
S&P 500® Index <i>reflects no deduction for fees, expenses or taxes</i>	11.96%	14.66%	6.95%

Management

Investment Adviser. Davis Selected Advisers, L.P.

Sub-Adviser. Davis Selected Advisers–NY, Inc., a wholly-owned subsidiary of the Adviser.

Portfolio Manager	Experience with this Fund	Primary Title with Investment Adviser or Sub-Adviser
Christopher Davis	Since January 2014; and from May 1991 until May 2007	Chairman, Davis Selected Advisers, L.P.

Purchase and Sale of Fund Shares

Class B shares are no longer offered for new purchases. New Class B share account applications will be returned and any investments for existing Class B share accounts will be made in Class A shares of Davis Government Money Market Fund. Investors may continue to exchange Class B shares of other Davis Funds for Class B shares of Davis Financial Fund and to exchange Davis Financial Fund Class B shares for Class B shares of other Davis Funds.

	Class A and C shares	Class Y shares
Minimum Initial Investment	\$1,000	\$5,000,000
Minimum Additional Investment	25	25

You may sell (redeem) shares each day the New York Stock Exchange is open. Your transaction may be placed through your dealer or financial adviser, by writing to **Davis Funds, P.O. Box 8406, Boston, MA 02266-8406**, telephoning **1-800-279-0279** or accessing Davis Funds' website (www.davisfunds.com).

Tax Information

If the Fund earns income or realizes capital gains, it intends to make distributions that may be taxed as ordinary income, qualified dividend income or capital gains by federal, state and local authorities.

Payments to Broker-Dealers and Other Financial Intermediaries

If you purchase Davis Financial Fund through a broker-dealer or other financial intermediary (such as a bank), the Fund and its related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

DAVIS OPPORTUNITY FUND SUMMARY

Investment Objective

The Fund seeks long-term growth of capital.

Fees and Expenses of the Fund

These tables describe the fees and expenses that you may pay if you buy and hold shares of the Fund. You may qualify for sales charge discounts if you and your family invest, or agree to invest in the future, at least \$100,000 in Davis Funds. More information about these and other discounts is available from your financial professional and in the “How to Choose a Share Class” section of the Fund’s prospectus on page 44 and in the “Selecting the Appropriate Class of Shares” section of the Fund’s statement of additional information on page 42. In addition, descriptions of the sales load waivers and/or discounts for Class A shares with respect to certain financial intermediaries are reproduced in “Appendix A: Intermediary-Specific Sales Charge Waivers and Discounts” to the prospectus based on information provided by the financial intermediary.

Shareholder Fees <i>(fees paid directly from your investment)</i>	Class A shares	Class B shares	Class C shares	Class Y shares
Maximum Sales Charge (Load) Imposed on Purchases <i>(as a percentage of offering price)</i>	4.75%	None	None	None
Maximum Deferred Sales Charge (Load) <i>(as a percentage of the lesser of the net asset value of the shares redeemed or the total cost of such shares)</i>	0.50%*	4.00%	1.00%	None
Redemption Fee <i>(as a percentage of total redemption proceeds)</i>	None	None	None	None

* Only applies if you buy shares valued at \$1 million or more without a sales charge and sell the shares within one year of purchase.

Annual Fund Operating Expenses <i>(expenses that you pay each year as a percentage of the value of your investment)</i>	Class A shares	Class B shares	Class C shares	Class Y shares
Management Fees	0.55%	0.55%	0.55%	0.55%
Distribution and/or Service (12b-1) Fees	0.22%	1.00%	1.00%	0.00%
Other Expenses	0.18%	0.56%	0.20%	0.16%
Total Annual Operating Expenses	0.95%	2.11%	1.75%	0.71%

Example. This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and the Fund’s operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

	If you redeem your shares in:				If you did not redeem your shares in:			
	1 Year	3 Years	5 Years	10 Years	1 Year	3 Years	5 Years	10 Years
Class A shares	\$567	\$763	\$976	\$1,586	\$567	\$763	\$976	\$1,586
Class B shares	614	961	1,334	2,004	214	661	1,134	2,004
Class C shares	278	551	949	2,062	178	551	949	2,062
Class Y shares	73	227	395	883	73	227	395	883

Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund’s performance. During the most recent fiscal year, the Fund’s portfolio turnover rate was 61% of the average value of its portfolio.

Principal Investment Strategies

Davis Selected Advisers, L.P. (“Davis Advisors” or the “Adviser”), the Fund’s investment adviser, uses the Davis Investment Discipline to invest Davis Opportunity Fund’s portfolio principally in common stocks (including indirect holdings of

common stock through depositary receipts). The Fund 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.

Davis Investment Discipline. Davis Advisors manages equity funds using the Davis Investment Discipline. Davis Advisors conducts extensive research to try to identify businesses that possess characteristics that Davis Advisors believes foster the creation of long-term value, such as proven management, a durable franchise and business model, and sustainable competitive advantages. Davis Advisors aims to invest in such businesses when they are trading at discounts to their intrinsic worth. Davis Advisors emphasizes individual stock selection and believes that the ability to evaluate management is critical. Davis Advisors routinely visits managers at their places of business in order to gain insight into the relative value of different businesses. Such research, however rigorous, involves predictions and forecasts that are inherently uncertain. After determining which companies Davis Advisors believes the Fund should own, Davis Advisors then turns its analysis to determining the intrinsic value of those companies' equity securities. Davis Advisors seeks companies whose equity securities can be purchased at a discount from Davis Advisors' estimate of the company's intrinsic value based upon fundamental analysis of cash flows, assets and liabilities, and other criteria that Davis Advisors deems to be material on a company-by-company basis. Davis Advisors' goal is to invest in companies for the long term (ideally, five years or longer, although this goal may not be met). Davis Advisors considers selling a company's equity securities if the securities' market price exceeds Davis Advisors' estimates of intrinsic value, if the ratio of the risks and rewards of continuing to own the company's equity securities is no longer attractive, to raise cash to purchase a more attractive investment opportunity, to satisfy net redemptions or for other purposes.

Principal Risks of Investing in Davis Opportunity Fund

You may lose money by investing in the Fund. Investors in the Fund should have a long-term perspective and be able to tolerate potentially sharp declines in value.

The principal risks of investing in the Fund are:

- **Common Stock Risk.** Common stock represents an ownership position in a company. An adverse event may have a negative impact on a company and could result in a decline in the price of its common stock. Common stock is generally subordinate to an issuer's other securities, including preferred, convertible and debt securities.
- **Depositary Receipts Risk.** Depositary receipts, consisting of American Depositary Receipts, European Depositary Receipts and Global Depositary Receipts, are certificates evidencing ownership of shares of a foreign issuer. Depositary receipts are subject to many of the risks associated with investing directly in foreign securities. Depositary receipts may trade at a discount, or a premium, to the underlying security and may be less liquid than the underlying securities listed on an exchange.
- **Emerging Market Risk.** Securities of issuers in emerging and developing markets may offer special investment opportunities, but present risks not found in more mature markets. These securities may be more volatile and less liquid, which may also make them more difficult to value, than securities issued in countries with developed economies.
- **Fees and Expenses Risk.** The Fund may not earn enough through income and capital appreciation to offset the operating expenses of the Fund. All mutual funds incur operating fees and expenses. Fees and expenses reduce the return that a shareholder may earn by investing in a fund, even when a fund has favorable performance. A low-return environment, or a bear market, increases the risk that a shareholder may lose money.
- **Foreign Country Risk.** Securities of foreign companies (including ADRs) may be subject to greater risk, as foreign economies may not be as strong or diversified, foreign political systems may not be as stable and foreign financial reporting standards may not be as rigorous as they are in the United States. There may also be less information publicly available regarding the non-U.S. issuers and their securities. These securities may be less liquid (and, in some cases, may be illiquid) and could be harder to value than more liquid securities.
- **Foreign Currency Risk.** The change in value of a foreign currency against the U.S. dollar will result in a change in the U.S. dollar value of securities denominated in that foreign currency. For example, when the Fund holds a security that is denominated in a foreign currency, a decline of that foreign currency against the U.S. dollar would generally cause the value of the Fund's shares to decline.
- **Headline Risk.** The Fund may invest in a company when the company becomes the center of controversy after receiving adverse media attention concerning its operations, long-term prospects, management or for other reasons. While Davis Advisors researches companies subject to such contingencies, it cannot be correct every time, and the company's stock may never recover or may become worthless.
- **Large-Capitalization Companies Risk.** Companies with \$10 billion or more in market capitalization are considered by the Adviser to be large-capitalization companies. Large-capitalization companies generally experience slower rates of growth in earnings per share than do mid- and small-capitalization companies.
- **Manager Risk.** Poor security selection or focus on securities in a particular sector, category or group of companies may cause the Fund to underperform relevant benchmarks or other funds with a similar investment objective.

- **Mid- and Small-Capitalization Companies Risk.** Companies with less than \$10 billion in market capitalization are considered by the Adviser to be mid- or small-capitalization companies. Mid- and small-capitalization companies typically have more limited product lines, markets and financial resources than larger companies, and their securities may trade less frequently and in more limited volume than those of larger, more mature companies.
- **Stock Market Risk.** Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices, including the possibility of sharp declines.

Your investment in the Fund is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency, entity or person.

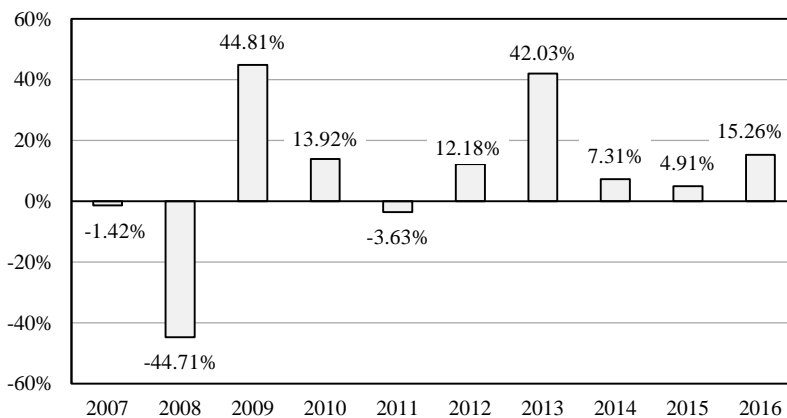
Performance Results

The bar chart below provides some indication of the risks of investing in Davis Opportunity Fund by showing how the Fund’s investment results have varied from year to year. The following table shows how the Fund’s average annual total returns, for the periods indicated, compare with those of the Russell 3000[®] Index, a broad-based securities market index. The Fund’s past performance (before and after taxes) is not necessarily an indication of how the Fund will perform in the future. Updated information on the Fund’s results can be obtained by visiting www.davisfunds.com or by calling **1-800-279-0279**.

After-tax returns are shown only for Class A shares; after-tax returns for other share classes will vary. After-tax returns are calculated using the highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor’s tax situation and may differ from those shown, and after-tax returns shown are not relevant to investors who hold their Fund shares through a tax-deferred arrangement, such as a 401(k) plan or an individual retirement account.

Calendar Year Total Returns for Class A Shares

(Sales loads are not reflected in the bar chart and, if these amounts were reflected, returns would be less than those shown.)



Highest/Lowest quarterly results during the time period were:

Highest

22.36% (quarter ended June 30, 2009)

Lowest

-24.35% (quarter ended December 31, 2008)

Total return for the three months ended

March 31, 2017 (non-annualized) was 4.89%.

Average Annual Total Returns <i>(For the periods ended December 31, 2016, with maximum sales charge)</i>	Past 1 Year	Past 5 Years	Past 10 Years
Class A shares return before taxes	9.79%	14.51%	5.48%
Class A shares return after taxes on distributions	9.11%	12.67%	4.45%
Class A shares return after taxes on distributions and sale of Fund shares	5.99%	11.41%	4.25%
Class B shares return before taxes	9.95%	14.23%	5.32%
Class C shares return before taxes	13.38%	14.72%	5.17%
Class Y shares return before taxes	15.55%	15.90%	6.29%
Russell 3000 [®] Index reflects no deduction for fees, expenses or taxes	12.74%	14.67%	7.08%

Management

Investment Adviser. Davis Selected Advisers, L.P. serves as the Fund’s investment adviser and uses a system of multiple portfolio managers to manage the Fund’s assets. The portfolio managers listed below are primarily responsible for the day-to-day management of the Fund’s assets.

Sub-Adviser. Davis Selected Advisers–NY, Inc., a wholly-owned subsidiary of the Adviser.

Portfolio Managers. As of the date of this prospectus, the portfolio managers listed below managed the five largest segments of the Fund’s assets. This list is subject to change for reasons including, but not limited to, market fluctuation.

Portfolio Managers	Experience with this Fund	Primary Title with Investment Adviser or Sub-Adviser
Dwight Blazin	Since December 2001	Vice President, Davis Selected Advisers–NY, Inc.
Christopher Davis	Since January 1999	Chairman, Davis Selected Advisers, L.P.
Danton Goei	Since December 2001	Vice President, Davis Selected Advisers–NY, Inc.
Darin Prozes	Since November 2013	Vice President, Davis Selected Advisers–NY, Inc.
Kent Whitaker	Since July 2014; and from December 2001 to December 2006	Vice President, Davis Selected Advisers–NY, Inc.

Purchase and Sale of Fund Shares

Class B shares are no longer offered for new purchases. New Class B share account applications will be returned and any investments for existing Class B share accounts will be made in Class A shares of Davis Government Money Market Fund. Investors may continue to exchange Class B shares of other Davis Funds for Class B shares of Davis Opportunity Fund and to exchange Davis Opportunity Fund Class B shares for Class B shares of other Davis Funds.

	Class A and C shares	Class Y shares
Minimum Initial Investment	\$1,000	\$5,000,000
Minimum Additional Investment	25	25

You may sell (redeem) shares each day the New York Stock Exchange is open. Your transaction may be placed through your dealer or financial adviser, by writing to **Davis Funds, P.O. Box 8406, Boston, MA 02266-8406**, telephoning **1-800-279-0279** or accessing Davis Funds’ website (www.davisfunds.com).

Tax Information

If the Fund earns income or realizes capital gains, it intends to make distributions that may be taxed as ordinary income, qualified dividend income or capital gains by federal, state and local authorities.

Payments to Broker-Dealers and Other Financial Intermediaries

If you purchase Davis Opportunity Fund through a broker-dealer or other financial intermediary (such as a bank), the Fund and its related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary’s website for more information.

DAVIS REAL ESTATE FUND SUMMARY

Investment Objective

The Fund seeks total return through a combination of growth and income.

Fees and Expenses of the Fund

These tables describe the fees and expenses that you may pay if you buy and hold shares of the Fund. You may qualify for sales charge discounts if you and your family invest, or agree to invest in the future, at least \$100,000 in Davis Funds. More information about these and other discounts is available from your financial professional and in the “How to Choose a Share Class” section of the Fund’s prospectus on page 44 and in the “Selecting the Appropriate Class of Shares” section of the Fund’s statement of additional information on page 42. In addition, descriptions of the sales load waivers and/or discounts for Class A shares with respect to certain financial intermediaries are reproduced in “Appendix A: Intermediary-Specific Sales Charge Waivers and Discounts” to the prospectus based on information provided by the financial intermediary.

Shareholder Fees <i>(fees paid directly from your investment)</i>	Class A shares	Class B shares	Class C shares	Class Y shares
Maximum Sales Charge (Load) Imposed on Purchases <i>(as a percentage of offering price)</i>	4.75%	None	None	None
Maximum Deferred Sales Charge (Load) <i>(as a percentage of the lesser of the net asset value of the shares redeemed or the total cost of such shares)</i>	0.50%*	4.00%	1.00%	None
Redemption Fee <i>(as a percentage of total redemption proceeds)</i>	None	None	None	None

* Only applies if you buy shares valued at \$1 million or more without a sales charge and sell the shares within one year of purchase.

Annual Fund Operating Expenses <i>(expenses that you pay each year as a percentage of the value of your investment)</i>	Class A shares	Class B shares	Class C shares	Class Y shares
Management Fees	0.55%	0.55%	0.55%	0.55%
Distribution and/or Service (12b-1) Fees	0.17%	1.00%	1.00%	0.00%
Other Expenses	0.21%	0.49%	0.27%	0.18%
Total Annual Operating Expenses	0.93%	2.04%	1.82%	0.73%

Example. This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and the Fund’s operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

	If you redeem your shares in:				If you did not redeem your shares in:			
	1 Year	3 Years	5 Years	10 Years	1 Year	3 Years	5 Years	10 Years
Class A shares	\$565	\$757	\$965	\$1,564	\$565	\$757	\$965	\$1,564
Class B shares	607	940	1,298	1,948	207	640	1,098	1,948
Class C shares	285	573	985	2,137	185	573	985	2,137
Class Y shares	75	233	406	906	75	233	406	906

Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund’s performance. During the most recent fiscal year, the Fund’s portfolio turnover rate was 53% of the average value of its portfolio.

Principal Investment Strategies

Davis Selected Advisers, L.P. (“Davis Advisors” or the “Adviser”), the Fund’s investment adviser, uses the Davis Investment Discipline to invest at least 80% of the Fund’s net assets, plus any borrowing for investment purposes, in securities issued by companies principally engaged in the real estate industry. The Fund invests principally in common stocks of domestic

companies and may invest in foreign companies (including indirect holdings of a foreign issuer's common stock through depositary receipts).

A company is principally engaged in the real estate industry if it owns real estate or real estate-related assets that constitute at least 50% of the value of all of its assets, or if it derives at least 50% of its revenues or net profits from owning, financing, developing, managing or selling real estate, or from offering products or services that are related to real estate. Issuers of real estate securities include real estate investment trusts (REITs), brokers, developers, lenders and companies with substantial real estate holdings, such as paper, lumber, hotel and entertainment companies. Most of Davis Real Estate Fund's real estate securities are, and will likely continue to be, interests in publicly traded REITs. REITs pool investors' funds to make real estate-related investments, such as buying interests in income-producing property or making loans to real estate developers.

Davis Investment Discipline. Davis Advisors manages equity funds using the Davis Investment Discipline. Davis Advisors conducts extensive research to try to identify businesses that possess characteristics that Davis Advisors believes foster the creation of long-term value, such as proven management, a durable franchise and business model, and sustainable competitive advantages. Davis Advisors aims to invest in such businesses when they are trading at discounts to their intrinsic worth. Davis Advisors emphasizes individual stock selection and believes that the ability to evaluate management is critical. Davis Advisors routinely visits managers at their places of business in order to gain insight into the relative value of different businesses. Such research, however rigorous, involves predictions and forecasts that are inherently uncertain. After determining which companies Davis Advisors believes the Fund should own, Davis Advisors then turns its analysis to determining the intrinsic value of those companies' equity securities. Davis Advisors seeks companies whose equity securities can be purchased at a discount from Davis Advisors' estimate of the company's intrinsic value based upon fundamental analysis of cash flows, assets and liabilities, and other criteria that Davis Advisors deems to be material on a company-by-company basis. Davis Advisors' goal is to invest in companies for the long term (ideally, five years or longer, although this goal may not be met). Davis Advisors considers selling a company's equity securities if the securities' market price exceeds Davis Advisors' estimates of intrinsic value, if the ratio of the risks and rewards of continuing to own the company's equity securities is no longer attractive, to raise cash to purchase a more attractive investment opportunity, to satisfy net redemptions or for other purposes.

Principal Risks of Investing in Davis Real Estate Fund

You may lose money by investing in the Fund. Investors in the Fund should have a long-term perspective and be able to tolerate potentially sharp declines in value.

The principal risks of investing in the Fund are:

- ***Common Stock Risk.*** Common stock represents an ownership position in a company. An adverse event may have a negative impact on a company and could result in a decline in the price of its common stock. Common stock is generally subordinate to an issuer's other securities, including preferred, convertible and debt securities.
- ***Fees and Expenses Risk.*** The Fund may not earn enough through income and capital appreciation to offset the operating expenses of the Fund. All mutual funds incur operating fees and expenses. Fees and expenses reduce the return that a shareholder may earn by investing in a fund, even when a fund has favorable performance. A low-return environment, or a bear market, increases the risk that a shareholder may lose money.
- ***Focused Portfolio Risk.*** Funds that invest in a limited number of companies may have more risk because changes in the value of a single security may have a more significant effect, either negative or positive, on the value of the Fund's total portfolio.
- ***Headline Risk.*** The Fund may invest in a company when the company becomes the center of controversy after receiving adverse media attention concerning its operations, long-term prospects, management or for other reasons. While Davis Advisors researches companies subject to such contingencies, it cannot be correct every time, and the company's stock may never recover or may become worthless.
- ***Large-Capitalization Companies Risk.*** Companies with \$10 billion or more in market capitalization are considered by the Adviser to be large-capitalization companies. Large-capitalization companies generally experience slower rates of growth in earnings per share than do mid- and small-capitalization companies.
- ***Manager Risk.*** Poor security selection or focus on securities in a particular sector, category or group of companies may cause the Fund to underperform relevant benchmarks or other funds with a similar investment objective.
- ***Mid- and Small-Capitalization Companies Risk.*** Companies with less than \$10 billion in market capitalization are considered by the Adviser to be mid- or small-capitalization companies. Mid- and small-capitalization companies typically have more limited product lines, markets and financial resources than larger companies, and their securities may trade less frequently and in more limited volume than those of larger, more mature companies.
- ***Real Estate Risk.*** Real estate securities are susceptible to the many risks associated with the direct ownership of real estate, including declines in property values, increases in property taxes, operating expenses, interest rates or competition, overbuilding, changes in zoning laws, or losses from casualty or condemnation.

- **Stock Market Risk.** Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices, including the possibility of sharp declines.
- **Variable Current Income Risk.** The income that the Fund pays to investors is not stable.

Your investment in the Fund is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency, entity or person.

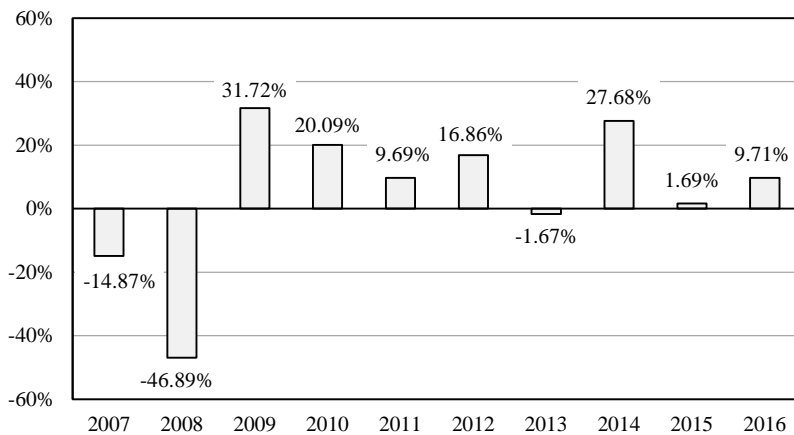
Performance Results

The bar chart below provides some indication of the risks of investing in Davis Real Estate Fund by showing how the Fund's investment results have varied from year to year. The following table shows how the Fund's average annual total returns, for the periods indicated, compare with those of the S&P 500[®] Index, a broad-based securities market index, and of the Wilshire U.S. Real Estate Securities Index. The Wilshire U.S. Real Estate Securities Index is a measure of the performance of publicly traded real estate securities. The Fund's past performance (before and after taxes) is not necessarily an indication of how the Fund will perform in the future. Updated information on the Fund's results can be obtained by visiting www.davisfunds.com or by calling **1-800-279-0279**.

After-tax returns are shown only for Class A shares; after-tax returns for other share classes will vary. After-tax returns are calculated using the highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown, and after-tax returns shown are not relevant to investors who hold their Fund shares through a tax-deferred arrangement, such as a 401(k) plan or an individual retirement account.

Calendar Year Total Returns for Class A Shares

(Sales loads are not reflected in the bar chart and, if these amounts were reflected, returns would be less than those shown.)



Highest/Lowest quarterly results during the time period were:

Highest

32.10% (quarter ended June 30, 2009)

Lowest

-42.31% (quarter ended December 31, 2008)

Total return for the three months ended

March 31, 2017 (non-annualized) was 0.08%.

Average Annual Total Returns <i>(For the periods ended December 31, 2016, with maximum sales charge)</i>	Past 1 Year	Past 5 Years	Past 10 Years
Class A shares return before taxes	4.50%	9.29%	2.03%
Class A shares return after taxes on distributions	3.80%	8.70%	1.14%
Class A shares return after taxes on distributions and sale of Fund shares	2.57%	7.05%	1.37%
Class B shares return before taxes	4.51%	8.88%	1.79%
Class C shares return before taxes	7.71%	9.40%	1.68%
Class Y shares return before taxes	9.90%	10.60%	2.82%
S&P 500[®] Index reflects no deduction for fees, expenses or taxes	11.96%	14.66%	6.95%
Wilshire U.S. Real Estate Securities Index reflects no deductions for fees, expenses or taxes	7.62%	12.24%	4.80%

Davis Real Estate Fund Yield for Class A Shares

(For the period ended December 31, 2016)

30-Day SEC Yield: 1.07%

You can obtain the Fund's most recent 30-day SEC Yield by calling Investor Services toll-free at **1-800-279-0279**, Monday through Friday, from 9 a.m. to 6 p.m. Eastern time.

Management

Investment Adviser. Davis Selected Advisers, L.P.

Sub-Adviser. Davis Selected Advisers–NY, Inc., a wholly-owned subsidiary of the Adviser.

Portfolio Managers	Experience with this Fund	Primary Title with Investment Adviser or Sub-Adviser
Andrew Davis	Since January 1994	President, Davis Selected Advisers, L.P.
Chandler Spears	Since August 2002	Vice President, Davis Selected Advisers–NY, Inc.

Purchase and Sale of Fund Shares

Class B shares are no longer offered for new purchases. New Class B share account applications will be returned and any investments for existing Class B share accounts will be made in Class A shares of Davis Government Money Market Fund. Investors may continue to exchange Class B shares of other Davis Funds for Class B shares of Davis Real Estate Fund and to exchange Davis Real Estate Fund Class B shares for Class B shares of other Davis Funds.

	Class A and C shares	Class Y shares
Minimum Initial Investment	\$1,000	\$5,000,000
Minimum Additional Investment	25	25

You may sell (redeem) shares each day the New York Stock Exchange is open. Your transaction may be placed through your dealer or financial adviser, by writing to **Davis Funds, P.O. Box 8406, Boston, MA 02266-8406**, telephoning **1-800-279-0279** or accessing Davis Funds' website (www.davisfunds.com).

Tax Information

If the Fund earns income or realizes capital gains, it intends to make distributions that may be taxed as ordinary income, qualified dividend income or capital gains by federal, state and local authorities.

Payments to Broker-Dealers and Other Financial Intermediaries

If you purchase Davis Real Estate Fund through a broker-dealer or other financial intermediary (such as a bank), the Fund and its related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

DAVIS APPRECIATION & INCOME FUND SUMMARY

Investment Objective

The Fund seeks total return through a combination of growth and income.

