



# Davis New York Venture Fund

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July 31, 2017

ANNUAL REPORT

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*This Annual Report is authorized for use by existing shareholders. Prospective shareholders must receive a current Davis New York Venture Fund prospectus, which contains more information about investment strategies, risks, charges, and expenses. Please read the prospectus carefully before investing or sending money.*

*Shares of Davis New York Venture Fund 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.*

### **Portfolio Proxy Voting Policies and Procedures**

The Fund has adopted Portfolio Proxy Voting Policies and Procedures under which the Fund votes proxies relating to securities held by the Fund. A description of the Fund’s Portfolio Proxy Voting Policies and Procedures is available (i) without charge, upon request, by calling the Fund toll-free at 1-800-279-0279, (ii) on the Fund’s website at [www.davisfunds.com](http://www.davisfunds.com), and (iii) on the SEC’s website at [www.sec.gov](http://www.sec.gov).

In addition, the Fund is required to file Form N-PX, with its complete proxy voting record for the 12 months ended June 30<sup>th</sup>, no later than August 31<sup>st</sup> of each year. The Fund’s Form N-PX filing is available (i) without charge, upon request, by calling the Fund toll-free at 1-800-279-0279, (ii) on the Fund’s website at [www.davisfunds.com](http://www.davisfunds.com), and (iii) on the SEC’s website at [www.sec.gov](http://www.sec.gov).

### **Form N-Q**

The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Fund’s Form N-Q is available without charge, upon request, by calling 1-800-279-0279, on the Fund’s website at [www.davisfunds.com](http://www.davisfunds.com), and on the SEC’s website at [www.sec.gov](http://www.sec.gov). The Fund’s Form N-Q may be reviewed and copied at the SEC’s Public Reference Room in Washington, D.C., and information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

Dear Fellow Shareholder,

As stewards of our customers' savings, the management team and Directors of Davis New York Venture Fund recognize the importance of candid, thorough, and regular communication with our shareholders. In our Annual and Semi-Annual Reports we include all of the required quantitative information such as audited financial statements, detailed footnotes, performance reports, fund holdings, and performance attribution. Also included is a list of positions opened and closed.

In addition, we produce a Manager Commentary. In this commentary, we give a more qualitative perspective on fund performance, discuss our thoughts on individual holdings, and share our investment outlook. You may obtain a copy of the current Manager Commentary either on the Fund's website at [www.davisfunds.com](http://www.davisfunds.com) or by calling 1-800-279-0279.

We thank you for your continued trust. We will do our best to earn it in the years ahead.

Sincerely,



Christopher C. Davis  
President & Portfolio Manager



Danton G. Goei  
Portfolio Manager

September 1, 2017

### Performance Overview

Davis New York Venture Fund outperformed the Standard & Poor's 500<sup>®</sup> Index ("S&P 500<sup>®</sup>") for the twelve-month period ended July 31, 2017 (the "period"). The Fund's Class A shares delivered a total return on net asset value of 20.11%, versus a 16.04% return for the S&P 500<sup>®</sup>. The sectors<sup>1</sup> within the S&P 500<sup>®</sup> that reported the strongest performance were Financials (up 35%), Information Technology (up 30%), and Industrials (up 18%). Only two sectors within the S&P 500<sup>®</sup> reported negative performance, Telecommunication Services (down 7%) and Real Estate (down 2%). The third-weakest, but still positive, performing sector was Energy (up less than 1%).

### Contributors to Performance

The Fund's holdings in the Financials sector made the most significant contribution to performance<sup>2</sup> on an absolute basis. The Fund's Financial holdings trailed the S&P 500<sup>®</sup> Financials sector (up 31%, compared to up 35%); however, the Fund benefited from a large overweight position in the strongest performing sector of the period (average weighting of 30%, versus 15%). *JPMorgan Chase*<sup>3</sup> (up 47%) was the Fund's top overall contributor. *Bank of New York Mellon* (up 37%), *Berkshire Hathaway* (up 22%), *American Express* (up 34%), and *Wells Fargo* (up 16%) were also strong performers.

Returns from holdings in the Fund's Consumer Discretionary sector also helped performance. The Fund's second-largest sector concentration was in Consumer Discretionary companies; the largest was in Financials. The Fund's Consumer Discretionary holdings were up about 29%, compared to up 14% for the S&P 500<sup>®</sup> sector. *Amazon* (up 30%), the Fund's second-largest holding, was a key contributor.

The Fund's Information Technology holdings were a key contributor to the Fund's absolute performance. *Alphabet* (up 20%), the Fund's largest holding, and *Facebook* (up 37%) were both strong performers.

Additional contributors included *Aetna* (up 36%) from the Health Care sector and *LafargeHolcim* (up 30%) from the Materials sector.

The Fund had approximately 12% of its average net assets invested in foreign securities. The Fund's foreign holdings outperformed its domestic holdings (up 28%, compared to up 20%).

### Detractors from Performance

The Fund's holdings in the Energy sector were the most significant detractor from performance on an absolute basis. This position was also a key detractor from the Fund's performance when compared to the S&P 500<sup>®</sup> primarily due to an overweight position in a weak performing sector (average weighting of 12%, versus 7%). *Occidental Petroleum* (down 13%) was the Fund's top overall detractor for the period. *Apache* (down 4%) and *EQT* (down 21%) were additional detractors. The Fund no longer owns *EQT*.

While the Fund's holdings in the Information Technology sector were a positive contributor to absolute performance, these holdings were the largest detractor when compared to the S&P 500<sup>®</sup>. The Fund's holdings underperformed those of the S&P 500<sup>®</sup> (up 23%, compared to up 30%) and the Fund suffered from an underweight position in a strong performing sector (average weighting of 14%, versus 21%). *Fang Holdings* (down 38%) was a weak performer.

Although the Fund benefited from its overall Consumer Discretionary sector position, it still suffered from a few individual holdings. *Advance Auto Parts* (down 12%) and *Liberty TripAdvisor* (down 50%) were key detractors. The Fund no longer owns *Advance Auto Parts*.

Additional detractors included *Express Scripts* (down 18%) and *Valeant Pharmaceuticals* (down 57%), both from the Health Care sector, *Moody's* (down 6%) from the Financials sector, and *Johnson Controls International* (down 7%) from the Industrials sector. The Fund no longer owns *Valeant Pharmaceuticals* or *Moody's*.

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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. Davis New York Venture Fund's principal risks are: common stock risk, depository receipts risk, emerging market risk, fees and expenses risk, financial services risk, foreign country risk, foreign currency risk, headline risk, large-capitalization companies risk, manager risk, mid- and small-capitalization companies risk, and stock market risk. See the prospectus for a full description of each risk.

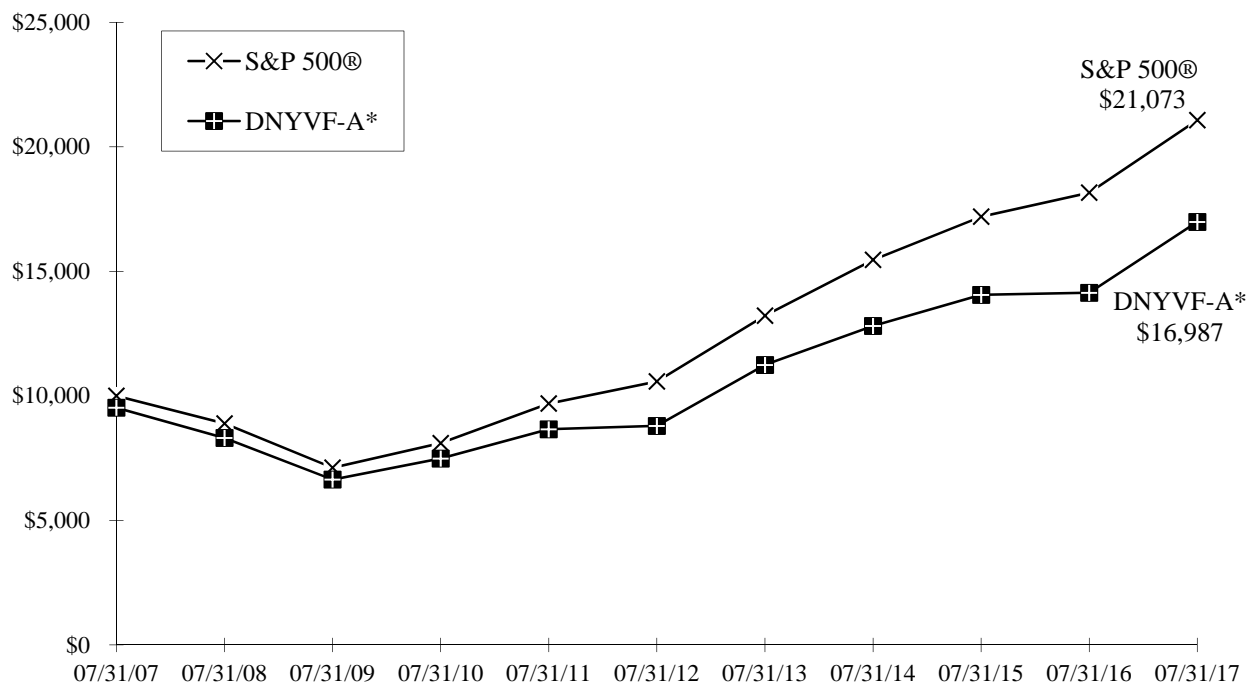
Past performance does not guarantee future results, Fund prices fluctuate, and the value of an investment may be worth more or less than the purchase price. Data provided in this performance overview is for the twelve-month period ended July 31, 2017, unless otherwise noted. Return figures for underlying Fund positions reflect the return of the security from the beginning of the period or the date of first purchase if subsequent thereto through the end of the period or the date the position is completely liquidated. The actual contribution to the Fund will vary based on a number of factors (e.g., trading activity, weighting). Portfolio holding information is as of the end of the twelve-month period, July 31, 2017, unless otherwise noted.

<sup>1</sup> The companies included in the Standard & Poor's 500<sup>®</sup> Index are divided into eleven sectors. One or more industry groups make up a sector. For purposes of measuring concentration, the Fund generally classifies companies at the industry group or industry level. See the SAI for additional information regarding the Fund's concentration policy.

<sup>2</sup> A company's or sector's contribution to or deduction from the Fund's performance is a product both of its appreciation or depreciation and its weighting within the Fund. For example, a 5% holding that rises 20% has twice as much impact as a 1% holding that rises 50%.

<sup>3</sup> This Management Discussion of Fund Performance discusses a number of individual companies. The information provided in this report does not provide information reasonably sufficient upon which to base an investment decision and should not be considered a recommendation to purchase, sell, or hold any particular security. The Schedule of Investments lists the Fund's holdings of each company discussed.

