

# Davis Large Cap Equity

September 30, 2024

## Long-Term Capital Appreciation

Davis Large Cap Equity is a portfolio of attractive businesses predominantly in the U.S. selected using the time-tested Davis Investment Discipline. The portfolio is co-managed utilizing fundamental, bottom-up research for stock selection. The portfolio has outperformed its benchmark index since 1969.<sup>1</sup> As one of the largest investors, we have a unique commitment to client stewardship.

## Unique Attributes of the Davis Large Cap Equity Portfolio

- Equity-Focused Research Firm:**  
 Established in 1969, Davis is a leading specialist in equity investing.
- 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:** The portfolio has outperformed the S&P 500 Index since inception.<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 One of the Largest Investors:**  
 We have a unique commitment to stewardship, generating attractive long-term results, managing risks and minimizing fees.

## Performance Summary

For the trailing quarter, the S&P 500 Index returned 5.89%. Davis Large Cap Equity Portfolio underperformed the index during this period. On a sector basis relative to the benchmark, financials was the largest contributor to performance while information technology detracted from performance.

## Our Investment Alongside Clients

We have more than \$2 billion invested in Davis Strategies and Funds.<sup>2</sup>

## Vehicles

- Separately Managed Accounts
- Davis New York Venture Fund  
 A Shares NYVTX    Y Shares DNVYX
- Selected American Shares  
 S Shares SLASX    D Shares SLADX
- SICAV Davis Value Fund  
 A Shares CUSIP L22865106  
 I Shares CUSIP L22865148
- Davis Select U.S. Equity ETF  
 DUSA

## Portfolio Characteristics<sup>3</sup>

	Portfolio	S&P 500
Number of Holdings	31	503
P/E (Forward)	15.3	23.7
EPS Growth (5 Year)	17.3	16.9
Price/Book	3.2	4.9
Beta (5 Year)	1.1	1.0
Weighted Average Market Cap (\$bn)	413.3	946.2
Median Market Cap (\$bn)	53.0	38.2

## Contacts

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## Top 10 Holdings<sup>4</sup>

Berkshire Hathaway
Meta Platforms
Capital One Financial
Applied Materials
Viatis
Wells Fargo
MGM Resorts
Amazon.com
Texas Instruments
Alphabet

Sector Breakdown	Portfolio	S&P 500
Financials	36.1%	12.9%
Communication Services	15.2	8.9
Health Care	14.9	11.6
Information Technology	13.9	31.8
Consumer Discretionary	10.4	10.1
Industrials	3.6	8.5
Materials	3.0	2.2
Consumer Staples	1.8	5.9
Energy	1.1	3.3
Utilities	0.0	2.5
Real Estate	0.0	2.3

1. References to Portfolio herein refer to the Davis Advisors' Large Cap Equity Composite. 2. Includes Davis Advisors, the Davis family and Foundation, and our employees. As of 9/30/24. 3. Figures represent a Davis U.S. Large Cap Equity Account. Individual accounts may not have the same results and characteristics will change over time. Source: Davis Advisors and Wilshire Atlas. 4. For information purposes only. Not a recommendation to purchase or sell any security. There can be no assurance that an investor will earn a profit and not lose money.

*This material may be shared with existing and potential clients to provide information concerning market conditions and the investment strategies and techniques used by Davis Advisors to manage its client accounts. Please refer to Davis Advisors Form ADV Part 2 for more information regarding investment strategies, risks, fees, and expenses. Clients should also review other relevant material, including a schedule of investments listing securities held in their account.*

The performance of mutual funds is included in the Composite. The performance of the mutual funds and other Davis managed accounts may be materially different. For example, the Davis New York Venture Fund may be significantly larger than another Davis managed account and may be managed with a view toward different client needs and considerations. The differences that may affect investment performance include, but are not limited to: the timing of cash deposits and withdrawals, the possibility that Davis Advisors may not buy or sell a given security on behalf of all clients pursuing similar strategies, the price and timing differences when buying or selling securities, the size of the account, the differences in expenses and other fees, and the clients pursuing similar investment strategies but imposing different investment restrictions. This is not a solicitation to invest in the Davis New York Venture Fund or any other fund.