Fees and Expenses of the Fund

These tables describe the fees and expenses that you may pay if you buy and hold shares of the Fund. You may qualify for sales charge discounts if you and your family invest, or agree to invest in the future, at least \$100,000 in Davis Funds. More information about these and other discounts is available from your financial professional and in the “How to Choose a Share Class” section of the Fund’s prospectus on page 44 and in the “Selecting the Appropriate Class of Shares” section of the Fund’s statement of additional information on page 42. In addition, descriptions of the sales load waivers and/or discounts for Class A shares with respect to certain financial intermediaries are reproduced in “Appendix A: Intermediary-Specific Sales Charge Waivers and Discounts” to the prospectus based on information provided by the financial intermediary.

Shareholder Fees <i>(fees paid directly from your investment)</i>	Class A shares	Class B shares	Class C shares	Class Y shares
Maximum Sales Charge (Load) Imposed on Purchases <i>(as a percentage of offering price)</i>	4.75%	None	None	None
Maximum Deferred Sales Charge (Load) <i>(as a percentage of the lesser of the net asset value of the shares redeemed or the total cost of such shares)</i>	0.50%*	4.00%	1.00%	None
Redemption Fee <i>(as a percentage of total redemption proceeds)</i>	None	None	None	None

* Only applies if you buy shares valued at \$1 million or more without a sales charge and sell the shares within one year of purchase.

Annual Fund Operating Expenses <i>(expenses that you pay each year as a percentage of the value of your investment)</i>	Class A shares	Class B shares	Class C shares	Class Y shares
Management Fees	0.55%	0.55%	0.55%	0.55%
Distribution and/or Service (12b-1) Fees	0.16%	1.00%	1.00%	0.00%
Other Expenses	0.20%	0.53%	0.20%	0.15%
Total Annual Operating Expenses	0.91%	2.08%	1.75%	0.70%

Example. This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and the Fund’s operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

	If you redeem your shares in:				If you did not redeem your shares in:			
	1 Year	3 Years	5 Years	10 Years	1 Year	3 Years	5 Years	10 Years
Class A shares	\$563	\$751	\$955	\$1,541	\$563	\$751	\$955	\$1,541
Class B shares	611	952	1,319	1,968	211	652	1,119	1,968
Class C shares	278	551	949	2,062	178	551	949	2,062
Class Y shares	72	224	390	871	72	224	390	871

Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund’s performance. During the most recent fiscal year, the Fund’s portfolio turnover rate was 109% of the average value of its portfolio.

Principal Investment Strategies

Davis Selected Advisers, L.P. (“Davis Advisors” or the “Adviser”), the Fund’s investment adviser, uses the Davis Investment Discipline to invest Davis Appreciation & Income Fund’s assets in a balanced portfolio of common stock, convertible securities, preferred stock and bonds. The Fund may also hold cash. The Fund may invest in large, medium or small

companies without regard to market capitalization and may invest in securities issued by either domestic or foreign companies.

The Fund's investments in common stock issued by companies across the spectrum of market capitalizations are purchased primarily for their growth potential. Fixed income securities, consisting of both investment grade and high-yield, high-risk debt securities ("junk bonds"), are purchased both for current income and to provide diversification. Convertible securities, which include both preferred stock and bonds and may be "converted" into common stock if the company grows, offer both growth potential, some income and may provide downside protection. In the current market, Davis Advisors' portfolio managers expect to continue investing a significant portion of the Fund's assets in convertible securities.

Davis Investment Discipline. Davis Advisors manages equity funds using the Davis Investment Discipline. Davis Advisors conducts extensive research to try to identify businesses that possess characteristics that Davis Advisors believes foster the creation of long-term value, such as proven management, a durable franchise and business model, and sustainable competitive advantages. Davis Advisors aims to invest in such businesses when they are trading at discounts to their intrinsic worth. Davis Advisors emphasizes individual stock selection and believes that the ability to evaluate management is critical. Davis Advisors routinely visits managers at their places of business in order to gain insight into the relative value of different businesses. Such research, however rigorous, involves predictions and forecasts that are inherently uncertain. After determining which companies Davis Advisors believes the Fund should own, Davis Advisors then turns its analysis to determining the intrinsic value of those companies' equity securities. Davis Advisors seeks companies whose equity securities can be purchased at a discount from Davis Advisors' estimate of the company's intrinsic value based upon fundamental analysis of cash flows, assets and liabilities, and other criteria that Davis Advisors deems to be material on a company-by-company basis. Davis Advisors' goal is to invest in companies for the long term (ideally, five years or longer, although this goal may not be met). Davis Advisors considers selling a company's equity securities if the securities' market price exceeds Davis Advisors' estimates of intrinsic value, if the ratio of the risks and rewards of continuing to own the company's equity securities is no longer attractive, to raise cash to purchase a more attractive investment opportunity, to satisfy net redemptions or for other purposes.

Principal Risks of Investing in Davis Appreciation & Income Fund

You may lose money by investing in the Fund. Investors in the Fund should have a long-term perspective and be able to tolerate potentially sharp declines in value.

The principal risks of investing in the Fund are:

- ***Bonds and Other Debt Securities Risk.*** Corporations, governments and other issuers sell bonds and other debt securities to borrow money. Issuers pay investors interest and generally must repay the amount borrowed at maturity. Bonds and other debt securities generally are subject to credit risk and interest rate risk.
- ***Changes in Debt Rating Risk.*** If a rating agency gives a fixed income security or its issuer a low rating, the value of the security will decline because investors will demand a higher rate of return.
- ***Common Stock Risk.*** Common stock represents an ownership position in a company. An adverse event may have a negative impact on a company and could result in a decline in the price of its common stock. Common stock is generally subordinate to an issuer's other securities, including preferred, convertible and debt securities.
- ***Convertible Securities Risk.*** The Fund often invests a substantial portion of its assets in convertible securities. Convertible securities are often lower-quality debt securities.
- ***Credit Risk.*** The issuer of a fixed income security (potentially even the U.S. Government) may be unable to make timely payments of interest and principal.
- ***Depository Receipts Risk.*** Depository receipts, consisting of American Depositary Receipts, European Depositary Receipts and Global Depositary Receipts, are certificates evidencing ownership of shares of a foreign issuer. Depository receipts are subject to many of the risks associated with investing directly in foreign securities. Depository receipts may trade at a discount, or a premium, to the underlying security and may be less liquid than the underlying securities listed on an exchange.
- ***Extension and Prepayment Risk.*** Extension risk occurs when borrowers maintain their existing debt obligations until they come due instead of choosing to prepay them. Prepayment risk occurs when borrowers prepay their debt obligations more quickly than usual so that they can refinance at a lower rate. The pace at which borrowers prepay affects the yield and the cash flow to holders of securities and the market value of those securities.
- ***Fees and Expenses Risk.*** The Fund may not earn enough through income and capital appreciation to offset the operating expenses of the Fund. All mutual funds incur operating fees and expenses. Fees and expenses reduce the return that a shareholder may earn by investing in a fund, even when a fund has favorable performance. A low-return environment, or a bear market, increases the risk that a shareholder may lose money.
- ***Foreign Country Risk.*** Securities of foreign companies (including ADRs) may be subject to greater risk, as foreign economies may not be as strong or diversified, foreign political systems may not be as stable and foreign financial

reporting standards may not be as rigorous as they are in the United States. There may also be less information publicly available regarding the non-U.S. issuers and their securities. These securities may be less liquid (and, in some cases, may be illiquid) and could be harder to value than more liquid securities.

- **Headline Risk.** The Fund may invest in a company when the company becomes the center of controversy after receiving adverse media attention concerning its operations, long-term prospects, management or for other reasons. While Davis Advisors researches companies subject to such contingencies, it cannot be correct every time, and the company's stock may never recover or may become worthless.
- **High-Yield, High-Risk Debt Securities Risk.** Issuers of these debt securities are unlikely to have a cushion from which to make their payments when their earnings are poor or when the economy in general is in decline. These issuers are likely to have a substantial amount of other debt, which will be senior to the high-yield, high-risk debt securities. An issuer must be current on its senior obligations before it can pay bondholders.
- **Interest Rate Risk.** Interest rate increases can cause the price of a debt security to decrease.
- **Large-Capitalization Companies Risk.** Companies with \$10 billion or more in market capitalization are considered by the Adviser to be large-capitalization companies. Large-capitalization companies generally experience slower rates of growth in earnings per share than do mid- and small-capitalization companies.
- **Manager Risk.** Poor security selection or focus on securities in a particular sector, category or group of companies may cause the Fund to underperform relevant benchmarks or other funds with a similar investment objective.
- **Mid- and Small-Capitalization Companies Risk.** Companies with less than \$10 billion in market capitalization are considered by the Adviser to be mid- or small-capitalization companies. Mid- and small-capitalization companies typically have more limited product lines, markets and financial resources than larger companies, and their securities may trade less frequently and in more limited volume than those of larger, more mature companies.
- **Preferred Stock Risk.** Preferred stock is a form of equity security and is generally ranked behind an issuer's debt securities in claims for dividends and assets of an issuer in a liquidation or bankruptcy. An adverse event may have a negative impact on a company and could result in a decline in the price of its preferred stock.
- **Stock Market Risk.** Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices, including the possibility of sharp declines.
- **Variable Current Income Risk.** The income that the Fund pays to investors is not stable.

Your investment in the Fund is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency, entity or person.

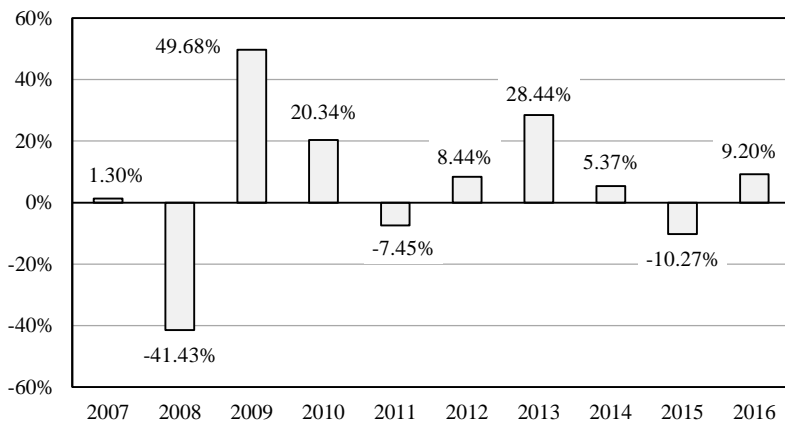
Performance Results

The bar chart below provides some indication of the risks of investing in Davis Appreciation & Income Fund by showing how the Fund's investment results have varied from year to year. The following table shows how the Fund's average annual total returns for the periods indicated compare with those of the S&P 500[®] Index, a broad-based securities market index. The Fund's past performance (before and after taxes) is not necessarily an indication of how the Fund will perform in the future. Updated information on the Fund's results can be obtained by visiting www.davisfunds.com or by calling 1-800-279-0279.

After-tax returns are shown only for Class A shares; after-tax returns for other share classes will vary. After-tax returns are calculated using the highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown, and after-tax returns shown are not relevant to investors who hold their Fund shares through a tax-deferred arrangement, such as a 401(k) plan or an individual retirement account.

Calendar Year Total Returns for Class A Shares

(Sales loads are not reflected in the bar chart and, if these amounts were reflected, returns would be less than those shown.)



Highest/Lowest quarterly results during the time period were:

Highest

23.58% (quarter ended September 30, 2009)

Lowest

-28.75% (quarter ended December 31, 2008)

Total return for the three months ended March 31, 2017 (non-annualized) was 3.71%.

Average Annual Total Returns <i>(For the periods ended December 31, 2016, with maximum sales charge)</i>	Past 1 Year	Past 5 Years	Past 10 Years
Class A shares return before taxes	4.02%	6.50%	3.08%
Class A shares return after taxes on distributions	3.74%	6.20%	2.63%
Class A shares return after taxes on distributions and sale of Fund shares	2.49%	5.08%	2.36%
Class B shares return before taxes	4.00%	6.14%	2.94%
Class C shares return before taxes	7.33%	6.65%	2.75%
Class Y shares return before taxes	9.44%	7.73%	3.81%
S&P 500® Index reflects no deduction for fees, expenses or taxes	11.96%	14.66%	6.95%

Davis Appreciation & Income Fund Yield for Class A Shares <i>(For the period ended December 31, 2016)</i>	
30-Day SEC Yield:	1.04%

You can obtain the Fund's most recent 30-day SEC Yield by calling Investor Services toll-free at **1-800-279-0279**, Monday through Friday, from 9 a.m. to 6 p.m. Eastern time.

Management

Investment Adviser. Davis Selected Advisers, L.P.

Sub-Adviser. Davis Selected Advisers-NY, Inc., a wholly-owned subsidiary of the Adviser.

Portfolio Managers	Experience with this Fund	Primary Title with Investment Adviser or Sub-Adviser
Christopher Davis	Since July 2016	Chairman, Davis Selected Advisers, L.P.
Creston King	Since July 2016	Vice President, Davis Selected Advisers-NY, Inc.
Peter Sackmann	Since July 2016	Vice President, Davis Selected Advisers-NY, Inc.

Purchase and Sale of Fund Shares

Class B shares are no longer offered for new purchases. New Class B share account applications will be returned and any investments for existing Class B share accounts will be made in Class A shares of Davis Government Money Market Fund. Investors may continue to exchange Class B shares of other Davis Funds for Class B shares of Davis Appreciation & Income Fund and to exchange Davis Appreciation & Income Fund Class B shares for Class B shares of other Davis Funds.

	Class A and C shares	Class Y shares
Minimum Initial Investment	\$1,000	\$5,000,000
Minimum Additional Investment	25	25

You may sell (redeem) shares each day the New York Stock Exchange is open. Your transaction may be placed through your dealer or financial adviser, by writing to **Davis Funds, P.O. Box 8406, Boston, MA 02266-8406**, telephoning **1-800-279-0279** or accessing Davis Funds' website (www.davisfunds.com).

Tax Information

If the Fund earns income or realizes capital gains, it intends to make distributions that may be taxed as ordinary income, qualified dividend income or capital gains by federal, state and local authorities.

Payments to Broker-Dealers and Other Financial Intermediaries

If you purchase Davis Appreciation & Income Fund through a broker-dealer or other financial intermediary (such as a bank), the Fund and its related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

DAVIS GOVERNMENT BOND FUND SUMMARY

Investment Objective

The Fund seeks current income.

Fees and Expenses of the Fund

These tables describe the fees and expenses that you may pay if you buy and hold shares of the Fund. You may qualify for sales charge discounts if you and your family invest, or agree to invest in the future, at least \$100,000 in Davis Funds. More information about these and other discounts is available from your financial professional and in the “How to Choose a Share Class” section of the Fund’s prospectus on page 44 and in the “Selecting the Appropriate Class of Shares” section of the Fund’s statement of additional information on page 42. In addition, descriptions of the sales load waivers and/or discounts for Class A shares with respect to certain financial intermediaries are reproduced in “Appendix A: Intermediary-Specific Sales Charge Waivers and Discounts” to the prospectus based on information provided by the financial intermediary.

Shareholder Fees <i>(fees paid directly from your investment)</i>	Class A shares	Class B shares	Class C shares	Class Y shares
Maximum Sales Charge (Load) Imposed on Purchases <i>(as a percentage of offering price)</i>	4.75%	None	None	None
Maximum Deferred Sales Charge (Load) <i>(as a percentage of the lesser of the net asset value of the shares redeemed or the total cost of such shares)</i>	0.50%*	4.00%	1.00%	None
Redemption Fee <i>(as a percentage of total redemption proceeds)</i>	None	None	None	None

* Only applies if you buy shares valued at \$1 million or more without a sales charge and sell the shares within one year of purchase.

Annual Fund Operating Expenses <i>(expenses that you pay each year as a percentage of the value of your investment)</i>	Class A shares	Class B shares	Class C shares	Class Y shares
Management Fees	0.30%	0.30%	0.30%	0.30%
Distribution and/or Service (12b-1) Fees	0.22%	1.00%	1.00%	0.00%
Other Expenses	0.51%	0.80%	0.51%	0.41%
Total Annual Operating Expenses	1.03%	2.10%	1.81%	0.71%

Example. This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and the Fund’s operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

	If you redeem your shares in:				If you did not redeem your shares in:			
	1 Year	3 Years	5 Years	10 Years	1 Year	3 Years	5 Years	10 Years
Class A shares	\$575	\$787	\$1,017	\$1,675	\$575	\$787	\$1,017	\$1,675
Class B shares	613	958	1,329	2,028	213	658	1,129	2,028
Class C shares	284	569	980	2,127	184	569	980	2,127
Class Y shares	73	227	395	883	73	227	395	883

Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund’s performance. During the most recent fiscal year, the Fund’s portfolio turnover rate was 65% of the average value of its portfolio.

Principal Investment Strategies

Davis Government Bond Fund invests exclusively in U.S. Treasury securities, U.S. Government agency securities, U.S. Government agency mortgage securities (collectively “U.S. Government Securities”) and repurchase agreements

collateralized by U.S. Government Securities. Under normal circumstances, the Fund's portfolio will maintain a weighted average maturity of three years or less.

Principal Risks of Investing in Davis Government Bond Fund

You may lose money by investing in the Fund. Investors in the Fund should have a long-term perspective and be able to tolerate potentially sharp declines in value.

The principal risks of investing in the Fund are:

- **Changes in Debt Rating Risk.** If a rating agency gives a fixed income security or its issuer a low rating, the value of the security will decline because investors will demand a higher rate of return.
- **Credit Risk.** The issuer of a fixed income security (potentially even the U.S. Government) may be unable to make timely payments of interest and principal.
- **Extension and Prepayment Risk.** Extension risk occurs when borrowers maintain their existing debt obligations until they come due instead of choosing to prepay them. Prepayment risk occurs when borrowers prepay their debt obligations more quickly than usual so that they can refinance at a lower rate. The pace at which borrowers prepay affects the yield and the cash flow to holders of securities and the market value of those securities.
- **Fees and Expenses Risk.** The Fund may not earn enough through income and capital appreciation to offset the operating expenses of the Fund. All mutual funds incur operating fees and expenses. Fees and expenses reduce the return that a shareholder may earn by investing in a fund, even when a fund has favorable performance. A low-return environment, or a bear market, increases the risk that a shareholder may lose money.
- **Inflation Risk.** Also called purchasing power risk, this is the chance that the cash flows from an investment won't be worth as much in the future because of changes in purchasing power due to inflation.
- **Interest Rate Risk.** Interest rate increases can cause the price of a debt security to decrease.
- **Repurchase Agreement Risk.** The repurchase obligation of the seller is, in effect, secured by the underlying securities. In the event of a bankruptcy or other default of a seller of a repurchase agreement, the Fund could experience both delays in liquidating the underlying securities and losses.
- **U.S. Government Securities Risk.** Generally, government securities, like other debt securities, are interest rate sensitive. During periods of falling interest rates, the values of debt securities held by the Fund generally rise. Conversely, during periods of rising interest rates, the values of such securities generally decline. Changes by recognized rating services in their ratings of debt securities and changes in the ability of an issuer to make payments of interest and principal also will affect the value of these investments.
- **Variable Current Income Risk.** The income that the Fund pays to investors is not stable.

Your investment in the Fund is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency, entity or person.

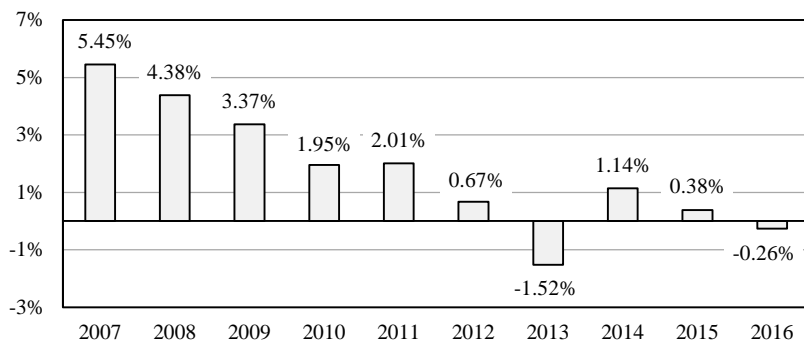
Performance Results

The bar chart below provides some indication of the risks of investing in Davis Government Bond Fund by showing how the Fund's investment results have varied from year to year. The following table shows how the Fund's average annual total returns, for the periods indicated, compare with those of the Citigroup U.S. Treasury/Agency 1-3 Year Index. The Fund's past performance (before and after taxes) is not necessarily an indication of how the Fund will perform in the future. Updated information on the Fund's results can be obtained by visiting www.davisfunds.com, or by calling 1-800-279-0279.

After-tax returns are shown only for Class A shares; after-tax returns for other share classes will vary. After-tax returns are calculated using the highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown, and after-tax returns shown are not relevant to investors who hold their Fund shares through a tax-deferred arrangement, such as a 401(k) plan or an individual retirement account.

Calendar Year Total Returns for Class A Shares

(Sales loads are not reflected in the bar chart and, if these amounts were reflected, returns would be less than those shown.)



Highest/Lowest quarterly results during the time period were:

Highest

2.05% (quarter ended December 31, 2007)

Lowest

-1.26% (quarter ended June 30, 2013)

Total return for the three months ended March 31, 2017 (non-annualized) was 0.33%.

Average Annual Total Returns <i>(For the periods ended December 31, 2016, with maximum sales charge)</i>	Past 1 Year	Past 5 Years	Past 10 Years
Class A shares return before taxes	(4.99%)	(0.89%)	1.24%
Class A shares return after taxes on distributions	(5.27%)	(1.29%)	0.50%
Class A shares return after taxes on distributions and sale of Fund shares	(2.83%)	(0.84%)	0.68%
Class B shares return before taxes	(5.25%)	(1.25%)	1.10%
Class C shares return before taxes	(1.92%)	(0.68%)	0.94%
Class Y shares return before taxes	0.20%	0.47%	1.96%
Citigroup U.S. Treasury/Agency 1-3 Year Index <i>reflects no deduction for fees, expenses or taxes</i>	0.86%	0.57%	2.15%

Davis Government Bond Fund Yield for Class A Shares
(For the period ended December 31, 2016)

30-Day SEC Yield: 0.53%

You can obtain the Fund's most recent 30-day SEC Yield by calling Investor Services toll-free at **1-800-279-0279**, Monday through Friday, from 9 a.m. to 6 p.m. Eastern time.

Management

Investment Adviser. Davis Selected Advisers, L.P. serves as the Fund's investment adviser.

Sub-Adviser. Davis Selected Advisers–NY, Inc., a wholly-owned subsidiary of the Adviser, serves as the Fund's sub-adviser.

Portfolio Manager	Experience with this Fund	Primary Title with Investment Adviser or Sub-Adviser
Creston King	Since August 1999	Vice President, Davis Selected Advisers–NY, Inc.

Purchase and Sale of Fund Shares

Class B shares are no longer offered for new purchases. New Class B share account applications will be returned and any investments for existing Class B share accounts will be made in Class A shares of Davis Government Money Market Fund. Investors may continue to exchange Class B shares of other Davis Funds for Class B shares of Davis Government Bond Fund and to exchange Davis Government Bond Fund Class B shares for Class B shares of other Davis Funds.

	Class A and C shares	Class Y shares
Minimum Initial Investment	\$1,000	\$5,000,000
Minimum Additional Investment	25	25

You may sell (redeem) shares each day the New York Stock Exchange is open. Your transaction may be placed through your dealer or financial adviser, by writing to **Davis Funds, P.O. Box 8406, Boston, MA 02266-8406**, telephoning **1-800-279-0279** or accessing Davis Funds' website (www.davisfunds.com).

Tax Information

If the Fund earns income or realizes capital gains, it intends to make distributions that may be taxed as ordinary income, qualified dividend income or capital gains by federal, state and local authorities.

Payments to Broker-Dealers and Other Financial Intermediaries

If you purchase Davis Government Bond Fund through a broker-dealer or other financial intermediary (such as a bank), the Fund and its related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

DAVIS GOVERNMENT MONEY MARKET FUND SUMMARY

Investment Objective

The Fund seeks as high a level of current income as is consistent with the principle of preservation of capital and maintenance of liquidity.

Fees and Expenses of the Fund

These tables describe the fees and expenses that you may pay if you buy and hold shares of the Fund.

Shareholder Fees <i>(fees paid directly from your investment)</i>	Class A, B, C and Y shares
Maximum Sales Charge (Load) Imposed on Purchases <i>(as a percentage of offering price)</i>	None
Maximum Deferred Sales Charge (Load) <i>(as a percentage of the lesser of the net asset value of the shares redeemed or the total cost of such shares)</i>	None
Redemption Fee <i>(as a percentage of total redemption proceeds)</i>	None

Annual Fund Operating Expenses <i>(expenses that you pay each year as a percentage of the value of your investment)</i>	Class A, B, C and Y shares
Management Fees	0.50%
Distribution and/or Service (12b-1) Fees	0.00%
Other Expenses	0.20%
Total Annual Operating Expenses	0.70%
Less Fee Waiver or Expense Reimbursement ⁽¹⁾	(0.32%)
Net Expenses	0.38%

⁽¹⁾ The Adviser is contractually committed to waive fees and/or reimburse the Fund's expenses such that net investment income will not be less than zero until May 1, 2018. After that date, there is no assurance that the Adviser will continue to cap expenses. The Adviser may recapture from the assets of the Fund any of the operating expenses it has reimbursed (but not any of the management fees which it has waived) until the end of the third calendar year after the end of the calendar year in which such reimbursement occurs, subject to certain limitations. This recapture could negatively affect the Fund's future yield.

Example. This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and the Fund's operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

	1 Year	3 Years	5 Years	10 Years
Class A, B, C and Y shares	\$72	\$224	\$390	\$871

Principal Investment Strategies

The Fund is a money market fund that seeks to preserve the value of your investment at \$1.00 per share. There can be no guarantee that the Fund will be successful in maintaining a \$1.00 share price.

Davis Government Money Market Fund invests exclusively in U.S. Treasury securities, U.S. Government agency securities, U.S. Government agency mortgage securities (collectively "U.S. Government Securities") and repurchase agreements collateralized by U.S. Government Securities. As a government money market fund, the Fund normally invests at least 99.5% of its total assets in U.S. Government Securities, repurchase agreements collateralized by cash and/or U.S. Government Securities, and cash. The Fund seeks to maintain liquidity and preserve capital by carefully monitoring the maturity of its investments. The Fund's portfolio maintains a dollar-weighted average maturity of sixty days or less.

Principal Risks of Investing in Davis Government Money Market Fund

The principal risks of investing in the Fund are:

- **Changes in Debt Rating Risk.** If a rating agency gives a fixed income security or its issuer a low rating, the value of the security will decline because investors will demand a higher rate of return.