COMPARISON OF A \$10,000 INVESTMENT IN DAVIS NEW YORK VENTURE FUND CLASS A VERSUS THE STANDARD & POOR’S 500® INDEX OVER 10 YEARS FOR AN INVESTMENT MADE ON JULY 31, 2007



AVERAGE ANNUAL TOTAL RETURN FOR PERIODS ENDED JULY 31, 2017

FUND & BENCHMARK INDEX	1-YEAR	5-YEAR	10-YEAR	SINCE INCEPTION	INCEPTION DATE	GROSS EXPENSE RATIO	NET EXPENSE RATIO
Class A - without sales charge	20.11%	14.07%	5.96%	11.76%	02/17/69	0.89%	0.89%
Class A - with sales charge	14.41%	12.97%	5.44%	11.65%	02/17/69	0.89%	0.89%
Class B†**	14.92%	12.77%	5.30%	10.00%	12/01/94	1.87%	1.87%
Class C**	18.18%	13.18%	5.13%	9.33%	12/20/94	1.66%	1.66%
Class R	19.79%	13.73%	5.62%	7.99%	08/20/03	1.18%	1.18%
Class T***	N/A	N/A	N/A	(0.61)% ††	06/30/17	0.92%	0.92%
Class Y	20.46%	14.36%	6.23%	8.92%	10/02/96	0.63%	0.63%
S&P 500® Index****	16.04%	14.78%	7.74%	10.05%			

The Standard & Poor’s 500® Index is an unmanaged index of 500 selected common stocks, most of which are listed on the New York Stock Exchange. The Index is adjusted for dividends, weighted towards stocks with large market capitalizations, and represents approximately two-thirds of the total market value of all domestic common stocks. Investments cannot be made directly in the Index.

The performance data for Davis New York Venture Fund contained in this report represents past performance, assumes that all distributions were reinvested, and should not be considered as an indication of future performance from an investment in the Fund today. The investment return and principal value will fluctuate so that shares may be worth more or less than their original cost when redeemed. Fund performance changes over time and current performance may be higher or lower than stated. Returns shown do not reflect the deduction of taxes that a shareholder would pay on fund distributions or the redemption of fund shares. The operating expense ratios may vary in future years. For more current information please call Davis Funds Investor Services at 1-800-279-0279.

\*Reflects 4.75% front-end sales charge.

†Because Class B shares automatically convert to Class A shares after 7 years, the “10-Year” and “Since Inception” returns for Class B reflect Class A performance for the period after conversion.

\*\*Includes any applicable contingent deferred sales charge.

\*\*\*Reflects 2.50% front-end sales charge.

††Return is not annualized.

\*\*\*\*Inception return is from February 17, 1969.

**DAVIS NEW YORK VENTURE FUND****Fund Overview**  
**July 31, 2017****Portfolio Composition**  
**(% of Fund's 07/31/17 Net Assets)**

Common Stock (U.S.)	83.46%
Common Stock (Foreign)	9.43%
Preferred Stock (Foreign)	3.11%
Short-Term Investments	3.99%
Other Assets & Liabilities	0.01%
	<u>100.00%</u>

**Industry Weightings**  
**(% of 07/31/17 Stock Holdings)**

	<u>Fund</u>	<u>S&amp;P 500®</u>
Diversified Financials	18.25%	5.30%
Information Technology	15.28%	22.79%
Retailing	12.75%	5.45%
Banks	11.55%	6.39%
Energy	10.48%	6.02%
Capital Goods	8.58%	7.38%
Materials	7.32%	2.88%
Health Care	5.05%	14.36%
Automobiles & Components	3.41%	0.68%
Insurance	2.36%	2.81%
Media	1.74%	3.13%
Transportation	1.59%	2.13%
Consumer Durables & Apparel	0.84%	1.23%
Food & Staples Retailing	0.80%	1.89%
Food, Beverage & Tobacco	–	4.87%
Utilities	–	3.18%
Other	–	9.51%
	<u>100.00%</u>	<u>100.00%</u>

**Top 10 Long-Term Holdings**  
**(% of Fund's 07/31/17 Net Assets)**

Alphabet Inc.*	Software & Services	7.52%
Amazon.com, Inc.	Retailing	6.48%
Berkshire Hathaway Inc., Class A	Diversified Financial Services	5.79%
Wells Fargo & Co.	Banks	5.77%
JPMorgan Chase & Co.	Banks	5.32%
Bank of New York Mellon Corp.	Capital Markets	4.34%
Apache Corp.	Energy	4.16%
United Technologies Corp.	Capital Goods	3.74%
American Express Co.	Consumer Finance	3.60%
Didi Chuxing Joint Co., Pfd.**	Retailing	3.11%

\*Alphabet Inc. holding includes Class A and Class C.

\*\*Didi Chuxing Joint Co., Pfd. holding includes Series A and Series B.

**DAVIS NEW YORK VENTURE FUND**
**Fund Overview – (Continued)**  
**July 31, 2017**
**New Positions Added (08/01/16-07/31/17)**

(Highlighted positions are those greater than 1.50% of the Fund's 07/31/17 net assets)

<b>Security</b>	<b>Industry</b>	<b>Date of 1<sup>st</sup> Purchase</b>	<b>% of Fund's 07/31/17 Net Assets</b>
Adient PLC	Automobiles & Components	10/26/16	1.94%
Aetna Inc.	Health Care Equipment & Services	09/15/16	2.59%
Axalta Coating Systems Ltd.	Materials	12/16/16	0.92%
Delphi Automotive PLC	Automobiles & Components	08/15/16	1.34%
Didi Chuxing Joint Co., Series B, Pfd.	Retailing	05/16/17	0.44%
FedEx Corp.	Transportation	03/29/17	1.53%

**Positions Closed (08/01/16-07/31/17)**

(Gains and losses greater than \$50,000,000 are highlighted)

<b>Security</b>	<b>Industry</b>	<b>Date of Final Sale</b>	<b>Realized Gain (Loss)</b>
Advance Auto Parts, Inc.	Retailing	09/22/16	\$ (1,362,628)
Charles Schwab Corp.	Capital Markets	12/08/16	168,509,249
Citizens Financial Group Inc.	Banks	11/11/16	36,567,472
EQT Corp.	Energy	03/17/17	(29,316,506)
HP Inc.	Technology Hardware & Equipment	08/01/16	2,123,782
Monsanto Co.	Materials	05/25/17	80,171,365
Moody's Corp.	Diversified Financial Services	11/07/16	15,346,389
PACCAR Inc.	Capital Goods	09/20/16	39,095,531
Quest Diagnostics Inc.	Health Care Equipment & Services	09/02/16	44,571,237
Standard Chartered PLC	Banks	10/04/16	(65,841,567)
Valeant Pharmaceuticals International, Inc.	Pharmaceuticals, Biotechnology & Life Sciences	04/07/17	(305,749,027)
Wesco Aircraft Holdings, Inc.	Transportation	02/02/17	(3,158,261)

As a shareholder of the Fund, you incur two types of costs: (1) transaction costs, including sales charges (loads) on purchases and contingent deferred sales charges on redemptions; and (2) ongoing costs, including advisory and administrative fees, distribution and/or service (12b-1) fees, and other Fund expenses. The Expense Example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds. The Expense Example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period indicated which for each class is for the six-month period ended July 31, 2017.

**Actual Expenses**

The information represented in the row entitled “Actual” provides information about actual account values and actual expenses. You may use the information in this row, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number under the heading “Expenses Paid During Period” to estimate the expenses you paid on your account during this period. An annual maintenance fee of \$15, charged on retirement plan accounts per Social Security Number, is not included in the Expense Example. This fee will be waived for accounts sharing the same Social Security Number if the accounts total at least \$50,000 at Davis Funds. If this fee was included, the estimate of expenses you paid during the period would be higher, and your ending account value would be lower, by this amount.

**Hypothetical Example for Comparison Purposes**

The information represented in the row entitled “Hypothetical” provides information about hypothetical account values and hypothetical expenses based on the Fund’s actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund’s actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds. An annual maintenance fee of \$15, charged on retirement plan accounts per Social Security Number, is not included in the Expense Example. This fee will be waived for accounts sharing the same Social Security Number if the accounts total at least \$50,000 at Davis Funds. If this fee was included, the estimate of expenses you paid during the period would be higher, and your ending account value would be lower, by this amount.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as front-end or contingent deferred sales charges (loads). Therefore, the information in the row entitled “Hypothetical” is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would be higher.



**DAVIS NEW YORK VENTURE FUND**

**Expense Example – (Continued)**

	<b>Beginning Account Value (02/01/17)</b>	<b>Ending Account Value (07/31/17)</b>	<b>Expenses Paid During Period* (02/01/17-07/31/17)</b>
<b>Class A</b> (annualized expense ratio 0.89% **)			
Actual	\$1,000.00	\$1,088.23	\$4.61
Hypothetical	\$1,000.00	\$1,020.38	\$4.46
<b>Class B</b> (annualized expense ratio 1.87% **)			
Actual	\$1,000.00	\$1,082.73	\$9.66
Hypothetical	\$1,000.00	\$1,015.52	\$9.35
<b>Class C</b> (annualized expense ratio 1.66% **)			
Actual	\$1,000.00	\$1,083.86	\$8.58
Hypothetical	\$1,000.00	\$1,016.56	\$8.30
<b>Class R</b> (annualized expense ratio 1.18% **)			
Actual	\$1,000.00	\$1,086.33	\$6.10
Hypothetical	\$1,000.00	\$1,018.94	\$5.91
<b>Class T</b> (annualized expense ratio 0.92% **) <sup>†</sup>			
Actual	\$1,000.00	\$1,019.36	\$0.79
Hypothetical	\$1,000.00	\$1,003.47	\$0.78
<b>Class Y</b> (annualized expense ratio 0.63% **)			
Actual	\$1,000.00	\$1,089.45	\$3.26
Hypothetical	\$1,000.00	\$1,021.67	\$3.16

Hypothetical assumes 5% annual return before expenses.

\*Expenses are equal to each Class's annualized operating expense ratio, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period); for Class T multiplied by 31/365 (to reflect the period since inception).

\*\*The expense ratios reflect the impact, if any, of certain reimbursements from the Adviser.

<sup>†</sup>Assumes investment made on June 30, 2017 (inception of class).

