

Davis Financial Fund

Underappreciated and Undervalued

The Case for Financials in the Coming Decade

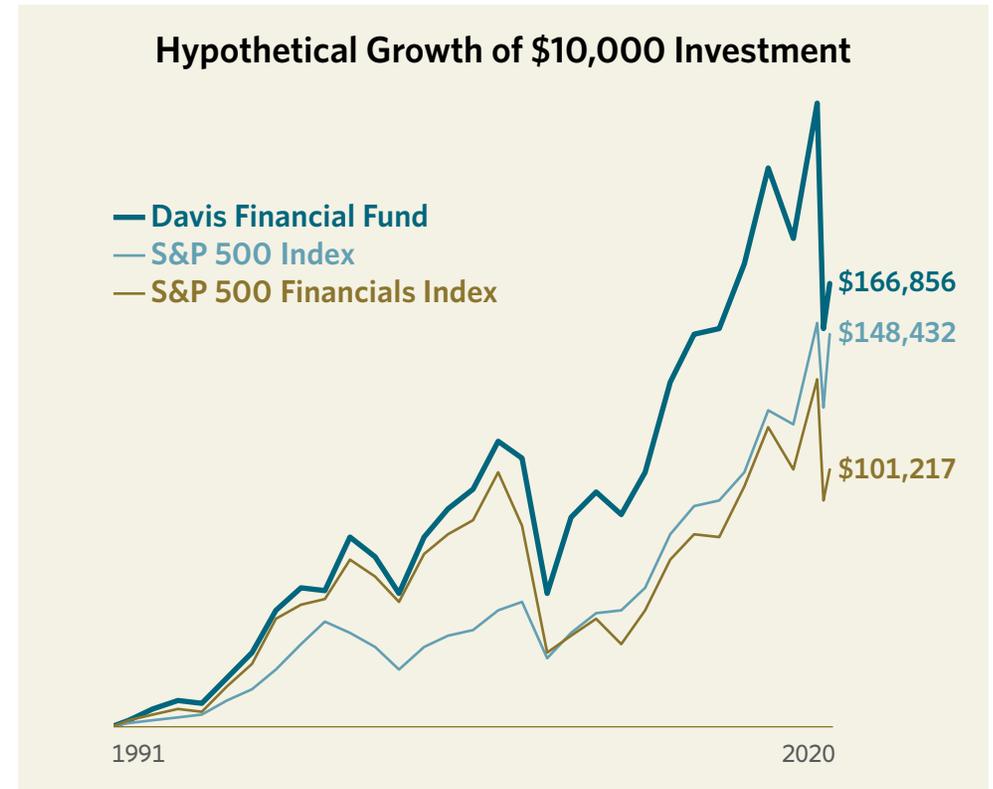


Chris Davis
Portfolio Manager

“Given today’s low prices, we believe select financials will generate strong returns over the next decade because they combine what we feel are durable business models, the strongest balance sheets in half a century, resilient earnings, good returns on equity, the potential for rising dividends, falling share counts, and low valuations.”