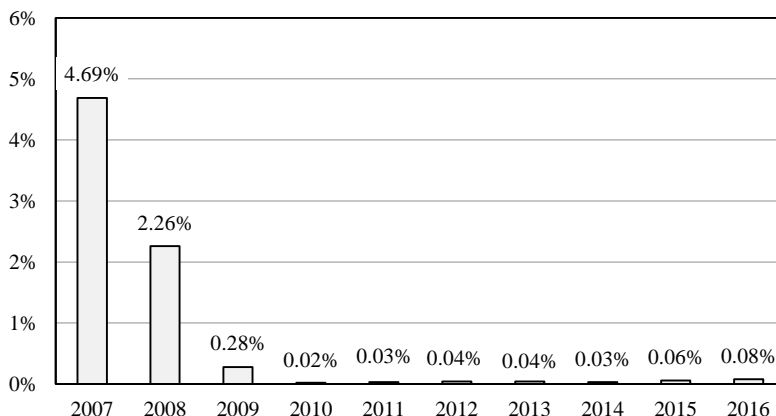
- **Credit Risk.** The issuer of a fixed income security (potentially even the U.S. Government) may be unable to make timely payments of interest and principal.
- **Fees and Expenses Risk.** The Fund may not earn enough through income to offset the operating expenses of the Fund. All mutual funds incur operating fees and expenses. Fees and expenses reduce the return that a shareholder may earn by investing in a fund, even when a fund has favorable performance. A low-return environment, or a bear market, increases the risk that a shareholder may lose money.
- **Inflation Risk.** Also called purchasing power risk, this is the chance that the cash flows from an investment won't be worth as much in the future because of changes in purchasing power due to inflation.
- **Interest Rate Risk.** Interest rate increases can cause the price of a debt security to decrease.
- **Repurchase Agreement Risk.** The repurchase obligation of the seller is, in effect, secured by the underlying securities. In the event of a bankruptcy or other default of a seller of a repurchase agreement, the Fund could experience both delays in liquidating the underlying securities and losses.
- **U.S. Government Securities Risk.** Generally, government securities, like other debt securities, are interest rate sensitive. During periods of falling interest rates, the values of debt securities held by the Fund generally rise. Conversely, during periods of rising interest rates, the values of such securities generally decline. Changes by recognized rating services in their ratings of debt securities and changes in the ability of an issuer to make payments of interest and principal also will affect the value of these investments.
- **Variable Current Income Risk.** The income that the Fund pays to investors is not stable.

You could lose money by investing in the Fund. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund's sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time.

Performance Results

The bar chart below provides some indication of the risks of investing in Davis Government Money Market Fund by showing how the Fund's investment results have varied from year to year. The Fund's past performance is not necessarily an indication of how the Fund will perform in the future. Updated information on the Fund's results can be obtained by visiting www.davisfunds.com or by calling 1-800-279-0279.

Calendar Year Total Returns for All Share Classes



Highest/Lowest quarterly results during the time period were:

Highest

1.18% (quarter ended March 31, 2007)

Lowest

0.00% (quarter ended December 31, 2015)

Total return for the three months ended March 31, 2017 (non-annualized) was 0.01%.

Average Annual Total Returns (For the periods ended December 31, 2016)	Past 1 Year	Past 5 Years	Past 10 Years
Class A, B, C and Y shares	0.08%	0.05%	0.74%

Davis Government Money Market Fund Yield for Class A Shares
(For the period ended December 31, 2016)

7-Day Yield: 0.00%

You can obtain the Fund's most recent 7-day Yield by calling Investor Services toll-free at 1-800-279-0279, Monday through Friday, from 9 a.m. to 6 p.m. Eastern time.

Management

Investment Adviser. Davis Selected Advisers, L.P.

Sub-Adviser. Davis Selected Advisers–NY, Inc., a wholly-owned subsidiary of the Adviser.

Portfolio Manager	Experience with this Fund	Primary Title with Investment Adviser or Sub-Adviser
Creston King	Since August 1999	Vice President, Davis Selected Advisers–NY, Inc.

Purchase and Sale of Fund Shares

Class B shares are no longer offered for new purchases. New Class B share account applications will be returned and any investments for existing Class B share accounts will be made in Class A shares of Davis Government Money Market Fund. Investors may continue to exchange Class B shares of other Davis Funds for Class B shares of Davis Government Money Market Fund and to exchange Davis Government Money Market Fund Class B shares for Class B shares of other Davis Funds.

	Class A and C shares	Class Y shares
Minimum Initial Investment	\$1,000	\$5,000,000
Minimum Additional Investment	25	25

You may sell (redeem) shares each day the New York Stock Exchange is open. Your transaction may be placed through your dealer or financial adviser, by writing to **Davis Funds, P.O. Box 8406, Boston, MA 02266-8406**, telephoning **1-800-279-0279** or accessing Davis Funds' website (www.davisfunds.com).

Tax Information

Distributions (if any) may be taxed as ordinary income or capital gains by federal, state and local authorities. Generally, the Fund does not distribute capital gains. Redemptions, including exchanges, will not normally result in a capital gain or loss for federal or state income tax purposes.

Payments to Broker-Dealers and Other Financial Intermediaries

If you purchase Davis Government Money Market Fund through a broker-dealer or other financial intermediary (such as a bank), the Fund and its related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

ADDITIONAL INFORMATION ABOUT INVESTMENT OBJECTIVES, PRINCIPAL STRATEGIES AND PRINCIPAL RISKS

Investment Objectives	Financial Fund	Opportunity Fund	Real Estate Fund	Appreciation & Income Fund	Government Bond Fund	Government Money Market Fund
Long-term growth of capital:	*	*				
Total return through a combination of growth and income:			*	*		
Current income:					*	
Current income along with preservation of capital and liquidity:						*

The Funds' investment objectives are not fundamental policies and may be changed by the Board of Directors without a vote of shareholders. The Funds' prospectus would be amended prior to any change in investment objective and shareholders would be provided at least 30 days' notice before the change in investment objective was implemented.

Principal Investment Strategies

The principal investment strategies and risks for the Funds are described below. The prospectus and statement of additional information ("SAI") contain a number of investment strategies and risks that are not principal investment strategies or principal risks for a Fund. The prospectus also contains disclosure that describes Davis Advisors' process for determining when a Fund may pursue a non-principal investment strategy.

Davis Financial Fund. Davis Advisors uses the Davis Investment Discipline to invest at least 80% of the Fund's net assets, plus any borrowing for investment purposes, in securities issued by companies principally engaged in the financial services sector. The Fund invests principally in common stocks (including indirect holdings of common stock through depositary receipts). The Fund 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.

A company is principally engaged in financial services if it owns financial services-related assets that constitute at least 50% of the value of all of its assets, or if it derives at least 50% of its revenues from providing financial services. Companies are classified by GICS based on their principal business activity. Revenue is a key factor in determining a firm's principal business activity. Companies with their principal business activity in one of the following areas are considered financial services firms: banks, thrifts and mortgage, specialized finance, consumer finance, asset management, custody, investment banking, brokerage, insurance, financial exchanges and data, and mortgage REITs.

Davis Opportunity Fund. Davis Advisors uses the Davis Investment Discipline to invest Davis Opportunity Fund's portfolio principally in common stock (including indirect holdings of common stock through depositary receipts). The Fund 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.

Davis Real Estate Fund. Davis Advisors uses the Davis Investment Discipline to invest at least 80% of the Fund's net assets, plus any borrowing for investment purposes, in securities issued by companies principally engaged in the real estate industry. The Fund invests principally in common stocks of domestic and foreign companies (including indirect holdings of common stock through depositary receipts).

A company is principally engaged in the real estate industry if it owns real estate or real estate-related assets that constitute at least 50% of the value of all of its assets or if it derives at least 50% of its revenues or net profits from owning, financing, developing, managing or selling real estate, or from offering products or services that are related to real estate. Issuers of real estate securities include real estate investment trusts (REITs), brokers, developers, lenders and companies with substantial real estate holdings, such as paper, lumber, hotel and entertainment companies. Most of Davis Real Estate Fund's real estate securities are, and will likely continue to be, interests in publicly traded REITs. REITs pool investors' funds to make real estate-related investments, such as buying interests in income-producing property or making loans to real estate developers.

Davis Appreciation & Income Fund. Davis Advisors uses the Davis Investment Discipline to invest Davis Appreciation & Income Fund's assets in a balanced portfolio of common stock, convertible securities, preferred stock and bonds. The Fund may also hold cash. The Fund may invest in large, medium or small companies without regard to market capitalization and may invest in securities issued by either domestic or foreign companies.

The Fund's investments in common stock issued by companies across the spectrum of market capitalizations are purchased primarily for their growth potential. Fixed income securities, consisting of both investment grade and high-yield, high-risk debt securities ("junk bonds"), are purchased both for current income and to provide diversification. Convertible securities include both preferred stock and bonds, and may be "converted" into common stock if the company grows. They offer both growth potential, some income and may provide downside protection. In the current market, Davis Advisors' portfolio managers expect to continue investing a significant portion of the Fund's assets in convertible securities.

The Fund may invest in high-yield, high-risk debt securities rated BB or lower by Standard & Poor's Corporation ("S&P") or Ba or lower by Moody's Investors Service ("Moody's") or unrated securities. Securities rated BB or lower by S&P and Ba or lower by Moody's are referred to in the financial community as "junk bonds" and may include D-rated securities of issuers in default. The Fund will not purchase unrated debt securities, or debt securities rated BB or Ba or lower if the securities are in default at the time of purchase or if such purchase would then cause more than 20% of the Fund's net assets to be invested in such lower-rated securities. The Fund may continue to retain a security whose rating has changed, that becomes unrated, or if the security has defaulted.

Davis Government Bond Fund. Davis Government Bond Fund invests exclusively in U.S. Treasury securities, U.S. Government agency securities, U.S. Government agency mortgage securities (collectively "U.S. Government Securities"), and repurchase agreements collateralized by U.S. Government Securities. Under normal circumstances the Fund's portfolio will maintain a weighted average maturity of three years or less.

Davis Government Bond Fund does not attempt to maintain a fixed net asset value per share. Fluctuations in portfolio values and therefore fluctuations in the net asset value of its shares are more likely to be greater when Davis Government Bond Fund's average portfolio maturity is longer. Davis Government Bond Fund seeks to maintain a weighted average maturity of three years or less. The portfolio is likely to be principally invested in securities with short-term maturities in periods when the Adviser deems a more defensive position is advisable. Davis Government Bond Fund may invest a substantial portion of its assets in short-term money market instruments, including repurchase agreements.

Davis Government Money Market Fund. Davis Government Money Market Fund is a money market fund that seeks to preserve the value of your investment at \$1.00 per share. There can be no guarantee that the Fund will be successful in maintaining a \$1.00 share price.

Davis Government Money Market Fund invests exclusively in U.S. Treasury securities, U.S. Government agency securities, U.S. Government agency mortgage securities (collectively "U.S. Government Securities") and repurchase agreements collateralized by U.S. Government Securities. As a government money market fund, the Fund normally invests at least 99.5% of its total assets in U.S. Government Securities, repurchase agreements collateralized by cash and/or U.S. Government Securities, and cash. The Fund seeks to maintain liquidity and preserve capital by carefully monitoring the maturity of its investments. The Fund's portfolio maintains a dollar-weighted average maturity of sixty days or less.

Principal Risks of Investing in the Funds

If you buy shares of a Fund, you may lose some or all of the money that you invest. The investment return and principal value of an investment in a Fund will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. The likelihood of loss may be greater if you invest for a shorter period of time. This section describes the principal risks (but not the only risks) that could cause the value of your investment in the Funds to decline, and which could prevent the Funds from achieving their stated investment objectives.

	Financial Fund	Opportunity Fund	Real Estate Fund	Appreciation & Income Fund	Government Bond Fund	Government Money Market Fund
Equity Risks						
Common Stock Risk	*	*	*	*		
Convertible Securities Risk				*		
Depository Receipts Risk	*	*		*		
Emerging Market Risk		*				
Financial Services Risk	*					
Focused Portfolio Risk	*		*			
Foreign Country Risk	*	*		*		
Foreign Currency Risk	*	*				
Headline Risk	*	*	*	*		
Interest Rate Sensitivity Risk	*					
Large-Capitalization Companies Risk	*	*	*	*		
Manager Risk	*	*	*	*		
Mid- and Small-Capitalization Companies Risk	*	*	*	*		
Preferred Stock Risk				*		
Real Estate Risk			*			
Stock Market Risk	*	*	*	*		
Debt Risks						
Bonds and Other Debt Securities Risk				*		
Changes in Debt Rating Risk				*	*	*
Credit Risk	*			*	*	*
Extension and Prepayment Risk				*	*	
High-Yield, High-Risk Debt Securities Risk				*		
Inflation Risk					*	*
Interest Rate Risk				*	*	*
Repurchase Agreements Risk					*	*
U.S. Government Securities Risk					*	*
Variable Current Income Risk			*	*	*	*
Other Risks						
Fees and Expenses Risk	*	*	*	*	*	*

Equity Risks

- **Common Stock Risk.** Common stock represents ownership positions in companies. The prices of common stock fluctuate based on changes in the financial condition of their issuers and on market and economic conditions. Events that have a negative impact on a business probably will be reflected in a decline in the price of its common stock. Furthermore, when the total value of the stock market declines, most common stocks, even those issued by strong companies, likely will decline in value. Common stock is generally subordinate to an issuer's other securities, including preferred, convertible and debt securities.
- **Convertible Securities Risk.** Convertible securities are a form of equity security. Generally, convertible securities are: bonds, debentures, notes, preferred stocks, warrants or other securities that convert or are exchangeable into shares of the underlying common stock at a stated exchange ratio. Usually, the conversion or exchange is solely at the option of the holder. However, some convertible securities may be convertible or exchangeable at the option of the issuer or are automatically converted or exchanged at a certain time, on the occurrence of certain events, or have a combination of these characteristics. Usually a convertible security provides a long-term call on the issuer's common stock and therefore tends to appreciate in value as the underlying common stock appreciates in value. A convertible security also may be subject to redemption by the issuer after a certain date and under certain circumstances (including a specified price) established on issue. If a convertible

security held by the Fund is called for redemption, the Fund could be required to tender it for redemption, convert it into the underlying common stock or sell it.

Convertible bonds, debentures and notes are varieties of debt securities, and as such are subject to many of the same risks, including interest rate sensitivity, changes in debt rating and credit risk. In addition, convertible securities are often viewed by the issuer as future common stock subordinated to other debt and carry a lower rating than the issuer's non-convertible debt obligations. Thus, convertible securities are subject to many of the same risks as high-yield, high-risk securities. A more complete discussion of these risks is provided below in the sections titled "*Bonds and Other Debt Securities*" and "*High-Yield, High-Risk Debt Securities*."

Due to its conversion feature, the price of a convertible security normally will vary in some proportion to changes in the price of the underlying common stock. A convertible security will also normally provide a higher yield than the underlying common stock (but generally lower than comparable non-convertible securities). Due to their higher yield, convertible securities generally sell above their "conversion value," which is the current market value of the stock to be received on conversion. The difference between this conversion value and the price of convertible securities will vary over time depending on the value of the underlying common stocks and interest rates. When the underlying common stocks decline in value, convertible securities will tend not to decline to the same extent because the yield acts as a price support. When the underlying common stocks rise in value, the value of convertible securities also may be expected to increase, but generally will not increase to the same extent as the underlying common stocks.

Fixed income securities generally are considered to be interest rate sensitive. The market value of convertible securities will change in response to changes in interest rates. During periods of falling interest rates, the value of convertible bonds generally rises. Conversely, during periods of rising interest rates, the value of such securities generally declines. Changes by recognized rating services in their ratings of debt securities and changes in the ability of an issuer to make payments of interest and principal also will affect the value of these investments.

- ***Depository Receipts Risk.*** Securities of a foreign company may involve investing in Depository Receipts, which include American Depository Receipts, European Depository Receipts and Global Depository Receipts, which are certificates evidencing ownership of shares of a foreign issuer. These certificates are issued by depository banks and, generally, trade on an established market in the United States or elsewhere. The underlying shares are held in trust by a custodian bank or similar financial institution in the issuer's home country. The depository bank may not have physical custody of the underlying securities at all times and may charge fees for various services, including forwarding dividends, interest and corporate actions. Depository receipts are alternatives to directly purchasing the underlying foreign securities in their national markets and currencies. However, depository receipts continue to be subject to many of the risks associated with investing directly in foreign securities. These risks include foreign exchange risk, as well as the political and economic risks of the underlying issuer's country. Depository receipts may trade at a discount, or a premium, to the underlying security and may be less liquid than the underlying securities listed on an exchange.
- ***Emerging Market Risk.*** Securities of issuers in emerging and developing markets may offer special investment opportunities, but present risks not found in more mature markets. Those securities may be more difficult to sell at an acceptable price and their prices may be more volatile than securities of issuers in more developed markets. Settlements of trades may be subject to greater delays so that the Fund might not receive the proceeds of a sale of a security on a timely basis. In unusual situations, it may not be possible to repatriate sales proceeds in a timely fashion. These investments may be very speculative.

Emerging markets might have less developed trading markets and exchanges. These countries may have less-developed legal and accounting systems and investments may be subject to greater risks of government restrictions on withdrawing the sale proceeds of securities from the country. Companies operating in emerging markets may not be subject to U.S. prohibitions against doing business with countries that are state sponsors of terrorism. Economies of developing countries may be more dependent on relatively few industries that may be highly vulnerable to local and global changes. Governments may be more unstable and present greater risks of nationalization, expropriation or restrictions on foreign ownership of stocks of local companies.

- ***Financial Services Risk.*** A company is "principally engaged" in financial services if it owns financial services related assets constituting at least 50% of the total value of its assets, or if at least 50% of its revenues are derived from its provision of financial services. The financial services sector consists of several different industries that behave differently in different economic and market environments, including, e.g., banking, insurance and securities brokerage houses. Companies in the financial services sector include commercial banks, industrial banks, savings institutions, finance companies, diversified financial services companies, investment banking firms, securities brokerage houses, investment advisory companies, leasing companies, insurance companies and companies providing similar services. Due to the wide variety of companies in the financial services sector, they may react in different ways to changes in economic and market conditions.

Risks of investing in the financial services sector include: (i) systemic risk: factors outside the control of a particular financial institution—like the failure of another, significant financial institution or material disruptions to the credit markets—may adversely affect the ability of the financial institution to operate normally or may impair its financial condition; (ii) regulatory actions: financial services companies may suffer setbacks if regulators change the rules under which they operate; (iii) changes in interest rates: unstable and/or rising interest rates may have a disproportionate effect on companies in the financial services sector; (iv) non-diversified loan portfolios: financial services companies, whose securities the Fund purchases, may themselves have concentrated portfolios, such as a high level of loans to real estate developers, which makes them vulnerable to economic conditions that affect that industry; (v) credit: financial services companies may have exposure to investments or agreements, which, under certain circumstances, may lead to losses, e.g., sub-prime loans; and (vi) competition: the financial services sector has become increasingly competitive.

- **Banking.** Commercial banks (including “money center” regional and community banks), savings and loan associations and holding companies of the foregoing are especially subject to adverse effects of volatile interest rates, concentrations of loans in particular industries or classifications (such as real estate, energy or sub-prime mortgages), and significant competition. The profitability of these businesses is to a significant degree dependent on the availability and cost of capital funds. Economic conditions in the real estate market may have a particularly strong effect on certain banks and savings associations. Commercial banks and savings associations are subject to extensive federal and, in many instances, state regulation. Neither such extensive regulation nor the federal insurance of deposits ensures the solvency or profitability of companies in this industry, and there is no assurance against losses in securities issued by such companies.
- **Insurance.** Insurance companies are particularly subject to government regulation and rate setting, potential anti-trust and tax law changes, and industry-wide pricing and competition cycles. Property and casualty insurance companies also may be affected by weather, terrorism, long-term climate changes and other catastrophes. Life and health insurance companies may be affected by mortality and morbidity rates, including the effects of epidemics. Individual insurance companies may be exposed to reserve inadequacies, problems in investment portfolios (e.g., real estate or “junk” bond holdings) and failures of reinsurance carriers.
- **Other Financial Services Companies.** Many of the investment considerations discussed in connection with banks and insurance companies also apply to other financial services companies. These companies are subject to extensive regulation, rapid business changes and volatile performance dependent on the availability and cost of capital and prevailing interest rates and significant competition. General economic conditions significantly affect these companies. Credit and other losses resulting from the financial difficulty of borrowers or other third parties have a potentially adverse effect on companies in this industry. Investment banking, securities brokerage and investment advisory companies are particularly subject to government regulation and the risks inherent in securities trading and underwriting activities.
- **Other Regulatory Limitations.** Regulations of the Securities and Exchange Commission (“SEC”) impose limits on: (i) investments in the securities of companies that derive more than 15% of their gross revenues from the securities or investment management business (although there are exceptions, the Fund is prohibited from investing more than 5% of its total assets in a single company that derives more than 15% of its gross revenues from the securities or investment management business); and (ii) investments in insurance companies. The Fund generally is prohibited from owning more than 10% of the outstanding voting securities of an insurance company.
- **Focused Portfolio Risk.** Funds that invest in a limited number of companies may have more risk because changes in the value of a single security may have a more significant effect, either negative or positive, on the value of the Fund’s total portfolio.

A fund may be classified as a “non-diversified” fund under the 1940 Act, which means that it is permitted to invest its assets in a more limited number of issuers than “diversified” investment companies. A diversified investment company may not, with respect to 75% of its total assets, invest more than 5% of its total assets in the securities of any one issuer (other than U.S. Government securities and securities of other investment companies) and may not own more than 10% of the outstanding voting securities of any one issuer. While a fund may be a non-diversified investment company, and therefore not subject to the statutory diversification requirements discussed above, the Fund may still intend to diversify its assets to the extent necessary to qualify for tax treatment as a regulated investment company under the Internal Revenue Code of 1986, as amended (the “Internal Revenue Code”).

At any given point in time, a diversified fund may not meet the diversification test outlined above due to appreciation in its portfolio holdings. In such case, the Fund is not required to sell portfolio holdings to meet the diversification test.

The diversification standards under the Internal Revenue Code require that a fund diversify its holdings so that, at the end of each fiscal quarter, (i) at least 50% of the market value of a fund’s assets are represented by cash, U.S. Government securities, securities of other regulated investment companies and other securities limited with respect to any one issuer to an amount not greater than 5% of a fund’s assets and 10% of the outstanding voting securities of such issuer, and (ii) not

more than 25% of the value of a fund's assets is invested in the securities of any one issuer (other than U.S. Government securities and the securities of other regulated investment companies), or of two or more issuers which a fund controls (i.e., owns, directly or indirectly, 20% of the voting stock) and which are determined to be engaged in the same or similar trades or businesses or related trades or businesses.

- **Foreign Country Risk.** Foreign companies may issue both equity and fixed income securities. A company may be classified as either "domestic" or "foreign," depending upon which factors the Adviser considers most important for a given company. Factors that the Adviser considers in classifying a company as domestic or foreign include (i) whether the company is organized under the laws of the United States or a foreign country; (ii) whether the company's securities principally trade in securities markets outside of the United States; (iii) the source of the majority of the company's revenues or profits; and (iv) the location of the majority of the company's assets. The Adviser generally follows the country classification indicated by a third-party service provider, but may use a different country classification if the Adviser's analysis of the four factors provided above, or other factors that the Adviser deems relevant, indicate that a different country classification is more appropriate. Foreign country risk can be more focused on factors concerning specific countries or geographic areas when a Fund's holdings are more focused in these countries or geographic areas.

The equity Funds may invest a significant portion of their assets in securities issued by companies operating, incorporated, or principally traded in foreign countries. Investing in foreign countries involves risks that may cause the Funds' performance to be more volatile than it would be if the Funds invested solely in the United States. Foreign economies may not be as strong or as diversified, foreign political systems may not be as stable and foreign financial reporting standards may not be as rigorous as they are in the United States. In addition, foreign capital markets may not be as well developed, so securities may be less liquid, transaction costs may be higher and investments may be subject to more government regulation. When the Funds invest in foreign securities, the Funds' operating expenses are likely to be higher than those of an investment company investing exclusively in U.S. securities, since the custodial and certain other expenses associated with foreign investments are expected to be higher.

- **Foreign Currency Risk.** Securities issued by foreign companies in foreign markets are frequently denominated in foreign currencies. The change in value of a foreign currency against the U.S. dollar will result in a change in the U.S. dollar value of securities denominated in that foreign currency. For example, when the Fund holds a security that is denominated in a foreign currency, a decline of that foreign currency against the U.S. dollar would generally cause the value of the Fund's shares to decline. The Fund may, but generally does not, hedge its currency risk.
- **Headline Risk.** Davis Advisors seeks to acquire companies with durable business models that can be purchased at attractive valuations relative to what Davis Advisors believes to be the companies' intrinsic values. Davis Advisors may make such investments when a company becomes the center of controversy after receiving adverse media attention. The company may be involved in litigation, the company's financial reports or corporate governance may be challenged, the company's public filings may disclose a weakness in internal controls, greater government regulation may be contemplated or other adverse events may threaten the company's future. While Davis Advisors researches companies subject to such contingencies, Davis Advisors cannot be correct every time, and the company's stock may never recover or may become worthless.
- **Interest Rate Sensitivity Risk.** Interest rates may have a powerful influence on the earnings of financial institutions.
- **Large-Capitalization Companies Risk.** Companies with \$10 billion or more in market capitalization are considered by the Adviser to be large-capitalization companies. Large-capitalization companies generally experience slower rates of growth in earnings per share than do mid- and small-capitalization companies.
- **Manager Risk.** Poor security selection or focus on securities in a particular sector, category or group of companies may cause the Funds to underperform relevant benchmarks or other funds with a similar investment objective.
- **Mid- and Small-Capitalization Companies Risk.** Companies with less than \$10 billion in market capitalization are considered by the Adviser to be mid- or small-capitalization companies. Investing in mid- and small-capitalization companies may be more risky than investing in large-capitalization companies. Smaller companies typically have more limited product lines, markets and financial resources than larger companies, and their securities may trade less frequently and in more limited volume than those of larger, more mature companies. Securities of these companies may be subject to volatility in their prices. They may have a limited trading market, which may adversely affect the Fund's ability to dispose of them and can reduce the price the Fund might be able to obtain for them. Other investors that own a security issued by a mid- or small-capitalization company for whom there is limited liquidity might trade the security when the Fund is attempting to dispose of its holdings in that security. In that case, the Fund might receive a lower price for its holdings than otherwise might be obtained. Mid- and small-capitalization companies also may be unseasoned. These include companies that have been in operation for less than three years, including the operations of any predecessors.
- **Preferred Stock Risk.** Preferred stock is a form of equity security and is generally ranked behind an issuer's debt securities in claims for dividends and assets of an issuer in a liquidation or bankruptcy. An adverse event may have a negative impact on a company and could result in a decline in the price of its preferred stock.

- **Real Estate Risk.** Real estate securities are issued by companies that have at least 50% of the value of their assets, gross income or net profits attributable to ownership, financing, construction, management or sale of real estate, or to products or services that are related to real estate or the real estate industry. The Fund does not invest directly in real estate. Real estate companies include real estate investment trusts (“REITs”) or other securitized real estate investments, brokers, developers, lenders and companies with substantial real estate holdings such as paper, lumber, hotel and entertainment companies. REITs pool investors’ funds for investment primarily in income-producing real estate or real estate-related loans or interests. A REIT is not taxed on income distributed to shareholders if it complies with various requirements relating to its organization, ownership, assets and income, and with the requirement that it distribute to its shareholders at least 90% of its taxable income (other than net capital gains) each taxable year. REITs generally can be classified as equity REITs, mortgage REITs and hybrid REITs. Equity REITs invest the majority of their assets directly in real property and derive their income primarily from rents. Equity REITs also can realize capital gains by selling property that has appreciated in value. Mortgage REITs invest the majority of their assets in real estate mortgages and derive their income primarily from interest payments. Hybrid REITs combine the characteristics of both equity REITs and mortgage REITs. To the extent that the management fees paid to a REIT are for the same or similar services as the management fees paid by the Fund, there will be a layering of fees, which would increase expenses and decrease returns. Securities issued by REITs may trade less frequently and be less liquid than common stock issued by other companies.