**DAVIS NEW YORK VENTURE FUND**

 Schedule of Investments  
 July 31, 2017

	Shares	Value (Note 1)
<b>COMMON STOCK – (92.89%)</b>		
<b>CONSUMER DISCRETIONARY – (14.88%)</b>		
<b>Automobiles &amp; Components – (3.28%)</b>		
Adient PLC	3,354,206	\$ 219,599,867
Delphi Automotive PLC	1,671,960	151,178,623
		<u>370,778,490</u>
<b>Consumer Durables &amp; Apparel – (0.80%)</b>		
Hunter Douglas N.V. (Netherlands)	1,037,439	90,917,776
<b>Media – (1.67%)</b>		
Liberty Global PLC, LiLAC Class C *	889,411	22,697,769
Liberty Global PLC, Series C *	5,070,056	166,145,735
		<u>188,843,504</u>
<b>Retailing – (9.13%)</b>		
Amazon.com, Inc. *	742,826	733,748,666
CarMax, Inc. *	1,931,790	127,981,087
Liberty Expedia Holdings, Inc., Series A *	252,763	14,420,129
Liberty Interactive Corp., Liberty Ventures, Series A *	379,095	22,965,575
Liberty Interactive Corp., QVC Group, Series A *	1,113,988	26,668,873
Liberty TripAdvisor Holdings Inc., Series A *	362,506	4,259,446
Priceline Group Inc. *	51,294	104,049,879
		<u>1,034,093,655</u>
<b>TOTAL CONSUMER DISCRETIONARY</b>		<b>1,684,633,425</b>
<b>CONSUMER STAPLES – (0.76%)</b>		
<b>Food &amp; Staples Retailing – (0.76%)</b>		
Costco Wholesale Corp.	546,394	86,608,913
<b>TOTAL CONSUMER STAPLES</b>		<b>86,608,913</b>
<b>ENERGY – (10.06%)</b>		
Apache Corp.	9,511,905	470,649,060
Cabot Oil & Gas Corp.	6,588,322	163,851,568
Encana Corp. (Canada)	29,283,190	294,588,891
Occidental Petroleum Corp.	3,387,305	209,775,799
<b>TOTAL ENERGY</b>		<b>1,138,865,318</b>
<b>FINANCIALS – (30.87%)</b>		
<b>Banks – (11.09%)</b>		
JPMorgan Chase & Co.	6,565,194	602,684,809
Wells Fargo & Co.	12,108,622	653,139,071
		<u>1,255,823,880</u>
<b>Diversified Financials – (17.52%)</b>		
<b>Capital Markets – (4.34%)</b>		
Bank of New York Mellon Corp.	9,273,927	491,796,349
<b>Consumer Finance – (6.55%)</b>		
American Express Co.	4,777,761	407,208,570
Capital One Financial Corp.	3,883,309	334,663,569
		<u>741,872,139</u>
<b>Diversified Financial Services – (6.63%)</b>		
Berkshire Hathaway Inc., Class A *	2,493	655,125,498
Visa Inc., Class A	952,496	94,830,502
		<u>749,956,000</u>
		<u>1,983,624,488</u>

## DAVIS NEW YORK VENTURE FUND

Schedule of Investments - (Continued)  
July 31, 2017

	Shares/Units	Value (Note 1)
<b>COMMON STOCK – (CONTINUED)</b>		
<b>FINANCIALS – (CONTINUED)</b>		
<b>Insurance – (2.26%)</b>		
<b>Multi-line Insurance – (0.90%)</b>		
Fairfax Financial Holdings Ltd. (Canada)	19,557	\$ 9,314,037
Loews Corp.	1,916,779	93,308,802
		102,622,839
<b>Property &amp; Casualty Insurance – (1.36%)</b>		
Chubb Ltd.	612,260	89,671,599
Markel Corp. *	59,686	63,954,146
		153,625,745
		256,248,584
<b>TOTAL FINANCIALS</b>		<b>3,495,696,952</b>
<b>HEALTH CARE – (4.85%)</b>		
<b>Health Care Equipment &amp; Services – (4.85%)</b>		
Aetna Inc.	1,902,280	293,540,827
Express Scripts Holding Co. *	2,237,337	140,146,789
UnitedHealth Group Inc.	599,932	115,072,957
<b>TOTAL HEALTH CARE</b>		<b>548,760,573</b>
<b>INDUSTRIALS – (9.77%)</b>		
<b>Capital Goods – (8.24%)</b>		
Johnson Controls International PLC	6,567,179	255,791,622
Orascom Construction Ltd. (United Arab Emirates)*	2,830,557	19,106,260
Safran S.A. (France)	2,483,420	234,984,097
United Technologies Corp.	3,570,060	423,302,014
		933,183,993
<b>Transportation – (1.53%)</b>		
FedEx Corp.	830,210	172,708,586
<b>TOTAL INDUSTRIALS</b>		<b>1,105,892,579</b>
<b>INFORMATION TECHNOLOGY – (14.67%)</b>		
<b>Semiconductors &amp; Semiconductor Equipment – (2.03%)</b>		
Texas Instruments Inc.	2,827,090	230,068,584
<b>Software &amp; Services – (12.64%)</b>		
Alphabet Inc., Class A *	340,047	321,514,438
Alphabet Inc., Class C *	570,037	530,419,428
ASAC II L.P. *(a)	4,156,451	4,037,993
CommerceHub, Inc., Series A *	63,145	1,151,765
CommerceHub, Inc., Series C *	126,391	2,272,510
Facebook Inc., Class A *	1,766,887	299,045,625
Fang Holdings Ltd., Class A, ADR (China)*	4,627,269	14,807,261
Microsoft Corp.	1,997,008	145,182,482
Oracle Corp.	2,262,683	112,975,762
		1,431,407,264
<b>TOTAL INFORMATION TECHNOLOGY</b>		<b>1,661,475,848</b>
<b>MATERIALS – (7.03%)</b>		
Axalta Coating Systems Ltd. *	3,312,561	104,345,671
Ecolab Inc.	693,277	91,283,783
LafargeHolcim Ltd. (Switzerland)	4,897,378	294,282,016
OCI N.V. (Netherlands)*	5,096,136	109,284,314

**DAVIS NEW YORK VENTURE FUND**

**Schedule of Investments - (Continued)**  
**July 31, 2017**

	Shares/Principal	Value (Note 1)
<b>COMMON STOCK – (CONTINUED)</b>		
<b>MATERIALS – (CONTINUED)</b>		
Praxair, Inc.	1,508,990	\$ 196,410,138
<b>TOTAL MATERIALS</b>		<b>795,605,922</b>
<b>TOTAL COMMON STOCK – (Identified cost \$5,808,413,319)</b>		<b>10,517,539,530</b>
<b>PREFERRED STOCK – (3.11%)</b>		
<b>CONSUMER DISCRETIONARY – (3.11%)</b>		
<b>Retailing – (3.11%)</b>		
Didi Chuxing Joint Co., Series A (China)*(a)	5,938,103	302,440,056
Didi Chuxing Joint Co., Series B (China)*(a)	982,804	50,056,272
<b>TOTAL CONSUMER DISCRETIONARY</b>		<b>352,496,328</b>
<b>TOTAL PREFERRED STOCK – (Identified cost \$230,313,239)</b>		<b>352,496,328</b>
<b>SHORT-TERM INVESTMENTS – (3.99%)</b>		
INTL FCStone Financial Inc. Joint Repurchase Agreement, 1.08%, 08/01/17, dated 07/31/17, repurchase value of \$63,849,915 (collateralized by: U.S. Government agency mortgages and obligations in a pooled cash account, 0.00%-9.00%, 08/15/17-07/01/47, total market value \$65,124,960)	\$ 63,848,000	63,848,000
Mizuho Securities USA Inc. Joint Repurchase Agreement, 1.05%, 08/01/17, dated 07/31/17, repurchase value of \$132,316,859 (collateralized by: U.S. Government agency mortgages in a pooled cash account, 2.50%-4.50%, 09/01/25-07/20/47, total market value \$134,959,260)	132,313,000	132,313,000
Nomura Securities International, Inc. Joint Repurchase Agreement, 1.06%, 08/01/17, dated 07/31/17, repurchase value of \$178,776,264 (collateralized by: U.S. Government agency mortgages and obligations in a pooled cash account, 0.125%-7.00%, 06/01/20-07/20/47, total market value \$182,346,420)	178,771,000	178,771,000
SunTrust Robinson Humphrey, Inc. Joint Repurchase Agreement, 1.10%, 08/01/17, dated 07/31/17, repurchase value of \$76,619,341 (collateralized by: U.S. Government agency mortgages and obligations in a pooled cash account, 1.00%-5.00%, 12/15/17-07/01/47, total market value \$78,149,340)	76,617,000	76,617,000
<b>TOTAL SHORT-TERM INVESTMENTS – (Identified cost \$451,549,000)</b>		<b>451,549,000</b>
Total Investments – (99.99%) – (Identified cost \$6,490,275,558) – (b)		11,321,584,858
Other Assets Less Liabilities – (0.01%)		950,240
Net Assets – (100.00%)		<u>\$ 11,322,535,098</u>

ADR: American Depositary Receipt

\* Non-income producing security.

**DAVIS NEW YORK VENTURE FUND****Schedule of Investments - (Continued)**  
**July 31, 2017**

- (a) Restricted securities – See Note 7 of the Notes to Financial Statements.
- (b) Aggregate cost for federal income tax purposes is \$6,535,950,008. At July 31, 2017, unrealized appreciation (depreciation) of securities for federal income tax purposes is as follows:

Unrealized appreciation	\$	5,023,317,179
Unrealized depreciation		<u>(237,682,329)</u>
Net unrealized appreciation	\$	<u>4,785,634,850</u>

*See Notes to Financial Statements*

**DAVIS NEW YORK VENTURE FUND****Statement of Assets and Liabilities  
At July 31, 2017****ASSETS:**

Investments in securities at value* (see accompanying Schedule of Investments)	\$	11,321,584,858
Cash		505
Receivables:		
Capital stock sold		12,913,974
Dividends and interest		9,054,571
Investment securities sold		7,812,423
Prepaid expenses		87,961
<b>Total assets</b>		<b>11,351,454,292</b>

**LIABILITIES:**

Payables:		
Capital stock redeemed		18,325,881
Accrued distribution and service plan fees		3,051,992
Accrued investment advisory fee		5,208,436
Accrued transfer agent fees		1,795,581
Other accrued expenses		537,304
<b>Total liabilities</b>		<b>28,919,194</b>

**NET ASSETS** **\$ 11,322,535,098**

**NET ASSETS CONSIST OF:**

Par value of shares of capital stock	\$	17,528,706
Additional paid-in capital		6,184,053,679
Undistributed net investment income		8,593,585
Accumulated net realized gains from investments		281,051,684
Net unrealized appreciation on investments and foreign currency transactions		4,831,307,444
<b>Net Assets</b>	<b>\$</b>	<b>11,322,535,098</b>

**\*Including:**

Cost of investments	\$	6,490,275,558
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**DAVIS NEW YORK VENTURE FUND****Statement of Assets and Liabilities – (Continued)  
At July 31, 2017****CLASS A SHARES:**

Net assets	\$ 6,296,365,880
Shares outstanding	192,930,229
Net asset value and redemption price per share (Net assets ÷ Shares outstanding)	\$ 32.64
Maximum offering price per share (100/95.25 of \$32.64)†	\$ 34.27

**CLASS B SHARES:**

Net assets	\$ 34,525,273
Shares outstanding	1,187,998
Net asset value, offering, and redemption price per share (Net assets ÷ Shares outstanding)	\$ 29.06

**CLASS C SHARES:**

Net assets	\$ 1,875,694,370
Shares outstanding	62,836,247
Net asset value, offering, and redemption price per share (Net assets ÷ Shares outstanding)	\$ 29.85

**CLASS R SHARES:**

Net assets	\$ 184,388,013
Shares outstanding	5,629,085
Net asset value, offering, and redemption price per share (Net assets ÷ Shares outstanding)	\$ 32.76

**CLASS T SHARES:**

Net assets	\$ 2,548
Shares outstanding	78
Net asset value and redemption price per share (Net assets ÷ Shares outstanding)	\$ 32.64
Maximum offering price per share (100/97.50 of \$32.64)† †	\$ 33.48

**CLASS Y SHARES:**

Net assets	\$ 2,931,559,014
Shares outstanding	87,990,492
Net asset value, offering, and redemption price per share (Net assets ÷ Shares outstanding)	\$ 33.32

†On purchases of \$100,000 or more, the offering price is reduced.

