

**DAVIS VARIABLE ACCOUNT FUND, INC.**  
**DAVIS VALUE PORTFOLIO**

**Schedule of Investments**  
**March 31, 2017 (Unaudited)**

	Shares	Value
<b>COMMON STOCK – (94.64%)</b>		
<b>CONSUMER DISCRETIONARY – (15.42%)</b>		
<b>Automobiles &amp; Components – (3.67%)</b>		
Adient PLC	77,943	\$ 5,664,118
Delphi Automotive PLC	44,170	3,555,243
		<u>9,219,361</u>
<b>Consumer Durables &amp; Apparel – (0.44%)</b>		
Hunter Douglas N.V. (Netherlands)	16,389	1,101,653
<b>Media – (1.83%)</b>		
Liberty Global PLC, LiLAC Class C *	20,595	474,509
Liberty Global PLC, Series C *	117,760	4,126,310
		<u>4,600,819</u>
<b>Retailing – (9.48%)</b>		
Amazon.com, Inc. *	18,476	16,379,713
CarMax, Inc. *	50,420	2,985,873
Liberty Expedia Holdings, Inc. *	6,473	294,392
Liberty Interactive Corp., Liberty Ventures, Series A *	9,709	431,856
Liberty Interactive Corp., QVC Group, Series A *	31,664	633,913
Liberty TripAdvisor Holdings Inc., Series A *	8,978	126,590
Priceline Group Inc. *	1,665	2,963,650
		<u>23,815,987</u>
<b>TOTAL CONSUMER DISCRETIONARY</b>		<b>38,737,820</b>
<b>CONSUMER STAPLES – (1.97%)</b>		
<b>Food &amp; Staples Retailing – (1.97%)</b>		
Costco Wholesale Corp.	29,520	4,950,209
<b>TOTAL CONSUMER STAPLES</b>		<b>4,950,209</b>
<b>ENERGY – (11.10%)</b>		
Apache Corp.	235,610	12,107,998
Cabot Oil & Gas Corp.	161,260	3,855,727
Encana Corp. (Canada)	580,840	6,801,636
Occidental Petroleum Corp.	80,540	5,103,014
<b>TOTAL ENERGY</b>		<b>27,868,375</b>
<b>FINANCIALS – (29.71%)</b>		
<b>Banks – (10.76%)</b>		
JPMorgan Chase & Co.	148,238	13,021,226
Wells Fargo & Co.	251,684	14,008,731
		<u>27,029,957</u>
<b>Diversified Financials – (16.50%)</b>		
<b>Capital Markets – (4.48%)</b>		
Bank of New York Mellon Corp.	238,360	11,257,743
<b>Consumer Finance – (5.37%)</b>		
American Express Co.	130,999	10,363,331
Capital One Financial Corp.	36,010	3,120,627
		<u>13,483,958</u>
<b>Diversified Financial Services – (6.65%)</b>		
Berkshire Hathaway Inc., Class A *	51	12,742,350
Visa Inc., Class A	44,620	3,965,379
		<u>16,707,729</u>
		<u>41,449,430</u>