Real estate securities, including REITs, are subject to risks associated with the direct ownership of real estate including: (i) declines in property values because of changes in the economy or the surrounding area or because a particular region has become less appealing to tenants; (ii) increases in property taxes, operating expenses, interest rates or competition; (iii) overbuilding; (iv) changes in zoning laws; (v) losses from casualty or condemnation; (vi) declines in the value of real estate and risks related to general and local economic conditions, (vii) uninsured casualties or condemnation losses; (viii) fluctuations in rental income; (ix) changes in neighborhood values; (x) the appeal of properties to tenants; (xi) increases in interest rates; and (xii) access to the credit markets. The Fund also could be subject to such risks by reason of direct ownership as a result of a default on a debt security it may own.

Equity REITs may be affected by changes in the value of the underlying property owned by the trusts, while mortgage REITs may be affected by the quality of credit extended. Equity and mortgage REITs are dependent on management skill, may not be diversified and are subject to project financing risks. REITs also are subject to: heavy cash flow dependency, defaults by borrowers, self-liquidation and the possibility of failing to qualify for the favorable federal income tax treatment generally available to REITs under the Internal Revenue Code, and failing to maintain exemption from registration under the 1940 Act. Changes in interest rates also may affect the value of the debt securities in the Fund’s portfolio. By investing in REITs indirectly through the Fund, a shareholder will bear not only his or her proportionate share of the expense of the Fund but also, indirectly, similar expenses of the REITs, including compensation of management. Some real estate securities may be rated less than investment grade by rating services. Such securities may be subject to the risks of high-yield, high-risk securities discussed below.

- **Stock Market Risk.** Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices, including the possibility of sharp declines.

Debt Risks

- **Bonds and Other Debt Securities Risk.** Bonds and other debt securities may be purchased by a Fund if the Adviser believes that such investments are consistent with a Fund’s investment strategies, may contribute to the achievement of the Fund’s investment objective and will not violate any of the Fund’s investment restrictions. The U.S. Government, corporations and other issuers sell bonds and other debt securities to borrow money. Issuers pay investors interest and generally must repay the amount borrowed at maturity. Some debt securities, such as zero-coupon bonds, do not pay current interest, but are purchased at discounts from their face values. The prices of debt securities fluctuate, depending on such factors as interest rates, credit quality and maturity.

Bonds and other debt securities, generally, are subject to credit risk and interest rate risk. While debt securities issued by the U.S. Treasury generally are considered free of credit risk, debt issued by agencies and corporations all entail some level of credit risk. Investment grade debt securities have less credit risk than do high-yield, high-risk debt securities. Credit risk is described more fully in the section titled “*High-Yield, High-Risk Debt Securities.*”

Bonds and other debt securities, generally, are interest rate sensitive. During periods of falling interest rates, the values of debt securities held by a Fund generally rise. Conversely, during periods of rising interest rates, the values of such securities generally decline. Changes by recognized rating services in their ratings of debt securities and changes in the ability of an issuer to make payments of interest and principal also will affect the value of these investments.

- **Changes in Debt Rating Risk.** If a rating agency gives a fixed income security a low rating, the value of the security will decline because investors will demand a higher rate of return.
- **Credit Risk.** Like any borrower, the issuer of a fixed income security may be unable to make timely payments of interest and principal. If the issuer is unable to make payments in a timely fashion the value of the security will decline and may become

worthless. Financial institutions are often highly leveraged and may not be able to make timely payments of interest and principal. Even U.S. Government Securities are subject to credit risk.

- **Extension and Prepayment Risk.** Market prices of the mortgage-backed securities and collateralized mortgage obligations that the Fund owns are affected by how quickly borrowers elect to prepay the mortgages underlying the securities. Changes in market interest rates affect borrowers' decisions about whether to prepay their mortgages. Rising interest rates lead to extension risk, which occurs when borrowers maintain their existing mortgages until they come due instead of choosing to prepay them. Falling interest rates lead to prepayment risk, which occurs when borrowers prepay their mortgages more quickly than usual so that they can refinance at a lower rate. A government agency that has the right to call (prepay) a fixed-rate security may respond the same way. The pace at which borrowers prepay affects the yield and the cash flow to holders of securities and the market value of those securities.
- **High-Yield, High-Risk Debt Securities Risk.** The real estate securities, convertible securities, bonds and other debt securities in which the Fund may invest may include high-yield, high-risk debt securities rated BB or lower by Standard & Poor's Corporation ("S&P") or Ba or lower by Moody's Investors Service ("Moody's") or unrated securities. Securities rated BB or lower by S&P and Ba or lower by Moody's are referred to in the financial community as "junk bonds" and may include D-rated securities of issuers in default. See *Appendix A* for a more detailed description of the rating system. Ratings assigned by credit agencies do not evaluate market risks. The Adviser considers the ratings assigned by S&P® or Moody's as one of several factors in its independent credit analysis of issuers. A description of each bond quality category is set forth in *Appendix A* titled "*Quality Ratings of Debt Securities.*" The ratings of Moody's and S&P represent their opinions as to the quality of the securities that they undertake to rate. It should be emphasized, however, that ratings are relative and subjective and are not absolute standards of quality. There is no assurance that any rating will not change.

The Fund will not purchase unrated debt securities, or debt securities rated BB or Ba or lower ("Junk Bonds") if the securities are in default at the time of purchase or if such purchase would then cause more than 20% of the Fund's net assets to be invested in such lower-rated securities. The Fund may continue to retain a security whose rating has changed, become unrated, or if the security has defaulted.

High-yield, high-risk debt securities, whether or not convertible into common stock, usually involve increased risk as to payment of principal and interest. Issuers of such securities may be highly leveraged and may not have traditional methods of financing available to them. Therefore, the risks associated with acquiring the securities of such issuers generally are greater than is the case with higher-rated securities. For example, during an economic downturn or a sustained period of rising interest rates, issuers of high-yield securities may be more likely to experience financial stress, especially if such issuers are highly leveraged. During such periods, such issuers may not have sufficient revenues to meet their principal and interest payment obligations. The issuer's ability to service its debt obligations also may be adversely affected by specific issuer developments, or the issuer's inability to meet specific projected business forecasts or the unavailability of additional financing. The risk of loss due to default by the issuer is significantly greater for the holders of high-yield securities because such securities may be unsecured and may be subordinated to other creditors of the issuer.

High-yield, high-risk debt securities are subject to greater price volatility than higher-rated securities, tend to decline in price more steeply than higher-rated securities in periods of economic difficulty or accelerating interest rates, and are subject to greater risk of non-payment in adverse economic times. There may be a thin trading market for such securities, which may have an adverse impact on market price and the ability of the Fund to dispose of particular issues and may cause the Fund to incur special securities' registration responsibilities, liabilities and costs, and liquidity and valuation difficulties. Unexpected net redemptions may force the Fund to sell high-yield, high-risk debt securities without regard to investment merit, thereby possibly reducing return rates. Such securities may be subject to redemptions or call provisions, which, if exercised when investment rates are declining, could result in the replacement of such securities with lower-yielding securities, resulting in a decreased return. To the extent that the Fund invests in bonds that are original issue discount, zero-coupon, pay-in-kind or deferred interest bonds, the Fund may have taxable interest income greater than the cash actually received on these issues. In order to avoid taxation at the Fund level, the Fund may have to sell portfolio securities to meet distribution requirements.

The market values of high-yield, high-risk debt securities tend to reflect individual corporate developments to a greater extent than higher-rated securities, which react primarily to fluctuations in the general level of interest rates. Lower-rated securities also tend to be more sensitive to economic and industry conditions than higher-rated securities. Adverse publicity and investor perceptions, whether or not based on fundamental analysis regarding individual lower-rated bonds, may result in reduced prices for such securities. If the negative factors such as these adversely impact the market value of high-yield, high-risk securities and the Fund holds such securities, the Fund's net asset value will be adversely affected.

The Fund may have difficulty disposing of certain high-yield, high-risk bonds because there may be a thin trading market for such bonds. Because not all dealers maintain markets in all high-yield, high-risk bonds, the Fund anticipates that such bonds could be sold only to a limited number of dealers or institutional investors. The lack of a liquid secondary market may have an adverse impact on market price and the ability to dispose of particular issues and also may make it more difficult to obtain accurate market quotations or valuations for purposes of valuing the Fund's assets. Market quotations

generally are available on many high-yield issues only from a limited number of dealers and may not necessarily represent firm bid prices of such dealers or prices for actual sales. In addition, adverse publicity and investor perceptions may decrease the values and liquidity of high-yield, high-risk bonds regardless of a fundamental analysis of the investment merits of such bonds. To the extent that the Fund purchases illiquid or restricted bonds, it may incur special securities' registration responsibilities, liabilities and costs, and liquidity and valuation difficulties relating to such bonds.

Bonds may be subject to redemption or call provisions. If an issuer exercises these provisions when investment rates are declining, the Fund will be likely to replace such bonds with lower-yielding bonds, resulting in decreased returns. Zero-coupon, pay-in-kind and deferred interest bonds involve additional special considerations. Zero-coupon bonds are debt obligations that do not entitle the holder to any periodic payments of interest prior to maturity or a specified cash payment date when the securities begin paying current interest (the "cash payment date") and therefore are issued and traded at discounts from their face amounts or par value. The market prices of zero-coupon securities generally are more volatile than the market prices of securities that pay interest periodically and are likely to respond to changes in interest rates to a greater degree than securities paying interest currently with similar maturities and credit quality. Pay-in-kind bonds pay interest in the form of other securities rather than cash. Deferred interest bonds defer the payment of interest to a later date. Zero-coupon, pay-in-kind or deferred interest bonds carry additional risk in that, unlike bonds that pay interest in cash throughout the period to maturity, the Fund will realize no cash until the cash payment date unless a portion of such securities are sold. There is no assurance of the value or the liquidity of securities received from pay-in-kind bonds. If the issuer defaults, the Fund may obtain no return at all on its investment. To the extent that the Fund invests in bonds that are original issue discount, zero-coupon, pay-in-kind or deferred interest bonds, the Fund may have taxable interest income greater than the cash actually received on these issues. In order to distribute such income to avoid taxation, the Fund may have to sell portfolio securities to meet its distribution requirements under circumstances that could be adverse.

Federal tax legislation limits the tax advantages of issuing certain high-yield, high-risk bonds. This could have a materially adverse effect on the market for high-yield, high-risk bonds.

- ***Inflation Risk.*** Also called purchasing power risk, this is the chance that the cash flows from an investment won't be worth as much in the future because of changes in purchasing power due to inflation.
- ***Interest Rate Risk.*** Interest rate increases can cause the price of a debt security to decrease. If a security pays a fixed interest rate, and market rates increase, the value of the fixed-rate security usually decline. Interest rates may also have a powerful influence on the earnings of financial institutions.
- ***Repurchase Agreements Risk.*** The Funds may enter into repurchase agreements. A repurchase agreement is an agreement to purchase a security and to sell that security back to the original owner at an agreed-on price. The resale price reflects the purchase price plus an agreed-on incremental amount, which is unrelated to the coupon rate or maturity of the purchased security. The repurchase obligation of the seller is, in effect, secured by the underlying securities. In the event of a bankruptcy or other default of a seller of a repurchase agreement, the Funds could experience both delays in liquidating the underlying securities and losses, including: (i) possible decline in the value of the collateral during the period, while the Funds seek to enforce its rights thereto; (ii) possible loss of all or a part of the income during this period; and (iii) expenses of enforcing its rights.

The Funds will enter into repurchase agreements only when the seller agrees that the value of the underlying securities, including accrued interest (if any), will at all times be equal to or exceed the value of the repurchase agreement. The Funds may enter into tri-party repurchase agreements in which a third-party custodian bank ensures the timely and accurate exchange of cash and collateral. The majority of these transactions run from day to day, and delivery pursuant to the resale typically occurs within one to seven days of the purchase. The Funds normally will not enter into repurchase agreements maturing in more than seven days.

- ***U.S. Government Securities Risk.*** U.S. Government securities are debt securities that are obligations of or guaranteed by the U.S. Government, its agencies or instrumentalities. There are two basic types of U.S. Government securities: (i) direct obligations of the U.S. Treasury; and (ii) obligations issued or guaranteed by an agency or instrumentality of the U.S. Government, which includes the Federal Farm Credit System ("FFCS"), Student Loan Marketing Association ("SLMA"), Federal Home Loan Mortgage Corporation ("FHLMC"), Federal Home Loan Banks ("FHLB"), Federal National Mortgage Association ("FNMA") and Government National Mortgage Association ("GNMA"). Some obligations issued or guaranteed by agencies or instrumentalities, such as those issued by GNMA, are fully guaranteed by the U.S. Government. Others, such as FNMA bonds, rely on the assets and credit of the instrumentality with limited rights to borrow from the U.S. Treasury. Still other securities, such as obligations of the FHLB, are supported by more extensive rights to borrow from the U.S. Treasury.

U.S. Government securities include mortgage-related securities issued by an agency or instrumentality of the U.S. Government. GNMA certificates are mortgage-backed securities representing part ownership of a pool of mortgage loans. These loans issued by lenders such as mortgage bankers, commercial banks and savings and loan associations are either insured by the Federal Housing Administration or guaranteed by the Veterans Administration. A "pool" or group of such mortgages is assembled and, after being approved by GNMA, is offered to investors through securities dealers.

Once approved by GNMA, the timely payment of interest and principal on each mortgage is guaranteed by GNMA and backed by the full faith and credit of the U.S. Government. GNMA certificates differ from bonds in that principal is paid back monthly by the borrower over the term of the loan rather than returned in a lump sum at maturity. GNMA certificates are characterized as “pass-through” securities because both interest and principal payments (including prepayments) are passed through to the holder of such certificates.

As of September 7, 2008, the Federal Housing Finance Agency (“FHFA”) was appointed as the conservator of FHLMC and FNMA for an indefinite period. In accordance with the Federal Housing Finance Regulatory Reform Act of 2008 and the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, as conservator, the FHFA will control and oversee these entities until the FHFA deems them financially sound and solvent. During the conservatorship, each entity’s obligations are expected to be paid in the normal course of business. Although no express guarantee exists for the debt or mortgage-backed securities issued by these entities, the U.S. Department of the Treasury, through a securities lending credit facility and a senior preferred stock purchase agreement, has attempted to enhance the ability of the entities to meet their obligations.

Pools of mortgages also are issued or guaranteed by other agencies of the U.S. Government. The average life of pass-through pools varies with the maturities of the underlying mortgage instruments. In addition, a pool’s term may be shortened or lengthened by unscheduled or early payment, or by slower than expected prepayment of principal and interest on the underlying mortgages. The occurrence of mortgage prepayments is affected by the level of interest rates, general economic conditions, the location and age of the mortgage and other social and demographic conditions. As prepayment rates of individual pools vary widely, it is not possible to accurately predict the average life of a particular pool.

A collateralized mortgage obligation (“CMO”) is a debt security issued by a corporation, trust or custodian, or by a U.S. Government agency or instrumentality that is collateralized by a portfolio or pool of mortgages, mortgage-backed securities, U.S. Government securities or corporate debt obligations. The issuer’s obligation to make interest and principal payments is secured by the underlying pool or portfolio of securities. CMOs are most often issued in two or more classes (each of which is a separate security) with varying maturities and stated rates of interest. Interest and principal payments from the underlying collateral (generally a pool of mortgages) are not necessarily passed directly through to the holders of the CMOs; these payments typically are used to pay interest on all CMO classes and to retire successive class maturities in a sequence. Thus, the issuance of CMO classes with varying maturities and interest rates may result in greater predictability of maturity with one class and less predictability of maturity with another class than a direct investment in a mortgage-backed pass-through security (such as a GNMA certificate). Classes with shorter maturities, typically, have lower volatility and yield while those with longer maturities, typically, have higher volatility and yield. Thus, investments in CMOs provide greater or lesser control over the investment characteristics than mortgage pass-through securities and offer more defensive or aggressive investment alternatives.

Investments in mortgage-related U.S. Government securities, such as GNMA certificates and CMOs, also involve other risks. The yield on a pass-through security typically is quoted based on the maturity of the underlying instruments and the associated average life assumption. Actual prepayment experience may cause the yield to differ from the assumed average life yield. Accelerated prepayments adversely impact yields for pass-through securities purchased at a premium; the opposite is true for pass-through securities purchased at a discount. During periods of declining interest rates, prepayment of mortgages underlying pass-through certificates can be expected to accelerate. When the mortgage obligations are prepaid, the Fund reinvests the prepaid amounts in securities, the yields of which reflect interest rates prevailing at that time. Therefore, the Fund’s ability to maintain a portfolio of high-yielding, mortgage-backed securities will be adversely affected to the extent that prepayments of mortgages must be reinvested in securities that have lower yields than the prepaid mortgages. Moreover, prepayments of mortgages that underlie securities purchased at a premium could result in capital losses. Investment in such securities also could subject the Fund to “maturity extension risk,” which is the possibility that rising interest rates may cause prepayments to occur at a slower than expected rate. This particular risk may effectively change a security that was considered a short- or intermediate-term security at the time of purchase into a long-term security. Long-term securities generally fluctuate more widely in response to changes in interest rates than short or intermediate-term securities.

If a Fund purchases mortgage-backed securities that are “subordinated” to other interests in the same mortgage pool, the Fund, as a holder of those securities, may only receive payments after the pool’s obligations to other investors have been satisfied. An unexpectedly high rate of defaults on the mortgages held by a mortgage pool may limit substantially the pool’s ability to make payments of principal or interest to the Fund as a holder of such subordinated securities, reducing the values of those securities or in some cases rendering them worthless; the risk of such defaults is generally higher in the case of mortgage pools that include so-called “subprime” mortgages. An unexpectedly high or low rate of prepayment on a pool’s underlying mortgages may have similar effects on subordinated securities. A mortgage pool may issue securities subject to various levels of subordination; the risk of non-payment affects securities at each level, although the risk is greatest in the case of more highly subordinate securities.

The guarantees of the U.S. Government, its agencies and instrumentalities are guarantees of the timely payment of principal and interest on the obligations purchased. The value of the shares issued by the Fund is not guaranteed and will

fluctuate with the value of the Fund's portfolio. Generally, when the level of interest rates rise, the value of the Fund's investment in U.S. Government securities is likely to decline and, when the level of interest rates decline, the value of the Fund's investment in U.S. Government securities is likely to rise.

The Fund may engage in portfolio trading primarily to take advantage of yield disparities. Such trading strategies may result in minor temporary increases or decreases in the Fund's current income and in its holding of debt securities that sell at substantial premiums or discounts from face value. If expectations of changes in interest rates or the price of the securities prove to be incorrect, the Fund's potential income and capital gain will be reduced or its potential loss will be increased.

- **Variable Current Income Risk.** The income that the Fund pays to investors is not stable. When interest rates increase, the Fund's income distributions are likely to increase. When interest rates decrease, the Fund's income distributions are likely to decrease.

Other Risks

- **Fees and Expenses Risk.** The Funds may not earn enough through income and capital appreciation to offset the operating expenses of the Funds. All mutual funds incur operating fees and expenses. Fees and expenses reduce the return that a shareholder may earn by investing in a fund even when a fund has favorable performance. A low-return environment, or a bear market, increases the risk that a shareholder may lose money.

The Funds' shares are not deposits or obligations of any bank, are not guaranteed by any bank, are not insured by the FDIC or any other agency, and involve investment risks, including possible loss of the principal amount invested.

ADDITIONAL INFORMATION ABOUT EXPENSES, FEES AND PERFORMANCE

Information Concerning the Annual Total Returns for the Life of Class

(For the periods ended December 31, 2016, with maximum sales charge)

	Financial Fund	Opportunity Fund	Real Estate Fund	Appreciation & Income Fund	Government Bond Fund
Class A shares return before taxes	11.55%	10.43%	9.56%	7.70%	3.03%
Class B shares return before taxes	10.51%	11.33%	9.59%	7.45%	4.53%
Class C shares return before taxes	6.08%	6.70%	7.05%	4.37%	1.91%
Class Y shares return before taxes	7.89%	7.56%	9.21%	6.58%	2.70%

Davis Financial Fund. Average annual total returns for life are for the periods from the commencement of each class's investment operations: Class A shares, 5/1/91; Class B shares, 12/27/94; Class C shares, 8/12/97; and Class Y shares, 3/10/97.

Davis Opportunity Fund. Average annual total returns for life are for the periods from the commencement of each class's investment operations: Class A shares, 12/1/94; Class B shares, 5/1/84; Class C shares, 8/15/97; and Class Y shares, 9/18/97. Since the inception date for Class A shares is 12/1/94, Class B shares could not be converted prior to that date. Therefore, the performance for the life of class includes Class B share performance until 12/1/94, and Class A share performance thereafter.

Davis Real Estate Fund. Average annual total returns for life are for the periods from the commencement of each class's investment operations: Class A shares, 1/3/94; Class B shares, 12/27/94; Class C shares, 8/13/97; and Class Y shares, 11/8/96.

Davis Appreciation & Income Fund. Average annual total returns for life are for the periods from the commencement of each class's investment operations: Class A shares, 5/1/92; Class B shares, 2/3/95; Class C shares, 8/12/97; and Class Y shares, 11/13/96. From inception (May 1, 1992) until July 1, 2003, Davis Appreciation & Income Fund was named Davis Convertible Securities Fund and invested primarily in convertible securities.

Davis Government Bond Fund. Average annual total returns for life are for the periods from the commencement of each class's investment operations: Class A shares, 12/1/94; Class B shares, 5/1/84; Class C shares, 8/19/97, Class Y shares, 9/1/98. Since the inception date for Class A shares is 12/1/94, Class B shares could not be converted prior to that date. Therefore, the performance for the life of class includes Class B share performance until 12/1/94, and Class A share performance thereafter.

Information Concerning Annual Total Returns

Davis Opportunity Fund. Davis Opportunity Fund made favorable investments in initial public offerings (IPO), which had a material impact on the investment performance in 2010, 2013 and 2014. The rapid appreciation was an unusual occurrence and such performance may not continue in the future.

Davis Financial Fund. In 2009, Davis Financial Fund received a favorable class action settlement from a company which it no longer owns. This settlement had a material impact on the investment performance of the Fund in 2009. This was a one-time event that is unlikely to be repeated.

Information Concerning After-Tax Returns for Class A Shares

The 2016 tax rates are 39.6% for ordinary income, 20% for qualified income and 20% for long-term capital gains. An additional 3.8% tax imposed by the Affordable Care Act is included on all investment income as part of the highest marginal rate used in all after-tax performance calculations.

Information Concerning the Example within the Fees and Expenses of the Funds

Class B shares' expenses for the 10-year period include three years of Class A shares' expenses since Class B shares automatically convert to Class A shares after seven years.

Davis Advisors is contractually committed to waive fees and/or reimburse Davis Government Money Market Fund's expenses such that net investment income will not be less than zero until May 1, 2018. After that date, there is no assurance that Davis Advisors will continue to cap expenses. Davis Advisors may recapture from Davis Government Money Market Fund any of the operating expenses it has reimbursed (but not any of the management fees which it has waived) until the end of the third calendar year after the end of the calendar year in which such reimbursement occurs. Any potential recovery is limited to an amount such that (i) Davis Government Money Market Fund's net investment income will not be less than zero for any class of shares; and (ii) may not exceed 0.10 percent of net assets (ten basis points) in any calendar year. This recapture could negatively affect Davis Government Money Market Fund's future yield.

NON-PRINCIPAL INVESTMENT STRATEGIES AND RISKS

Davis Funds may implement investment strategies that are not principal investment strategies if, in the Adviser's professional judgment, the strategies are appropriate. A strategy includes any policy, practice or technique used by the Fund to achieve its investment objectives. Whether a particular strategy, including a strategy to invest in a particular type of security, is a principal investment strategy depends on the strategy's anticipated importance in achieving the Fund's investment objectives, and how the strategy affects the Fund's potential risks and returns. In determining what is a principal investment strategy, the Adviser considers among other things, the amount of the Fund's assets expected to be committed to the strategy, the amount of the Fund's assets expected to be placed at risk by the strategy and the likelihood of the Fund's losing some or all of those assets from implementing the strategy. Non-principal investment strategies are generally those investments that constitute less than 5% to 10% of a Fund's assets, depending upon their potential impact on the investment performance of the Fund. There are exceptions to the 5% to 10% of assets test, including, but not limited to, the percentage of a Fund's assets invested in a single industry or in a single country.

While the Adviser expects to pursue the Funds' investment objectives by implementing the principal investment strategies described in the Funds' prospectus, the Funds may employ non-principal investment strategies or securities if, in Davis Advisors' professional judgment, the securities, trading or investment strategies are appropriate. Factors that Davis Advisors considers in pursuing these other strategies include whether the strategy: (i) is likely to be consistent with shareholders' reasonable expectations; (ii) is likely to assist the Adviser in pursuing the Funds' investment objective; (iii) is consistent with the Funds' investment objective; (iv) will not cause a Fund to violate any of its fundamental or non-fundamental investment restrictions; and (v) will not materially change the Funds' risk profile from the risk profile that results from following the principal investment strategies as described in the Funds' prospectus and further explained in the SAI, as amended from time to time.

Short-Term Investments. The Funds use short-term investments, such as treasury bills and repurchase agreements, to maintain flexibility while evaluating long-term opportunities. Davis Government Money Market Fund routinely uses short-term investments.

Temporary Defensive Investments. The Funds may, but are not required to, use short-term investments for temporary defensive purposes. In the event that Davis Advisors' Portfolio Managers anticipate a decline in the market values of the companies in which the Funds invest (due to economic, political or other factors), the Funds may reduce their risk by investing in short-term securities until market conditions improve. While the Funds are invested in short-term investments, they will not be pursuing the long-term growth of capital investment objective. Unlike equity securities, these investments will not appreciate in value when the market advances and will not contribute to long-term growth of capital.

For more details concerning current investments and market outlook, please see the Funds' most recent shareholder report.

MANAGEMENT AND ORGANIZATION

Davis Selected Advisers, L.P. ("Davis Advisors") serves as the investment adviser for each of the Davis Funds. Davis Advisors' offices are located at 2949 East Elvira Road, Suite 101, Tucson, Arizona 85756. Davis Advisors provides investment advice for Davis Funds, manages their business affairs and provides day-to-day administrative services. Davis Advisors also serves as investment adviser for other mutual funds, exchange-traded funds and institutional and individual clients. For the fiscal year-ended December 31, 2016, Davis Advisors' net management fee paid by the Funds for its services (based on average net assets) was: Davis Financial Fund, 0.55%; Davis Opportunity Fund, 0.55%; Davis Real Estate Fund, 0.55%; Davis Appreciation & Income Fund, 0.55%; Davis Government Bond Fund, 0.30%; and Davis Government Money Market Fund, 0.21%. A discussion regarding the basis for the approval of the Funds' investment advisory and service agreement by the Funds' Board of Directors is contained in the Funds' most recent semi-annual report to shareholders.