††On purchases of \$250,000 or more, the offering price is reduced.

*See Notes to Financial Statements*

**DAVIS NEW YORK VENTURE FUND**
**Statement of Operations  
For the year ended July 31, 2017**
**INVESTMENT INCOME:**
**Income:**

Dividends*	\$	157,805,885
Interest		1,566,950
Net securities lending fees		32,322
<b>Total income</b>		<b>159,405,157</b>

**Expenses:**

Investment advisory fees (Note 3)	\$	61,143,410
Custodian fees		1,608,482
Transfer agent fees:		
Class A		6,704,160
Class B		137,698
Class C		2,408,296
Class R		257,894
Class T**		—
Class Y		2,107,953
Audit fees		100,815
Legal fees		116,094
Accounting fees (Note 3)		408,500
Reports to shareholders		798,839
Directors' fees and expenses		461,216
Registration and filing fees		131,903
Miscellaneous		491,513
Distribution and service plan fees (Note 3):		
Class A		15,346,267
Class B		423,500
Class C		22,678,734
Class R		985,800
Class T		1
<b>Total expenses</b>		<b>116,311,075</b>
<b>Net investment income</b>		<b>43,094,082</b>

**REALIZED & UNREALIZED GAIN (LOSS) ON INVESTMENTS  
AND FOREIGN CURRENCY TRANSACTIONS:**

## Net realized gain (loss) from:

Investment transactions	979,541,443
Foreign currency transactions	(313,267)

**Net realized gain** **979,228,176**

Net increase in unrealized appreciation 1,125,636,244

**Net realized and unrealized gain on investments and  
foreign currency transactions** **2,104,864,420**

**Net increase in net assets resulting from operations** **\$ 2,147,958,502**

\*Net of foreign taxes withheld of \$ 1,304,979

\*\*Less than \$0.50.

*See Notes to Financial Statements*



**DAVIS NEW YORK VENTURE FUND**
**Statements of Changes in Net Assets**

	<b>Year ended July 31,</b>	
	<b>2017</b>	<b>2016</b>
<b>OPERATIONS:</b>		
Net investment income	\$ 43,094,082	\$ 57,939,779
Net realized gain from investments and foreign currency transactions	979,228,176	2,392,594,438
Net increase (decrease) in unrealized appreciation on investments and foreign currency transactions	1,125,636,244	(2,606,087,087)
<b>Net increase (decrease) in net assets resulting from operations</b>	<b>2,147,958,502</b>	<b>(155,552,870)</b>
<b>DIVIDENDS AND DISTRIBUTIONS TO SHAREHOLDERS FROM:</b>		
Net investment income:		
Class A	(47,233,027)	(31,964,788)
Class B	(20,196)	-
Class C	(3,874,783)	-
Class R	(907,547)	(356,257)
Class Y	(27,062,372)	(22,121,085)
Realized gains from investment transactions:		
Class A	(572,886,891)	(1,098,180,242)
Class B	(4,041,928)	(10,152,662)
Class C	(205,418,229)	(436,779,692)
Class R	(17,052,337)	(34,704,120)
Class Y	(237,037,053)	(486,449,208)
<b>CAPITAL SHARE TRANSACTIONS:</b>		
Net increase (decrease) in net assets resulting from capital share transactions (Note 4):		
Class A	(787,628,288)	(1,274,135,267)
Class B	(17,753,466)	(19,178,290)
Class C	(778,042,545)	(118,296,172)
Class R	(43,374,074)	(9,742,874)
Class T	2,500	-
Class Y	(158,090,658)	(560,815,469)
<b>Total decrease in net assets</b>	<b>(752,462,392)</b>	<b>(4,258,428,996)</b>
<b>NET ASSETS:</b>		
Beginning of year	12,074,997,490	16,333,426,486
<b>End of year*</b>	<b>\$ 11,322,535,098</b>	<b>\$ 12,074,997,490</b>

\*Including undistributed net investment income of \$ 8,593,585 \$ 7,215,814

*See Notes to Financial Statements*

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Fund is a separate series of Davis New York Venture Fund, Inc. (a Maryland corporation). The Fund is registered under the Investment Company Act of 1940, as amended, as a diversified, open-end management investment company. The Fund follows the reporting guidance of the Financial Accounting Standards Board (“FASB”) *Accounting Standards Codification Topic 946, Financial Services – Investment Companies*. The Fund’s investment objective is long-term growth of capital. The Fund offers shares in six classes, Class A, Class B, Class C, Class R, Class T, and Class Y. Class A and Class T shares are sold with a front-end sales charge and Class B and Class C shares are sold at net asset value and may be subject to a contingent deferred sales charge upon redemption. Class B shares automatically convert to Class A shares after 7 years. Class R and Class Y shares are sold at net asset value and are not subject to any contingent deferred sales charge upon redemption. Class R shares generally are available only to retirement and benefit plans. Class T shares are only available through financial intermediaries that offer Class T shares to their clients. Class T shares commenced operations on June 30, 2017. Class Y shares are only available to certain qualified investors. Income, expenses (other than those attributable to a specific class), and gains and losses are allocated daily to each class based upon the relative proportion of net assets represented by each class. Operating expenses directly attributable to a specific class, such as distribution and transfer agent fees, are charged against the operations of that class. All classes have identical rights with respect to voting (exclusive of each class’ distribution arrangement), liquidation, and distributions. The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial statements.

**Security Valuation** - The Fund calculates the net asset value of its shares as of the close of the New York Stock Exchange (“Exchange”), normally 4:00 P.M. Eastern time, on each day the Exchange is open for business. Securities listed on the Exchange (and other national exchanges including NASDAQ) 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 or securities whose values have been materially affected by what Davis Selected Advisers, L.P. (“Davis Advisors” or “Adviser”), the Fund’s investment adviser, 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 using a fair valuation methodology applicable to the security type or the significant event as previously approved by the Fund’s Pricing Committee and Board of Directors. The Pricing Committee considers all facts it deems relevant that are reasonably available, through either public information or information available to the Adviser’s portfolio management team, when determining the fair value of a security. To assess the appropriateness of security valuations, the Adviser may consider (i) comparing prior day prices and/or prices of comparable securities; (ii) comparing sale prices to the prior or current day prices and challenge those prices exceeding certain tolerance levels with the third-party pricing service or broker source; (iii) new rounds of financing; (iv) the performance of the market or the issuer’s industry; (v) the liquidity of the security; (vi) the size of the holding in a fund; and/or (vii) any other appropriate information. The determination of a security’s fair value price often involves the consideration of a number of subjective factors and is therefore subject to the unavoidable risk that the value assigned to a security may be higher or lower than the security’s value would be if a reliable market quotation of the security was readily available. Fair value determinations are subject to review, approval, and ratification by the Fund’s Board of Directors at its next regularly scheduled meeting covering the period in which the fair valuation was determined. Fair valuation methods used by the Fund may include, but are not limited to, valuing securities initially at cost (excluding commissions) and subsequently adjusting the value due to: additional transactions by the issuer, changes in company specific fundamentals and changes in the value of similar securities. Values may be further adjusted for any discounts related to security-specific resale restrictions.

Short-term securities purchased within 60 days to maturity are valued at amortized cost, which approximates market value.

The Fund’s valuation procedures are reviewed and subject to approval by the Board of Directors. There have been no significant changes to the fair valuation procedures during the period.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

**Fair Value Measurements** - Fair value is defined as the price that the Fund would receive upon selling an investment in an orderly transaction to an independent buyer in the principal market for the investment. Various inputs are used to determine the fair value of the Fund's investments. These inputs are summarized in the three broad levels listed below.

- Level 1 – quoted prices in active markets for identical securities
- Level 2 – other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 – significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

The inputs or methodologies used for valuing securities are not necessarily an indication of the risks associated with investing in those securities nor can it be assured that the Fund can obtain the fair value assigned to a security if it were to sell the security.

The following is a summary of the inputs used as of July 31, 2017 in valuing the Fund's investments carried at value:

	<b>Investments in Securities at Value</b>			
	Valuation Inputs			
	<b>Level 1: Quoted Prices</b>	<b>Level 2: Other Significant Observable Inputs</b>	<b>Level 3: Significant Unobservable Inputs</b>	<b>Total</b>
<u>Equity securities:</u>				
Consumer Discretionary	\$ 1,684,633,425	\$ –	\$ 352,496,328	\$ 2,037,129,753
Consumer Staples	86,608,913	–	–	86,608,913
Energy	1,138,865,318	–	–	1,138,865,318
Financials	3,495,696,952	–	–	3,495,696,952
Health Care	548,760,573	–	–	548,760,573
Industrials	1,105,892,579	–	–	1,105,892,579
Information Technology	1,657,437,855	–	4,037,993	1,661,475,848
Materials	795,605,922	–	–	795,605,922
Short-term securities	–	451,549,000	–	451,549,000
<b>Total Investments</b>	<b>\$ 10,513,501,537</b>	<b>\$ 451,549,000</b>	<b>\$ 356,534,321</b>	<b>\$ 11,321,584,858</b>

There were no transfers of investments between Level 1 and Level 2 of the fair value hierarchy during the year ended July 31, 2017.

The following table reconciles the valuation of assets in which significant unobservable inputs (Level 3) were used in determining fair value during the year ended July 31, 2017:

<b>Investment Securities:</b>	
Beginning balance	\$ 230,824,549
Cost of purchases	50,056,272
Net change in unrealized appreciation (depreciation)	75,653,500
<b>Ending balance</b>	<b>\$ 356,534,321</b>

Net change in unrealized appreciation (depreciation) during the period on Level 3 securities still held at July 31, 2017 and included in the change in net assets for the period	\$ 75,653,500
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There were no transfers of investments into or out of Level 3 of the fair value hierarchy during the period. The cost of purchases may include securities received through corporate actions or exchanges. Realized and unrealized gains (losses) are included in the related amounts on investments in the Statement of Operations.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

## Fair Value Measurements - (Continued)

The following table is a summary of those assets in which significant unobservable inputs (Level 3) were used by the Adviser in determining fair value. Note that these amounts exclude any valuations provided by a pricing service or broker.

## Assets Table

Investments at Value	Fair Value at July 31, 2017	Valuation Technique	Unobservable Input	Amount	Impact to Valuation from an Increase in Input
Common Stock	\$ 4,037,993	Discounted Cash Flow	Annualized Yield	2.44%	Decrease
Preferred Stock	352,496,328	Market Approach	Transaction Price	\$50.9321	Increase
	<u>\$ 356,534,321</u>				

The significant unobservable inputs listed in the above table are used in the fair value measurement of equity securities, and if changed, would affect the fair value of the Fund's investments. The transaction price input is attributable to a private security and includes assumptions made from private transactions. The "Impact to Valuation" represents the change in fair value measurement resulting from an increase in the corresponding input. A decrease in the input would have the opposite effect.