**DAVIS VARIABLE ACCOUNT FUND, INC.**  
**DAVIS VALUE PORTFOLIO - (CONTINUED)**

**Schedule of Investments**  
**March 31, 2017 (Unaudited)**

	Shares	Value
<b>COMMON STOCK – (CONTINUED)</b>		
<b>FINANCIALS – (CONTINUED)</b>		
<b>Insurance – (2.45%)</b>		
<b>Multi-line Insurance – (1.25%)</b>		
Fairfax Financial Holdings Ltd. (Canada)	650	\$ 296,600
Loews Corp.	61,010	2,853,438
		3,150,038
<b>Property &amp; Casualty Insurance – (1.20%)</b>		
Chubb Ltd.	13,480	1,836,650
Markel Corp. *	1,200	1,171,032
		3,007,682
		6,157,720
<b>TOTAL FINANCIALS</b>		<b>74,637,107</b>
<b>HEALTH CARE – (5.45%)</b>		
<b>Health Care Equipment &amp; Services – (5.38%)</b>		
Aetna Inc.	44,230	5,641,537
Express Scripts Holding Co. *	48,230	3,178,839
UnitedHealth Group Inc.	28,590	4,689,046
		13,509,422
<b>Pharmaceuticals, Biotechnology &amp; Life Sciences – (0.07%)</b>		
Valeant Pharmaceuticals International, Inc. (Canada)*	17,280	190,598
<b>TOTAL HEALTH CARE</b>		<b>13,700,020</b>
<b>INDUSTRIALS – (8.35%)</b>		
<b>Capital Goods – (7.86%)</b>		
Johnson Controls International PLC	150,439	6,336,491
Orascom Construction Ltd. (United Arab Emirates)*	14,625	80,437
Safran S.A. (France)	57,960	4,330,075
United Technologies Corp.	80,160	8,994,754
		19,741,757
<b>Transportation – (0.49%)</b>		
FedEx Corp.	6,270	1,223,590
<b>TOTAL INDUSTRIALS</b>		<b>20,965,347</b>
<b>INFORMATION TECHNOLOGY – (13.66%)</b>		
<b>Semiconductors &amp; Semiconductor Equipment – (2.23%)</b>		
Texas Instruments Inc.	69,400	5,590,864
<b>Software &amp; Services – (11.43%)</b>		
Alphabet Inc., Class A *	8,500	7,206,300
Alphabet Inc., Class C *	12,803	10,620,857
CommerceHub, Inc., Series A *	1,618	25,047
CommerceHub, Inc., Series C *	3,236	50,255
Facebook Inc., Class A *	41,310	5,868,086
Fang Holdings Ltd., Class A, ADR (China)*	107,690	351,069
Microsoft Corp.	41,190	2,712,773
Oracle Corp.	42,200	1,882,542
		28,716,929
<b>TOTAL INFORMATION TECHNOLOGY</b>		<b>34,307,793</b>
<b>MATERIALS – (8.98%)</b>		
Axalta Coating Systems Ltd. *	70,870	2,282,014
Ecolab Inc.	19,300	2,419,062
LafargeHolcim Ltd. (Switzerland)	123,036	7,284,641
Monsanto Co.	53,180	6,019,976

