

# Davis Opportunity Fund

June 30, 2018

## Long-Term Capital Appreciation

Davis Opportunity Fund is a portfolio with the flexibility to seek attractive businesses across all market caps, industries and sectors, predominantly in the U.S. Using the time-tested Davis Investment Discipline, the Fund has outperformed its benchmark since we began daily active management.<sup>1</sup> The Fund has lower than average expenses.<sup>2</sup> As the largest shareholder, we have a unique commitment to client stewardship.

### ► Why Invest in Davis Opportunity Fund

#### ■ 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:

The Fund can opportunistically invest in businesses across all market caps, industries and sectors, predominantly in the U.S. 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:

The Fund has outperformed the S&P 1500 Index since we began daily active management on January 1, 1999.<sup>1</sup>

#### ■ Flexible, Opportunistic Approach:

We believe a bottom-up stock selection process and not mirroring the benchmark index are keys to long-term outperformance.

#### ■ We Are the Largest Shareholder:

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

### ► Experienced Management

The research team has an average of 17 years investment experience.

### ► Our Investment Alongside Our Shareholders

We have more than \$2 billion of our own money invested side by side with clients.<sup>3</sup>

### ► Symbols

|          |       |
|----------|-------|
| A Shares | RPEAX |
| C Shares | DGOCX |
| Y Shares | DGOYX |

### ► Fund Facts

|                       |                 |
|-----------------------|-----------------|
| Inception Date (CI-A) | 12/1/94         |
| Total Net Assets      | \$675.1 million |
| Total Fund Holdings   | 44              |

### ► Lower Expenses

|                                       |                 |
|---------------------------------------|-----------------|
| Expense Ratio (CI-A) <sup>2</sup> vs. |                 |
| Lipper Category Average               | 0.95% vs. 1.24% |
| Expense Ratio (CI-Y) <sup>2</sup> vs. |                 |
| Lipper Category Average               | 0.70% vs. 1.24% |

### ► Top 10 Holdings

|                     |      |
|---------------------|------|
| Alphabet            | 7.8% |
| Apache              | 6.1  |
| Amazon.com          | 6.0  |
| Wells Fargo         | 4.9  |
| Aetna               | 4.7  |
| United Technologies | 4.2  |
| Facebook-Class A    | 4.1  |
| Adient PLC          | 4.0  |
| Grab                | 3.5  |
| Encana              | 3.5  |

### ► Top 5 Industries

|                        |       |
|------------------------|-------|
| Information Technology | 25.3% |
| Retailing              | 15.2  |
| Energy                 | 15.0  |
| Capital Goods          | 12.0  |
| Health Care            | 9.4   |

### ► Market Capitalization (% of equities)

|           |       |
|-----------|-------|
| Large Cap | 81.4% |
| Mid Cap   | 11.3  |
| Small Cap | 7.3   |

## Hypothetical \$10,000 Investment Growth Since Inception<sup>1</sup>



The average annual total returns for Davis Opportunity Fund's Class A shares for periods ending June 30, 2018, including a maximum 4.75% sales charge, are: 1 year, 8.52%; 5 years, 13.07%; and 10 years, 10.13%. 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 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](http://davisfunds.com) or call 800-279-0279. The Fund's performance benefited from IPOs purchased in 2013 and 2014. After purchase, the IPOs rapidly increased in value. Davis Advisors purchases shares intending to benefit from long-term growth of the underlying company; the rapid appreciation of the IPOs was an unusual occurrence.

1. Class A shares without a sales charge. Inception date is 1/1/99. As of June 30, 2018. **Past performance is not a guarantee of future results.** 2. Gross expenses. As of most recent prospectus. The Fund is categorized by Lipper as Multi-Cap Core. 3. Includes Davis Advisors, Davis family and Foundation, our employees, and Fund directors who have more than \$2 billion invested in similarly managed accounts and strategies. As of June 30, 2018.

*This piece is authorized for use by existing shareholders. A current Davis Opportunity 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.*

Davis Advisors began active daily management of the Davis Opportunity Fund on January 1, 1999. From May 1, 1984 until December 31, 1998, Davis Advisors had a subadvisor that handled the active daily management of the Fund.

The Fund 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.

Average annual total returns as of June 30, 2018:

| DOF                                  | 1 Year | 5 Years | 10 Years | Inception |
|--------------------------------------|--------|---------|----------|-----------|
| Class A (with 4.75% sales charge)    | 8.52%  | 13.07%  | 10.13%   | 12/1/94   |
| Class C (with deferred sales charge) | 12.07  | 13.28   | 9.79     | 8/15/97   |
| Class Y                              | 14.19  | 14.44   | 10.96    | 9/18/97   |

As of the most recent prospectus the expense ratios were: Class A shares, 0.95%; Class C shares, 1.73%; Class Y shares, 0.70%.

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 prospectus. Holding percentages are subject to change. Visit [davisfunds.com](http://davisfunds.com) or call 800-279-0279 for the most current public portfolio holdings information.

**Objective and Risks.** Davis Opportunity Fund's investment objective is long-term growth of capital. There can be no assurance that the Fund will achieve its objective. Some important risks of an investment in the Fund are: **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; **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; **emerging market risk:** securities of issuers in emerging and developing markets may present risks not found in more mature markets; **fees and expenses risk:** the Fund may not earn enough through income and capital appreciation to offset the operating expenses of the Fund; **foreign country risk:** foreign companies may be subject to greater risk as foreign economies may not be as strong or diversified. As of June 30, 2018, the Fund had approximately 23.2% of assets invested in foreign companies; **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; **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; **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; **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; and **stock market risk:** stock markets have periods of rising prices and periods of falling prices, including sharp declines. See the prospectus for a complete description of the principal risks.

**Multi-Cap Core** funds invest in a variety of market capitalization ranges without concentrating 75% of their equity assets in any one market capitalization range over an extended period of time. Multi-Cap Core funds typically have average characteristics compared to the S&P SuperComposite 1500 Index.

The **S&P 1500 Index** is comprised of the S&P 500, MidCap 400, and SmallCap 600, which together represent approximately 90% of the U.S. equity market.

After October 31, 2018, this material must be accompanied by a supplement containing performance data for the most recent quarter end.

The Equity Specialists™ 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.**