**Master Repurchase Agreements** - The Fund, along with other affiliated funds, may transfer uninvested cash balances into one or more master repurchase agreement accounts. These balances are invested in one or more repurchase agreements, secured by U.S. Government securities. A custodian bank holds securities pledged as collateral for repurchase agreements until the agreements mature. Each agreement requires that the market value of the collateral be sufficient to cover payments of interest and principal; however, in the event of default by the other party to the agreement, retention of the collateral may be subject to legal proceedings.

**Currency Translation** - The market values of all assets and liabilities denominated in foreign currencies are recorded in the financial statements after translation to the U.S. Dollar based upon the mean between the bid and offered quotations of the currencies against U.S. Dollars on the date of valuation. The cost basis of such assets and liabilities is determined based upon historical exchange rates. Income and expenses are translated at average exchange rates in effect as accrued or incurred.

**Foreign Currency** - The Fund may enter into forward purchases or sales of foreign currencies to hedge certain foreign currency denominated assets and liabilities against declines in market value relative to the U.S. Dollar. Forward currency contracts are marked-to-market daily and the change in market value is recorded by the Fund as an unrealized gain or loss. When the forward currency contract is closed, the Fund records a realized gain or loss equal to the difference between the value of the forward currency contract at the time it was opened and value at the time it was closed. Investments in forward currency contracts may expose the Fund to risks resulting from unanticipated movements in foreign currency exchange rates or failure of the counter-party to the agreement to perform in accordance with the terms of the contract.

Reported net realized foreign exchange gains or losses arise from the sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on security transactions, the difference between the amounts of dividends, interest, and foreign withholding taxes recorded on the Fund's books, and the U.S. Dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains or losses arise from changes in the value of assets and liabilities other than investments in securities at fiscal year end, resulting from changes in the exchange rate. The Fund includes foreign currency gains and losses realized on the sales of investments together with market gains and losses on such investments in the Statement of Operations.

**Federal Income Taxes** - It is the Fund's policy to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies, and to distribute substantially all of its taxable income, including any net realized gains on investments not offset by loss carryovers, to shareholders. Therefore, no provision for federal income or excise tax is required. The Adviser analyzed the Fund's tax positions taken on federal and state income tax returns for all open tax years and concluded that as of July 31, 2017, no provision for income tax is required in the Fund's financial statements related to these tax positions. The Fund's federal and state (Arizona) income and federal excise tax returns for tax years for which the applicable statutes of limitations have not expired are subject to examination by the Internal Revenue Service and state department of revenue. The earliest tax year that remains subject to examination by these jurisdictions is 2014.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)**

**Securities Transactions and Related Investment Income** - Securities transactions are accounted for on the trade date (date the order to buy or sell is executed) with realized gain or loss on the sale of securities being determined based upon identified cost. Dividend income is recorded on the ex-dividend date. Interest income, which includes accretion of discount and amortization of premium, is accrued as earned.

**Dividends and Distributions to Shareholders** - Dividends and distributions to shareholders are recorded on the ex-dividend date. Net investment income (loss), net realized gains (losses), and net unrealized appreciation (depreciation) on investments may differ for financial statement and tax purposes primarily due to differing treatments of foreign currency transactions, wash sales, partnership income, in-kind redemptions, corporate actions, and equalization accounting for tax purposes. The character of dividends and distributions made during the fiscal year from net investment income and net realized securities gains may differ from their ultimate characterization for federal income tax purposes. Also, due to the timing of dividends and distributions, the fiscal year in which amounts are distributed may differ from the fiscal year in which income or realized gain was recorded by the Fund. The Fund adjusts certain components of capital to reflect permanent differences between financial statement amounts and net income and realized gains/losses determined in accordance with income tax rules. Accordingly, during the year ended July 31, 2017, amounts have been reclassified to reflect an increase in undistributed net investment income of \$37,381,614, a decrease in accumulated net realized gains from investments and foreign currency transactions of \$101,283,894, and an increase in additional paid-in capital of \$63,902,280. Net assets have not been affected by this reclassification.

The tax character of distributions paid during the years ended July 31 was as follows:

	<u>2017</u>	<u>2016</u>
Ordinary income	\$ 79,097,925	\$ 134,020,078
Long-term capital gain	1,036,436,438	1,986,687,976
Total	<u>\$ 1,115,534,363</u>	<u>\$ 2,120,708,054</u>

As of July 31, 2017, the components of distributable earnings on a tax basis were as follows:

Undistributed net investment income	\$ 37,165,349
Undistributed long-term capital gain	298,781,400
Net unrealized appreciation on investments	4,785,632,995
Total	<u>\$ 5,121,579,744</u>

**Indemnification** - Under the Fund's organizational documents, its officers and directors are indemnified against certain liabilities arising out of the performance of their duties to the Fund. In addition, some of the Fund's contracts with its service providers contain general indemnification clauses. The Fund's maximum exposure under these arrangements is unknown since the amount of any future claims that may be made against the Fund cannot be determined and the Fund has no historical basis for predicting the likelihood of any such claims.

**Use of Estimates in Financial Statements** - In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of income and expenses during the reporting period. Actual results may differ from these estimates.

**Directors Fees and Expenses** - The Fund set up a Rabbi Trust to provide for the deferred compensation plan for Independent Directors that enables them to elect to defer receipt of all or a portion of annual fees they are entitled to receive. The value of an eligible Director's account is based upon years of service and fees paid to each Director during the years of service. The amount paid to the Director by the Trust under the plan will be determined based upon the performance of the Davis Funds in which the amounts are invested.

**NOTE 2 - PURCHASES AND SALES OF SECURITIES**

The cost of purchases and proceeds from sales of investment securities (excluding short-term securities) during the year ended July 31, 2017 were \$1,394,959,157 and \$4,357,939,662, respectively.

**NOTE 3 - FEES AND OTHER TRANSACTIONS WITH SERVICE PROVIDERS (INCLUDING AFFILIATES)**

Davis Selected Advisers-NY, Inc. (“DSA-NY”), a wholly-owned subsidiary of the Adviser, acts as sub-adviser to the Fund. DSA-NY performs research and portfolio management services for the Fund under a Sub-Advisory Agreement with the Adviser. The Fund pays no fees directly to DSA-NY.

All officers of the Fund (including Interested Directors) hold positions as executive officers with the Adviser or its affiliates.

**Investment Advisory Fee** - Advisory fees are paid monthly to the Adviser. The annual rate is 0.55% of the average net assets on the first \$3 billion, 0.54% on the next \$1 billion, 0.53% on the next \$1 billion, 0.52% on the next \$1 billion, 0.51% on the next \$1 billion, 0.50% on the next \$3 billion, 0.485% on the next \$8 billion, 0.47% on the next \$7 billion, 0.455% on the next \$8 billion, 0.44% on the next \$7 billion, 0.425% on the next \$8 billion, 0.41% on the next \$7 billion, and 0.395% of the average net assets in excess of \$55 billion. Advisory fees paid during the year ended July 31, 2017 approximated 0.52% of the average net assets.

**Transfer Agent and Accounting Fees** - Boston Financial Data Services, Inc. is the Fund’s primary transfer agent. The Adviser is also paid for certain transfer agent services. The fee paid to the Adviser for these services during the year ended July 31, 2017 amounted to \$903,859. State Street Bank and Trust Company (“State Street Bank”) is the Fund’s primary accounting provider. Fees for such services are included in the custodian fees as State Street Bank also serves as the Fund’s custodian. The Adviser is also paid for certain accounting services. The fee paid to the Adviser for these services during the year ended July 31, 2017 amounted to \$408,500.

**Distribution and Service Plan Fees** - The Fund has adopted separate Distribution Plans (“12b-1 Plans”) for Class A, Class B, Class C, Class R, and Class T shares. Under the 12b-1 Plans, the Fund reimburses Davis Distributors, LLC (“Distributor”), the Fund’s Underwriter, for amounts paid to dealers as a service fee or commissions with respect to Class A and Class T shares sold by dealers, which remain outstanding during the period. The service fee is paid at an annual rate up to 0.25% of the average net assets maintained by the responsible dealers. The Fund pays the Distributor 12b-1 fees on Class B and Class C shares at an annual rate equal to the lesser of 1.25% of the average daily net asset value of Class B or Class C shares or the maximum amount provided by applicable rule or regulation of the Financial Industry Regulatory Authority, Inc. (“FINRA”), which currently is 1.00%. The Fund pays the 12b-1 fees on Class B and Class C shares in order: (i) to pay the Distributor distribution fees or commissions on Class B and Class C shares which have been sold and (ii) to enable the Distributor to pay service fees on Class B and Class C shares which have been sold. Payments under the Class R Distribution Plan are limited to an annual rate of 0.75% of the average daily net asset value of the Class R shares or the maximum amount provided by applicable rule or regulation of the FINRA (1.00%). The effective rate of the Class R Distribution Plan is currently 0.50%, of which 0.25% may be used to pay distribution fees and 0.25% may be used to pay service fees.

	Year ended July 31, 2017				
	Class A	Class B	Class C	Class R	Class T
Distribution fees	\$ -	\$ 320,075	\$ 17,009,050	\$ 492,900	\$ -
Service fees	15,346,267	103,425	5,669,684	492,900	1

**Sales Charges** - Front-end sales charges and contingent deferred sales charges (“CDSC”) do not represent expenses of the Fund. They are deducted from the proceeds from sales of Fund shares prior to investment or from redemption proceeds prior to remittance, as applicable.

Class A and Class T shares of the Fund are sold at net asset value plus a sales charge and are redeemed at net asset value. On purchases of \$1 million or more in Class A, the sales charge will not be applied; however a CDSC of 0.50% may be imposed upon redemption if those shares are redeemed within the first year of purchase. For Class T shares a discount may be applied for purchases of \$250,000 or more in a single transaction.

**NOTE 3 - FEES AND OTHER TRANSACTIONS WITH SERVICE PROVIDERS (INCLUDING AFFILIATES) – (CONTINUED)***Sales Charges - (Continued)*

Class B and Class C shares of the Fund are sold at net asset value and are redeemed at net asset value. A CDSC is imposed upon redemption of certain Class B shares within six years of the original purchase. The charge is a declining percentage starting at 4.00% of the lesser of net asset value of the shares redeemed or the total cost of such shares. A CDSC of 1.00% is imposed upon redemption of certain Class C shares within the first year of the original purchase.

The Distributor received commissions earned on sales of Class A shares of the Fund, of which a portion was retained by the Distributor and the remaining was re-allowed to investment dealers. Commission advances by the Distributor on the sales of Class B and Class C shares of the Fund are re-allowed to qualified selling dealers.