**DAVIS VARIABLE ACCOUNT FUND, INC.**  
**DAVIS VALUE PORTFOLIO - (CONTINUED)**

**Schedule of Investments**  
**March 31, 2017 (Unaudited)**

	Shares/Principal	Value
<b>COMMON STOCK – (CONTINUED)</b>		
<b>MATERIALS – (CONTINUED)</b>		
OCI N.V. (Netherlands)*	29,250	\$ 562,138
Praxair, Inc.	33,590	3,983,774
<b>TOTAL MATERIALS</b>		<b>22,551,605</b>
<b>TOTAL COMMON STOCK – (Identified cost \$137,474,888)</b>		<b>237,718,276</b>
<b>PREFERRED STOCK – (1.96%)</b>		
<b>CONSUMER DISCRETIONARY – (1.96%)</b>		
<b>Retailing – (1.96%)</b>		
Didi Chuxing Joint Co., Series A (China)*(a)	128,944	4,929,155
<b>TOTAL PREFERRED STOCK – (Identified cost \$3,959,579)</b>		<b>4,929,155</b>
<b>SHORT-TERM INVESTMENTS – (2.48%)</b>		
INTL FCStone Financial Inc. Joint Repurchase Agreement, 0.83%, 04/03/17, dated 03/31/17, repurchase value of \$1,337,092 (collateralized by: U.S. Government agency mortgages and obligations in a pooled cash account, 0.875%-9.50%, 06/15/17-01/20/47, total market value \$1,363,740)	\$ 1,337,000	1,337,000
Mizuho Securities USA Inc. Joint Repurchase Agreement, 0.77%, 04/03/17, dated 03/31/17, repurchase value of \$617,040 (collateralized by: U.S. Government agency mortgages in a pooled cash account, 4.00%-4.50%, 05/20/46-12/20/46, total market value \$629,340)	617,000	617,000
Nomura Securities International, Inc. Joint Repurchase Agreement, 0.82%, 04/03/17, dated 03/31/17, repurchase value of \$2,406,164 (collateralized by: U.S. Government agency mortgages in a pooled cash account, 3.00%-5.50%, 03/01/19-04/01/33, total market value \$2,454,120)	2,406,000	2,406,000
SunTrust Robinson Humphrey, Inc. Joint Repurchase Agreement, 0.95%, 04/03/17, dated 03/31/17, repurchase value of \$1,871,148 (collateralized by: U.S. Government agency mortgages in a pooled cash account, 2.598%-4.00%, 11/01/22-03/01/47, total market value \$1,908,420)	1,871,000	1,871,000
<b>TOTAL SHORT-TERM INVESTMENTS – (Identified cost \$6,231,000)</b>		<b>6,231,000</b>
Total Investments – (99.08%) – (Identified cost \$147,665,467) – (b)		248,878,431
Other Assets Less Liabilities – (0.92%)		2,321,426
Net Assets – (100.00%)		<u>\$ 251,199,857</u>

ADR: American Depositary Receipt

\* Non-income producing security.

(a) 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 \$4,929,155 or 1.96% of the Fund's net assets as of March 31, 2017.

**DAVIS VARIABLE ACCOUNT FUND, INC.**  
**DAVIS VALUE PORTFOLIO - (CONTINUED)**

**Schedule of Investments**  
**March 31, 2017 (Unaudited)**

- (b) Aggregate cost for federal income tax purposes is \$149,266,995. At March 31, 2017, unrealized appreciation (depreciation) of securities for federal income tax purposes is as follows:

Unrealized appreciation	\$	105,364,722
Unrealized depreciation		(5,753,286)
Net unrealized appreciation	\$	<u>99,611,436</u>

Please refer to "Notes to Schedule of Investments" on page 10 for the Fund's policy regarding valuation of investments.

For information regarding the Fund's other significant accounting policies, please refer to the Fund's most recent Semi-Annual or Annual Shareholder Report.

**DAVIS VARIABLE ACCOUNT FUND, INC.**  
**DAVIS FINANCIAL PORTFOLIO**

**Schedule of Investments**  
**March 31, 2017 (Unaudited)**

	Shares/Units	Value
<b>COMMON STOCK – (95.31%)</b>		
<b>FINANCIALS – (91.55%)</b>		
<b>Banks – (20.25%)</b>		
DBS Group Holdings Ltd. (Singapore)	106,682	\$ 1,479,523
ICICI Bank Ltd., ADR (India)	30,810	264,966
JPMorgan Chase & Co.	42,480	3,731,443
PNC Financial Services Group, Inc.	15,820	1,902,197
U.S. Bancorp	64,790	3,336,685
Wells Fargo & Co.	58,280	3,243,865
		<u>13,958,679</u>
<b>Diversified Financials – (46.84%)</b>		
<b>Capital Markets – (25.15%)</b>		
Bank of New York Mellon Corp.	72,040	3,402,449
Brookfield Asset Management Inc., Class A (Canada)	39,930	1,455,848
Charles Schwab Corp.	41,250	1,683,413
Goldman Sachs Group, Inc.	13,660	3,137,975
Julius Baer Group Ltd. (Switzerland)	29,304	1,462,786
KKR & Co. L.P.	111,720	2,036,656
Moody's Corp.	8,870	993,795
S&P Global Inc.	8,430	1,102,138
State Street Corp.	25,840	2,057,122
		<u>17,332,182</u>
<b>Consumer Finance – (10.88%)</b>		
American Express Co.	51,680	4,088,404
Capital One Financial Corp.	39,380	3,412,671
		<u>7,501,075</u>
<b>Diversified Financial Services – (10.81%)</b>		
Berkshire Hathaway Inc., Class A *	18	4,497,300
Visa Inc., Class A	33,180	2,948,707
		<u>7,446,007</u>
		<u>32,279,264</u>
<b>Insurance – (24.46%)</b>		
<b>Insurance Brokers – (2.67%)</b>		
Marsh & McLennan Cos, Inc.	24,930	1,842,078
<b>Multi-line Insurance – (6.67%)</b>		
American International Group, Inc.	19,670	1,227,998
Loews Corp.	72,040	3,369,311
		<u>4,597,309</u>
<b>Property &amp; Casualty Insurance – (10.96%)</b>		
Chubb Ltd.	24,516	3,340,305
Markel Corp. *	4,315	4,210,836
		<u>7,551,141</u>
<b>Reinsurance – (4.16%)</b>		
Everest Re Group, Ltd.	12,260	2,866,510
		<u>16,857,038</u>
<b>TOTAL FINANCIALS</b>		<b>63,094,981</b>
<b>INDUSTRIALS – (0.03%)</b>		
<b>Capital Goods – (0.03%)</b>		
Brookfield Business Partners L.P. (Canada)	888	21,898
<b>TOTAL INDUSTRIALS</b>		<b>21,898</b>

