

Davis Government Bond Fund

December 31, 2018

Income Security of
U.S. Government Bonds

► Portfolio Manager

Creston King III, CFA

► Investment Strategy

The Fund seeks current income by investing in debt securities guaranteed or issued by the U.S. government or its agencies. These include mortgage-backed securities, which may comprise a large portion of the Fund.

The Fund can help create a strong foundation for any long-term investment portfolio—offering an excellent means of balancing equity holdings.

The Fund's strategy is to diversify among different types of government securities, maturity lengths, call provisions, and interest rate coupons. The Fund seeks to smooth out performance and reduce volatility in a variety of market climates.

► Fund Facts

Inception Date (CI-A)	12/1/94
Total Net Assets	\$29.3 million
Total Fund Holdings	34

► Symbols

A Shares	RFBAX
C Shares	DGVCX
Y Shares	DGVYX

► Portfolio Measurements

Weighted Average Duration	1.73 Years
Weighted Average Maturity	2.03 Years

► Total Returns—A Shares

Year	Without a Sales Charge		With a Maximum 4.75% Sales Charge	
	Avg. Annual	Cumulative	Avg. Annual	Cumulative
1	0.42%	0.42%	-4.35%	-4.35%
5	0.38	1.90	-0.59	-2.93
10	0.83	8.61	0.34	3.45
15	1.52	25.44	1.19	19.49
20	2.17	53.70	1.92	46.40
Life	3.01	104.23	2.80	94.53

► Expenses

Expense Ratio (A Shares) ¹	1.14%
Expense Ratio (Y Shares) ¹	0.91%

► Yields and Distributions—A Shares

Current Distribution Yield	2.01%
30 Day SEC Yield	2.17%
Dividend Paid	Monthly
Last Distribution (12/31/18)	\$0.008842
Last 12 Month Distribution	\$0.062177

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 1.14%. (The Advisor is contractually committed through May 1, 2020, to waive fees and/or reimburse the Fund's expenses to the extent necessary to cap total annual fund operating expenses at 1.05%. The expense ratio before the cap was 1.14%.) 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.

1. Gross expenses, as of the most recent prospectus. The Adviser is contractually committed to waive fees and/or reimburse the Fund's expenses to the extent necessary to cap total annual fund operating expense for Class A shares at 1.05% until May 1, 2020.

This piece is authorized for use by existing shareholders. A current Davis Government Bond Fund prospectus must accompany or precede this piece 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.

Average annual total returns as of December 31, 2018:

DGBF	1 Year	5 Years	10 Years	Inception
Class A (with 4.75% sales charge)	-4.35%	-0.59%	0.34%	12/1/94
Class C (with deferred sales charge)	-1.32	-0.40	0.02	8/19/97
Class Y	0.83	0.74	1.11	9/1/98

As of the most recent prospectus the expense ratios were: Class A shares, 1.14%; Class C shares, 1.91%; Class Y shares, 0.91%. The Adviser is contractually committed to waive fees and/or reimburse the Fund's expenses to the extent necessary to cap total annual fund operating expense for Class A at 1.05%, Class C at 1.80%, and Class Y at 0.80% until May 1, 2020.

Davis Funds has adopted a Portfolio Holdings Disclosure policy that governs the release of non-public portfolio holding information. This policy is described in the applicable prospectus. Visit davisfunds.com or call 800-279-0279 for the most current public portfolio holdings information.

Objective and Risks. Davis Government Bond Fund's investment objective is current income. In order to achieve this objective while minimizing volatility and preserving capital, the Fund invests exclusively, under normal circumstances, in U.S. Government Securities and repurchase agreements collateralized by U.S. Government Securities with a weighted average maturity of three years or less. Some important risks of an investment in the Fund are: **changes in debt rating risk:** if a rating agency gives a fixed income security a low rating, the value of the security will decline; **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; **extension and prepayment risk:** the pace

at which borrowers prepay affects the yield and the cash flow to holders of securities and the market value of those securities; **fees and expenses risk:** the Fund may not earn enough through income and capital appreciation to offset the operating expenses of the Fund; **inflation risk:** cash flows from an investment may not be worth as much in the future because of changes in purchasing power due to inflation; **interest rate risk:** interest rate increases can cause the price of a debt security to decrease; **repurchase agreement risk:** in the event of a bankruptcy or other default of a seller of a repurchase agreement, the Fund could experience both delays in liquidating the underlying securities and losses; **U.S. Government securities risk:** government securities are interest rate sensitive. Changes by recognized rating services in their ratings of debt securities and changes in the ability of an issuer to make payments of interest and principal also will affect the value of these investments; and **variable current income risk:** the income which the Fund pays to investors is not stable. Your investment in the fund is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency, entity or person. See the prospectus for a complete description of the principal risks.

The Davis Government Bond Fund invests in debt securities which are obligations of or which are guaranteed or issued by the U.S. Government and its agencies or instrumentalities. These guarantees relate to the timely payment of principal and interest of the Fund's portfolio securities and not to the shares of the Fund, which will fluctuate in value.

The SEC Yield is computed in accordance with SEC standards measuring the net investment income per share over a specified 30 day period expressed as a percentage of the maximum offering price of the Fund's shares at the end of the period. The Current Distribution Yield is computed by multiplying the last dividend paid by 12 distributions per year and dividing that product by the current NAV per share.

After April 30, 2019, this material must be accompanied by a supplement containing performance data for the most recent calendar quarter.

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.