Year ended July 31, 2017					
Class A Commissions		Commission advances by the Distributor on the sale of		CDSCs received by the Distributor from	
Retained by Distributor	Re-allowed to investment dealers	Class B	Class C	Class B	Class C
\$ 201,157	\$ 1,100,762	\$ 90,500	\$ 384,688	\$ 79,739	\$ 48,519

**NOTE 4 - CAPITAL STOCK**

At July 31, 2017, there were 3.5 billion shares of capital stock (\$0.05 par value per share) authorized for Davis New York Venture Fund, Inc., of which 2.325 billion shares are classified as Davis New York Venture Fund. Transactions in capital stock were as follows:

Year ended July 31, 2017					
		Sold	Reinvestment of Distributions	Redeemed	Net Increase (Decrease)
Shares:	Class A	18,013,123	18,499,533	(61,824,227)	(25,311,571)
	Class B	94,059	134,913	(857,015)	(628,043)
	Class C	2,042,272	6,976,439	(35,418,630)	(26,399,919)
	Class R	934,448	568,720	(2,886,656)	(1,383,488)
	Class T*	78	–	–	78
	Class Y	20,950,713	7,550,582	(33,566,124)	(5,064,829)
Value:	Class A	\$ 581,993,415	\$ 582,373,668	\$ (1,951,995,371)	\$ (787,628,288)
	Class B	2,644,404	3,798,954	(24,196,824)	(17,753,466)
	Class C	59,045,999	201,421,570	(1,038,510,114)	(778,042,545)
	Class R	29,605,928	17,957,819	(90,937,821)	(43,374,074)
	Class T*	2,500	–	–	2,500
	Class Y	674,836,350	242,568,318	(1,075,495,326)	(158,090,658)

Year ended July 31, 2016					
		Sold	Reinvestment of Distributions	Redeemed	Net Decrease
Shares:	Class A	10,802,305	35,171,041	(84,737,583)**	(38,764,237)
	Class B	167,505	346,353	(1,177,445)	(663,587)
	Class C	3,966,372	14,974,658	(22,450,644)	(3,509,614)
	Class R	1,147,614	1,158,764	(2,587,292)	(280,914)
	Class Y	16,933,354	15,758,495	(50,083,390)	(17,391,541)
Value:	Class A	\$ 333,326,215	\$ 1,057,419,186	\$ (2,664,880,668)**	\$ (1,274,135,267)
	Class B	4,779,639	9,487,504	(33,445,433)	(19,178,290)
	Class C	112,108,759	417,800,677	(648,205,608)	(118,296,172)
	Class R	35,390,713	34,947,822	(80,081,409)	(9,742,874)
	Class Y	527,675,056	482,699,035	(1,571,189,560)	(560,815,469)

\* From June 30, 2017 (inception of class) through July 31, 2017.

\*\* Includes redemptions as a result of in-kind transfers of securities (see Note 8 of the Notes to Financial Statements).

**NOTE 5 - BANK BORROWINGS**

The Fund may borrow up to 5% of its assets from a bank to purchase portfolio securities, or for temporary and emergency purposes. The purchase of securities with borrowed funds creates leverage in the Fund. The Fund has entered into an agreement, which enables it to participate with certain other funds managed by the Adviser in an unsecured line of credit with a bank, which permits borrowings of up to \$50 million, collectively. Interest is charged based on its borrowings, at a rate equal to the higher of the Federal Funds Rate or the one month LIBOR Rate, plus 1.25%. The Fund had no borrowings during the year ended July 31, 2017.

**NOTE 6 - SECURITIES LOANED**

The Fund has entered into a securities lending arrangement with State Street Bank. Under the terms of the agreement, the Fund receives fee income from lending transactions; in exchange for such fees, State Street Bank is authorized to loan securities on behalf of the Fund, against receipt of collateral at least equal to the value of the securities loaned. As of July 31, 2017, the Fund did not have any securities on loan. The Fund bears the risk of any deficiency in the amount of the collateral available for return to a borrower due to a loss in an approved investment.

**NOTE 7 - RESTRICTED SECURITIES**

Restricted securities are not registered under the Securities Act of 1933 and may have contractual restrictions on resale. They are fair valued under methods approved by the Board of Directors. The aggregate value of restricted securities amounted to \$356,534,321 or 3.15% of the Fund's net assets as of July 31, 2017. Information regarding restricted securities is as follows:

Security	Initial Acquisition Date	Units/Shares	Cost per Unit/Share	Valuation per Unit/Share as of July 31, 2017
ASAC II L.P.	10/10/13	4,156,451	\$ 1.00	\$ 0.9715
Didi Chuxing Joint Co., Series A, Pfd.	07/27/15	5,938,103	30.3560	50.9321
Didi Chuxing Joint Co., Series B, Pfd.	05/16/17	982,804	50.9321	50.9321

**NOTE 8 - IN-KIND REDEMPTIONS**

In accordance with guidelines described in the Fund's prospectus, the Fund may distribute portfolio securities rather than cash as payment for a redemption of fund shares (in-kind redemption). For financial reporting purposes, the Fund recognizes a gain on in-kind redemptions to the extent the value of the distributed securities on the date of redemption exceeds the cost of those securities. Gains and losses realized on in-kind redemptions are not recognized for tax purposes and are reclassified from accumulated net realized gains (losses) from investments to additional paid-in capital on the Statement of Assets and Liabilities.

During the year ended July 31, 2017, there were no in-kind redemptions.

During the year ended July 31, 2016, the Fund's Class A shareholders (including related parties) redeemed 24,310,716 shares in exchange for portfolio securities valued at \$785,232,424. The Fund realized a gain of \$336,183,948.



In early 2018, shareholders will receive information regarding all dividends and distributions paid to them by the Fund during the calendar year 2017. Regulations of the U.S. Treasury Department require the Fund to report this information to the Internal Revenue Service.

The information and distributions reported herein may differ from the information reported as distributions taxable to certain shareholders for the calendar year 2017 with their 2017 Form 1099-DIV.

The information is presented to assist shareholders in reporting distributions received from the Fund to the Internal Revenue Service. Because of the complexity of the federal regulations that may affect your individual tax return and the many variations in state and local regulations, we recommend that you consult your tax adviser for specific guidance.

During the fiscal year 2017, the Fund paid long-term capital gain distributions in the amount of \$1,036,436,438. The Fund utilized equalization accounting for tax purposes, whereby a portion of redemption payments were treated as distributions of long-term capital gain. As a result, the Fund designated long-term capital gain distributions in the amount of \$1,100,317,792.

During the fiscal year 2017, \$79,097,925 of dividends paid by the Fund constituted income dividends for federal income tax purposes. The Fund designates \$79,097,925 or 100% as income qualifying for the corporate dividends-received deduction.

For the fiscal year 2017, certain dividends paid by the Fund constitute qualified dividend income for federal income tax purposes. The Fund designates \$79,097,925 or 100% as qualified dividend income.

**DAVIS NEW YORK VENTURE FUND**

**Financial Highlights**

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

	Income (Loss) from Investment Operations				Dividends and Distributions				Ratios to Average Net Assets						
	Net Asset Value, Beginning of Period	Net Investment Income (Loss) <sup>a</sup>	Net Realized and Unrealized Gains	Total from Investment Operations	Dividends from Net Investment Income	Distributions from Realized Gains	Return of Capital	Total Distributions	Net Asset Value, End of Period	Total Return <sup>b</sup>	Net Assets, End of Period (in millions)	Gross Expense Ratio	Net Expense Ratio <sup>c</sup>	Net Investment Income (Loss) Ratio	Portfolio Turnover <sup>d</sup>
<b>Davis New York Venture Fund Class A:</b>															
Year ended July 31, 2017	\$29.88	\$0.14	\$5.68	\$5.82	\$(0.23)	\$(2.83)	\$-	\$(3.06)	\$32.64	20.11%	\$6,296	0.89%	0.89%	0.46%	12%
Year ended July 31, 2016	\$35.06	\$0.17	\$(0.15)	\$0.02	\$(0.15)	\$(5.05)	\$-	\$(5.20)	\$29.88	0.60%	\$6,520	0.89%	0.89%	0.53%	25%
Year ended July 31, 2015	\$39.35	\$0.15	\$3.33	\$3.48	\$(0.17)	\$(7.60)	\$-	\$(7.77)	\$35.06	9.76%	\$9,012	0.86%	0.86%	0.39%	23%
Year ended July 31, 2014	\$39.18	\$0.22	\$5.22	\$5.44	\$(0.20)	\$(5.07)	\$-	\$(5.27)	\$39.35	13.92%	\$11,080	0.86%	0.86%	0.55%	20%
Year ended July 31, 2013	\$34.89	\$0.43	\$8.76	\$9.19	\$(0.61)	\$(4.29)	\$-	\$(4.90)	\$39.18	27.84%	\$11,297	0.88%	0.88%	1.14%	7%
<b>Davis New York Venture Fund Class B:</b>															
Year ended July 31, 2017	\$26.96	\$(0.15)	\$5.09	\$4.94	\$(0.01)	\$(2.83)	\$-	\$(2.84)	\$29.06	18.92%	\$35	1.87%	1.87%	(0.52)%	12%
Year ended July 31, 2016	\$32.30	\$(0.12)	\$(0.17)	\$(0.29)	\$-	\$(5.05)	\$-	\$(5.05)	\$26.96	(0.39)%	\$49	1.85%	1.85%	(0.43)%	25%
Year ended July 31, 2015	\$36.94	\$(0.18)	\$3.08	\$2.90	\$-	\$(7.54)	\$-	\$(7.54)	\$32.30	8.72%	\$80	1.80%	1.80%	(0.55)%	23%
Year ended July 31, 2014	\$37.21	\$(0.15)	\$4.95	\$4.80	\$-	\$(5.07)	\$-	\$(5.07)	\$36.94	12.90%	\$131	1.79%	1.79%	(0.38)%	20%
Year ended July 31, 2013	\$33.22	\$0.08	\$8.34	\$8.42	\$(0.14)	\$(4.29)	\$-	\$(4.43)	\$37.21	26.64%	\$205	1.81%	1.81%	0.21%	7%
<b>Davis New York Venture Fund Class C:</b>															
Year ended July 31, 2017	\$27.60	\$(0.09)	\$5.22	\$5.13	\$(0.05)	\$(2.83)	\$-	\$(2.88)	\$29.85	19.18%	\$1,876	1.66%	1.66%	(0.31)%	12%
Year ended July 31, 2016	\$32.88	\$(0.07)	\$(0.16)	\$(0.23)	\$-	\$(5.05)	\$-	\$(5.05)	\$27.60	(0.19)%	\$2,463	1.66%	1.66%	(0.24)%	25%
Year ended July 31, 2015	\$37.44	\$(0.15)	\$3.15	\$3.00	\$-	\$(7.56)	\$-	\$(7.56)	\$32.88	8.91%	\$3,050	1.64%	1.64%	(0.39)%	23%
Year ended July 31, 2014	\$37.61	\$(0.09)	\$4.99	\$4.90	\$-	\$(5.07)	\$-	\$(5.07)	\$37.44	13.03%	\$3,275	1.64%	1.64%	(0.23)%	20%
Year ended July 31, 2013	\$33.53	\$0.12	\$8.44	\$8.56	\$(0.19)	\$(4.29)	\$-	\$(4.48)	\$37.61	26.85%	\$3,188	1.67%	1.67%	0.35%	7%
<b>Davis New York Venture Fund Class R:</b>															
Year ended July 31, 2017	\$29.98	\$0.05	\$5.71	\$5.76	\$(0.15)	\$(2.83)	\$-	\$(2.98)	\$32.76	19.79%	\$184	1.18%	1.18%	0.17%	12%
Year ended July 31, 2016	\$35.17	\$0.08	\$(0.17)	\$(0.09)	\$(0.05)	\$(5.05)	\$-	\$(5.10)	\$29.98	0.26%	\$210	1.18%	1.18%	0.24%	25%
Year ended July 31, 2015	\$39.45	\$0.03	\$3.35	\$3.38	\$(0.06)	\$(7.60)	\$-	\$(7.66)	\$35.17	9.45%	\$257	1.16%	1.16%	0.09%	23%
Year ended July 31, 2014	\$39.28	\$0.10	\$5.23	\$5.33	\$(0.09)	\$(5.07)	\$-	\$(5.16)	\$39.45	13.58%	\$308	1.16%	1.16%	0.25%	20%
Year ended July 31, 2013	\$34.91	\$0.30	\$8.80	\$9.10	\$(0.44)	\$(4.29)	\$-	\$(4.73)	\$39.28	27.45%	\$335	1.18%	1.18%	0.84%	7%
<b>Davis New York Venture Fund Class T:</b>															
Period from June 30, 2017 <sup>e</sup> to July 31, 2017	\$32.02	\$0.01	\$0.61	\$0.62	\$-	\$-	\$-	\$-	\$32.64	1.94%	\$ <sup>f</sup>	0.92% <sup>g</sup>	0.92% <sup>g</sup>	0.51% <sup>g</sup>	12%
<b>Davis New York Venture Fund Class Y:</b>															
Year ended July 31, 2017	\$30.44	\$0.23	\$5.80	\$6.03	\$(0.32)	\$(2.83)	\$-	\$(3.15)	\$33.32	20.46%	\$2,932	0.63%	0.63%	0.72%	12%
Year ended July 31, 2016	\$35.63	\$0.25	\$(0.16)	\$0.09	\$(0.23)	\$(5.05)	\$-	\$(5.28)	\$30.44	0.82%	\$2,833	0.63%	0.63%	0.79%	25%
Year ended July 31, 2015	\$39.88	\$0.25	\$3.37	\$3.62	\$(0.27)	\$(7.60)	\$-	\$(7.87)	\$35.63	10.02%	\$3,935	0.62%	0.62%	0.63%	23%
Year ended July 31, 2014	\$39.63	\$0.32	\$5.30	\$5.62	\$(0.30)	\$(5.07)	\$-	\$(5.37)	\$39.88	14.23%	\$5,131	0.62%	0.62%	0.79%	20%
Year ended July 31, 2013	\$35.29	\$0.52	\$8.87	\$9.39	\$(0.76)	\$(4.29)	\$-	\$(5.05)	\$39.63	28.14%	\$5,206	0.64%	0.64%	1.38%	7%

