



*Over 40 Years of Reliable Investing™*

# Davis New York Venture Fund

Price Is What You Pay, Value Is What You Get

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Over 60 years investing in the equity markets has shown us that *price* and *value* are not one and the same. *Stock price* reflects what the market will pay for a company, and can fluctuate based on emotions like fear and greed. *Business value*, on the other hand, reflects a company's underlying operating results, such as earnings and cash flow growth. From time to time, the market will ignore successful businesses and offer prices that do not reflect their true value. Such gaps between price and value represent an opportunity for the patient long-term investor because historically the market eventually rewards business success.

The gap between price and value in many of the businesses in the Davis New York Venture Fund is as wide as it has ever been—and is why we are optimistic about the coming decade and offer the following to our shareholders.

- **A Portfolio of Valuable Businesses:** On balance, the companies in the Fund possess the critical attributes shown below that have helped them deliver strong operating results and thrive as businesses.
- **A Portfolio of Attractively-Priced Businesses:** In our view, the market has not fully recognized the business success of many of our holdings, pricing them at a *substantial discount* to their true value.

## Attributes That Drive Long-Term Business Value

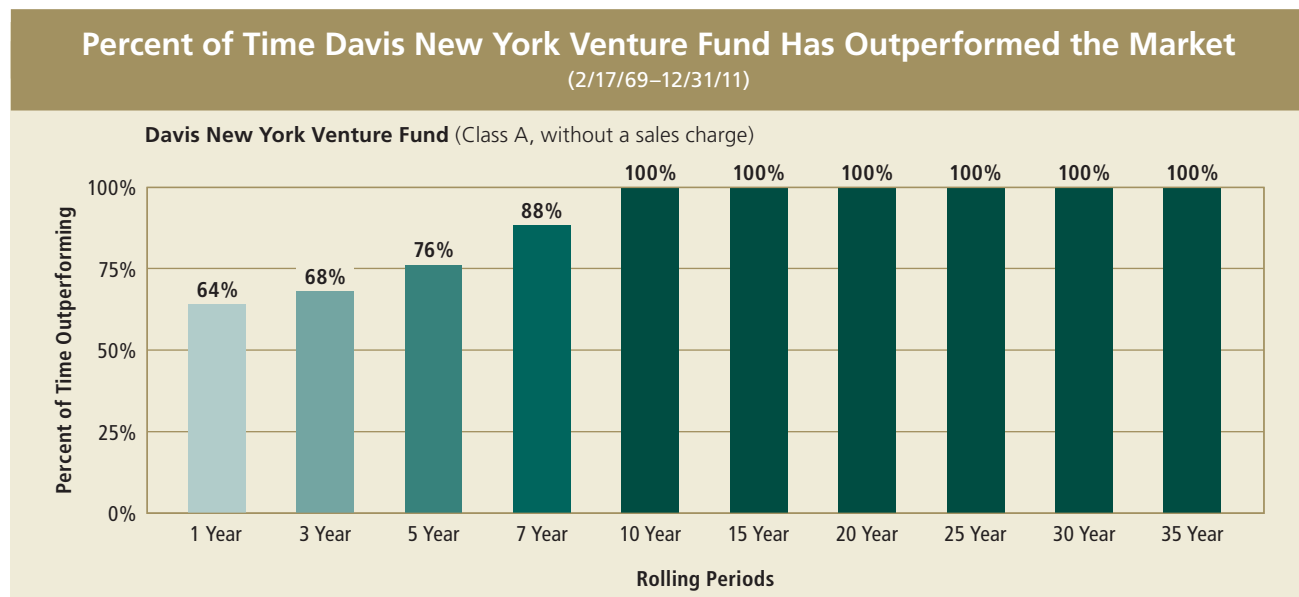
First Class Management	Strong Financial Condition and Satisfactory Profitability	Strong Competitive Positioning
<p>Proven Track Record</p> <p>Significant Alignment of Interests in Business</p> <p>Intelligent Application of Capital</p>	<p>Strong Balance Sheet</p> <p>Low Cost Structure</p> <p>High Returns on Capital</p>	<p>Non-Obsolescent Products/Services</p> <p>Dominant or Growing Market Share</p> <p>Global Presence and Brand Names</p>

# Long-Term Results of Our Focus on Price and Value

The long-term results of our steadfast focus on uncovering companies whose stock prices are lower than their true business values are shown below. The chart illustrates the percent of time since 1969 that the Davis New York Venture Fund has outperformed the S&P 500® Index. Over all five year periods since inception, the Fund outperformed the market more than 75% of the time. While this is an impressive result, this also means the Fund underperformed the market in about 25% of these five year periods. Such inevitable periods of underperformance are often the result of a temporary divergence between stock price and business value.