History of Outperformance

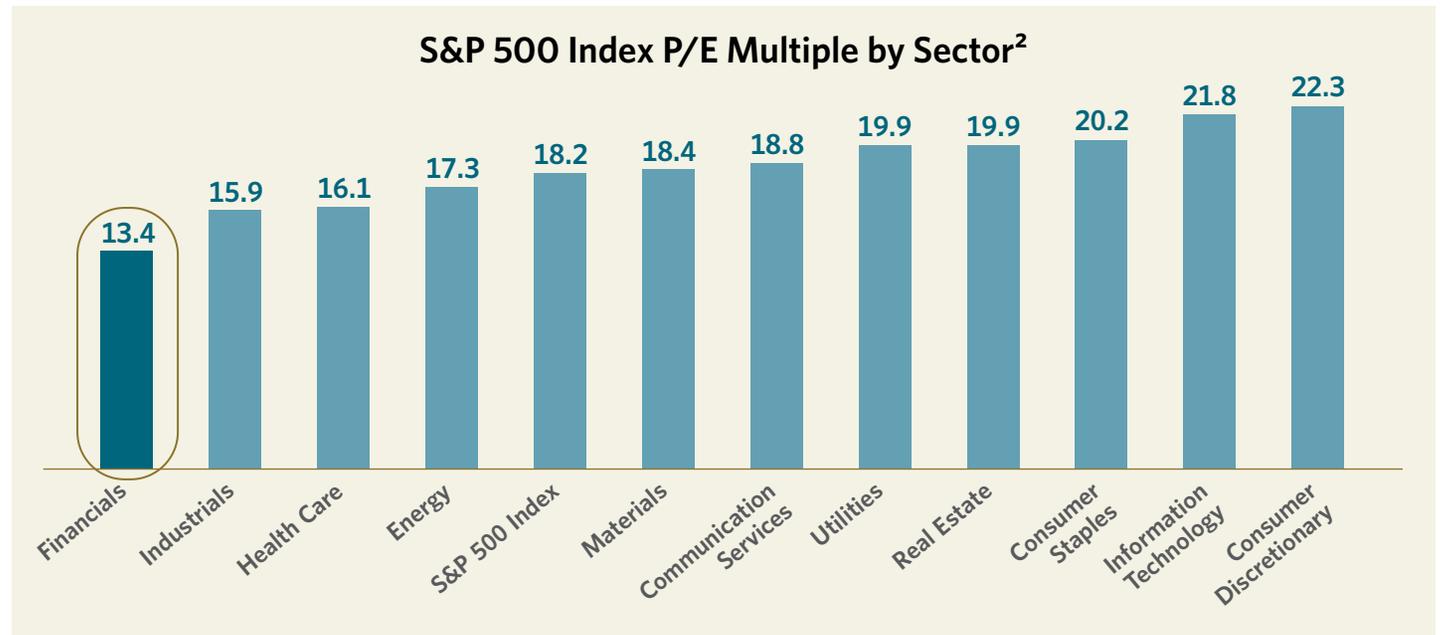
Through rigorous research and careful stock selection, Davis Financial Fund has outperformed the S&P 500 Index and S&P 500 Financials Index since inception. Davis Financial Fund has also outperformed XLF by more than 2% per year on average since XLF’s inception.¹



The average annual total returns for Davis Financial Fund’s Class A shares for periods ending June 30, 2020, including a maximum 4.75% sales charge, are: 1 year, –22.69%; 5 years, 0.71%; and 10 years, 7.43%. The performance presented represents past performance and is not a guarantee of future results. Total return assumes reinvestment of dividends and capital gain distributions. Investment return and principal value will vary so that, when redeemed, an investor’s shares may be worth more or less than their original cost. The total annual operating expense ratio for Class A shares as of the most recent prospectus was 0.94%. The total annual operating expense ratio may vary in future years. Returns and expenses for other classes of shares will vary. Current performance may be higher or lower than the performance quoted. For most recent month-end performance, visit davisfunds.com or call 800-279-0279. Past performance is not a guarantee of future results. The Undervalued reference in this piece relates to underlying P/E ratios for the portfolio holdings. There is no guarantee that the Fund performance will be positive as equity markets are volatile and an investor may lose money. This is not a recommendation to buy, sell, or hold any specific security.