Davis Advisors is committed to communicating with our investment partners as candidly as possible because we believe our clients benefit from understanding our investment philosophy and approach. Our views and opinions include "forward-looking statements" which may or may not be accurate over the long term. Forward-looking statements can be identified by words like "believe," "expect," "anticipate," or similar expressions. You should not place undue reliance on forward-looking statements, which are current as of the date of this report. We disclaim any obligation to update or alter any forward-looking statements, whether as a result of new information,

future events, or otherwise. While we believe we have a reasonable basis for our appraisals and we have confidence in our opinions, actual results may differ materially from those we anticipate.

Davis Advisors' Large Cap Value Composite includes all actual, fee-paying, discretionary Large Cap Value investing style institutional accounts and mutual funds under management for each investment period from 4/1/69, through the date of this report, including those accounts no longer managed. Effective 1/1/98, a minimum account size of \$3,500,000 was established. Accounts below this minimum are deemed not to be representative of the Composite's intended strategy and as such are not included in the Composite. Prior to 1/1/11, wrap accounts were included in the Composite. A time-weighted internal rate of return formula is used to calculate performance for the accounts included in the Composite. For the net of advisory fees performance results, custodian fees are treated as cash withdrawals and advisory fees are treated as a reduction in market value. For mutual funds, the Composite uses the rate of return formula used by the open-end mutual funds calculated in accordance with the SEC guidelines adjusted to treat mutual fund expenses other than advisory fees as cash withdrawals; sales charges are not reflected. Wrap account returns are computed net of a 3% maximum wrap fee. For the gross performance results, custodian fees and advisory fees are treated as cash withdrawals. A list of Davis Advisors' Composites is available upon request.

The investment objective of a Davis Large Cap Value account is long-term growth of capital. There can be no assurance that Davis will achieve its objective. Davis Advisors uses the Davis Investment Discipline to invest a client's assets principally in common stocks (including indirect holdings of common stock through depository receipts) issued by large companies with market capitalizations of at least \$10 billion. Historically, the Large-Cap Value strategy has invested a significant portion of its assets in financial services companies and in foreign companies, and may also invest in mid- and small-capitalization companies. The principal risks are: China risk, common stock risk, depository receipts risk, emerging markets risk, fees and expenses risk, financial services risk, focused portfolio risk, foreign country risk, foreign currency risk, headline risk, large-capitalization companies risk, manager risk, mid- and small-capitalization companies risk, and stock market risk. See the ADV Part 2 for a description of these principal risks.

The Global Industry Classification Standard ("GICS") was developed by and is the exclusive property and a service mark of MSCI Inc. ("MSCI") and Standard & Poor's Financial Services LLC ("S&P") and is licensed for use by Davis Advisors. Neither MSCI, S&P, nor any other party involved in making or compiling the GICS or any GICS classifications makes any express or implied warranties or representations with respect to such standard or classification (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability and fitness for a particular purpose with respect to any of such standard or classification. Without limiting any of the foregoing, in no event shall MSCI, S&P, any of their affiliates or any third party involved in making or compiling the GICS or any GICS classifications have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

**Trailing Positive P/E Ratio** is the ratio of the closing stock price and trailing 12 months' earnings per share. Portfolio totals are computed using an Inverse Harmonic methodology (stocks with negative P/E ratios are excluded from the portfolio totals).

**Five-Year EPS Growth Rate** is the average annualized earning per share growth for a company over the past five years. The values for the portfolio and index are the weighted average of the five-year EPS Growth Rates of the stocks in the portfolio or index.

**Price/Book (P/B) Ratio** is the weighted average of the P/B ratios of the stocks in a portfolio. The P/B ratio of a stock is calculated by dividing the current price of the stock by the company's per share book value. Stocks with negative book values are excluded for this calculation.

We gather our index data from a combination of reputable sources, including, but not limited to, 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. Investments cannot be made directly in an index.