Davis Selected Advisers–NY, Inc. serves as the sub-adviser for each of the Davis Funds. Davis Selected Advisers–NY, Inc.'s offices are located at 620 Fifth Avenue, 3rd Floor, New York, New York 10020. Davis Selected Advisers–NY, Inc. provides investment management and research services for Davis Funds and other institutional clients, and is a wholly owned subsidiary of Davis Advisors. Davis Selected Advisers–NY, Inc.'s fee is paid by Davis Advisors, not Davis Funds.

Execution of Portfolio Transactions. Davis Advisors places orders with broker-dealers for Davis Funds' portfolio transactions. Davis Advisors seeks to place portfolio transactions with brokers or dealers who will execute transactions as efficiently as possible and at the most favorable net price. In placing executions and paying brokerage commissions or dealer markups, Davis Advisors considers price, commission, timing, competent block trading coverage, capital strength and stability, research resources and other factors. Subject to best price and execution, Davis Advisors may place orders for Davis Funds' portfolio transactions with broker-dealers who have sold shares of Davis Funds. However, when Davis Advisors places orders for Davis Funds' portfolio transactions, it does not give any consideration to whether a broker-dealer has sold shares of Davis Funds. In placing orders for Davis Funds' portfolio transactions, the Adviser does not commit to any specific amount of business with any particular broker-dealer.

Over the last three fiscal years, the Funds paid the following brokerage commissions:

	Fiscal Year Ended December 31,		
	2016	2015	2014
Davis Financial Fund			
Brokerage Commissions Paid	\$82,352	\$88,146	\$207,795
Brokerage as a Percentage of Average Net Assets	0.01%	0.01%	0.03%
Davis Opportunity Fund			
Brokerage Commissions Paid	\$364,721	\$353,597	\$181,547
Brokerage as a Percentage of Average Net Assets	0.07%	0.06%	0.03%
Davis Appreciation & Income Fund			
Brokerage Commissions Paid	\$340,860	\$48,858	\$39,118
Brokerage as a Percentage of Average Net Assets	0.14%	0.01%	0.01%
Davis Real Estate Fund			
Brokerage Commissions Paid	\$232,318	\$299,084	\$222,048
Brokerage as a Percentage of Average Net Assets	0.10%	0.12%	0.09%
Davis Government Bond Fund			
Brokerage Commissions Paid	None	None	None
Brokerage as a Percentage of Average Net Assets	None	None	None
Davis Government Money Market Fund			
Brokerage Commissions Paid	None	None	None
Brokerage as a Percentage of Average Net Assets	None	None	None

Portfolio Managers

Davis Financial Fund

- **Christopher Davis** has served as Portfolio Manager of Davis Financial Fund since January 2014 and from May 1991 until May 2007. Mr. Davis also manages other equity funds advised by Davis Advisors. Mr. Davis has served as an analyst and portfolio manager for Davis Advisors since 1989.

Davis Opportunity Fund

Davis Advisors uses a system of multiple Portfolio Managers to manage Davis Opportunity Fund. Under this approach, the portfolio of the Fund is divided into segments managed by individual Portfolio Managers. Christopher Davis serves as the Chair of Davis Advisors' Portfolio Review Committee and, as part of this service, Mr. Davis has general oversight responsibilities for the Fund, which may include allocating segments of the Fund's assets among the Portfolio Managers.

The other Portfolio Managers listed below are primarily responsible for the day-to-day management of a substantial majority of the Fund's assets. In addition, a limited portion of the Fund's assets are managed by Davis Advisors' research analysts, subject to review by the Portfolio Review Committee. Portfolio Managers decide how their respective segments will be invested. All investment decisions are made within the parameters established by the Fund's investment objectives, strategies, and restrictions.

- **Dwight Blazin** has managed a segment of Davis Opportunity Fund since December 2001, manages other equity funds advised by Davis Advisors, and also serves as a research analyst for Davis Advisors. Mr. Blazin joined Davis Advisors in August 1997.
- **Christopher Davis** has served as the research adviser of Davis Opportunity Fund since January 1999 and also manages other equity funds advised by Davis Advisors. Mr. Davis has served as an analyst and portfolio manager for Davis Advisors since 1989. As research adviser, Mr. Davis oversees the research analysts of Davis Opportunity Fund and allocates segments of the Fund to each of them to invest.
- **Danton Goei** has managed a segment of Davis Opportunity Fund since December 2001, manages other equity funds advised by Davis Advisors, and also serves as a research analyst for Davis Advisors. Mr. Goei joined Davis Advisors in November 1998.
- **Darin Prozes** has managed a segment of Davis Opportunity Fund since November 2013, manages other equity funds advised by Davis Advisors, and also serves as a research analyst for Davis Advisors. Mr. Prozes joined Davis Advisors in September 2004.
- **Kent Whitaker** has managed a segment of Davis Opportunity Fund since July 2014 and also from December 2001 to December 2006, manages other equity funds advised by Davis Advisors, and also serves as a research analyst for Davis Advisors. Mr. Whitaker joined Davis Advisors in 2000. From 2006 to 2014 Mr. Whitaker was a managing partner of Regent Street Capital, LLC. Mr. Whitaker rejoined Davis Advisors in 2014.

Davis Real Estate Fund

- **Andrew Davis** has served as a Portfolio Manager of Davis Real Estate Fund since January 1994 and also manages other equity funds advised by Davis Advisors. Mr. Davis has served as a portfolio manager for Davis Advisors since 1993.
- **Chandler Spears** has served as a Portfolio Manager of Davis Real Estate Fund since August 2002 and also manages other equity funds advised by Davis Advisors. Mr. Spears has served as a research analyst at Davis Advisors since November 2000.

Davis Appreciation & Income Fund

Christopher Davis serves as the Chair of Davis Advisors' Portfolio Review Committee. In this role, Mr. Davis has general oversight responsibilities for the Fund, which includes capital allocation of the Fund's assets among the Portfolio Managers. The Portfolio Managers listed below are primarily responsible for the day-to-day management of a substantial majority of the Fund's assets. All investment decisions are made within the parameters established by the Fund's investment objectives, strategies and restrictions.

- **Christopher Davis** has served as a Portfolio Manager of Davis Appreciation & Income Fund since July 2016 and also manages other equity funds advised by Davis Advisors. Mr. Davis has served as an analyst and portfolio manager for Davis Advisors since 1989.
- **Creston King** has served as a Portfolio Manager of Davis Appreciation & Income Fund since July 2016 and also manages fixed income and money market funds advised by Davis Advisors. Mr. King has served as a portfolio manager for Davis Advisors since August 1999. Mr. King is responsible for the management of the fixed income segment of the Fund.

- **Peter Sackmann** has served as a Portfolio Manager of Davis Appreciation & Income Fund since July 2016. Mr. Sackmann is the member of the Portfolio Review Committee that is responsible for day-to-day management of the Fund's equity investments. Mr. Sackmann has served as Director of Institutional Services and Research since October 1997.

Davis Government Bond Fund and Davis Government Money Market Fund

- **Creston King** has served as a Portfolio Manager of Davis Government Bond Fund and Davis Government Money Market Fund since August 1999.

The SAI provides additional information about the Portfolio Managers' compensation, other accounts managed by the Portfolio Managers and the Portfolio Managers' investments in the Funds.

SHAREHOLDER INFORMATION

Procedures and Shareholder Rights are Described by Current Prospectus and Other Disclosure Documents

Investors should look to the most recent prospectus and SAI, as amended or supplemented from time to time, for information concerning the Funds, including information on how to purchase and redeem Fund shares and how to contact the Funds. The most recent prospectus and SAI (including any supplements or amendments thereto) will be on file with the Securities and Exchange Commission as part of the Funds' registration statement. Please also see the back cover of this prospectus for information on other ways to obtain information about the Funds.

HOW YOUR SHARES ARE VALUED

Once you open your Davis Fund account, you may purchase or sell shares at the net asset value ("NAV") next determined after Davis Funds' transfer agent or other "qualified financial intermediary" (a financial institution that has entered into a contract with Davis Advisors or its affiliates to offer, sell and redeem shares of the Funds) receives your request to purchase or sell shares in "good order." A request is in good order when all documents, which are required to constitute a legal purchase or sale of shares, have been received by Davis Funds' transfer agent or other qualified financial intermediary (as defined above). The documents required to achieve good order vary depending upon a number of factors (e.g., are shares held in a joint account or a corporate account, has the account had a recent address change, etc.). Contact your broker or Davis Funds if you have questions about what documents will be required.

If your purchase or sale order is received in good order prior to the close of trading on the New York Stock Exchange ("NYSE"), your transaction will be executed that day at that day's NAV. If your purchase or sale order is received in good order after the close of the NYSE, your transaction will be processed the next day at the next day's NAV. Davis Funds calculate the NAV of each class of shares issued by the Funds as of the close of trading on the NYSE, normally 4:00 p.m., Eastern time, on each day when the NYSE is open. NYSE holidays currently include New Year's Day, Martin Luther King Jr. Day, President's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

The NAV of each class of shares is determined by taking the market value of the class of shares' total assets, subtracting the class of shares' liabilities and then dividing the result (net assets) by the number of outstanding shares of the class of shares. Since the equity funds invest in securities that may trade in foreign markets on days other than when Davis Funds calculate their NAVs, the value of the Funds' portfolio may change on days that shareholders will not be able to purchase or redeem shares in the Funds.

If you have access to the Internet, you can also check the NAV on the Funds' website (www.davisfunds.com).

Valuation of Portfolio Securities

Davis Funds value securities for which market quotations are readily available at current market value. Short-term securities are valued at amortized cost. Securities listed on the NYSE, NASDAQ and other national exchanges are valued at the last reported sales price on the day of valuation. Listed securities for which no sale was reported on that date are valued at the last quoted bid price. Securities traded on foreign exchanges are valued based upon the last sales price on the principal exchange on which the security is traded, prior to the time when the Fund's assets are valued.

Securities, including restricted securities, for which market quotations are not readily available are valued at their fair value. Securities whose values have been materially affected by what Davis Advisors identifies as a significant event occurring before the Fund's assets are valued, but after the close of their respective exchanges will be fair valued. Fair value is determined in good faith using consistently applied procedures under the supervision of the Board of Directors. Fair valuation is based on subjective factors and, as a result, the fair value price of a security may differ from the security's market price and may not be the price at which the security may be sold. Fair valuation could result in a different NAV than an NAV determined by using market quotations. The Board of Directors has delegated the determination of fair value of securities for

which prices are either unavailable or unreliable to a pricing committee, as further described in the SAI. The Board of Directors reviews and discusses with management a summary of fair valued securities in quarterly board meetings.

In general, foreign securities are more likely to require a fair value determination than domestic securities because circumstances may arise between the close of the market on which the securities trade and the time when a Fund values its portfolio securities, which may affect the value of such securities. Securities denominated in foreign currencies and traded in foreign markets will have their values converted into U.S. dollar equivalents at the prevailing exchange rates as computed by State Street Bank and Trust Company. Fluctuation in the values of foreign currencies in relation to the U.S. dollar may affect the net asset value of a Fund's shares even if there has not been any change in the foreign currency prices of that Fund's investments.

Securities of smaller companies are also generally more likely to require a fair value determination because they may be thinly traded and less liquid than traditional securities of larger companies.

The Fund may occasionally be entitled to receive award proceeds from litigation relating to an investment security. The Fund generally does not recognize a gain on contingencies until such payment is certain, which in most cases is when it receives payment.

To the extent that a Fund's portfolio investments trade in markets on days when the Fund is not open for business, the Fund's NAV may vary on those days. In addition, trading in certain portfolio investments may not occur on days the Fund is open for business because markets or exchanges other than the NYSE may be closed. If the exchange or market on which the Fund's underlying investments are primarily traded closes early, the NAV may be calculated prior to its normal market calculation time. For example, the primary trading markets for a Fund may close early on the day before certain holidays and the day after Thanksgiving.

Fixed income securities may be valued at prices supplied by Davis Funds' pricing agent based on broker or dealer supplied valuations or matrix pricing, a method of valuing securities by reference to the value of other securities with similar characteristics, such as rating, interest rate and maturity. Government bonds, corporate bonds, asset-backed bonds, convertible securities and high-yield or junk bonds are normally valued on the basis of prices provided by independent pricing services. Prices provided by the pricing services may be determined without exclusive reliance on quoted prices, and may reflect appropriate factors such as institution-size trading in similar groups of securities, developments related to special securities, dividend rate, maturity and other market data. Prices for fixed income securities received from pricing services sometimes represent best estimates. In addition, if the prices provided by the pricing service and independent quoted prices are unreliable, Davis Funds will arrive at their own fair valuation using the Funds' fair value procedures.

Davis Government Money Market Fund typically values all of its securities at amortized cost. Normally, the share price of Davis Government Money Market Fund does not fluctuate. However, if there are unusually rapid changes in interest rates that the Fund's Board of Directors believes will cause a material deviation between the amortized cost of the Fund's debt securities and the market value of those securities, the Board will consider taking temporary action to maintain a fixed price or to prevent material dilution or other unfavorable consequences to Fund shareholders. This temporary action could include withholding dividends, paying dividends out of surplus, realizing gains or losses, or using market valuation to calculate net asset value rather than amortized cost.

PORTFOLIO HOLDINGS

A description of Davis Funds' policies and procedures with respect to the disclosure of the Funds' portfolio holdings is available in the SAI.

Davis Funds' portfolio holdings are published twice a year in the annual and semi-annual reports, which are mailed approximately 60 days after the end of the Fund's second- and fourth-fiscal quarters. In addition, each Fund publishes its portfolio holdings on Davis Funds' website (www.davisfunds.com) and the SEC website (www.sec.gov) approximately 60 days after the end of each fiscal quarter. Other information concerning the Funds' portfolio holdings may also be published on Davis Funds' website from time to time. The publicly disclosed portfolio may exclude certain securities when allowed by applicable regulations and deemed to be in the best interest of a Fund.

HOW DAVIS FUNDS PAY EARNINGS

There are two ways you can receive payments from the Davis Fund you invest in:

- **Dividends.** Dividends are distributions to shareholders of net investment income and short-term capital gains on investments.
- **Capital Gains.** Capital gains are profits received by a Fund from the sale of securities held for the long term, which are then distributed to shareholders.

If you would like information about when a particular Davis Fund pays dividends and distributes capital gains, please call **1-800-279-0279**. Unless you choose otherwise, Davis Funds will automatically reinvest your dividends and capital gains in additional fund shares.

You can request to have your dividends and capital gains paid to you by check or deposited directly into your bank account. Dividends and capital gains of \$50 or less will not be sent by check but will be reinvested in additional fund shares.

Davis Funds also offer a **Dividend Diversification Program**, which allows you to have your dividends and capital gains from one Davis Fund reinvested in shares of another Davis Fund.

You will receive a statement each year detailing the amount of all dividends and capital gains paid to you during the previous year. To ensure that these distributions are reported properly to the U.S. Treasury, you must certify on your Davis Funds Application Form, or on IRS Form W-9, that your Taxpayer Identification Number is correct and you are not subject to backup withholding. If you are subject to backup withholding, or if you did not certify your Taxpayer Identification Number, the IRS requires Davis Funds to withhold a percentage of any dividends paid and redemption or exchange proceeds received.

How to Put Your Dividends and Capital Gains to Work

You can have all of your dividends and capital gains automatically invested in the same Fund or the same share class of any other Davis Fund. To be eligible for the **Dividend Diversification Program**, all accounts involved must be registered under the same name and same class of shares and have a minimum initial value of \$1,000 for Class A, B and C shares. The minimum for Class Y shares varies. See *“How to Open an Account”* for details. Shares are purchased at the chosen Fund’s net asset value on the dividend payment date. You can make changes to your selection or withdraw from the program at any time. To participate in this program, fill out the *“Distribution Options”* section of the Application Form. If you wish to establish this program after your account has been opened, call for more information.

Dividends and Distributions

- Davis New York Venture Fund ordinarily distributes its dividends and capital gains, if any, in June and December.
- Other Davis long-term growth funds (i.e., Davis Opportunity Fund, Davis Financial Fund, Davis Global Fund and Davis International Fund) ordinarily distribute dividends and capital gains, if any, in December.
- The Davis growth & income funds (i.e., Davis Real Estate Fund and Davis Appreciation & Income Fund) ordinarily distribute dividends quarterly and capital gains, if any, in December.
- Davis Government Bond Fund and Davis Government Money Market Fund ordinarily distribute dividends monthly. Davis Government Bond Fund ordinarily distributes capital gains, if any, in December. Davis Government Money Market Fund does not ordinarily distribute capital gains.
- When a dividend or capital gain is distributed, the net asset value per share is reduced by the amount of the payment. Davis Government Bond Fund’s and Davis Government Money Market Fund’s net asset values are not affected by dividend payments.
- You may elect to reinvest dividend and/or capital gain distributions to purchase additional shares of any Davis Fund or you may elect to receive them in cash. Many shareholders do not elect to take capital gain distributions in cash because these distributions reduce principal value.
- If a dividend or capital gain distribution is for an amount less than \$50, the Fund will not issue a check. Instead, the dividend or capital gain distribution will be automatically reinvested in additional shares of the Fund.
- If a dividend or capital gain distribution check remains uncashed for four months or is undeliverable by the United States Postal Service, the Fund may reinvest the dividend or capital gain distribution in additional shares of the Fund promptly after making this determination, and future dividends and capital gains distributions will be automatically reinvested in additional shares of the Fund.

FEDERAL INCOME TAXES

Taxes on Distributions

Distributions you receive from the Funds may be subject to income tax and may also be subject to state or local taxes, unless you are exempt from taxation. Shareholders that are investing through a taxable account should consider the embedded gains or losses of a Fund. For example, a new shareholder could be subject to taxes on a distribution they receive from a Fund that was earned when they were not a shareholder. It is important to note that investors are only taxed on their own economic income over the life of the investment. The embedded gains or losses for a Fund are disclosed in the most recent annual and semi-annual report.

For federal tax purposes, any taxable dividends and distributions of short-term capital gains are treated as ordinary income. The Funds’ distributions of net long-term capital gains are taxable to you as long-term capital gains. Any taxable

distributions you receive from the Funds will normally be taxable to you when made, regardless of whether you reinvest distributions or receive them in cash.

Davis Funds will send you a statement each year showing the tax status of your Fund distributions.

Taxes on Transactions

Your redemptions, including exchanges, may result in a capital gain or loss for federal tax purposes. A capital gain or loss on your investment is the difference between the cost of your shares, including any sales charges, and the price you receive when you sell them.

More information concerning federal taxes is available in the SAI. Davis Advisors recommends that you consult with a tax advisor about dividends and capital gains that you may receive from Davis Funds.

Cost Basis Reporting

Mutual funds are required to report to the Internal Revenue Service the “cost basis” of shares acquired by a shareholder on or after January 1, 2012 (“covered shares”), and subsequently redeemed. These requirements do not apply to investments through a tax-deferred arrangement, such as a 401(k) plan or an individual retirement plan. The cost basis of a share is generally its purchase price adjusted for dividends, return of capital and other corporate actions. Cost basis is used to determine whether a sale of the shares results in a gain or loss. If you redeem covered shares during any year, then the Funds will report the cost basis of such covered shares to you and the IRS on Form 1099-B. The Funds will permit shareholders to elect from among several IRS-accepted cost basis methods to calculate the cost basis in your covered shares. If you do not affirmatively elect a cost basis method, then the Fund’s default cost basis calculation method, which is currently the Average Cost method, will be applied to your account(s). The cost basis method elected or applied may not be changed after the settlement date of a sale of Fund shares. If you hold Fund shares through a broker (or another nominee), please contact that broker (nominee) with respect to the reporting of cost basis and available elections for your account. You are encouraged to consult your tax advisor regarding the application of the cost basis reporting rules and, in particular, which cost basis calculation method you should elect.

FEES AND EXPENSES OF THE FUNDS

Each Fund must pay operating fees and expenses.

Management Fee

The management fee covers the normal expenses of managing the Funds, including compensation, research costs, corporate overhead expenses and related expenses. The difference in the fee structure between the classes is primarily the result of their separate arrangements for shareholder and distribution services and is not the result of any difference in the amounts charged by Davis Advisors for core investment advisory services. Accordingly, the core investment advisory expenses do not vary by class. Different fees and expenses will affect performance.

12b-1 Fees

The Davis Funds have Plans of Distribution, or “12b-1 Plans,” under which the Funds may use their own assets to finance distribution activities. The 12b-1 Plans are used primarily to pay dealers and other institutions for providing services to Davis Funds’ shareholders. The 12b-1 Plans provide for annual distribution expenses of up to 0.25% of the average daily net asset value of the Class A shares and up to the lesser of 1.25% of the average daily net asset value of the Class B or C shares or the maximum amount provided by applicable rules or regulations of the Financial Industry Regulatory Authority (“FINRA”), which is 1.00% at present.

For Class A, B or C shares, up to 0.25% of distribution expenses may be used to pay service fees to qualified dealers providing certain shareholder services. These services may include, but are not limited to, assessing a client’s investment needs and recommending suitable investments on an ongoing basis. In lieu of a front-end sales charge (as assessed upon the sale of Class A shares), up to an additional 1.00% of distribution expenses may be paid for Class B and C shares. Because distribution expenses are paid out of a fund’s assets on an ongoing basis, these fees will increase the cost of your investment over time and may cost you more than paying other types of sales charges. Thus, the higher fees for Class B and C shares may cost you more over time than paying the initial sales charge for Class A shares.

Class B and Class C shares contingent deferred sales charges and asset-based sales charges have the same purpose as the front-end sales charge on sales of Class A shares, i.e., to compensate dealers and other financial institutions for their services. The fees are paid by the Funds to dealers and financial institutions for providing services to their clients.

Class Y shares do not have a plan of distribution.

Other Expenses

Other expenses include miscellaneous fees from affiliated and outside service providers. These fees may include legal, audit, custodial fees, the costs of printing and mailing of reports and statements, automatic reinvestment of distributions and other conveniences, and payments to third parties that provide recordkeeping services or administrative services for investors in the Funds.

Total Fund Operating Expenses

The total cost of operating a mutual fund is reflected in its expense ratio. A shareholder does not pay operating costs directly; instead, operating costs are deducted before the Fund's NAV is calculated and are expressed as a percentage of the Fund's average daily net assets. The effect of these fees is reflected in the performance results for that class of shares. Investors should examine total operating expenses closely in the prospectus, especially when comparing one fund with another fund in the same investment category.

FEES PAID TO DEALERS AND OTHER FINANCIAL INTERMEDIARIES

Broker-dealers and other financial intermediaries ("Qualifying dealers") may charge Davis Distributors, LLC (the "Distributor"), or the Adviser, substantial fees for selling Davis Funds' shares and providing continuing support to shareholders. The fees charged by Qualifying dealers may include, but are not limited to: (i) sales commissions from sales charges paid by purchasing shareholders; (ii) distribution and service fees from the Funds' 12b-1 distribution plans; (iii) recordkeeping fees from the Funds for providing recordkeeping services to investors who hold Davis Funds shares through dealer-controlled omnibus accounts; and (iv) other fees, described below, paid by Davis Advisors, or the Distributor, from their own resources.

Qualifying dealers may, as a condition to distributing shares of Davis Funds, request that the Distributor, or the Adviser, pay or reimburse the Qualifying dealer for: (i) marketing support payments, including business planning assistance, educating personnel about Davis Funds and shareholder financial planning needs, placement on the Qualifying dealer's list of offered funds and access to sales meetings, sales representatives and management representatives of the Qualifying dealer; and (ii) financial assistance charged to allow the Distributor to participate in and/or present at conferences or seminars, sales or training programs for invited registered representatives and other employees, client and investor events and other dealer-sponsored events. These additional fees are sometimes referred to as "revenue sharing" payments. A number of factors are considered in determining fees paid to Qualifying dealers, including the dealer's sales and assets, and the quality of the dealer's relationship with the Distributor. Fees are generally based on the value of shares of the Fund held by the Qualifying dealer, or financial institution, for its customers or based on sales of Fund shares by the dealer, or financial institution, or a combination thereof. Davis Advisors may use its profits from the advisory fee it receives from the Funds to pay some or all of these fees. Some Qualifying dealers may also choose to pay additional compensation to their registered representatives who sell the Funds. Such payments may be associated with the status of a Fund on a Qualifying dealer's preferred list of funds or otherwise associated with the Qualifying dealer's marketing and other support activities. The foregoing arrangements may create an incentive for the Qualifying dealers, brokers, or other financial institutions, as well as their registered representatives, to sell Davis Funds rather than other funds.

In 2016, the Distributor, or the Adviser, was charged additional fees by the Qualifying dealers listed below. The Distributor paid these fees from its own resources. These Qualifying dealers may provide Davis Funds enhanced sales and marketing support and financial advisers employed by the Qualifying dealers may recommend Davis Funds rather than other funds. Qualifying dealers may be added or deleted at any time.

ADP Broker Dealer, Inc.; American Enterprise Investment Services, Inc.; Australian Funds Marketing Ltd.; Charles Schwab & Co., Inc.; Transamerica Retirement Solutions Group; Fidelity Brokerage Services, LLC; Fidelity Investments Institutional Services Company, Inc.; Genworth Life Insurance Company of New York; Genworth Life and Annuity Insurance Company; Great-West Life & Annuity Insurance Company; Hartford Life Insurance Company; VOYA Retirement Insurance and Annuity Company; LPL Financial Corporation; Marshall & Ilsley Trust Company; Massachusetts Mutual Life Insurance Company; Matrix Settlement (MSCS); Merrill Lynch, Pierce, Fenner & Smith, Inc.; Merrill Lynch Life Insurance Company; Morgan Stanley Smith Barney, LLC; Nationwide Financial Services, Inc.; John Hancock Trust; Pershing, LLC; Raymond James & Associates, Inc.; Standard Life Insurance Company; Teachers Insurance and Annuity Association of America; T. Rowe Price Retirement Plan Services, Inc.; The Guardian Insurance & Annuity Company, Inc.; The Vanguard Group, Inc.; Transamerica Advisors Life Insurance Company; Transamerica Advisors Life Insurance Company of New York; UBS Financial Services, Inc.; Wells Fargo Advisors, LLC; and Wells Fargo Bank, N.A.

In addition, the Distributor may, from time to time, pay additional cash compensation or other promotional incentives to authorized dealers or agents who sell shares of Davis Funds. In some instances, such cash compensation or other incentives may be offered only to certain dealers or agents who employ registered representatives who have sold or may sell significant amounts of shares of Davis Funds during specified periods of time.

Although Davis Funds may use brokers who sell shares of the Funds to execute portfolio transactions, the Funds do not consider the sale of Fund shares as a factor when selecting brokers to execute portfolio transactions.

Investors should consult their financial intermediaries regarding the details of payments they may receive in connection with the sale of Fund shares.