**DAVIS VARIABLE ACCOUNT FUND, INC.**  
**DAVIS FINANCIAL PORTFOLIO - (CONTINUED)**

**Schedule of Investments**  
**March 31, 2017 (Unaudited)**

	Shares/Principal	Value
<b>COMMON STOCK – (CONTINUED)</b>		
<b>INFORMATION TECHNOLOGY – (3.73%)</b>		
<b>Software &amp; Services – (3.73%)</b>		
Alphabet Inc., Class A *	960	\$ 813,888
Alphabet Inc., Class C *	1,485	1,231,897
Cielo S.A. (Brazil)	57,593	520,813
<b>TOTAL INFORMATION TECHNOLOGY</b>		<b>2,566,598</b>
<b>TOTAL COMMON STOCK – (Identified cost \$36,548,569)</b>		<b>65,683,477</b>
<b>SHORT-TERM INVESTMENTS – (5.83%)</b>		
INTL FCStone Financial Inc. Joint Repurchase Agreement, 0.83%, 04/03/17, dated 03/31/17, repurchase value of \$862,060 (collateralized by: U.S. Government agency mortgages and obligations in a pooled cash account, 0.875%-9.50%, 06/15/17-01/20/47, total market value \$879,240)	\$ 862,000	862,000
Mizuho Securities USA Inc. Joint Repurchase Agreement, 0.77%, 04/03/17, dated 03/31/17, repurchase value of \$399,026 (collateralized by: U.S. Government agency mortgages in a pooled cash account, 4.00%-4.50%, 05/20/46-12/20/46, total market value \$406,980)	399,000	399,000
Nomura Securities International, Inc. Joint Repurchase Agreement, 0.82%, 04/03/17, dated 03/31/17, repurchase value of \$1,552,106 (collateralized by: U.S. Government agency mortgages and obligation in a pooled cash account, 0.00%-6.00%, 08/01/25-03/20/47, total market value \$1,583,040)	1,552,000	1,552,000
SunTrust Robinson Humphrey, Inc. Joint Repurchase Agreement, 0.95%, 04/03/17, dated 03/31/17, repurchase value of \$1,207,096 (collateralized by: U.S. Government agency mortgages in a pooled cash account, 2.125%-4.77%, 03/01/21-09/01/44, total market value \$1,231,140)	1,207,000	1,207,000
<b>TOTAL SHORT-TERM INVESTMENTS – (Identified cost \$4,020,000)</b>		<b>4,020,000</b>
Total Investments – (101.14%) – (Identified cost \$40,568,569) – (a)		69,703,477
Liabilities Less Other Assets – (1.14%)		(783,596)
Net Assets – (100.00%)		<u>\$ 68,919,881</u>

ADR: American Depositary Receipt

\* Non-income producing security.

