

Davis Value Portfolio

December 31, 2016

For Variable Annuity Investors Who Are Looking for Long-Term Capital Appreciation from Large Cap Companies¹

Portfolio of Davis Variable Account Fund, Inc.

Davis Value Portfolio is a portfolio of attractive businesses primarily in the U.S. selected using the time-tested Davis Investment Discipline. As one of the largest investors in the strategy, we have a unique commitment to client stewardship.

► Why Invest in Davis Value Portfolio

■ **Equity-Focused Research Firm:**

Established in 1969, Davis is a leading specialist in equity investing. Our primary focus on equity research and unique investment discipline has built wealth for our clients over the long term.

■ **Portfolio of Best of Breed**

Businesses: Utilizing rigorous independent research, we invest in durable, well-managed businesses with sustainable competitive advantages and attractive long-term growth prospects selling at a discount to their true value.

■ **Attractive Results:** Investors who held Davis Value Portfolio since inception have outperformed the market.²

■ **We Are Among the Largest Investors in the Strategy:**

We have a unique commitment to stewardship, generating attractive long-term results, managing risks and minimizing fees.

► Experienced Management



Christopher C. Davis
Portfolio Manager
27 years with
Davis Advisors



Danton G. Goei
Portfolio Manager
18 years with
Davis Advisors

► Portfolio Data

Inception Date	7/1/99
Total Net Assets	\$249,768,310
Number of Securities	54
Beta (3 years)	1.1
Turnover as of most recent audited financial statement	27% ³

► Top 10 Holdings

Alphabet	7.0%
Amazon.com	6.0
JPMorgan Chase	5.7
Wells Fargo	5.6
Apache	5.3
Berkshire Hathaway-Class A	5.0
Bank of New York Mellon	4.5
American Express	4.1
United Technologies	3.7
Encana	2.9

► Top 5 Industries

Diversified Financials	16.2%
Energy	13.1
Information Technology	12.6
Retailing	11.3
Banks	11.2

1. There is no guarantee that the investment goals/objectives will be met. **2. Past performance is not a guarantee of future results.** The market is represented by the S&P 500 Index. There is no guarantee Davis Value Portfolio will continue to outperform the market over the long term. **3.** Over the last five years, the high and low turnover rate for Davis Value Portfolio was 27% and 10%, respectively.

This material is furnished to you by Davis Distributors, LLC, which is the distributor of Davis Value Portfolio.

This material is authorized for distribution only when accompanied or preceded by a current Davis Value Portfolio prospectus, which contains more information about investment objectives, risks, fees, and expenses. Please read the prospectus carefully before investing or sending money.

Davis Value Portfolio's investment objective is long-term growth of capital. There can be no assurance that the Portfolio will achieve its objective. Davis Value Portfolio invests primarily in equity securities issued by large companies with market capitalizations of at least \$10 billion. Some important risks of an investment in the Portfolio are: stock market risk: stock markets have periods of rising prices and periods of falling prices, including sharp declines; manager risk: poor security selection may cause the Fund to underperform relevant benchmarks; common stock risk: an adverse event may have a negative impact on a company and could result in a decline in the price of its common stock; large-capitalization companies risk: companies with \$10 billion or more in market capitalization generally experience slower rates of growth in earnings per share than do mid- and small-capitalization companies; mid- and small-capitalization companies risk: companies with less than \$10 billion in market capitalization typically have more limited product lines, markets

and financial resources than larger companies, and may trade less frequently and in more limited volume; headline risk: the Fund may invest in a company when the company becomes the center of controversy. The company's stock may never recover or may become worthless; financial services risk: investing a significant portion of assets in the financial services sector may cause the Fund to be more sensitive to problems affecting financial companies; foreign country risk: foreign companies may be subject to greater risk as foreign economies may not be as strong or diversified; emerging market risk: securities of issuers in emerging and developing markets may present risks not found in more mature markets; foreign currency risk: the change in value of a foreign currency against the U.S. dollar will result in a change in the U.S. dollar value of securities denominated in that foreign currency; depositary receipts risk: depositary receipts involve higher expenses and may trade at a discount (or premium) to the underlying security; and fees and expenses risk: the Fund may not earn enough through income and capital appreciation to offset the operating expenses of the Fund. As of December 31, 2016, the Fund had approximately 10.4% of assets invested in foreign companies. See the prospectus for a complete description of the principal risks.

Broker-dealers and other financial intermediaries may charge Davis Advisors substantial fees for selling its products and providing continuing support to clients and shareholders. For example, broker-dealers and other financial intermediaries may charge: sales commissions; distribution and service fees; and record-keeping fees. In addition, payments or reimbursements may be requested for: marketing support concerning Davis Advisors' products; placement on a list of offered products; access to sales meetings, sales representatives and management representatives; and participation in conferences or seminars, sales or training programs for invited registered representatives and other employees, client and investor events

and other dealer-sponsored events. Financial advisors should not consider Davis Advisors' payment(s) to a financial intermediary as a basis for recommending Davis Advisors.

Beta is a measure of a portfolio's sensitivity to market movements in the last 36 months. The Portfolio's index as identified in the prospectus has a Beta of 1.00. While no single measurement can predict the future, a Beta of greater than 1.00 predicts greater volatility and a Beta of less than 1.00 predicts less volatility than the stock market as a whole.

Turnover Rate is a measure of the trading activity in a mutual fund's investment portfolio that reflects how often securities are bought and sold.

The Portfolio generally uses Global Industry Classification Standard ("GICS") as developed by Morgan Stanley Capital International and Standard & Poor's Corporation to determine industry classification. GICS presents industry classification as a series of levels (i.e. sector, industry group, industry, and sub-industry). Allocations shown are at the Industry Group level except for the following industry groups which have been combined as indicated: Information Technology: Software & Services, Technology Hardware & Equipment, Semiconductors & Semiconductor Equipment; Health Care: Pharmaceuticals, Biotechnology & Life Sciences, Health Care Equipment & Services. The Advisor may reclassify a company into an entirely different industry if it believes that the GICS classification for a specific company does not accurately describe the company. Industry Group weightings are subject to change.

An investment in the Portfolio is not a deposit of any bank and is not insured or guaranteed by any bank, the Federal Deposit Insurance Corporation or any other government agency.

There is no guarantee that the Portfolio's investments in these companies will be profitable.