Due Diligence Meetings. The Distributor routinely sponsors due diligence meetings for registered representatives, during which they receive updates on various Davis Funds and are afforded the opportunity to speak with the Funds' Portfolio Managers. Invitation to these meetings is not conditioned on selling a specific number of shares. Those who have shown an interest in Davis Funds, however, are more likely to be considered. To the extent permitted by their firm's policies and procedures, registered representatives' expenses in attending these meetings may be covered by the Distributor.

Seminars and Educational Meetings. The Distributor may defray certain expenses of Qualifying dealers incurred in connection with seminars and other educational efforts subject to the Distributor's policies and procedures governing payments for such seminars. The Distributor may share expenses with Qualifying dealers for costs incurred in conducting training and educational meetings about various aspects of the Funds for the employees of Qualifying dealers. In addition, the Distributor may share expenses with Qualifying dealers for costs incurred in hosting client seminars at which the Fund is discussed.

Recordkeeping Fees. Certain Qualifying dealers have chosen to maintain "omnibus accounts" with Davis Funds. In an omnibus account, the Fund maintains a single account in the name of the Qualifying dealer and the dealer maintains all of its clients' individual shareholder accounts. Likewise, for many retirement plans, a third-party administrator may open an omnibus account with Davis Funds and the administrator will then maintain all of the participant accounts. Davis Advisors, on behalf of the Funds, enters into agreements whereby the Funds are charged by the Qualifying dealer or administrator for such recordkeeping services.

Recordkeeping services typically include: (i) establishing and maintaining shareholder accounts and records; (ii) recording shareholder account balances and changes thereto; (iii) arranging for the wiring of funds; (iv) providing statements to shareholders; (v) furnishing proxy materials, periodic Davis Funds reports, prospectuses and other communications to shareholders as required; (vi) transmitting shareholder transaction information; and (vii) providing information in order to assist Davis Funds in their compliance with state securities laws. Each Davis Fund typically would be paying these shareholder servicing fees directly if a Qualifying dealer did not hold all customer accounts in a single omnibus account with each Davis Fund.

Other Compensation. The Distributor may, from its own resources and not from the Funds', pay additional fees to the extent not prohibited by state or federal laws, the Securities and Exchange Commission (SEC), or any self-regulatory agency, such as the Financial Industry Regulatory Authority (FINRA).

HOW TO CHOOSE A SHARE CLASS

Before you buy shares in any Davis Fund, you need to decide which class of shares best suits your needs. Davis Funds offer three classes of shares for new purchases: A, C and Y. Each class is subject to different expenses and sales charges. Class Y shares are generally available only to qualified institutional investors. Class B shares are no longer offered for new purchases.

The difference in the fee structures between the classes is primarily the result of their separate arrangements for shareholder and distribution services, and is not the result of any difference in the amounts charged by Davis Advisors for investment advisory services. Accordingly, the investment advisory expenses do not vary by class.

You may choose to buy one class of shares rather than another depending on the amount of the purchase and the expected length of time of your investment. Long-term shareholders of Class B or C shares may pay more than the maximum front-end sales charge allowed by FINRA.

Class A Shares

Class A shares may be best for you if you are a long-term investor who is willing to pay the entire sales charge at the time of purchase. In return, you pay a lower distribution fee than Class B or C shares. In addition, descriptions of the sales load waivers and/or discounts for Class A shares with respect to certain financial intermediaries are reproduced in "Appendix A: *Intermediary-Specific Sales Charge Waivers and Discounts*" to this prospectus based on information provided by the financial intermediary.

- For any investment below \$100,000, you buy Class A shares at their net asset value per share plus a sales charge, which is approximately 4.75% of the offering price (see table below). The term "offering price" includes the front-end sales charge.
- There is no limit to how much you can invest in this share class.

- Davis Funds (other than Davis Government Money Market Fund) pay a distribution fee – of up to 0.25% of the average daily net assets – each year you hold the shares. This fee is lower than the fee you pay for Class B and C shares. Lower expenses of Class A shares translate into higher annual returns on net asset value than Class B or C shares.

Class A Shares Sales Charges

(For all Davis Funds, except Davis Government Money Market Fund)

Amount of Purchase	Sales Charge Approximate percentage of offering price	Sales Charge Approximate percentage of net amount invested	Amount of Sales Charge Retained by Dealer Percentage of offering price
Under \$100,000	4.75%	4.99%	4.00%
\$100,000 - \$249,999	3.50%	3.63%	3.00%
\$250,000 - \$499,999	2.50%	2.56%	2.00%
\$500,000 - \$749,999	2.00%	2.04%	1.75%
\$750,000 - \$999,999	1.00%	1.01%	0.75%
\$1 million or more*	None	None	None

* You pay no front-end sales charge on purchases of \$1 million or more, but if you sell those shares (in any Davis Fund other than Davis Government Money Market Fund) within the first year, a deferred sales charge of 0.50% may be deducted from the redemption proceeds.

The Distributor may pay commissions to the dealer of record (on Davis Funds other than Davis Government Money Market Fund) on purchases at the annual rate described in the table below. Commissions may be paid on either: (i) Class A share purchases of \$1 million or more; or (ii) Class A share purchases (net of redemptions) in retirement plans that qualify for sales at net asset value. The commission will be paid only on purchases that were not previously subject to a front-end sales charge or dealer concession.

Amount of Purchase	Commission
First \$5 million	0.50%
More than \$5 million	0.25%

The Funds may reimburse the Distributor for these payments through its Plans of Distribution. If distribution fee limits have already been reached for the year, the Distributor itself will pay the commissions.

Reduction of Class A Shares Initial Sales Charge

To receive a reduction in your Class A initial sales charge, you must let your financial adviser or Davis Funds know at the time you purchase shares that you qualify for such a reduction. If you do not let your adviser, or Davis Funds, know that you are eligible for a reduction, you may not receive a sales charge discount to which you are otherwise entitled.

As the table above shows, the sales charge gets smaller as your purchase amount increases. There are several ways you may combine purchases to qualify for a lower sales charge. To qualify for a reduction in Class A shares' initial sales charge, you must provide records (generally, account statements are sufficient; your broker may require additional documents) of all Davis Funds shares owned that you wish to count towards the sales charge reduction.

You Can Combine Purchases of Class A Shares

- **With other "immediate family" members.** To receive a reduced Class A sales charge, investments made by yourself, your spouse and any children under the age of 21, may be aggregated if made for your own account(s) and/or certain other accounts, such as:
 - Trust accounts established by the above individuals. However, if the person(s) who established the trust is (are) deceased, then the trust account may only be aggregated with accounts of the primary beneficiary of the trust;
 - Solely controlled business accounts; or
 - Single-participant retirement plans.
- **Through Employee Benefit Plans.** If you buy shares through trust or fiduciary accounts, or Individual Retirement Accounts (IRAs) of a single employer, the purchases will be treated as a single purchase.
- **Under a Statement of Intention.** If you enter a Statement of Intention and agree to buy shares of \$100,000 or more over a thirteen-month period, all of the shares you buy during that period will be counted as a single purchase, with the

exception of purchases into Davis Government Money Market Fund. Before entering a Statement of Intention, please read the terms and conditions in the SAI. Under a Statement of Intention, you agree to permit the Funds' transfer agent, Boston Financial Data Services, to hold Fund shares in escrow to guarantee payment of any sales charges that may be due if you ultimately invest less than you agreed to invest over the covered thirteen-month period. Money Market Fund purchases do not count toward a Statement of Intention, unless the shares were exchanged from another Davis Fund and the shares were previously subject to a sales charge.

- ***Under Rights of Accumulation.*** If you notify your dealer, or the Distributor, you can include all shares in Davis Funds you already own (excluding shares in Davis Government Money Market Fund) when calculating the price for your current purchase. These shares are valued at current offering price to determine whether or not you qualify for a reduction in the sales charge. Money Market Fund purchases do not count toward Rights of Accumulation, unless the shares were exchanged from another Davis Fund and the shares were previously subject to a sales charge.
- ***Combining Rights of Accumulation (ROA) with Statement of Intention.*** A shareholder can use a Statement of Intention and Rights of Accumulation in conjunction with one another; the Statement of Intention will take precedence over the Rights of Accumulation. Once the Statement of Intention has been satisfied, any new purchases into any of the linked Class A share accounts will receive the reduced sales charge.

For more information about how to reduce Class A shares initial sales charge, please visit Davis Funds' website, free of charge, at www.davisfunds.com (which includes additional information in a clear and prominent format that includes hyperlinks), consult your broker or financial intermediary, or refer to the Funds' SAI, which is available through your financial intermediary or from the Funds by calling Investor Services at **1-800-279-0279**.

Class A Shares Front-End Sales Charge Waivers

To receive a waiver of your Class A initial sales charge, you must let your financial adviser, or Davis Funds, know at the time you purchase shares that you qualify for such a waiver. If you do not let your adviser or Davis Funds know that you are eligible for a waiver, you may not receive a sales charge waiver to which you are otherwise entitled.

The Funds do not impose a sales charge on purchases of Class A shares for:

- Purchases by group omnibus retirement plans under section 401(a), 401(k), 403(b) or 457 of the Internal Revenue Code;
- Rollover purchases in a Davis Funds IRA held directly with the transfer agent made with the proceeds of a retirement plan distribution that was previously invested in a Davis Fund;
- Registered investment advisers, trust companies and bank trust departments exercising discretionary investment authority with respect to amounts to be invested in the Funds;
- Purchases by dealers, brokers, banks, registered investment advisers and other financial intermediaries that have entered into an agreement with the Distributor to offer the Funds on an advisory fee or wrap fee-based platform;
- Financial intermediaries who have entered into an agreement with the Distributor and have been approved by the Distributor to offer Fund shares to self-directed investment brokerage accounts that may or may not charge a transaction fee;
- Certain state sponsored 529 college savings plans;
- Persons involuntarily liquidated from a Fund, who, within 60 days of liquidation, buy new shares of another Davis Fund (but only up to the amount that was liquidated);
- Insurance company separate accounts;
- Investments in Davis Government Money Market Fund;
- Shareholders making purchases with dividends or capital gains that are automatically reinvested;
- Current and former directors, officers and employees of any Davis Fund, or Davis Advisors (or its affiliates), and their extended family. The term "extended family" includes "immediate family," which is one's spouse and children under 21, and also one's grandchildren, grandparents, parents, parents-in-law, brothers and sisters, sons- and daughters-in-law, a sibling's spouse, a spouse's sibling, aunts, uncles, and nieces and nephews; relatives by virtue of a remarriage (step-children, step-parents, etc.) are included. Extended family shall include any child regardless of age;
- Davis Advisors, or its affiliates;
- Registered representatives, principals and employees (and any extended family member) of securities dealers having a sales agreement with the Distributor;
- Financial institutions, acting as fiduciaries, making single purchases of \$250,000 or more;

- State and local governments purchasing directly from the Funds. Please consult your legal and investment advisers to determine if an investment in the Fund is permissible and suitable for you;
- Shareholders making purchases in certain accounts offered by securities firms that have entered into contracts with Davis Funds and charge fees based on assets in the account;
- Shareholder accounts established prior to December 2014, as a result of a merger with a Davis Fund; and
- Purchases by taxable accounts held directly with the transfer agent that are established with the proceeds of Required Minimum Distributions from retirement plans and accounts.

Rollovers from Retirement Plans to IRAs

For qualifying rollovers, you must send the Funds' custodial agent, UMB Bank, a written request for the rollover.

Assets from retirement plans may be invested in Class A or C shares through an IRA rollover. Rollovers invested in Class A shares from retirement plans will be subject to applicable sales charges. Rollovers to Class A shares will be made without a sales charge if they meet the following requirements:

- The assets being rolled over were invested in Davis Funds at the time of distribution; and
- The rolled-over assets are contributed to a Davis Funds IRA with UMB Bank as the plan's custodian.

IRA assets that rollover without a sales charge, as described above, will not be subject to a contingent deferred sales charge.

IRA rollover assets invested in Class A shares that are not attributable to investments in Davis Funds, as well as future contributions to the IRA, will be subject to sales charges and the terms and conditions generally applicable to Class A share investments as described in the prospectus and SAI.

Class B Shares

Class B shares for Funds offered in this prospectus are no longer offered for new purchases. New Class B share account applications will be returned and any investments for existing Class B share accounts that are received will be made in Class A shares of Davis Government Money Market Fund. Investors may continue to exchange Class B shares of other Davis Funds for Class B shares of the Funds offered in this prospectus and to exchange Class B shares of Funds offered in this prospectus for Class B shares of other Davis Funds.

Class B shares may be best for you if you are willing to pay a higher distribution fee than Class A shares for seven years in order to avoid paying a front-end sales charge. The Class B contingent deferred sales charge and asset-based sales charge have the same purpose as the front-end sales charge on sales of Class A shares, i.e., to compensate the broker. Class B shares assess a higher distribution fee to pay fees and expenses charged by dealers and financial institutions for services provided to clients.

- You buy the shares at net asset value (no initial sales charge).
- The maximum purchase per transaction for Class B shares is \$50,000.
- If you have significant Davis Funds holdings, you may not be eligible to invest in Class B shares. You may not purchase Class B shares if you are eligible to purchase Class A shares at the \$100,000 or higher sales charge discount rate. See "*Class A Shares Sales Charges*" and "*Reduction of Class A Shares Initial Sales Charge*" for more information regarding sales charge discounts.
- If you sell Class B shares in any of the Davis Funds within six years of purchase, you must pay a deferred sales charge. This charge decreases over time as you own the shares (see table below).
- After you hold Class B shares for seven years, they are converted automatically into Class A shares without incurring a front-end sales charge. As this is a dollar for dollar conversion, you may receive fewer Class A shares due to the difference in the price of the two share classes. Investors in Class A shares pay a lower distribution fee.
- Investors in Class B shares (other than Davis Government Money Market Fund) pay a distribution fee of one percent of the average daily net asset value each year they hold the shares. Higher distribution fees translate into lower annual returns on net asset value.
- At redemption, the deferred sales charge for each purchase will be calculated from the date of purchase, excluding any time the shares were held in a money market fund.

Note: Investors who buy Class B shares of Davis Government Money Market Fund will not pay a deferred sales charge, unless the money market fund shares were received in exchange for shares of another Davis Fund (see "*Exchanging Shares*" in this prospectus).

Class B Shares Deferred Sales Charges

(For all Davis Funds, except Davis Government Money Market Fund)

Sales Made After Purchase	Amount of Deferred Sales Charge
Year 1	4%
Years 2 - 3	3%
Years 4 - 5	2%
Year 6	1%
Year 7	None

Class B shares automatically convert to Class A shares after seven years.

Class C Shares

Class C shares may be best for you if you are willing to pay a higher distribution fee than Class A shares in order to avoid paying a front-end sales charge. The Class C contingent deferred sales charge and asset-based sales charge have the same purpose as the front-end sales charge on sales of Class A shares, i.e., to compensate the broker. Class C shares assess a higher distribution fee to pay fees and expenses charged by dealers and financial institutions for services provided to clients.

- You buy the shares at net asset value (no initial sales charge).
- The maximum purchase per transaction for Class C shares is \$500,000.
- If you have significant Davis Funds holdings, you may not be eligible to invest in Class C shares. You may not purchase Class C shares if you are eligible to purchase Class A shares at the \$1 million or more sales charge discount rate (i.e., at net asset value). See “*Class A Shares Sales Charges*” and “*Reduction of Class A Shares Initial Sales Charge*” for more information regarding sales charge discounts.
- If you sell Class C shares in any of the Davis Funds (other than Davis Government Money Market Fund) within one year of purchase, you must pay a deferred sales charge of one percent. At redemption, the deferred sales charge for each purchase will be calculated from the date of purchase, excluding any time the shares were held in a money market fund.
- Investors in Class C shares (other than Davis Government Money Market Fund) pay a distribution fee of one percent of the average daily net asset value each year they hold the shares. Higher distribution fees translate into lower annual returns on net asset value.
- Class C shares do not have a conversion provision.

Deferred Sales Charge

If you purchase shares subject to a contingent deferred sales charge and redeem any of those shares during the applicable holding period for the class of shares you own, the contingent deferred sales charge will be deducted from the redemption proceeds, unless you are eligible for one of the waivers described below. At redemption, the deferred sales charge will be calculated from the date of each purchase, excluding any time that shares were held in a money market fund. You will pay a deferred sales charge in the following cases:

- As a Class A shareholder, only if you buy shares valued at \$1 million or more without a sales charge and sell the shares within one year of purchase.
- As a Class B shareholder, if you sell shares within six years of purchase. The percentage decreases over the six-year period.
- As a Class C shareholder, if you sell shares within one year of purchase.

To keep deferred sales charges as low as possible, the Funds will first sell shares in your account that are not subject to a deferred sales charge (if any). The Funds do not impose a deferred sales charge on the amount of your account value represented by an increase in net asset value over the initial purchase price, or on shares acquired through dividend reinvestments or capital gains distributions. If the net asset value has decreased the sales charge will be based on the current NAV. To determine whether the deferred sales charge applies to a redemption, shares are redeemed in the following order:

- Shares in your account represented by an increase in NAV over the initial purchase price (appreciation).
- Shares acquired by reinvestment of dividends and capital gain distributions.
- Shares that are no longer subject to the deferred sales charge.
- Shares held the longest, but which are still subject to the deferred sales charge.

Note: Investors who buy Class B or C shares of Davis Government Money Market Fund will not pay a deferred sales charge unless the money market fund shares were received in exchange for shares of another Davis Fund (see “*Exchanging Shares*” in this prospectus).

Deferred Sales Charge Waivers

The Funds will waive the deferred sales charge on sales of Class A, B and C shares of any Davis Fund if:

- You sell Class A shares that were not subject to a commission at the time of purchase (the amount of purchase totaled \$1 million or more) and the shares were held for more than a year.
- You die and were the sole owner of the account. Otherwise, shares can be redeemed without a contingent deferred sales charge following the death or disability of the last surviving shareholder, including a trustee of a grantor trust or revocable living trust for which the trustee is also the sole beneficiary. The death or disability must have occurred after the account was established. If you claim a disability you must provide evidence of a determination of disability by the Social Security Administration.
- You sell shares under a qualified retirement plan or IRA that constitutes a tax-free return of excess contributions to avoid a penalty.
- Your Fund redeems the remaining shares in your account under an Involuntary Redemption.
- You qualify for an exception related to defined contribution plans. These exceptions are described in the SAI.
- You are a director, officer or employee of Davis Advisors or one of its affiliates (or an extended family member of a director, officer or employee).
- You sell Class B or Class C shares under the Systematic Withdrawal Plan and the aggregate value of the redeemed shares does not exceed twelve percent of the account’s value.*

If the net asset value of the shares that you sell has increased since you purchased them, any deferred sales charge will be based on the original cost of the shares.

* *A Systematic Withdrawal Plan may be established as either a percentage or a fixed-dollar amount. The shares that may be redeemed without a sales charge are recalculated as a percentage of the current market value of the account as of the date of each withdrawal. If established as a percentage, no sales charge will be incurred regardless of market fluctuations. If established as a fixed-dollar amount, a sales charge may be incurred if the market value of the account decreases. If you redeem shares in addition to those redeemed pursuant to the Systematic Withdrawal Plan, a deferred sales charge may be imposed on those shares and on any subsequent redemptions within a twelve-month period, regardless of whether such redemptions are pursuant to a Systematic Withdrawal Plan.*

If you have any additional questions about choosing a share class, please call the Funds toll free, at **1-800-279-0279**, Monday through Friday, from 9 a.m. to 6 p.m. Eastern time. If you still are not sure about which class is best for you, contact your financial adviser.

Class Y Shares

Class Y shares may be best for you if you qualify. Class Y shares are sold at net asset value per share, without a sales charge, directly to institutional investors. Investors in Class Y shares do not pay a distribution fee. For details on what types of institutions may purchase shares and what fund minimums apply see “*How to Open an Account*” in this prospectus.

HOW TO OPEN AN ACCOUNT

To open an account with Davis Funds you must meet the initial minimum investment for each Fund you choose to invest in. For each Class A or C share account you must invest at least \$1,000. For Class Y shares, the minimum investment amount is dependent on how you invest:

- At least \$5 million for an institution (e.g., trust company, bank trust, endowment, pension plan or foundation) acting on behalf of its own account or one or more clients.
- At least \$5 million for a government entity (e.g., a state, county, city, department, authority or similar government agency).
- With an account established under a “wrap account” or other fee-based program that is sponsored and maintained by a registered broker-dealer approved by the Distributor.
- At least \$500,000 for a 401(k) plan, 457 plan, employer-sponsored 403(b) plan, profit-sharing and money purchase pension plan, defined benefit plan or non-qualified deferred compensation plan where plan level or omnibus accounts are held on the books of the Fund.

- Through a registered investment adviser (RIA) who initially invests for clients an aggregate of at least \$100,000 in Davis Funds through a fund “supermarket” or other mutual fund trading platform sponsored by a broker-dealer or trust company and has entered into an agreement with Davis Distributors, LLC.

At the Distributor’s discretion, the minimum may be waived for an account established under a “wrap account” or other fee-based program that is sponsored and maintained by a registered broker-dealer approved by the Distributor.

Two Ways You Can Open an Account

- **Mail.** Complete and sign the Application Form and mail it to the Davis Funds. Include a check made payable to **Davis Funds**. All purchases by check should be in U.S. dollars. **Davis Funds will not accept third-party checks, starter checks, traveler’s checks or money orders.**
- **Dealer.** You may have your dealer order and pay for the shares. In this case, you must pay your dealer directly. Your dealer will then order the shares from the Distributor. Please note that your dealer may charge a service fee or commission for these transactions.

ANTI-MONEY LAUNDERING COMPLIANCE

Davis Funds and the Distributor are required to comply with various anti-money laundering laws and regulations and have appointed an anti-money laundering compliance officer. Consequently, the Funds, or the Distributor, may request additional information from you to verify your identity and the source of your funds. If you do not provide the requested information, Davis Funds may not be able to open your account. If, at any time, the Funds believe an investor may be involved in suspicious activity or if certain account information matches information on government lists of suspicious persons, the Fund and the Distributor may choose not to establish a new account or may be required to “freeze” a shareholder’s account. They may also be required to provide a government agency or another financial institution with information about transactions that have occurred in a shareholder’s account or to transfer monies received to establish a new account, transfer an existing account or transfer the proceeds of an existing account to a governmental agency. In some circumstances, the law may not permit the Funds, or the Distributor, to inform the shareholder that it has taken the actions described above.

RETIREMENT PLAN ACCOUNTS

You can invest in Davis Funds using any of these types of retirement plan accounts:

- IRAs
- Roth IRAs
- Education Savings Accounts
- Simple IRAs
- Simplified Employee Pension (SEP) IRAs
- 403(b) Plans

UMB Bank acts as custodian for these retirement plans and charges each participant a \$15 custodial fee each year per Social Security Number. This fee will be waived for accounts sharing the same Social Security Number if the accounts total at least \$50,000 at Davis Funds. This custodial fee is automatically deducted from each account in December, unless you elect to pay the fee directly. Checks for the custodial fee should be made payable to **UMB Bank**. If an account is closed before this fee is paid, it will be deducted from the proceeds at the time of the redemption. To open a retirement plan account, you must fill out a Retirement Account Application Form. You can request this form by calling Investor Services or by visiting Davis Funds’ website (www.davisfunds.com). Class Y shares cannot be purchased in an IRA.

HOW TO BUY, SELL AND EXCHANGE SHARES

Once you have established an account with Davis Funds, you can add to or withdraw from your investment. This prospectus describes the types of transactions you can perform as a Davis Funds shareholder, including how to initiate these transactions and the charges that you may incur (if any) when buying, selling or exchanging shares. A transaction will not be executed until all required documents have been received in a form meeting all legal requirements. Legal requirements vary depending upon the type of transaction and the type of account. Call Investor Services for instructions. These procedures and charges may change over time and the prospectus in effect at the time a transaction is initiated will describe the procedures and charges that will apply to the transaction.

Right to Reject or Restrict any Purchase or Exchange Order

Purchases and exchanges (other than for Davis Government Money Market Fund) should be made for long-term investment purposes only. Davis Funds and the Distributor reserve the right to reject any purchase or exchange order for any reason prior to the end of the first business day after the date that a purchase or exchange order was processed. Davis Funds, or the Distributor, may “reject” a current purchase order or “restrict” an investor from placing future purchase orders. Davis Funds

and the Distributor will not reject or restrict a redemption order without adequate reason, including, but not limited to, allowing a purchase check to clear, a court order, etc. Exchanges involve both a redemption and a purchase, only the purchase side of the exchange may be rejected or restricted. Davis Funds are not designed to serve as a vehicle for frequent trading in response to short-term fluctuations in the securities markets. Accordingly, purchases or exchanges that are part of activity that Davis Funds, or the Distributor, have determined may involve actual or potential harm to a Fund may be rejected.

Four Ways to Buy, Sell and Exchange Shares

- **Telephone.** Call **1-800-279-0279**. You can speak directly with an Investor Services Professional, Monday through Friday, from 9 a.m. to 6 p.m. Eastern time or use the Funds' automated telephone system at any time, day or night.
- **Online Account Access.** You may initiate most account transactions through online account access on the Funds' website (**www.davisfunds.com**). Please note that certain account types, including all Class Y share accounts, may be restricted from online access.
- **Mail.** Send the request to the Davis Funds at either address listed below.

Regular mail:

**Davis Funds
P.O. Box 8406
Boston, MA 02266-8406**

Express shipping:

**Davis Funds
30 Dan Road
Canton, MA 02021-2809**

- **Dealer.** Contact a dealer who will execute the transaction through the Distributor. Please note that your dealer may charge service fees or commissions for these transactions.

The Davis Funds do not issue certificates for any class of shares. Instead, shares purchased are automatically credited to an account maintained for you on the books of Davis Funds by State Street Bank and Trust Company. Transactions in the account, such as additional investments, will be reflected on regular confirmation statements from Davis Funds. Dividend and capital gain distributions, purchases through automatic investment plans and certain retirement plans, and automatic exchanges and withdrawals will be confirmed at least quarterly.

When Your Transactions Are Processed

Purchases, sales and exchanges will be processed at 4 p.m. Eastern time after Davis Funds' transfer agent or other qualified financial intermediary receives your request to purchase or sell shares in good order, including all documents that are required to constitute a legal purchase, sale or exchange of shares.

BUYING MORE SHARES

You may buy more shares at any time, by mail, through a dealer, by telephone, online account access or by wire. The minimum additional purchase amount for all share classes is \$25.

Mail. When you purchase shares by mail:

- Make the check payable to **Davis Funds**.
- If you have the investment slip from your most recent statement, include it with the check. If you do not have an investment slip, include a letter with your check stating the name of the Fund, the class of shares you wish to buy, and your account number.
- Mail the check to:

Regular mail:

**Davis Funds
P.O. Box 8406
Boston, MA 02266-8406**

Express shipping:

**Davis Funds
30 Dan Road
Canton, MA 02021-2809**

Dealer. When you buy shares through a dealer, you may be charged service fees or commissions for these transactions.

Telephone. If you have a bank account listed on your account you may purchase shares via ACH (Automated Clearing House) and the funds will be pulled directly from your bank account to purchase shares. Call **1-800-279-0279** to use the Funds' automated phone system 24 hours a day or speak to an Investor Services Professional, Monday through Friday, from 9 a.m. to 6 p.m. Eastern time.