As value investors, we view such periods as opportunities. Why? Because in the past when the market recognized the true value of the businesses in our Portfolio and the gap between price and value closed, the probability of outperforming the market increased. The Davis New York Venture Fund outperformed 68% of all three year periods, 76% of all five year periods, 88% of all seven year periods, and 100% of all 10 year periods and longer. **In fact, the Davis New York Venture Fund is the only mutual fund in the industry to have outperformed the market every 10 year period since 1969.**

This consistency resulted in a hypothetical \$10,000 investment in the Davis New York Venture Fund in 1969 compounding to more than \$1 million by 12/31/11 vs. only \$470,329 for the S&P 500® Index and \$473,656 for the Average Large Cap Fund.<sup>1</sup>



**The Davis New York Venture Fund is the only mutual fund in the industry to have outperformed the S&P 500® Index in 100% of 10 year periods since 1969.**

Average Annual Total Returns as of December 31, 2011

Davis New York Venture Fund Class A with a maximum 4.75% sales charge

1 Year

–9.30%

5 Years

–3.30%

10 Years

2.87%

*The performance presented represents past performance and is not a guarantee of future results. Total return assumes reinvestment of dividends and capital gain distributions. Investment return and principal value will vary so that, when redeemed, an investor's shares may be worth more or less than their original cost. The total annual operating expense ratio for Class A shares as of the most recent prospectus was 0.89%. The total annual operating expense ratio may vary in future years. Returns and expenses for other classes of shares will vary. Current performance may be higher or lower than the performance quoted. For most recent month-end performance, visit [davisfunds.com](http://davisfunds.com) or call 800-279-0279. See the endnotes for a description of the outperforming the market chart which is shown above.*

<sup>1</sup>Class A shares without a sales charge. **Past performance is not a guarantee of future results.** Average large cap fund is represented by the Lipper Average Large Cap peer group and its returns are calculated from 2/28/69 through 12/31/11. See the endnotes for a description.

# Distinctive Benefits of Davis New York Venture Fund

## Experience

Portfolio Managers Christopher C. Davis and Kenneth Charles Feinberg have managed the Davis New York Venture Fund for over 16 years and 14 years respectively, while the average portfolio manager tenure in the industry is 5.4 years.<sup>2</sup> Such experience has helped us navigate inevitable market uncertainty and build long-term wealth for shareholders.

## Attractive Long-Term Results

The Davis New York Venture Fund is the *only* mutual fund in the industry to outperform the S&P 500® Index over every 10 year period since its inception in 1969, through many different market environments.<sup>3</sup> These results underscore the consistency, resilience and adaptability of our investment discipline.

## Aligned With Shareholders

The Davis family, Davis Advisors, employees, and directors have more than \$2 billion invested side by side with fellow shareholders in the various funds our firm manages.<sup>4</sup> This degree of co-investment ensures a strong alignment of interests with shareholders and an intense focus on results while seeking to minimize risk and fees.

## Low Expenses

The expense ratio of the Davis New York Venture Fund Class A is 0.89%, considerably lower than the 1.38% expense ratio of the average domestic stock fund.<sup>5</sup> This allows investors in the Davis New York Venture Fund to keep more of what they earn.

## Highest Morningstar Analyst Rating: Gold

Morningstar's Analyst Ratings are based on their conviction in the Fund's ability to outperform its peer group on a risk-adjusted basis over the long term. Morningstar states, funds rated Gold "are our highest-conviction recommendations and stand out as best of breed for their investment mandate."<sup>6</sup>

<sup>2</sup>Source: Morningstar Principia. <sup>3</sup>Source: Lipper. Class A shares without a sales charge. **Past performance is not a guarantee of future results.** <sup>4</sup>As of December 31, 2011. <sup>5</sup>Source: Morningstar Principia Pro. The average domestic stock fund is comprised of the oldest share class for each fund within the category. <sup>6</sup>Source: Morningstar Analyst Rating for Funds Methodology Document, 11/15/11.



**Christopher C. Davis**

Portfolio Manager, Davis Advisors

“Our companies have growth prospects, competitive advantages and the financial strength that should command a higher price—yet they are priced at a substantial discount to their true business value.

We think this is the perfect combination for the coming decade and it is why we have confidence that the Fund should deliver attractive returns over the next 10 years.”