<sup>a</sup> Per share calculations were based on average shares outstanding for the period.

<sup>b</sup> 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. Total returns are not annualized for periods of less than one year.

<sup>c</sup> The ratios in this column reflect the impact, if any, of the reduction of expenses paid indirectly and of certain reimbursements.

<sup>d</sup> 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.

<sup>e</sup> Inception date of class.

<sup>f</sup> Less than \$500,000.

<sup>g</sup> Annualized.

*See Notes to Financial Statements*

**The Shareholders and Board of Directors  
Davis New York Venture Fund, Inc.:**

We have audited the accompanying statement of assets and liabilities of Davis New York Venture Fund (a series of Davis New York Venture Fund, Inc.) including the schedule of investments, as of July 31, 2017, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the years in the two-year period then ended, and the financial highlights for each of the years or periods in the five-year period then ended. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of July 31, 2017, by correspondence with the custodian and brokers or by other appropriate auditing procedures. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Davis New York Venture Fund as of July 31, 2017, the results of its operations for the year then ended, the changes in its net assets for each of the years in the two-year period then ended, and the financial highlights for each of the years or periods in the five-year period then ended, in conformity with U.S. generally accepted accounting principles.

KPMG LLP

Denver, Colorado  
September 22, 2017

**Process of Annual Review**

The Board of Directors of the Davis Funds oversees the management of each Davis Fund and, as required by law, determines annually whether to approve the continuance of each Davis Fund's advisory agreement with Davis Selected Advisers, L.P. and sub-advisory agreement with Davis Selected Advisers-NY, Inc. (jointly "Davis Advisors" and "Advisory Agreements").

With the assistance of counsel to the Independent Directors, the Independent Directors undertook a comprehensive review process in anticipation of their annual contract review meeting, held in March 2017. As part of this process, Davis Advisors provided the Independent Directors with material (including recent investment performance and expense data) that was responsive to questions submitted to Davis Advisors by the Independent Directors. At this meeting, the Independent Directors reviewed and evaluated all information that they deemed reasonably necessary under the circumstances and were provided guidance by their independent counsel. In reaching their decision, the Independent Directors also took into account information furnished to them throughout the year and otherwise provided to them during their quarterly meetings or through other prior communications. The Independent Directors concluded that they had been supplied with sufficient information and data to analyze the Advisory Agreements and that their questions had been sufficiently answered by Davis Advisors. Upon completion of this review, the Independent Directors found that the terms of the Advisory Agreements were fair and reasonable and that continuation of the Advisory Agreements was in the best interest of Davis New York Venture Fund and its shareholders.

**Reasons the Independent Directors Approved Continuation of the Advisory Agreements**

The Independent Directors' determinations were based upon a comprehensive consideration of all information provided to them, and they did not identify any single item or piece of information as the controlling factor. Each Independent Director did not necessarily attribute the same weight to each factor. The following facts and conclusions were important, but not exclusive, to the Independent Directors' recommendation to renew the Advisory Agreements.

The Independent Directors considered the investment performance of the Fund on an absolute basis, as well as relative to its benchmark and other comparable funds. The Independent Directors not only considered the investment performance of the Fund, but also the full range and quality of services provided by Davis Advisors to the Fund and its shareholders, including whether the Fund:

1. Achieves satisfactory investment results over the long term, after all costs;
2. Efficiently and effectively handles shareholder transactions, inquiries, requests, and records, provides quality accounting, legal, and compliance services, and oversees third-party service providers; and
3. Fosters healthy investor behavior.

Davis Advisors is reimbursed a portion of its costs in providing some, but not all, of these services.

A shareholder's ultimate return is the product of a fund's results as well as the shareholder's behavior, specifically, in selecting when to invest or redeem. The Independent Directors concluded that, through its actions and communications, Davis Advisors has attempted to have a meaningful, positive impact on investor behavior.

Davis Advisors, its affiliates, and members of the Davis family are some of the largest shareholders in the Davis Funds. The Independent Directors considered that this investment tends to align the interests of management with other shareholders, as they face the same risks, pay the same fees, and are motivated to achieve satisfactory long-term returns. In addition, the Independent Directors concluded that significant investments by Davis Advisors and the Davis family have contributed to the economies of scale that have lowered fees and expenses for Davis Funds' shareholders over time.

The Independent Directors noted the importance of reviewing quantitative measures, but recognized that qualitative factors are also important in assessing whether Davis Funds' shareholders are likely to be well served by the renewal of the Advisory Agreements. They noted both the value and shortcomings of purely quantitative measures, including the data provided by independent service providers, and concluded that, while such measures and data may be informative, the judgment of the Independent Directors must take many factors into consideration in representing the shareholders of the Davis Funds, including those listed below. In connection with reviewing comparative performance information, the Independent Directors generally give greater weight to longer-term measurements.

**Reasons the Independent Directors Approved Continuation of the Advisory Agreements – (Continued)**

The Independent Directors noted that Davis Advisors employs a disciplined, company-specific, research-driven, businesslike, long-term investment philosophy. The Independent Directors considered the quality of Davis Advisors' investment process, as well as the experience, capability, and integrity of its senior management and other personnel.

The Independent Directors recognized Davis Advisors' (a) efforts to minimize transaction costs by generally having a long-term time horizon and low portfolio turnover; (b) focus on tax efficiency; (c) record of generally producing satisfactory after-tax results over longer-term periods; (d) efforts towards fostering healthy investor behavior by, among other things, providing informative and substantial educational material; and (e) efforts to promote shareholder interests by actively speaking out on corporate governance issues.

The Independent Directors assessed (a) comparative fee and expense information for other funds, as selected and analyzed by a nationally recognized independent service provider; (b) information regarding fees charged by Davis Advisors to other advisory clients, including funds that it sub-advises, and private accounts, as well as the differences in the services provided to such other clients; and (c) the fee schedule and breakpoints of the Fund, including an assessment of competitive fee schedules (and breakpoints, if applicable).

The Independent Directors reviewed the management fee schedule for the Fund, the profitability of the Fund to Davis Advisors, the extent to which economies of scale might be realized if the Fund's net assets increase, and whether the fee schedule should reflect those potential economies of scale, at this time. The Independent Directors considered the nature, quality, and extent of the services being provided to the Fund and the costs incurred by Davis Advisors in providing such services. The Independent Directors considered various potential benefits that Davis Advisors may receive in connection with the services it provides under the Advisory Agreements with the Fund, including a review of portfolio brokerage practices. The Independent Directors noted that Davis Advisors does not use client commissions to pay for publications that are available to the general public or for research reports that are created by parties other than the broker-dealers providing trade execution, clearing and/or settlement services to the Funds.

The Independent Directors compared the fees paid to Davis Advisors by the Davis Funds with those paid by Davis Advisors' sub-advised clients, private account clients, and managed money/wrap clients. To the extent sub-advised or private account fees were lower than fees paid by the Funds, the Independent Directors noted that the range of services provided to the Funds were more extensive, with greater risks associated with operating SEC registered, publicly traded mutual funds. Serving as the primary adviser for mutual funds is more work because of the complex overlay of regulatory, tax, and accounting issues, which are unique to mutual funds. In addition, the operational work required to service shareholders is more extensive because of the significantly greater number of shareholders, and managing trading is more complex because of the more frequent fund flows. With respect to risk, not only has regulation become more complex and burdensome, but the scrutiny of regulators and shareholders has become more intense. The Independent Directors concluded that reasonable justifications existed for the differences between the fee rates for the Davis Funds and Davis Advisors' other lines of business.

The Independent Directors noted that Davis New York Venture Fund Class A shares underperformed its benchmark, the Standard & Poor's 500<sup>®</sup> Index ("S&P 500<sup>®</sup>"), over the three-, five-, and ten-year time periods, but outperformed the S&P 500<sup>®</sup> over the one-year time period, as well as since its inception on February 17, 1969, all periods ended February 28, 2017.

Broadridge, an independent service provider, presented a report to the Independent Directors that compared the Fund to all Lipper retail and institutional large-cap core funds ("Performance Universe Average"), as well as the relevant Lipper Index. The report indicated that the Fund outperformed the Performance Universe Average and the Lipper Index over the two- and four-year time periods, but underperformed both over the ten-year time period, all periods ended December 31, 2016. The Fund outperformed the Performance Universe Average and underperformed the Lipper Index over the one-, three-, and five-year time periods, all periods ended December 31, 2016.