Financials Are Attractively Priced Today

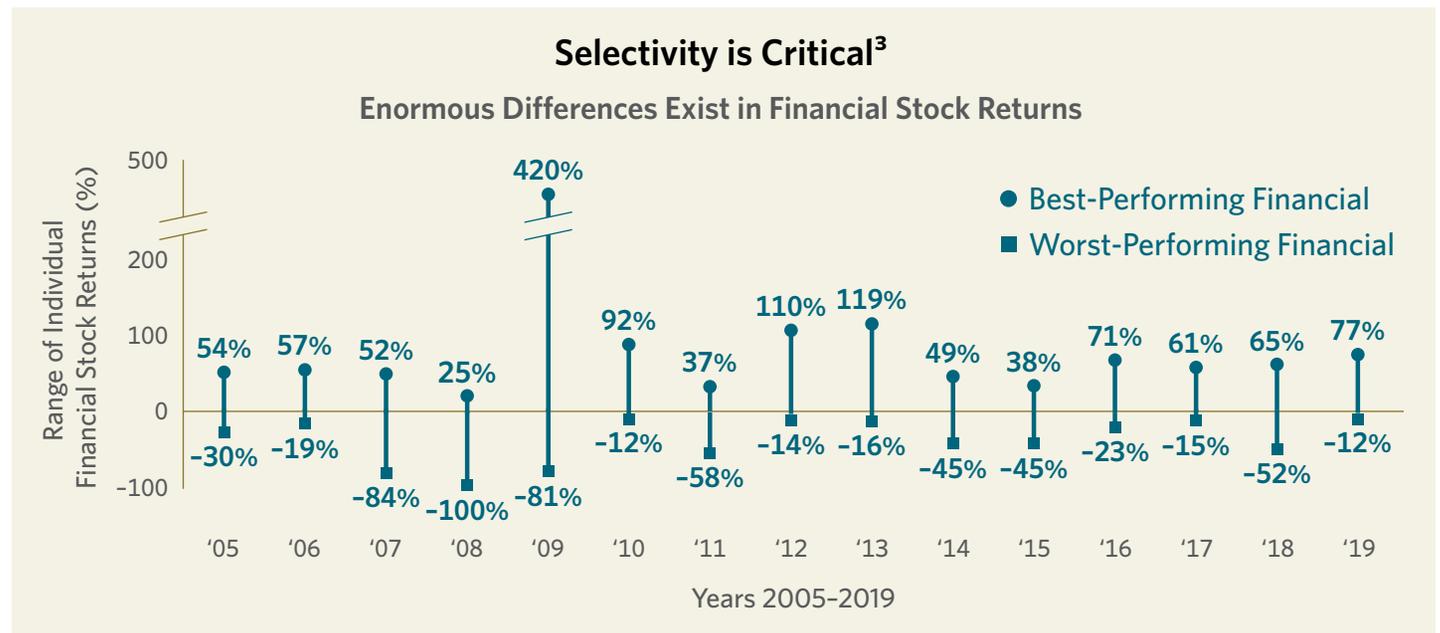
High-quality financial companies are selling at a substantial discount to the market, offering the potential double-play of increasing earnings and expanding P/E multiples.



Financials: Research and Selectivity Add Tremendous Value

Enormous differences exist in financial stock returns. Experienced active management, discerning research and stock selection can add significant value in this vast, inefficient sector.

Average difference between best and worst performing stock since 2005: 129%



Davis Financial Fund: A Premier Financial Sector Investment

Symbols

A Shares	RFIGX
C Shares	DFFCX
Y Shares	DVFYX



High Conviction Best Ideas Portfolio

Financial companies selected using Davis Investment Discipline.



Low Cost

Expense ratio less than the category average.⁴



**Outperformed XLF by approximately
2.2% Per Year on Average Since
XLF's Inception¹**



**Portfolio Manager Chris Davis
One of the Largest Shareholders**

Ensures interests aligned with clients.⁵



**Over 25 Years of
Successful Investing**

Performance statements herein are representative of the Fund's Class A shares without a sales charge. Inception date is 5/1/91. As of 6/30/20.

Past performance is not a guarantee of future results. **1.** XLF is the Financial Select Sector SPDR Fund. Its inception is 12/16/98. Not a solicitation for XLF. **2.** As of 12/31/19. Source: Credit Suisse. **3.** Source: Davis Advisors and Wilshire Atlas. The chart shows the performance of the single best-performing stock and single worst-performing stock in the S&P 500 Financials Index. As of 12/31/19. For illustrative purposes only. **4.** Net expenses. As of the most recent prospectus. The expense ratio for Class A shares of the Fund vs. the Lipper Financial Services Category is 0.94% vs. 1.52%. **5.** As of 6/30/20.