*This material is authorized for use by existing shareholders. A current Davis New York Venture Fund prospectus must accompany or precede this material if it is distributed to prospective shareholders. You should carefully consider the Fund's investment objective, risks, charges, and expenses before investing. Read the prospectus carefully before you invest or send money.*

This material includes candid statements and observations regarding investment strategies and economic and market conditions; however, there is no guarantee that these statements, opinions or forecasts will prove to be correct. These comments may also include the expression of opinions that are speculative in nature and should not be relied on as statements of fact.

**Objective and risks.** Davis New York Venture Fund's investment objective is long-term growth of capital. There can be no assurance that the Fund will achieve its objective. The Fund invests primarily in equity securities issued by large companies with market capitalizations of at least \$10 billion. Some important risks of an investment in the Fund are: stock market risk: stock markets have periods of rising prices and periods of falling prices, including sharp declines; manager risk: poor security selection may cause the Fund to underperform relevant benchmarks; common stock risk: an adverse event may have a negative impact on a company and could result in a decline in the price of its common stock; financial services risk: investing a significant portion of assets in the financial services sector may cause the Fund to be more sensitive to problem affecting financial companies; headline risk: the Fund may invest in a company when the company becomes the center of controversy. The company's stock may never recover or may become worthless; fees and expenses risk: the Fund may not earn enough through income and capital appreciation to offset the operating expenses of the Fund; foreign country risk: foreign companies may be subject to greater risk as foreign economies may not be as strong or diversified; emerging market risk: securities of issuers in emerging and developing markets may present risks not found in more mature markets; 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; trading markets and depositary receipts risk: depositary receipts involve higher expenses and may trade at a discount (or premium) to the underlying security. As of December 31, 2011, the Fund had approximately 17.5% of assets invested in foreign companies. See the prospectus for a complete description of the principal risks.

Davis Advisors is committed to communicating with our investment partners as candidly as possible because we believe our investors benefit from understanding our investment philosophy and approach. While we believe we have a reasonable basis for our appraisals and we have confidence in our opinions, actual results may differ materially from those we anticipate.

Broker-dealers and other financial intermediaries may charge Davis Advisors substantial fees for selling its funds and providing continuing support to clients and shareholders. For example, broker-dealers and other financial intermediaries may charge: sales commissions; distribution and service fees; and record-keeping fees. In addition, payments or reimbursements may be requested for: marketing support concerning Davis Advisors' products; placement on a list of offered products; access to sales meetings, sales representatives and management representatives; and participation in conferences or seminars, sales or training programs for invited registered representatives and other employees, client and investor events, and other dealer-sponsored events. Financial advisors should not consider Davis Advisors' payment(s) to a financial intermediary as a basis for recommending Davis Advisors.

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

**Outperforming the Market.** Davis New York Venture Fund's average annual total returns for Class A shares were compared against the returns earned by the S&P 500® Index as of the end of each quarter for all rolling time periods from February 17, 1969 through December 31, 2011. The Fund's returns assume an investment in Class A shares on the first day of each quarter with all dividends and capital gain distributions reinvested for the time period. The returns are not adjusted for any sales charge that may be imposed. If a sales charge were imposed, the reported figures would be lower. The figures shown reflect past results; past performance is not a guarantee of future results. There can be no guarantee that the Fund will continue to deliver consistent investment performance. The performance presented includes periods of bear markets when performance was negative. Equity markets are volatile and an investor may lose money. Returns for other share classes will vary.

The **S&P 500® Index** is an unmanaged index of 500 selected common stocks, most of which are listed on the New York Stock Exchange. The Index is adjusted for dividends, weighted towards stocks with large market capitalizations and represents approximately two-thirds of the total market value of all domestic common stocks. The **Lipper Average Large Cap** peer group is a combined category including the Lipper Large Cap Growth, Core and Value peer groups. Investments cannot be made directly in an index.

Morningstar assigns an Analyst Rating to funds it covers. The overall Analyst Rating is based on five key pillars—Process, Performance, People, Parent, and Price—which its analysts believe lead to funds that are more likely to outperform over the long term on a risk-adjusted basis. Morningstar analysts assign the ratings on a five-tier scale with three positive ratings of Gold, Silver, and Bronze, a Neutral rating, and a Negative rating. The rating is subject to change and is as of August 15, 2011. The methodology for the Analyst Rating is completely different from the performance-based Morningstar star rating and has no impact on the star rating.

After April 30, 2012, this material must be accompanied by a supplement containing performance data for the most recent quarter end.

**Shares of the Davis Funds 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.**