(a) Aggregate cost for federal income tax purposes is \$40,581,175. At March 31, 2017, unrealized appreciation (depreciation) of securities for federal income tax purposes is as follows:

Unrealized appreciation	\$ 29,122,310
Unrealized depreciation	(8)
Net unrealized appreciation	<u>\$ 29,122,302</u>

Please refer to "Notes to Schedule of Investments" on page 10 for the Fund's policy regarding valuation of investments.

For information regarding the Fund's other significant accounting policies, please refer to the Fund's most recent Semi-Annual or Annual Shareholder Report.

**DAVIS VARIABLE ACCOUNT FUND, INC.**  
**DAVIS REAL ESTATE PORTFOLIO**

**Schedule of Investments**  
**March 31, 2017 (Unaudited)**

	Shares	Value
<b>COMMON STOCK – (93.81%)</b>		
<b>INFORMATION TECHNOLOGY – (3.08%)</b>		
<b>Software &amp; Services – (3.08%)</b>		
InterXion Holding N.V. (Netherlands)*	13,570	\$ 536,829
<b>TOTAL INFORMATION TECHNOLOGY</b>		<b>536,829</b>
<b>REAL ESTATE – (90.73%)</b>		
<b>Equity Real Estate Investment Trusts (REITs) – (90.73%)</b>		
<b>Diversified REITs – (1.04%)</b>		
Forest City Realty Trust Inc., Class A	8,350	181,863
<b>Health Care REITs – (4.58%)</b>		
Ventas, Inc.	4,280	278,371
Welltower Inc.	7,320	518,403
		796,774
<b>Hotel &amp; Resort REITs – (1.67%)</b>		
Host Hotels & Resorts Inc.	15,620	291,469
<b>Industrial REITs – (12.97%)</b>		
DCT Industrial Trust Inc.	7,370	354,644
EastGroup Properties, Inc.	2,870	211,031
First Industrial Realty Trust, Inc.	11,660	310,506
Prologis, Inc.	10,940	567,567
Rexford Industrial Realty, Inc.	6,130	138,048
Terreno Realty Corp.	24,200	677,600
		2,259,396
<b>Office REITs – (14.54%)</b>		
Alexandria Real Estate Equities, Inc.	3,070	339,296
Boston Properties, Inc.	2,190	289,978
Cousins Properties, Inc.	38,610	319,305
Great Portland Estates PLC (United Kingdom)	45,320	369,931
Hudson Pacific Properties Inc.	7,580	262,571
New York REIT, Inc. *	18,810	182,269
SL Green Realty Corp.	2,630	280,411
Vornado Realty Trust	4,870	488,510
		2,532,271
<b>Residential REITs – (17.40%)</b>		
American Campus Communities, Inc.	10,960	521,587
Apartment Investment & Management Co., Class A	5,980	265,213
AvalonBay Communities, Inc.	3,650	670,140
Camden Property Trust	1,870	150,460
Equity Residential	5,520	343,454
Essex Property Trust, Inc.	2,270	525,573
Mid-America Apartment Communities, Inc.	5,450	554,483
		3,030,910
<b>Retail REITs – (17.49%)</b>		
Acadia Realty Trust	18,150	545,589
Cedar Realty Trust Inc.	16,840	84,537
DDR Corp.	7,620	95,479
Federal Realty Investment Trust	2,470	329,745
GGP Inc.	10,930	253,357
Kite Realty Group Trust	4,239	91,138
Ramco-Gershenson Properties Trust	5,290	74,166