Online Account Access. If you have a bank account listed on your account you may purchase shares via ACH (Automated Clearing House) and the funds will be pulled directly from your bank account to purchase shares. See “*Internet Transactions*” in this prospectus for details on how to access your account through the internet.

Wire. You may wire federal funds directly to the Funds’ service provider, State Street Bank and Trust Company. To ensure that the purchase is credited properly, follow these wire instructions:

State Street Bank and Trust Company
Boston, MA 02210
Attn: Mutual Fund Services
[Name of Davis Fund and class of shares that you are buying]
Shareholder Name
Shareholder Account Number
Federal Routing Number: 011000028
DDA Number: 9904-606-2

Inactive Accounts

If shareholder-initiated contact does not occur on your account within the timeframe specified by the law in your state of record, or if Fund mailings are returned as undeliverable during that timeframe, the assets of your account (shares and/or any uncashed checks) may be transferred to your last known recorded state of residence as unclaimed property, in accordance with specific state law.

If a check remains uncashed for four months, or is undeliverable by the United States Postal Service, the Fund may reinvest the proceeds in additional shares of the Fund.

Making Automatic Investments

An easy way to increase your investment in any Davis Fund is to sign up for the Automatic Investment Plan. Under this plan, you arrange for a predetermined amount of money to be withdrawn from your bank account and invested in Fund shares. The minimum amount you can invest under the plan each month is \$25. The account minimum of \$1,000 must be met prior to establishing an automatic investment plan.

Purchases can be processed electronically on any day of the month if the institution that services your bank account is a member of the Automated Clearing House (ACH) system. Each debit should be reflected on your next bank statement.

To sign up for the Automatic Investment Plan, complete the appropriate section of the Application Form or complete an Account Service Form. You can modify your Automatic Investment Plan at any time by calling Investor Services.

SELLING SHARES

You may sell back all or part of your shares in any Davis Fund in which you invest (also known as redeeming your shares) on any day that the Fund is open at net asset value minus any sales charges that may be due. You can sell the shares by mail, through a dealer, by telephone or online account access.

Mail. To sell shares by mail, send the request to one of the addresses below. All registered shareholders must sign the request. Redemption proceeds are usually paid to you by check within seven days after Davis Funds receives your proper redemption request.

- Mail the request to:

Regular mail:
Davis Funds
P.O. Box 8406
Boston, MA 02266-8406

Express shipping:
Davis Funds
30 Dan Road
Canton, MA 02021-2809

- A Medallion Signature Guarantee is required if the redemption request is:
 - For a check greater than \$100,000;
 - Made payable to someone other than the registered shareholder(s);
 - Sent to an address other than to the address of record or to an address of record that has been changed in the last 30 days; or
 - To a bank account not on record.

Dealer. When you sell shares through a dealer, you may be charged service fees or commissions for these transactions.

Telephone. Call **1-800-279-0279** to use the Funds' automated phone system 24 hours a day or speak to an Investor Services Professional, Monday through Friday, from 9 a.m. to 6 p.m. Eastern time.

- Redemptions by check:
 - Are limited to \$100,000;
 - Must be mailed to the address of record that has been on the account for at least 30 days; and
 - Must be made payable to the registered shareholder.
- Redemptions via wire or ACH can only be sent to a bank currently on the account.

Online Account Access. See "*Internet Transactions*" in this prospectus for details on how to access your account through the internet.

- Redemptions by check:
 - Are limited to \$100,000;
 - Must be mailed to the address of record that has been on the account for at least 30 days; and
 - Must be made payable to the registered shareholder.
- Redemptions via wire or ACH can only be sent to a bank currently on the account.

You may redeem shares on any day that the Fund is open. Redemption proceeds may be withheld until a sufficient period of time has passed for State Street Bank and Trust Company to be reasonably sure that all checks or drafts (including certified or cashier's checks) for shares purchased have cleared, normally not exceeding fifteen calendar days.

Unless you decide not to have telephone, fax or internet services on your account(s), you agree to hold the Fund, Davis Funds, any of its affiliates or mutual funds managed by such affiliates and each of their respective directors, officers, employees and agents harmless from any losses, expenses, costs or liabilities (including attorney's fees) that may be incurred in connection with the exercise of these privileges when Davis Funds, acting in good faith, has complied with instructions that are believed to be genuine. Davis Advisors uses certain procedures to confirm that your instructions are genuine. If these procedures are not used, the Funds may be liable for any loss from unauthorized instructions.

Check Writing Privilege for Davis Government Money Market Fund

You can request check writing privileges on your Davis Government Money Market Fund account if you hold Class A shares and are not investing through a retirement plan or an IRA. Davis Government Money Market Fund investors with check writing privileges can write checks:

- For \$250 or more from their accounts. Checks written for less than \$250 will be honored and a \$25 service fee will be debited from the account;
- So long as the account balance is at least \$1,000 after the check has been paid. If a check is presented for payment which would bring the account balance to less than \$1,000 a \$25 service fee will be debited from the account and check writing privileges will be suspended; and
- Subject to the rules prescribed by State Street Bank and Trust Company. Davis Funds and State Street Bank and Trust Company reserve the right to modify these rules at any time.

Writing a check is a way of selling shares and directing the proceeds to a third party. When a Davis Government Money Market Fund check is presented to State Street Bank and Trust Company for payment, the bank will redeem a sufficient number of shares in your account to cover the amount of the check. If you have had recent activity in your Davis Government Money Market Fund account, funds may not be available to cover your checks. For example: (i) if you have redeemed or exchanged funds out of your Davis Government Money Market Fund account, there may not be sufficient funds remaining to cover your check; (ii) if you have recently purchased shares in your Davis Government Money Market Fund account, the Funds may still be within the fifteen-day uncollected status; or (iii) if funds were exchanged into your Davis Government Money Market Fund account from another Davis Fund, those funds may still be within the fifteen-day uncollected status.

To qualify for **Check Writing Privileges**, fill out the appropriate section in your Application Form. If you write a check on your Davis Government Money Market Fund account and you do not have sufficient shares in your account to cover the check, or if your check is presented for payment before your purchase check has cleared, the check will be returned and your account will be assessed an insufficient funds fee of \$25. You can find more information about check writing privileges in the SAI. Davis Funds and State Street Bank and Trust Company reserve the right to modify or terminate the check writing service at any time.

What You Need to Know Before You Sell Your Shares

- You will always receive cash for sales that total less than \$250,000 or one percent of a Fund's net asset value during any ninety-day period. Any sales above the cash limit may be paid in securities. The securities you receive may be liquid or illiquid, you would have to pay brokerage fees if you sold the securities and you would be subject to market and other applicable risks until the securities were sold. You may be unable to sell illiquid securities.
- In certain circumstances, such as the death of a shareholder or acting as power of attorney, additional documentation may be required. Please contact Investor Services at **1-800-279-0279** to determine if your situation requires such documentation.
- In the past, Davis Funds issued certificates for its shares. If a certificate was issued for the shares you wish to sell, the certificate must be sent by certified mail to Davis Funds, accompanied by a letter of instruction signed by the owner(s).
- A sale may produce a gain or loss. Gains may be subject to tax.
- The Securities and Exchange Commission may suspend redemption of shares under certain emergency circumstances if the New York Stock Exchange is closed for reasons other than customary closings and holidays.

Medallion Signature Guarantee

To protect you and Davis Funds against fraud, certain redemption requests must be made in writing with your signature guaranteed. A Medallion Signature Guarantee is a written endorsement from an eligible guarantor institution that the signature(s) on the written request is (are) valid. Certain commercial banks, trust companies, savings associations, credit unions and members of a United States stock exchange participate in the Medallion Signature Guarantee Program. No other form of signature verification will be accepted.

Stock Power

This is a letter of instruction signed by the owner of Fund shares that gives State Street Bank and Trust Company permission to transfer ownership of the shares to another person or group. Any transfer of ownership requires that all shareholders have their signatures Medallion-guaranteed.

If You Decide to Buy Back Shares You Sold

If you sold Davis Funds Class A or Class B shares on which you have paid a sales charge (other classes of shares are not entitled to this privilege) and decide to repurchase some or all shares within 60 days of sale, you may notify the Funds in writing of your intent to exercise the **Subsequent Repurchase Privilege**. This privilege can only be exercised once. With this privilege you may purchase Class A shares at current net asset value without a sales charge. If you redeemed Class B shares and paid a contingent deferred sales charge on redemption, it will not be refunded or returned to your account. You may purchase Class A shares of the same fund/account in an amount up to, but not exceeding, the dollar amount of Class A or Class B shares that you previously redeemed. To exercise this privilege, you must send a letter to Davis Funds, along with a check for the repurchased shares.

Involuntary Redemption

If your fund/account balance declines to less than the minimum for your share class in any fund as a result of a redemption, exchange or transfer, the Fund will redeem your remaining shares in the Fund at net asset value. You will be notified before your account is involuntarily redeemed. Telephone redemptions will receive immediate notice that the redemption will result in the entire account being redeemed upon execution of the transaction. All other redemptions will receive a letter notifying account holders that their accounts will be involuntarily redeemed unless the account balance is increased to the Fund minimum within 30 days. For Class A, B and C shares this is typically \$1,000. Class Y share minimums vary. Please see "*How to Open an Account*" for details.

Making Systematic Withdrawals

You can sell a predetermined dollar or percentage amount each month or quarter (for retirement accounts or IRAs, withdrawals may be established on an annual basis). Because withdrawals are sales, they may produce a gain or loss. If you purchase additional Fund shares at around the same time that you make a withdrawal, you may have to pay taxes and a sales charge. When you participate in this plan, known as the **Systematic Withdrawal Plan**, shares are sold so that you will receive payment by one of three methods:

- You may receive a check at the address of record provided that this address has not changed for a period of at least 30 days.
- You may also choose to receive funds by ACH by completing an Account Service Form. If you wish to execute a Systematic Withdrawal Plan by ACH after your account has been established, please complete an Account Service Form and have your signature Medallion-guaranteed.

- You may have funds sent by check to a third party at an address other than the address of record. In order to do so, you must complete the appropriate section of the Application Form. If you wish to designate a third-party payee after your account has been established, you must submit a letter of instruction with a Medallion Signature Guarantee.

You may stop systematic withdrawals at any time without charge or penalty by calling Investor Services.

Wiring Sale Proceeds to Your Bank Account

You may be eligible to have your redemption proceeds electronically transferred to a commercial bank account by federal funds wire. There is a \$5 charge by State Street Bank and Trust Company for wire service and receiving banks may also charge for this service. Proceeds of redemption by federal funds wire are usually credited to your bank account on the next business day after the sale. Alternatively, redemption through ACH will usually arrive at your bank two banking days after the sale. To have redemption proceeds sent by federal funds wire to your bank, you must first fill out the “*Banking Instructions*” section on the Account Application Form and attach a voided check or deposit slip. If the account has already been established, an Account Service Form must be submitted with a Medallion Signature Guarantee and a voided check.

EXCHANGING SHARES

You can sell shares of any Davis Fund to buy shares in the same class of any other Davis Fund without having to pay a sales charge. This is known as an exchange. You can only exchange shares from your account within the same share class and under the same registration. You can exchange shares by telephone, by internet, by mail or through a dealer. The initial exchange must be for at least the minimum for your share class. For Class A, B and C shares, this is typically \$1,000. Class Y share minimums vary. Please see “*How to Open an Account*” for details. Exchanges are normally performed on the same day of the request if received in proper form (all necessary documents, signatures, etc.) by 4 p.m. Eastern time.

Shares in different Davis Funds may be exchanged at relative net asset value. However, if any Davis Fund shares being exchanged are subject to a deferred sales charge, Statement of Intention or other limitation, the limitation will continue to apply to the shares received in the exchange. When you exchange shares in a Davis Fund for shares in Davis Government Money Market Fund, the holding period for any deferred sales charge does not continue during the time that you own Davis Government Money Market Fund shares. For example, Class B shares are subject to a declining sales charge for six years. Class C shares are subject to a contingent deferred sales charge for one-year. Any period that you are invested in shares of Davis Government Money Market Fund will be added to the declining sales charge period.

You may exchange shares in any of the following ways:

Mail. To exchange shares by mail, send the request to one of the addresses below. All registered shareholders must sign the request.

- Mail the request to:

Regular mail:

**Davis Funds
P.O. Box 8406
Boston, MA 02266-8406**

Express shipping:

**Davis Funds
30 Dan Road
Canton, MA 02021-2809**

Dealer. When you exchange shares through a dealer, you may be charged service fees or commissions for these transactions.

Telephone. Call **1-800-279-0279** to use the Funds’ automated phone system 24 hours a day or speak to an Investor Services Professional, Monday through Friday, from 9 a.m. to 6 p.m. Eastern time.

Online Account Access. See “*Internet Transactions*” in this prospectus for details on how to access your account through the internet.

In the past, Davis Funds issued certificates. If you wish to exchange shares for which you hold share certificates, these certificates must be sent by certified mail to Davis Funds, accompanied by a letter of instruction signed by the owner(s). If your shares are being sold for cash, this is known as a redemption. Please see “*What You Need to Know Before You Sell Your Shares*” in this prospectus for restrictions that might apply to this type of transaction.

Before you decide to make an exchange, you must obtain the current prospectus of the desired Davis Fund. For federal income tax purposes, exchanges between Davis Funds are treated as a sale and a purchase. Therefore, there will usually be a recognizable capital gain or loss due to an exchange.

Making Automatic Exchanges

You can elect to make automatic monthly exchanges if all accounts involved are registered under the same name and have a minimum initial value of at least the minimum for your share class. For Class A, B and C shares, this is typically \$1,000. Class Y share minimums vary. Please see “*How to Open an Account*” for details. You must exchange at least \$25 to

participate in this program, known as the **Automatic Exchange Program**. To sign up for this program you may contact Investor Services.

FREQUENT PURCHASES AND REDEMPTIONS OF FUND SHARES

Davis Funds discourage short-term or excessive trading, do not accommodate short-term or excessive trading and, if detected, intend to restrict or reject such trading or take other action if, in the judgment of Davis Advisors, such trading may be detrimental to the interest of a Fund. Such strategies may dilute the value of Fund shares held by long-term shareholders, interfere with the efficient management of the Fund's portfolio, and increase brokerage and administrative costs.

The Davis Funds' Board of Directors has adopted a 30-day restriction policy with respect to the frequent purchase and redemption of Fund shares. Under the 30-day restriction any shareholder redeeming shares from an equity fund will be precluded from investing in the same equity fund for 30 calendar days after the redemption transaction. This policy also applies to redemptions and purchases that are part of an exchange transaction. Check writing redemptions from the money market fund are excluded from this restriction, as are transactions that are part of a systematic plan. Certain financial intermediaries, such as 401(k) plan administrators, may apply purchase and exchange limitations that are different than the limitations discussed above. These limitations may be more or less restrictive than the limitations imposed by Davis Funds, but are designed to detect and prevent excessive trading. Shareholders should consult their financial intermediaries to determine what purchase and exchange limitations may be applicable to their transactions in Davis Funds through those financial intermediaries. To the extent reasonably feasible, the Funds' market timing procedures apply to all shareholder accounts and neither Davis Funds, nor Davis Advisors, have entered into agreements to exempt any shareholder from application of either Davis Funds', or a financial intermediary's, market-timing procedures, as applicable.

Davis Funds receive purchase, exchange and redemption orders from many financial intermediaries that maintain omnibus accounts with the Funds. Omnibus account arrangements permit financial intermediaries to aggregate their clients' transactions and ownership positions. If Davis Funds, or the Distributor, discovers evidence of material excessive trading in an omnibus account they may seek the assistance of the financial intermediary to prevent further excessive trading in the omnibus account. Shareholders seeking to engage in excessive trading practices may employ a variety of strategies to avoid detection and there can be no assurance that Davis Funds will successfully prevent all instances of market timing.

If Davis Funds, at its discretion, identifies any activity that may constitute frequent trading, it reserves the right to restrict further trading activity regardless of whether the activity exceeds the Funds written guidelines. In applying this policy, Davis Funds reserves the right to consider the trading of multiple accounts under common ownership, control or influence to be trading out of a single account.

TELEPHONE TRANSACTIONS

A benefit of investing through Davis Funds is that you can use the Funds' automated telephone system to buy, sell or exchange shares, by calling **1-800-279-0279**. IRA shares cannot be sold through the automated telephone system. If you do not wish to have this option activated for your account, complete the appropriate section of the Application Form or contact Investor Services.

When you call Davis Funds, you can perform a transaction in one of two ways:

- Speak directly with an Investor Services Professional during business hours (9 a.m. to 6 p.m. Eastern time).
- You can use Davis Funds' automated telephone system, 24 hours a day, seven days a week. Class Y share accounts do not have access to the automated telephone system.

When you buy, sell or exchange shares by telephone instruction, you agree that Davis Funds are not liable for following telephone instructions believed to be genuine (that is, believed to be, directed by the account holder, registered representative or authorized trader, whose name is on file). The Fund uses certain procedures to confirm that your instructions are genuine, including a request for personal identification and a tape recording of the conversation. If these procedures are not used, the Fund may be liable for any loss from unauthorized instructions.

Be aware that during unusual market conditions Davis Funds may not be able to accept all requests by telephone.

INTERNET TRANSACTIONS

You can use the Funds' website (**www.davisfunds.com**) to review your account balance and recent transactions. Your account may qualify for the privilege to purchase, sell or exchange shares online. IRA shares cannot be sold through the automated telephone system or online. You may also elect to receive the summary prospectus, account statements and annual and semi-annual reports electronically, in lieu of paper form, by enrolling in eConsent on the Funds' website. Please review the Funds' website for more complete information. Class Y share accounts cannot be accessed through the Funds' website.

To access your accounts, you must establish a unique and confidential User ID and Password. To create your User ID and Password, you will need the name of the Fund(s) in which you are invested, your account number and the last four digits of your Social Security Number. Your User ID and Password will be required each time you access your Davis account online.

When you buy, sell or exchange shares over the Internet, you agree that Davis Funds are not liable for following instructions believed to be genuine (that is, believed to be, directed by the account holder or registered representative on file). The Fund uses certain procedures to confirm that your instructions are genuine. If these procedures are not used, the Funds may be liable for any loss from unauthorized instructions.

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FINANCIAL HIGHLIGHTS

These tables are designed to show you the financial performance of each of the Funds in this prospectus for the past five years ended December 31, 2016. Some of the information reflects financial results for a single Fund share. The total returns represent the rate at which an investor would have earned (or lost) money on an investment in the Fund, assuming that all dividends and capital gains have been reinvested.

This information has been derived from the Funds' financial statements, which were audited by KPMG LLP. KPMG LLP's report, along with the Funds' financial statements, are included in the annual report, which is available upon request.

DAVIS SERIES, INC.

The following financial information represents selected data for each share of capital stock outstanding throughout each period:

	Income (Loss) from Investment Operations			
	Net Asset Value, Beginning of Period	Net Investment Income (Loss)	Net Realized and Unrealized Gains (Losses)	Total from Investment Operations
Davis Opportunity Fund Class A:				
Year ended December 31, 2016	\$27.45	\$0.01 ^d	\$4.20	\$4.21
Year ended December 31, 2015	\$31.73	\$0.01 ^d	\$1.59	\$1.60
Year ended December 31, 2014	\$33.20	\$- ^{d,e}	\$2.36	\$2.36
Year ended December 31, 2013	\$23.42	\$0.10 ^d	\$9.74	\$9.84
Year ended December 31, 2012	\$21.16	\$0.19 ^d	\$2.39	\$2.58
Davis Opportunity Fund Class B:				
Year ended December 31, 2016	\$21.28	\$(0.23) ^d	\$3.22	\$2.99
Year ended December 31, 2015	\$26.11	\$(0.26) ^d	\$1.31	\$1.05
Year ended December 31, 2014	\$28.22	\$(0.28) ^d	\$1.98	\$1.70
Year ended December 31, 2013	\$20.05	\$(0.14) ^d	\$8.31	\$8.17
Year ended December 31, 2012	\$18.13	\$(0.03) ^d	\$2.03	\$2.00
Davis Opportunity Fund Class C:				
Year ended December 31, 2016	\$23.08	\$(0.18) ^d	\$3.52	\$3.34
Year ended December 31, 2015	\$27.79	\$(0.22) ^d	\$1.39	\$1.17
Year ended December 31, 2014	\$29.74	\$(0.24) ^d	\$2.10	\$1.86
Year ended December 31, 2013	\$21.10	\$(0.11) ^d	\$8.75	\$8.64
Year ended December 31, 2012	\$19.08	\$0.01 ^d	\$2.14	\$2.15
Davis Opportunity Fund Class Y:				
Year ended December 31, 2016	\$28.61	\$0.07 ^d	\$4.40	\$4.47
Year ended December 31, 2015	\$32.77	\$0.08 ^d	\$1.64	\$1.72
Year ended December 31, 2014	\$34.17	\$0.09 ^d	\$2.43	\$2.52
Year ended December 31, 2013	\$24.09	\$0.17 ^d	\$10.04	\$10.21
Year ended December 31, 2012	\$21.77	\$0.24 ^d	\$2.47	\$2.71
Davis Government Bond Fund Class A:				
Year ended December 31, 2016	\$5.40	\$0.01 ^d	\$(0.02)	\$(0.01)
Year ended December 31, 2015	\$5.42	\$0.01 ^d	\$0.01	\$0.02
Year ended December 31, 2014	\$5.42	\$0.04 ^d	\$0.02	\$0.06
Year ended December 31, 2013	\$5.55	\$(0.02) ^d	\$(0.06)	\$(0.08)
Year ended December 31, 2012	\$5.60	\$0.02 ^d	\$0.02	\$0.04
Davis Government Bond Fund Class B:				
Year ended December 31, 2016	\$5.37	\$(0.04) ^d	\$(0.03)	\$(0.07)
Year ended December 31, 2015	\$5.40	\$(0.03) ^d	\$-	\$(0.03)
Year ended December 31, 2014	\$5.39	\$(0.01) ^d	\$0.03	\$0.02
Year ended December 31, 2013	\$5.53	\$(0.07) ^d	\$(0.07)	\$(0.14)
Year ended December 31, 2012	\$5.58	\$(0.03) ^d	\$0.02	\$(0.01)
Davis Government Bond Fund Class C:				
Year ended December 31, 2016	\$5.40	\$(0.03) ^d	\$(0.02)	\$(0.05)
Year ended December 31, 2015	\$5.42	\$(0.02) ^d	\$-	\$(0.02)
Year ended December 31, 2014	\$5.42	\$(0.01) ^d	\$0.03	\$0.02
Year ended December 31, 2013	\$5.55	\$(0.07) ^d	\$(0.06)	\$(0.13)
Year ended December 31, 2012	\$5.60	\$(0.03) ^d	\$0.02	\$(0.01)

Financial Highlights

Dividends and Distributions					Ratios to Average Net Assets					
Dividends from Net Investment Income	Distributions from Realized Gains	Return of Capital	Total Distributions	Net Asset Value, End of Period	Total Return ^a	Net Assets, End of Period (in thousands)	Gross Expense Ratio	Net Expense Ratio ^b	Net Investment Income (Loss) Ratio	Portfolio Turnover ^c
\$-	\$(0.76)	\$-	\$(0.76)	\$30.90	15.26%	\$277,040	0.95%	0.95%	0.03%	61%
\$-	\$(5.88)	\$-	\$(5.88)	\$27.45	4.91%	\$267,348	0.96%	0.96%	0.02%	39%
\$(0.02)	\$(3.81)	\$-	\$(3.83)	\$31.73	7.31% ^f	\$305,755	0.97%	0.97%	0.01%	40%
\$(0.06)	\$-	\$-	\$(0.06)	\$33.20	42.03% ^f	\$311,241	0.98%	0.98%	0.34%	47%
\$(0.32)	\$-	\$-	\$(0.32)	\$23.42	12.18%	\$220,539	1.02%	1.02%	0.83%	19%
\$-	\$(0.76)	\$-	\$(0.76)	\$23.51	13.95%	\$1,391	2.11%	2.10%	(1.12)%	61%
\$-	\$(5.88)	\$-	\$(5.88)	\$21.28	3.85%	\$2,740	1.98%	1.98%	(1.00)%	39%
\$-	\$(3.81)	\$-	\$(3.81)	\$26.11	6.25% ^f	\$4,158	1.92%	1.92%	(0.94)%	40%
\$-	\$-	\$-	\$-	\$28.22	40.75% ^f	\$7,228	1.95%	1.95%	(0.63)%	47%
\$(0.08)	\$-	\$-	\$(0.08)	\$20.05	11.03%	\$8,546	2.01%	2.01%	(0.16)%	19%
\$-	\$(0.76)	\$-	\$(0.76)	\$25.66	14.38%	\$106,562	1.75%	1.74%	(0.76)%	61%
\$-	\$(5.88)	\$-	\$(5.88)	\$23.08	4.05%	\$102,653	1.75%	1.75%	(0.77)%	39%
\$-	\$(3.81)	\$-	\$(3.81)	\$27.79	6.47% ^f	\$103,635	1.75%	1.75%	(0.77)%	40%
\$-	\$-	\$-	\$-	\$29.74	40.95% ^f	\$100,034	1.78%	1.78%	(0.46)%	47%
\$(0.13)	\$-	\$-	\$(0.13)	\$21.10	11.23%	\$76,682	1.82%	1.82%	0.03%	19%
\$-	\$(0.76)	\$-	\$(0.76)	\$32.32	15.55%	\$220,325	0.71%	0.70%	0.28%	61%
\$-	\$(5.88)	\$-	\$(5.88)	\$28.61	5.12%	\$166,721	0.73%	0.73%	0.25%	39%
\$(0.11)	\$(3.81)	\$-	\$(3.92)	\$32.77	7.58% ^f	\$169,390	0.72%	0.72%	0.26%	40%
\$(0.13)	\$-	\$-	\$(0.13)	\$34.17	42.40% ^f	\$104,297	0.74%	0.74%	0.58%	47%
\$(0.39)	\$-	\$-	\$(0.39)	\$24.09	12.40%	\$61,172	0.77%	0.77%	1.08%	19%
\$(0.04)	\$-	\$-	\$(0.04)	\$5.35	(0.26)%	\$29,442	1.03%	0.97%	0.26%	65%
\$(0.04)	\$-	\$-	\$(0.04)	\$5.40	0.38%	\$30,733	1.05%	1.05%	0.25%	25%
\$(0.06)	\$-	\$-	\$(0.06)	\$5.42	1.14%	\$43,232	0.90%	0.90%	0.64%	53%
\$(0.05)	\$-	\$-	\$(0.05)	\$5.42	(1.52)%	\$58,280	0.81%	0.81%	(0.41)%	26%
\$(0.09)	\$-	\$-	\$(0.09)	\$5.55	0.67%	\$95,888	0.70%	0.70%	0.27%	28%
\$-	\$-	\$-	\$-	\$5.30	(1.30)%	\$866	2.10%	2.05%	(0.82)%	65%
\$ ^e	\$-	\$-	\$ ^e	\$5.37	(0.52)%	\$1,578	1.92%	1.92%	(0.62)%	25%
\$(0.01)	\$-	\$-	\$(0.01)	\$5.40	0.33%	\$2,207	1.80%	1.80%	(0.26)%	53%
\$-	\$-	\$-	\$-	\$5.39	(2.53)%	\$3,409	1.72%	1.72%	(1.32)%	26%
\$(0.04)	\$-	\$-	\$(0.04)	\$5.53	(0.20)%	\$7,707	1.63%	1.63%	(0.66)%	28%
\$-	\$-	\$-	\$-	\$5.35	(0.93)%	\$9,294	1.81%	1.75%	(0.52)%	65%
\$ ^e	\$-	\$-	\$ ^e	\$5.40	(0.29)%	\$13,193	1.75%	1.75%	(0.45)%	25%
\$(0.02)	\$-	\$-	\$(0.02)	\$5.42	0.31%	\$10,113	1.69%	1.69%	(0.15)%	53%
\$ ^e	\$-	\$-	\$ ^e	\$5.42	(2.34)%	\$13,973	1.63%	1.63%	(1.23)%	26%
\$(0.04)	\$-	\$-	\$(0.04)	\$5.55	(0.15)%	\$23,673	1.57%	1.57%	(0.60)%	28%