The Independent Directors also reviewed the Fund's performance versus the S&P 500<sup>®</sup> and the Lipper Large-Cap Core category when measured over rolling five- and ten-year time periods. The Fund outperformed the S&P 500<sup>®</sup> in 29 out of 43 rolling five-year time periods and outperformed the Lipper Large-Cap Core category in 34 out of 43 rolling five-year time periods, all periods ended December 31 for each year from 1974 through 2016. The Fund outperformed the S&P 500<sup>®</sup> in 33 out of 38 rolling ten-year time periods and outperformed the Lipper Large-Cap Core category in 32 out of 38 rolling ten-year time periods, all periods ended December 31 for each year from 1979 through 2016.

**Reasons the Independent Directors Approved Continuation of the Advisory Agreements – (Continued)**

The Independent Directors considered Davis New York Venture Fund's Class A shares management fee and total expense ratio. The management fee and total expense ratio were reasonable and below the average and median of its peer group, as determined by Broadridge.

**Approval of Advisory Agreements**

The Independent Directors concluded that Davis Advisors had provided Davis New York Venture Fund and its shareholders a reasonable level of both investment and non-investment services. The Independent Directors further concluded that shareholders have received a significant benefit from Davis Advisors' shareholder-oriented approach, as well as the execution of its investment discipline.

The Independent Directors determined that the advisory fee for Davis New York Venture Fund was reasonable in light of the nature, quality, and extent of the services being provided to the Fund, the costs incurred by Davis Advisors in providing such service, and in comparison to the range of the average advisory fees of its peer group, as determined by an independent service provider. The Independent Directors found that the terms of the Advisory Agreements were fair and reasonable and that continuation of the Advisory Agreements was in the best interest of the Fund and its shareholders. The Independent Directors and the full Board of Directors therefore voted to continue the Advisory Agreements.

**Privacy Notice**

While you generally will be dealing with a broker-dealer or other financial adviser, we may collect information about you from your account application and other forms that you may deliver to us. We use this information to process your requests and transactions; for example, to provide you with additional information about our Funds, to open an account for you, or to process a transaction. In order to service your account and execute your transactions, we may provide your personal information to firms that assist us in servicing your account, such as our transfer agent. We may also provide your name and address to one of our agents for the purpose of mailing to you your account statement and other information about our products and services. We may also gather information through the use of “cookies” when you visit our website. These files help us to recognize repeat visitors and allow easy access to and use of the website. We require these outside firms and agents to protect the confidentiality of your information and to use the information only for the purpose for which the disclosure is made. We do not provide customer names and addresses to outside firms, organizations, or individuals except in furtherance of our business relationship with you or as otherwise allowed by law.

We restrict access to nonpublic personal information about you to those employees who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal standards to guard your personal information.

**Householding**

To avoid sending duplicate copies of materials to households, the Fund will mail only one copy of each prospectus, Annual, and Semi-Annual Report to shareholders having the same last name and address on the Fund’s records. The consolidation of these mailings, called householding, benefits the Fund through reduced mailing expense. If you do not want the mailing of these documents to be combined with those to other members of your household, please contact the Davis Funds by phone at 1-800-279-0279. Individual copies of current prospectuses and reports will be sent to you within 30 days after the Fund receives your request to stop householding.

# DAVIS NEW YORK VENTURE FUND

## Directors and Officers

For the purposes of their service as directors to the Davis Funds, the business address for each of the directors is 2949 E. Elvira Road, Suite 101, Tucson, AZ 85756. Each Director serves until their retirement, resignation, death, or removal. Subject to exceptions and exemptions, which may be granted by the Independent Directors, Directors must retire at the close of business on the last day of the calendar year in which the Director attains age seventy-eight (78).

<b>Name</b> (birthdate)	<b>Position(s)</b> <b>Held With</b> <b>Fund</b>	<b>Term of</b> <b>Office and</b> <b>Length of</b> <b>Time</b> <b>Served</b>	<b>Principal Occupation(s)</b> <b>During Past Five Years</b>	<b>Number of</b> <b>Portfolios</b> <b>Overseen</b>	<b>Other Directorships</b>
<i>Independent Directors</i>					
<b>Marc P. Blum</b> (09/09/42)	Director	Director since 1986	Chief Executive Officer, World Total Return Fund, LLLP; of Counsel to Gordon Feinblatt LLC (law firm).	13	Director, Rodney Trust Company (trust and asset management company).
<b>John S. Gates, Jr.</b> (08/02/53)	Director	Director since 2007	Chairman and Chief Executive Officer of PortaeCo LLC (private investment company).	13	Director, Care Capital Properties (REIT); Trustee, DCT Industrial Trust (REIT); Director, Miami Corp. (diversified investment company).
<b>Thomas S. Gayner</b> (12/16/61)	Director/ Chairman	Director since 2004/Chairman since 2009	Co-CEO and Director, Markel Corp. (diversified financial holding company).	13	Director, Graham Holdings Company (educational and media company); Director, Colfax Corp. (engineering and manufacturer of pumps and fluid handling equipment); Director, Cable ONE Inc. (cable service provider).
<b>Samuel H. Ipalucci</b> (07/19/52)	Director	Director since 2006	Retired; Executive Vice President and Chief Financial Officer, CH2M-HILL Companies, Ltd. (engineering) until 2008.	13	none
<b>Robert P. Morgenthau</b> (03/22/57)	Director	Director since 2002	Principal, Spears Abacus Advisors, LLC (investment management firm) since 2011; Chairman, NorthRoad Capital Management, LLC (investment management firm) 2002-2011.	13	none
<b>Marsha Williams</b> (03/28/51)	Director	Director since 1999	Retired; Senior Vice President and Chief Financial Officer, Orbitz Worldwide, Inc. (travel-service provider) 2007-2010.	13	Lead Independent Director, Modine Manufacturing Company (heat transfer technology); Director, Chicago Bridge & Iron Company, N.V. (industrial construction and engineering); Chairman/Director, Fifth Third Bancorp (diversified financial services).



**DAVIS NEW YORK VENTURE FUND**

**Directors and Officers – (Continued)**

<b>Name</b> (birthdate)	<b>Position(s) Held With Fund</b>	<b>Term of Office and Length of Time Served</b>	<b>Principal Occupation(s) During Past Five Years</b>	<b>Number of Portfolios Overseen</b>	<b>Other Directorships</b>
<i>Interested Directors*</i>					
<b>Andrew A. Davis</b> (06/25/63)	Director	Director since 1997	President or Vice President of each Davis Fund, Selected Fund, and Clipper Fund; President, Davis Selected Advisers, L.P., and also serves as an executive officer of certain companies affiliated with the Adviser.	16	Director, Selected Funds (consisting of two portfolios) since 1998; Trustee Clipper Funds Trust (consisting of one portfolio) since 2014.
<b>Christopher C. Davis</b> (07/13/65)	Director	Director since 1997	President or Vice President of each Davis Fund, Selected Fund, Clipper Fund, and Davis Fundamental ETF; Chairman, Davis Selected Advisers, L.P., and also serves as an executive officer of certain companies affiliated with the Adviser, including sole member of the Adviser's general partner, Davis Investments, LLC.	16	Director, Selected Funds (consisting of two portfolios) since 1998; Trustee Clipper Funds Trust (consisting of one portfolio) since 2014; Director, Graham Holdings Company (educational and media company).

\* Andrew A. Davis and Christopher C. Davis own partnership units (directly, indirectly, or both) of the Adviser and are considered to be “interested persons” of the Funds as defined in the Investment Company Act of 1940. Andrew A. Davis and Christopher C. Davis are brothers.

**Officers**

**Andrew A. Davis (born 06/25/63, Davis Funds officer since 1997).** See description in the section on Interested Directors.

**Christopher C. Davis (born 07/13/65, Davis Funds officer since 1997).** See description in the section on Interested Directors.

**Kenneth C. Eich (born 08/14/53, Davis Funds officer since 1997).** Executive Vice President and Principal Executive Officer of the Davis Funds (consisting of 13 portfolios), Selected Funds (consisting of two portfolios), and Clipper Funds Trust (consisting of one portfolio); Trustee/Chairman, Executive Vice President, and Principal Executive Officer of Davis Fundamental ETF Trust (consisting of three portfolios); Chief Operating Officer, Davis Selected Advisers, L.P., and also serves as an executive officer of certain companies affiliated with the Adviser.

**Douglas A. Haines (born 03/04/71, Davis Funds officer since 2004).** Vice President, Treasurer, Chief Financial Officer, Principal Financial Officer, and Principal Accounting Officer of the Davis Funds (consisting of 13 portfolios), Selected Funds (consisting of two portfolios), Clipper Funds Trust (consisting of one portfolio), and Davis Fundamental ETF Trust (consisting of three portfolios); Vice President and Director of Fund Accounting, Davis Selected Advisers, L.P.

**Sharra L. Haynes (born 09/25/66, Davis Funds officer since 1997).** Vice President and Chief Compliance Officer of the Davis Funds (consisting of 13 portfolios), Selected Funds (consisting of two portfolios), Clipper Funds Trust (consisting of one portfolio), and Davis Fundamental ETF Trust (consisting of three portfolios); Vice President and Chief Compliance Officer, Davis Selected Advisers, L.P., and also serves as an executive officer of certain companies affiliated with the Adviser.

**Ryan M. Charles (born 07/25/78, Davis Funds officer since 2014).** Vice President and Secretary of the Davis Funds (consisting of 13 portfolios), Selected Funds (consisting of two portfolios), Clipper Funds Trust (consisting of one portfolio), and Davis Fundamental ETF Trust (consisting of three portfolios); Vice President, Chief Legal Officer, and Secretary, Davis Selected Advisers, L.P., and also serves as an executive officer of certain companies affiliated with the Adviser.

## **DAVIS NEW YORK VENTURE FUND**

### **Investment Adviser**

Davis Selected Advisers, L.P. (Doing business as “Davis Advisors”)  
2949 East Elvira Road, Suite 101  
Tucson, Arizona 85756  
(800) 279-0279

### **Distributor**

Davis Distributors, LLC  
2949 East Elvira Road, Suite 101  
Tucson, Arizona 85756

### **Transfer Agent**

Boston Financial Data Services, Inc.  
c/o The Davis Funds  
P.O. Box 8406  
Boston, Massachusetts 02266-8406

### **Overnight Address:**

30 Dan Road  
Canton, Massachusetts 02021-2809

### **Custodian**

State Street Bank and Trust Co.  
One Lincoln Street  
Boston, Massachusetts 02111

### **Counsel**

Greenberg Traurig, LLP  
77 West Wacker Drive, Suite 3100  
Chicago, Illinois 60601

### **Independent Registered Public Accounting Firm**

KPMG LLP  
1225 Seventeenth Street, Suite 800  
Denver, Colorado 80202

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*For more information about Davis New York Venture Fund, including management fee, charges, and expenses, see the current prospectus, which must precede or accompany this report. The Fund's Statement of Additional Information contains additional information about the Fund's Directors and is available without charge, upon request, by calling 1-800-279-0279 and on the Fund's website at [www.davisfunds.com](http://www.davisfunds.com). Quarterly Fact Sheets are available on the Fund's website at [www.davisfunds.com](http://www.davisfunds.com).*

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