**DAVIS VARIABLE ACCOUNT FUND, INC.**  
**DAVIS REAL ESTATE PORTFOLIO - (CONTINUED)**

**Schedule of Investments**  
**March 31, 2017 (Unaudited)**

	Shares/Principal	Value
<b>COMMON STOCK – (CONTINUED)</b>		
<b>REAL ESTATE – (CONTINUED)</b>		
<b>Equity Real Estate Investment Trusts (REITs) – (Continued)</b>		
<b>Retail REITs – (Continued)</b>		
Regency Centers Corp.	2,500	\$ 165,975
Retail Opportunity Investments Corp.	19,320	406,300
Simon Property Group, Inc.	5,810	999,494
		<u>3,045,780</u>
<b>Specialized REITs – (21.04%)</b>		
CatchMark Timber Trust Inc., Class A	55,860	643,507
Crown Castle International Corp.	4,240	400,468
CubeSmart	10,820	280,887
CyrusOne Inc.	9,410	484,333
DuPont Fabros Technology Inc.	4,330	214,725
Extra Space Storage Inc.	3,150	234,329
Life Storage, Inc.	3,870	317,804
Public Storage	3,150	689,566
Weyerhaeuser Co.	11,770	399,945
		<u>3,665,564</u>
<b>TOTAL REAL ESTATE</b>		<b>15,804,027</b>
<hr/>		
<b>TOTAL COMMON STOCK – (Identified cost \$14,570,440)</b>		<b>16,340,856</b>
<hr/>		
<b>PREFERRED STOCK – (0.34%)</b>		
<b>REAL ESTATE – (0.34%)</b>		
<b>Equity Real Estate Investment Trusts (REITs) – (0.34%)</b>		
<b>Retail REITs – (0.34%)</b>		
CBL & Associates Properties, Inc., Series D, 7.375%, Cum. Pfd.	1,840	44,141
CBL & Associates Properties, Inc., Series E, 6.625%, Cum. Pfd.	640	14,938
		<u>59,079</u>
<b>TOTAL REAL ESTATE</b>		<b>59,079</b>
<hr/>		
<b>TOTAL PREFERRED STOCK – (Identified cost \$58,837)</b>		
<hr/>		
<b>SHORT-TERM INVESTMENTS – (6.10%)</b>		
INTL FCStone Financial Inc. Joint Repurchase Agreement, 0.83%, 04/03/17, dated 03/31/17, repurchase value of \$228,016 (collateralized by: U.S. Government agency mortgages and obligations in a pooled cash account, 0.875%-9.50%, 06/15/17-01/20/47, total market value \$232,560)	\$ 228,000	228,000
Mizuho Securities USA Inc. Joint Repurchase Agreement, 0.77%, 04/03/17, dated 03/31/17, repurchase value of \$106,007 (collateralized by: U.S. Government agency mortgages in a pooled cash account, 4.00%-4.50%, 05/20/46-12/20/46, total market value \$108,120)	106,000	106,000
Nomura Securities International, Inc. Joint Repurchase Agreement, 0.82%, 04/03/17, dated 03/31/17, repurchase value of \$410,028 (collateralized by: U.S. Government agency mortgages and obligations in a pooled cash account, 0.00%-5.00%, 05/25/17-11/20/46, total market value \$418,200)	410,000	410,000



**DAVIS VARIABLE ACCOUNT FUND, INC.**  
**DAVIS REAL ESTATE PORTFOLIO - (CONTINUED)**

**Schedule of Investments**  
**March 31, 2017 (Unaudited)**

	Principal	Value
<b>SHORT-TERM INVESTMENTS – (CONTINUED)</b>		
SunTrust Robinson Humphrey, Inc. Joint Repurchase Agreement, 0.95%, 04/03/17, dated 03/31/17, repurchase value of \$319,025 (collateralized by: U.S. Government agency mortgages in a pooled cash account, 2.125%-4.00%, 04/01/25-03/01/47, total market value \$325,380)	\$ 319,000	\$ 319,000
<b>TOTAL SHORT-TERM INVESTMENTS – (Identified cost \$1,063,000)</b>		<b>1,063,000</b>
Total Investments – (100.25%) – (Identified cost \$15,692,277) – (a)		17,462,935
Liabilities Less Other Assets – (0.25%)		(43,730)
Net Assets – (100.00%)		<u>\$ 17,419,205</u>
* Non-income producing security.		
(a) Aggregate cost for federal income tax purposes is \$15,747,267. At March 31, 2017, unrealized appreciation (depreciation) of securities for federal income tax purposes is as follows:		
Unrealized appreciation		\$ 2,105,019
Unrealized depreciation		(389,351)
Net unrealized appreciation		<u>\$ 1,715,668</u>