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The following financial information represents selected data for each share of capital stock outstanding throughout each period:

	Income (Loss) from Investment Operations			
	Net Asset Value, Beginning of Period	Net Investment Income (Loss)	Net Realized and Unrealized Gains (Losses)	Total from Investment Operations
Davis Government Bond Fund Class Y:				
Year ended December 31, 2016	\$5.44	\$0.03 ^d	\$(0.02)	\$0.01
Year ended December 31, 2015	\$5.47	\$0.04 ^d	\$—	\$0.04
Year ended December 31, 2014	\$5.46	\$0.06 ^d	\$0.03	\$0.09
Year ended December 31, 2013	\$5.60	\$— ^{d,e}	\$(0.07)	\$(0.07)
Year ended December 31, 2012	\$5.64	\$0.03 ^d	\$0.03	\$0.06
Davis Government Money Market Fund Class A, B, C, and Y:				
Year ended December 31, 2016	\$1.000	\$0.001	\$—	\$0.001
Year ended December 31, 2015	\$1.000	\$0.001	\$—	\$0.001
Year ended December 31, 2014	\$1.000	\$— ^g	\$—	\$— ^g
Year ended December 31, 2013	\$1.000	\$— ^g	\$—	\$— ^g
Year ended December 31, 2012	\$1.000	\$— ^g	\$—	\$— ^g
Davis Financial Fund Class A:				
Year ended December 31, 2016	\$39.39	\$0.29 ^d	\$5.64	\$5.93
Year ended December 31, 2015	\$39.59	\$0.23 ^d	\$0.46	\$0.69
Year ended December 31, 2014	\$39.20	\$0.29 ^d	\$4.80	\$5.09
Year ended December 31, 2013	\$30.41	\$0.29 ^d	\$9.26	\$9.55
Year ended December 31, 2012	\$26.36	\$0.28 ^d	\$4.51	\$4.79
Davis Financial Fund Class B:				
Year ended December 31, 2016	\$31.78	\$(0.13) ^d	\$4.49	\$4.36
Year ended December 31, 2015	\$32.28	\$(0.15) ^d	\$0.35	\$0.20
Year ended December 31, 2014	\$32.82	\$(0.11) ^d	\$3.99	\$3.88
Year ended December 31, 2013	\$25.70	\$(0.08) ^d	\$7.77	\$7.69
Year ended December 31, 2012	\$22.35	\$(0.05) ^d	\$3.81	\$3.76
Davis Financial Fund Class C:				
Year ended December 31, 2016	\$33.22	\$(0.04) ^d	\$4.72	\$4.68
Year ended December 31, 2015	\$33.63	\$(0.11) ^d	\$0.40	\$0.29
Year ended December 31, 2014	\$33.97	\$(0.06) ^d	\$4.14	\$4.08
Year ended December 31, 2013	\$26.53	\$(0.04) ^d	\$8.05	\$8.01
Year ended December 31, 2012	\$23.06	\$0.01 ^d	\$3.92	\$3.93
Davis Financial Fund Class Y:				
Year ended December 31, 2016	\$40.52	\$0.37 ^d	\$5.83	\$6.20
Year ended December 31, 2015	\$40.70	\$0.29 ^d	\$0.49	\$0.78
Year ended December 31, 2014	\$40.18	\$0.35 ^d	\$4.95	\$5.30
Year ended December 31, 2013	\$31.15	\$0.35 ^d	\$9.51	\$9.86
Year ended December 31, 2012	\$27.00	\$0.34 ^d	\$4.62	\$4.96
Davis Appreciation & Income Fund Class A:				
Year ended December 31, 2016	\$31.96	\$0.32 ^d	\$2.61	\$2.93
Year ended December 31, 2015	\$36.02	\$0.38 ^d	\$(4.06)	\$(3.68)
Year ended December 31, 2014	\$34.53	\$0.38 ^d	\$1.48	\$1.86
Year ended December 31, 2013	\$27.23	\$0.40 ^d	\$7.30	\$7.70
Year ended December 31, 2012	\$25.54	\$0.44 ^d	\$1.71	\$2.15

Financial Highlights – (Continued)

Dividends and Distributions					Ratios to Average Net Assets					
Dividends from Net Investment Income	Distributions from Realized Gains	Return of Capital	Total Distributions	Net Asset Value, End of Period	Net Assets, End of Period (in thousands)	Gross Expense Ratio	Net Expense Ratio ^b	Net Investment Income (Loss) Ratio	Portfolio Turnover ^c	
\$(0.05)	\$–	\$–	\$(0.05)	\$5.40	0.20%	\$3,656	0.71%	0.65%	0.58%	65%
\$(0.07)	\$–	\$–	\$(0.07)	\$5.44	0.68%	\$14,180	0.57%	0.57%	0.73%	25%
\$(0.08)	\$–	\$–	\$(0.08)	\$5.47	1.73%	\$26,925	0.50%	0.50%	1.04%	53%
\$(0.07)	\$–	\$–	\$(0.07)	\$5.46	(1.34)%	\$25,409	0.47%	0.47%	(0.07)%	26%
\$(0.10)	\$–	\$–	\$(0.10)	\$5.60	1.11%	\$23,999	0.44%	0.44%	0.53%	28%
\$(0.001)	\$–	\$–	\$(0.001)	\$1.000	0.08%	\$262,793	0.70%	0.38%	0.08%	NA
\$(0.001)	\$–	\$–	\$(0.001)	\$1.000	0.06%	\$225,151	0.70%	0.10%	0.06%	NA
\$ ^g	\$–	\$–	\$ ^g	\$1.000	0.03%	\$234,337	0.62%	0.07%	0.04%	NA
\$ ^g	\$–	\$–	\$ ^g	\$1.000	0.04%	\$334,405	0.64%	0.09%	0.04%	NA
\$ ^g	\$–	\$–	\$ ^g	\$1.000	0.04%	\$261,244	0.63%	0.16%	0.04%	NA
\$(0.29)	\$(0.46)	\$–	\$(0.75)	\$44.57	15.04%	\$508,457	0.92%	0.92%	0.72%	17%
\$(0.19)	\$(0.70)	\$–	\$(0.89)	\$39.39	1.74%	\$609,519	0.86%	0.86%	0.58%	5%
\$(0.28)	\$(4.42)	\$–	\$(4.70)	\$39.59	13.01%	\$560,905	0.86%	0.86%	0.72%	32%
\$(0.19)	\$(0.57)	\$–	\$(0.76)	\$39.20	31.45%	\$538,410	0.88%	0.88%	0.83%	0% ^h
\$(0.33)	\$(0.41)	\$–	\$(0.74)	\$30.41	18.15%	\$426,149	0.91%	0.91%	0.96%	10%
\$–	\$(0.46)	\$–	\$(0.46)	\$35.68	13.71%	\$1,799	2.08%	2.08%	(0.44)%	17%
\$–	\$(0.70)	\$–	\$(0.70)	\$31.78	0.61%	\$2,415	1.96%	1.96%	(0.52)%	5%
\$–	\$(4.42)	\$–	\$(4.42)	\$32.28	11.84%	\$4,800	1.92%	1.92%	(0.34)%	32%
\$–	\$(0.57)	\$–	\$(0.57)	\$32.82	29.97%	\$5,751	1.99%	1.99%	(0.28)%	0% ^h
\$–	\$(0.41)	\$–	\$(0.41)	\$25.70	16.81%	\$5,504	2.09%	2.09%	(0.22)%	10%
\$–	\$(0.46)	\$–	\$(0.46)	\$37.44	14.08%	\$140,605	1.74%	1.74%	(0.10)%	17%
\$–	\$(0.70)	\$–	\$(0.70)	\$33.22	0.86%	\$110,457	1.75%	1.75%	(0.31)%	5%
\$–	\$(4.42)	\$–	\$(4.42)	\$33.63	12.03%	\$79,140	1.76%	1.76%	(0.18)%	32%
\$–	\$(0.57)	\$–	\$(0.57)	\$33.97	30.24%	\$70,174	1.79%	1.79%	(0.08)%	0% ^h
\$(0.05)	\$(0.41)	\$–	\$(0.46)	\$26.53	17.04%	\$50,844	1.84%	1.84%	0.03%	10%
\$(0.38)	\$(0.46)	\$–	\$(0.84)	\$45.88	15.27%	\$331,889	0.72%	0.72%	0.92%	17%
\$(0.26)	\$(0.70)	\$–	\$(0.96)	\$40.52	1.91%	\$192,596	0.71%	0.71%	0.73%	5%
\$(0.36)	\$(4.42)	\$–	\$(4.78)	\$40.70	13.20%	\$89,443	0.70%	0.70%	0.88%	32%
\$(0.26)	\$(0.57)	\$–	\$(0.83)	\$40.18	31.71%	\$59,236	0.71%	0.71%	1.00%	0% ^h
\$(0.40)	\$(0.41)	\$–	\$(0.81)	\$31.15	18.33%	\$31,623	0.72%	0.72%	1.15%	10%
\$(0.38)	\$–	\$–	\$(0.38)	\$34.51	9.20%	\$95,709	0.91%	0.90%	0.98%	109% ⁱ
\$(0.38)	\$–	\$–	\$(0.38)	\$31.96	(10.27)%	\$172,111	0.87%	0.87%	1.08%	32%
\$(0.37)	\$–	\$–	\$(0.37)	\$36.02	5.37%	\$217,723	0.87%	0.87%	1.05%	20%
\$(0.40)	\$–	\$–	\$(0.40)	\$34.53	28.44%	\$211,772	0.93%	0.93%	1.31%	18%
\$(0.46)	\$–	\$–	\$(0.46)	\$27.23	8.44%	\$244,543	0.95%	0.95%	1.64%	11%

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The following financial information represents selected data for each share of capital stock outstanding throughout each period:

	Income (Loss) from Investment Operations			
	Net Asset Value, Beginning of Period	Net Investment Income (Loss)	Net Realized and Unrealized Gains (Losses)	Total from Investment Operations
Davis Appreciation & Income Fund Class B:				
Year ended December 31, 2016	\$31.57	\$(0.05) ^d	\$2.58	\$2.53
Year ended December 31, 2015	\$35.57	\$- ^{d,e}	\$(3.99)	\$(3.99)
Year ended December 31, 2014	\$34.15	\$0.02 ^d	\$1.46	\$1.48
Year ended December 31, 2013	\$26.93	\$0.11 ^d	\$7.22	\$7.33
Year ended December 31, 2012	\$25.27	\$0.19 ^d	\$1.68	\$1.87
Davis Appreciation & Income Fund Class C:				
Year ended December 31, 2016	\$32.08	\$0.04 ^d	\$2.63	\$2.67
Year ended December 31, 2015	\$36.15	\$0.08 ^d	\$(4.07)	\$(3.99)
Year ended December 31, 2014	\$34.69	\$0.07 ^d	\$1.49	\$1.56
Year ended December 31, 2013	\$27.36	\$0.15 ^d	\$7.33	\$7.48
Year ended December 31, 2012	\$25.67	\$0.23 ^d	\$1.70	\$1.93
Davis Appreciation & Income Fund Class Y:				
Year ended December 31, 2016	\$32.10	\$0.38 ^d	\$2.63	\$3.01
Year ended December 31, 2015	\$36.18	\$0.45 ^d	\$(4.08)	\$(3.63)
Year ended December 31, 2014	\$34.68	\$0.42 ^d	\$1.50	\$1.92
Year ended December 31, 2013	\$27.34	\$0.45 ^d	\$7.35	\$7.80
Year ended December 31, 2012	\$25.65	\$0.50 ^d	\$1.71	\$2.21
Davis Real Estate Fund Class A:				
Year ended December 31, 2016	\$35.96	\$0.43 ^d	\$3.06	\$3.49
Year ended December 31, 2015	\$35.79	\$0.37 ^d	\$0.23	\$0.60
Year ended December 31, 2014	\$28.41	\$0.40 ^d	\$7.42	\$7.82
Year ended December 31, 2013	\$29.25	\$0.42 ^d	\$(0.90)	\$(0.48)
Year ended December 31, 2012	\$25.31	\$0.39 ^d	\$3.87	\$4.26
Davis Real Estate Fund Class B:				
Year ended December 31, 2016	\$35.49	\$- ^{d,e}	\$3.01	\$3.01
Year ended December 31, 2015	\$35.32	\$(0.02) ^d	\$0.22	\$0.20
Year ended December 31, 2014	\$28.04	\$0.05 ^d	\$7.31	\$7.36
Year ended December 31, 2013	\$28.86	\$0.10 ^d	\$(0.88)	\$(0.78)
Year ended December 31, 2012	\$24.98	\$0.07 ^d	\$3.83	\$3.90
Davis Real Estate Fund Class C:				
Year ended December 31, 2016	\$35.97	\$0.06 ^d	\$3.07	\$3.13
Year ended December 31, 2015	\$35.79	\$0.04 ^d	\$0.25	\$0.29
Year ended December 31, 2014	\$28.41	\$0.11 ^d	\$7.43	\$7.54
Year ended December 31, 2013	\$29.25	\$0.16 ^d	\$(0.90)	\$(0.74)
Year ended December 31, 2012	\$25.31	\$0.16 ^d	\$3.86	\$4.02
Davis Real Estate Fund Class Y:				
Year ended December 31, 2016	\$36.44	\$0.43 ^d	\$3.17	\$3.60
Year ended December 31, 2015	\$36.26	\$0.42 ^d	\$0.26	\$0.68
Year ended December 31, 2014	\$28.78	\$0.44 ^d	\$7.56	\$8.00
Year ended December 31, 2013	\$29.63	\$0.49 ^d	\$(0.91)	\$(0.42)
Year ended December 31, 2012	\$25.64	\$0.46 ^d	\$3.93	\$4.39

^a Assumes hypothetical initial investment on the business day before the first day of the fiscal period, with all dividends and distributions reinvested in additional shares on the reinvestment date, and redemption at the net asset value calculated on the last business day of the fiscal period. Sales charges are not reflected in the total returns.

^b The ratios in this column reflect the impact, if any, of the reduction of expenses paid indirectly and of certain reimbursements and/or waivers.

^c The lesser of purchases or sales of portfolio securities for a period, divided by the monthly average of the market value of portfolio securities owned during the period. Securities with a maturity or expiration date at the time of acquisition of one year or less are excluded from the calculation.

^d Per share calculations were based on average shares outstanding for the period.

Financial Highlights – (Continued)

Dividends and Distributions					Ratios to Average Net Assets					
Dividends from Net Investment Income	Distributions from Realized Gains	Return of Capital	Total Distributions	Net Asset Value, End of Period	Net Assets, End of Period (in thousands)	Gross Expense Ratio	Net Expense Ratio ^b	Net Investment Income (Loss) Ratio	Portfolio Turnover ^c	
\$ (0.06)	\$–	\$–	\$ (0.06)	\$34.04	8.00%	\$1,252	2.08%	2.07%	(0.19)%	109% ⁱ
\$ (0.01)	\$–	\$–	\$ (0.01)	\$31.57	(11.23)%	\$2,025	1.93%	1.93%	0.02%	32%
\$ (0.06)	\$–	\$–	\$ (0.06)	\$35.57	4.32%	\$4,289	1.87%	1.87%	0.05%	20%
\$ (0.11)	\$–	\$–	\$ (0.11)	\$34.15	27.26%	\$7,940	1.88%	1.88%	0.36%	18%
\$ (0.21)	\$–	\$–	\$ (0.21)	\$26.93	7.39%	\$9,710	1.89%	1.89%	0.70%	11%
\$ (0.11)	\$–	\$–	\$ (0.11)	\$34.64	8.33%	\$50,316	1.75%	1.74%	0.14%	109% ⁱ
\$ (0.08)	\$–	\$–	\$ (0.08)	\$32.08	(11.04)%	\$70,140	1.72%	1.72%	0.23%	32%
\$ (0.10)	\$–	\$–	\$ (0.10)	\$36.15	4.48%	\$66,212	1.72%	1.72%	0.20%	20%
\$ (0.15)	\$–	\$–	\$ (0.15)	\$34.69	27.40%	\$64,616	1.74%	1.74%	0.50%	18%
\$ (0.24)	\$–	\$–	\$ (0.24)	\$27.36	7.54%	\$60,770	1.75%	1.75%	0.84%	11%
\$ (0.45)	\$–	\$–	\$ (0.45)	\$34.66	9.44%	\$61,950	0.70%	0.69%	1.19%	109% ⁱ
\$ (0.45)	\$–	\$–	\$ (0.45)	\$32.10	(10.11)%	\$61,583	0.68%	0.68%	1.27%	32%
\$ (0.42)	\$–	\$–	\$ (0.42)	\$36.18	5.52%	\$38,551	0.72%	0.72%	1.20%	20%
\$ (0.46)	\$–	\$–	\$ (0.46)	\$34.68	28.70%	\$20,679	0.75%	0.75%	1.49%	18%
\$ (0.52)	\$–	\$–	\$ (0.52)	\$27.34	8.62%	\$21,765	0.75%	0.75%	1.84%	11%
\$ (0.63)	\$–	\$–	\$ (0.63)	\$38.82	9.71%	\$152,733	0.93%	0.92%	1.08%	53%
\$ (0.43)	\$–	\$–	\$ (0.43)	\$35.96	1.69%	\$176,995	0.94%	0.94%	1.01%	93%
\$ (0.44)	\$–	\$–	\$ (0.44)	\$35.79	27.68%	\$198,029	0.96%	0.96%	1.21%	53%
\$ (0.36)	\$–	\$–	\$ (0.36)	\$28.41	(1.67)%	\$172,531	0.98%	0.98%	1.40%	75%
\$ (0.32)	\$–	\$–	\$ (0.32)	\$29.25	16.86%	\$206,497	1.01%	1.01%	1.38%	50%
\$ (0.21)	\$–	\$–	\$ (0.21)	\$38.29	8.51%	\$1,651	2.04%	2.03%	(0.03)%	53%
\$ (0.03)	\$–	\$–	\$ (0.03)	\$35.49	0.58%	\$1,859	2.02%	2.02%	(0.07)%	93%
\$ (0.08)	\$–	\$–	\$ (0.08)	\$35.32	26.30%	\$2,394	2.05%	2.05%	0.12%	53%
\$ (0.04)	\$–	\$–	\$ (0.04)	\$28.04	(2.71)%	\$3,041	2.06%	2.06%	0.32%	75%
\$ (0.02)	\$–	\$–	\$ (0.02)	\$28.86	15.60%	\$4,250	2.11%	2.11%	0.28%	50%
\$ (0.29)	\$–	\$–	\$ (0.29)	\$38.81	8.71%	\$22,288	1.82%	1.81%	0.19%	53%
\$ (0.11)	\$–	\$–	\$ (0.11)	\$35.97	0.83%	\$23,940	1.81%	1.81%	0.14%	93%
\$ (0.16)	\$–	\$–	\$ (0.16)	\$35.79	26.58%	\$27,851	1.84%	1.84%	0.33%	53%
\$ (0.10)	\$–	\$–	\$ (0.10)	\$28.41	(2.54)%	\$24,243	1.85%	1.85%	0.53%	75%
\$ (0.08)	\$–	\$–	\$ (0.08)	\$29.25	15.90%	\$29,102	1.86%	1.86%	0.53%	50%
\$ (0.71)	\$–	\$–	\$ (0.71)	\$39.33	9.90%	\$44,330	0.73%	0.72%	1.28%	53%
\$ (0.50)	\$–	\$–	\$ (0.50)	\$36.44	1.92%	\$39,148	0.74%	0.74%	1.21%	93%
\$ (0.52)	\$–	\$–	\$ (0.52)	\$36.26	27.96%	\$33,548	0.74%	0.74%	1.43%	53%
\$ (0.43)	\$–	\$–	\$ (0.43)	\$28.78	(1.45)%	\$19,456	0.76%	0.76%	1.62%	75%
\$ (0.40)	\$–	\$–	\$ (0.40)	\$29.63	17.14%	\$21,868	0.76%	0.76%	1.63%	50%

^e Less than \$0.005 per share.

^f Davis Opportunity Fund's performance benefited from IPO purchases, adding approximately 1% to the Fund's total return in 2014 and approximately 3% to the Fund's total return in 2013. After purchase, the IPOs rapidly increased in value. The Adviser purchases shares intending to benefit from long-term growth of the underlying company; the rapid appreciation of the IPOs were unusual occurrences. Such performance may not continue in the future.

^g Less than \$0.0005 per share.

^h Less than 0.50%.

ⁱ As a result of the change in portfolio management on July 1, 2016, portfolio turnover was unusually high.

APPENDIX A:

INTERMEDIARY-SPECIFIC SALES CHARGE WAIVERS AND DISCOUNTS

The availability of certain initial and contingent deferred sales charge waivers and discounts may depend on the particular financial intermediary or type of account through which you purchase or hold Fund shares. Financial intermediaries may have different policies and procedures regarding the availability of these waivers and discounts. For waivers or discounts not available through a particular intermediary, investors will have to purchase shares directly from the Distributor or through another intermediary to receive such waivers or discounts to the extent such a waiver or discount is available. The following descriptions of sales charge waivers and discounts for a particular financial intermediary and class(es) of shares are reproduced based on information provided by the financial intermediary that the intermediary has represented is current with respect to sales charge waivers or discounts in effect. These waivers or discounts, which may vary from those disclosed elsewhere in the prospectus or SAI, are subject to change and this Appendix will be updated based on information provided by the financial intermediaries. Neither the Fund, Davis Selected Advisers, L.P., nor Davis Distributors, LLC supervises the implementation of these waivers or discounts or verifies the intermediaries' administration of these waivers or discounts.

The following financial intermediaries (or their affiliates) have entered into an agreement with the Distributor and have been approved by the Distributor to offer Class A Shares without a sales charge to self-directed brokerage accounts that may or may not charge a transaction fee. These financial intermediaries are Fidelity Investments, Charles Schwab & Co., Inc., and TD Ameritrade, Inc.

In all instances, it is the purchaser's responsibility to notify the financial intermediary of any facts that may qualify the purchaser for sales charge waivers or discounts. Please contact your financial intermediary for more information.

MERRILL LYNCH

Effective April 10, 2017, shareholders purchasing Fund shares through a Merrill Lynch platform or account will be eligible only for the following load waivers (front-end sales charge waivers and contingent deferred, or back-end sales charge waivers) and discounts, which may differ from those disclosed elsewhere in this prospectus.

Front-end Sales Load Waivers on Class A Shares available at Merrill Lynch

- Employer-sponsored retirement, deferred compensation and employee benefit plans (including health savings accounts) and trusts used to fund those plans, provided that the shares are not held in a commission-based brokerage account and shares are held for the benefit of the plan
- Shares purchased by or through a 529 Plan
- Shares purchased through a Merrill Lynch affiliated investment advisory program
- Shares purchased by third party investment advisors on behalf of their advisory clients through Merrill Lynch's platform
- Shares purchased through reinvestment of capital gains distributions and dividend reinvestment when purchasing shares of the same fund (but not any other fund within the fund family)
- Shares exchanged for Class C (i.e., level-load) shares of the same fund in the month of or following the 10-year anniversary of the purchase date
- Employees and registered representatives of Merrill Lynch or its affiliates and their family members
- Directors or Trustees of the Fund, and employees of the Fund's investment adviser or any of its affiliates, as described in this prospectus
- Shares purchased from the proceeds of redemptions within the same fund family, provided (1) the repurchase occurs within 90 days following the redemption, (2) the redemption and purchase occur in the same account, and (3) redeemed shares were subject to a front-end or deferred sales load (known as Rights of Reinstatement)

CDSC Waivers on Class A, B and C Shares available at Merrill Lynch

- Death or disability of the shareholder
- Shares sold as part of a systematic withdrawal plan as described in the Fund's prospectus
- Return of excess contributions from an IRA Account
- Shares sold as part of a required minimum distribution for IRA and retirement accounts due to the shareholder reaching age 70 1/2
- Shares sold to pay Merrill Lynch fees but only if the transaction is initiated by Merrill Lynch
- Shares acquired through a right of reinstatement
- Shares held in retirement brokerage accounts, that are exchanged for a lower cost shares class due to transfer to a fee based account or platform (applicable to Class A and Class C shares only)

Front-end load Discounts Available at Merrill Lynch: Breakpoints, Rights of Accumulation and Letters of Intent

- Breakpoints as described in the prospectus
- Rights of Accumulation (ROA) which entitle shareholders to breakpoints discounts will be automatically calculated based on the aggregated holding of fund family assets held by accounts within the purchaser's household at Merrill Lynch. Eligible fund family assets not held at Merrill Lynch may be included in the ROA calculation only if the shareholder notifies his or her financial advisor about such assets
- Letters of Intent (LOI) which allow for breakpoint discounts based on anticipated purchases within a fund family, through Merrill Lynch, over a 13-month period of time

Obtaining Additional Information

Additional information about the Funds' investment is available in the Funds' **Annual and Semi-Annual Reports** to shareholders. In the Funds' Annual Report, you will find a discussion of the market conditions and investment strategies that significantly affected the Funds' performance during their last fiscal year. The **Statement of Additional Information** provides more detailed information about Davis Funds and their management and operations. The Statement of Additional Information and the Funds' Annual and Semi-Annual Reports are available, without charge, upon request.

The Davis Funds' Statement of Additional Information and Annual Report have been filed with the Securities and Exchange Commission, are incorporated into this prospectus by reference, and are legally a part of this prospectus.

How to Get More Information

(Including Annual Report, Semi-Annual Report and Statement of Additional Information)

- **By Telephone.** Call Davis Funds toll-free at **1-800-279-0279**, Monday through Friday, from 9 a.m. to 6 p.m. Eastern time. You may also call this number for account inquiries.
- **By Mail.** Write to Davis Funds, P.O. Box 8406, Boston, MA 02266-8406.
- **On the Internet.** davisfunds.com.
- **From the SEC.** Additional copies of the registration statement can be obtained, for a duplicating fee, by visiting the Public Reference Room or writing the Public Reference Section of the SEC, Washington, DC 20549-1520, or by sending an electronic request to publicinfo@sec.gov. Reports and other information about the Funds are also available on the EDGAR database on the SEC website (www.sec.gov). For more information on the operations of the Public Reference Room, call 1-202-551-8090.

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