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

Objective and Risks. Davis Financial Fund's investment objective is long-term growth of capital. There can be no assurance that the Fund will achieve its objective. Under normal circumstances the Fund invests at least 80% of its net assets, plus any borrowing for investment purposes, in securities issued by companies principally engaged in the financial services sector. Some important risks of an investment in the Fund are: **stock market risk:** stock markets have periods of rising prices and periods of falling prices, including sharp declines; **common stock risk:** an adverse event may have a negative impact on a company and could result in a decline in the price of its common stock; **financial services risk:** investing a significant portion of net assets in

the financial services sector may cause the Fund to be more sensitive to systemic risk, regulatory actions, changes in interest rates, non-diversified loan portfolios, credit, and competition; **credit risk:** The issuer of a fixed income security (potentially even the U.S. Government) may be unable to make timely payments of interest and principal; **interest rate sensitivity risk:** interest rates may have a powerful influence on the earnings of financial institutions; **focused portfolio risk:** investing in a limited number of companies causes changes in the value of a single security to have a more significant effect on the value of the Fund's total portfolio; **headline risk:** the Fund may invest in a company when the company becomes the center of controversy. The company's stock may never recover or may become worthless; **foreign country risk:** foreign companies may be subject to greater risk as foreign economies may not be as strong or diversified. As of 6/30/20, the Fund had approximately 18.5% of net assets invested in foreign companies; **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; **manager risk:** poor security selection may cause the Fund to underperform relevant benchmarks; **depository receipts risk:** depository receipts may trade at a discount (or premium) to the underlying security and may be less liquid than the underlying securities listed on an exchange; **fees and expenses risk:** the Fund may not earn enough through income and capital appreciation to offset the operating expenses of the Fund; **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; **emerging market risk:** securities of issuers in emerging and

developing markets may present risks not found in more mature markets; and **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. See the prospectus for a complete description of the principal risks.

Davis Financial Fund ("Fund") and Financial Select Sector SPDR Fund ("XLF"). The Fund seeks long-term growth of capital while XLF seeks to provide investment results that, before expenses, correspond generally to the price and yield performance of publicly traded equity securities of companies in the Financial Select Sector Index. The Fund has a sales charge of up to 4.75% while XLF can only be purchased on an exchange with no sales charge but may incur transaction costs (e.g., customary brokerage commissions). The Fund's expense ratio is 0.94% and that of XLF is 0.13%. Shares of the Fund can only be bought or sold at that day's NAV through a financial intermediary. Shares of XLF can only be bought and sold on an exchange at the current market price. Shares cannot be individually redeemed. Capital gains of the Fund may be passed on to shareholders annually while capital gains tax on XLF is incurred only upon the sale of the shares. The chart icon on page 3 is not a representation of the performance of the Fund or XLF.

Broker-dealers and other financial intermediaries may charge Davis Advisors and/or Davis Distributors, LLC substantial fees for selling its funds and providing continuing support to clients and shareholders. For example, broker-dealers and other financial intermediaries may charge: sales commissions; distribution and service fees; and record-keeping fees. In addition, payments or

reimbursements may be requested for: marketing support; 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' and/or Davis Distributors, LLC's payment(s) to a financial intermediary as a basis for recommending the Fund.

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

The **S&P 500 Index** is an unmanaged index of 500 selected common stocks, most of which are listed on the New York Stock Exchange. The index is adjusted for dividends, weighted towards stocks with large market capitalizations and represents approximately two-thirds of the total market value of all domestic common stocks. The **S&P 500 Financials Index** is a capitalization-weighted index that tracks the companies in the financial sector as a subset of the S&P 500 Index. Investments cannot be made directly in an index.

After 10/31/20, this material must be accompanied by a supplement containing performance and rating data for the most recent quarter end.

The Equity Specialist is a service mark of Davis Selected Advisers, L.P.

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