Please refer to "Notes to Schedule of Investments" on page 10 for the Fund's policy regarding valuation of investments.

For information regarding the Fund's other significant accounting policies, please refer to the Fund's most recent Semi-Annual or Annual Shareholder Report.

**Security Valuation** - The Funds calculate the net asset value of their 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 average of closing bid and asked prices. 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 Funds' 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. ("Adviser"), the Funds' investment adviser, identifies as a significant event occurring before the Funds' 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 Funds' 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 Funds' 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 Funds 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 Funds' 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.

**Fair Value Measurements** - Fair value is defined as the price that the Funds 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 Funds' 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 Funds can obtain the fair value assigned to a security if they were to sell the security.

## Security Valuation – (Continued)

## Fair Value Measurements - (Continued)

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

	Investments in Securities at Value		
	Davis Value Portfolio	Davis Financial Portfolio	Davis Real Estate Portfolio
<u>Valuation inputs</u>			
<b>Level 1 – Quoted Prices:</b>			
<u>Equity securities:</u>			
Consumer Discretionary	\$ 38,737,820	\$ –	\$ –
Consumer Staples	4,950,209	–	–
Energy	27,868,375	–	–
Financials	74,637,107	63,094,981	–
Health Care	13,700,020	–	–
Industrials	20,965,347	21,898	–
Information Technology	34,307,793	2,566,598	536,829
Materials	22,551,605	–	–
Real Estate	–	–	15,863,106
<b>Total Level 1</b>	<b>237,718,276</b>	<b>65,683,477</b>	<b>16,399,935</b>
<b>Level 2 – Other Significant Observable Inputs:</b>			
Short-term securities	6,231,000	4,020,000	1,063,000
<b>Total Level 2</b>	<b>6,231,000</b>	<b>4,020,000</b>	<b>1,063,000</b>
<b>Level 3 – Significant Unobservable Inputs:</b>			
<u>Equity securities:</u>			
Consumer Discretionary	4,929,155	–	–
<b>Total Level 3</b>	<b>4,929,155</b>	–	–
<b>Total Investments</b>	<b>\$ 248,878,431</b>	<b>\$ 69,703,477</b>	<b>\$ 17,462,935</b>

There were no transfers of investments between Level 1 and Level 2 of the fair value hierarchy during the three months ended March 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 three months ended March 31, 2017:

	Davis Value Portfolio
<b>Investment Securities:</b>	
Beginning balance	\$ 4,929,155
Net change in unrealized appreciation	–
<b>Ending balance</b>	<b>\$ 4,929,155</b>
Net change in unrealized appreciation during the period on Level 3 securities still held at March 31, 2017	\$ –

There were no transfers of investments into or out of Level 3 of the fair value hierarchy during the period. The cost of purchases or proceeds from sales may include securities received or delivered through corporate actions or exchanges.

The following table is a summary of those assets in which significant unobservable inputs (Level 3), if any, 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					
Fund	Investments at Value	Fair Value at March 31, 2017	Valuation Technique	Unobservable Input	Amount
Davis Value Portfolio	Preferred Stock	\$ 4,929,155	Market Approach	Transaction Price	\$38,2271

The significant unobservable input listed in the table above is attributable to a private security and includes assumptions made from a private transaction, and if changed, would affect the fair value of the Fund's investment. An increase or decrease in this input would result in a higher or lower fair value measurement.