# Davis Large Cap Value SMA Portfolio

Winter Update 2025



50 YEARS DAVIS ADVISORS

Davis Advisors

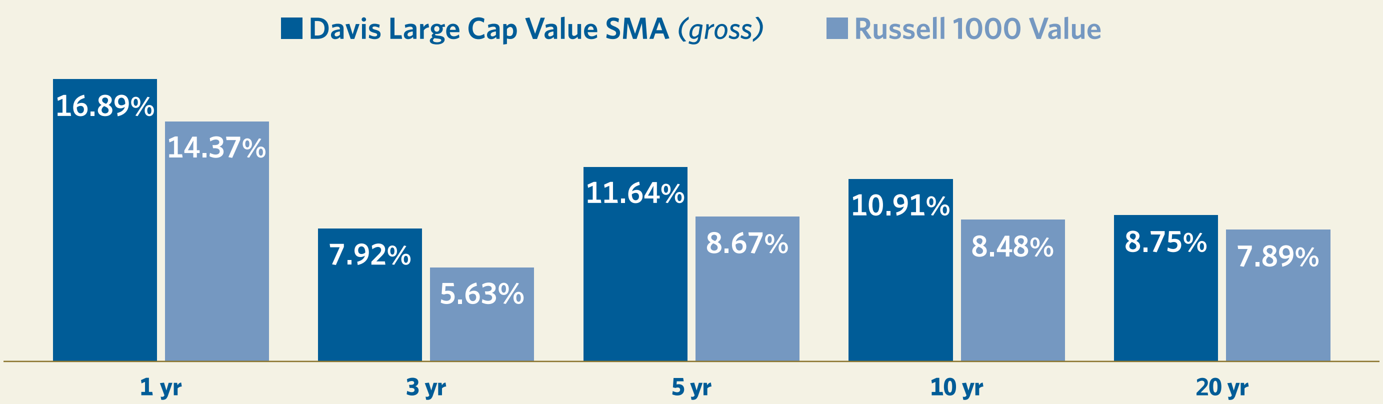
The Equity Specialists

# Portfolio Commentary

## Key Takeaways

- The U.S. stock market delivered another strong performance in 2024. The S&P 500 Index returned 25.02% in the period following 2023's rise of more than 20%.
- While the U.S. economic expansion continues, investors should be cautious and selective in allocating capital to highly valued areas of the market.
- The S&P 500 Index in particular represents a more concentrated portfolio than in recent decades and is trading at a relatively high multiple.
- Davis Large Cap Value SMA seeks to identify companies that have attractive earnings characteristics and strong business models while consciously managing valuation risk.

### Attractive Average Returns




| **Performance** (%) | 1 Year | 3 Year | 5 Year | 10 Year | 20 Year |
|---|---|---|---|---|---|
| Large Cap Value SMA *(gross)* | 16.89 | 7.92 | 11.64 | 10.91 | 8.75 |
| Large Cap Value SMA *(net 3%)* | 13.48 | 4.74 | 8.36 | 7.66 | 5.66 |
| Russell 1000 Value | 14.37 | 5.63 | 8.67 | 8.48 | 7.89 |
| S&P 500 | 25.02 | 8.93 | 14.51 | 13.09 | 10.35 |

***Net average annual total returns as of December 31, 2024, for Davis Large Cap Value SMA Portfolio Composite with a 3% maximum wrap fee: 1 year, 13.48%; 5 years, 8.36%; 10 years, 7.66%; and Inception, 10.73%.*** *Total return assumes reinvestment of dividends. Investment return and principal value will vary so that an investor may lose money. For current, quarterly returns, please ask your financial advisor to contact Davis Advisors. Current performance may be higher or lower.*

This material includes candid statements and observations regarding investment strategies, individual securities, and economic and market conditions; however, there is no guarantee that these statements, opinions or forecasts will prove to be correct. Equity markets are volatile and an investor may lose money. **Past performance is not a guarantee of future results.** Unless otherwise noted, all performance information is as of 12/31/24. The investment strategies described herein are those of Davis Advisors. These materials are being provided for illustrative and informational purposes only. The information contained herein is obtained from multiple sources that are believed to be reliable. However, such information has not been verified, and may be different from the information included in documents and materials created by the sponsor firm in whose investment program a client participates. Some sponsor firms may require that these Davis Advisors materials are preceded or accompanied by investment profiles or other documents or materials prepared by such sponsor firms, which will be provided upon a client's request. For additional information, documents and/or materials, please speak to your Financial Advisor.

# Market Perspectives:
## Looking Beyond

In the most recent economic readings, U.S. gross domestic product is growing at 3.1% while the inflation rate has moderated to 2.9%. Inflation is not quite at the Federal Reserve's target level of 2% but the Fed has nonetheless seen reason to adopt a slightly more accommodative posture than was the case during the COVID and post-COVID periods.

Unemployment is hovering at slightly above 4%, which is an indication of a relatively tight labor market, and consumer spending has remained resilient. This is despite repeated pronouncements over the last several years from certain strategists that the current bull market in stocks and the U.S. economic expansion were due for imminent reversal. Those predictions have not materialized and we believe that both the markets and the economy appear sound relative to history.

It is worth noting at the same time that the S&P 500 Index has become increasingly concentrated in high-valuation stocks, particularly in the technology sector, and this does present risks. That said, investors have no obligation to own the S&P 500 Index as currently constituted. It is, after all, an index *portfolio* and not the entire market of available opportunities. We advise clients to look beyond the so-called Magnificent Seven stocks to identify attractive businesses whose valuations remain far more reasonable.

In this regard, the market is offering a meaningful number of different options. Some of these appear far more attractive to us than others, and it is up to investment managers and investors to choose from them in a conscious, thoughtful way. In our view, the broad stock market continues to offer good value in a range of areas, but investors must be more selective to capture those opportunities while avoiding or keeping in check exposure to more highly appreciated securities. ■

# Portfolio Review:
## Three Economic Themes

The overall positioning of Davis Large Cap Value SMA portfolio can be described by its contrast with the S&P 500 Index in terms of number of portfolio holdings, historical earnings per share growth, and forward price-to-earnings (P/E) multiples as follows:

**Selective, Attractive Growth, Undervalued[1]**

| | Portfolio | Index |
|---|---|---|
| Holdings | 26 | 503 |
| EPS Growth (5 Year) | 21.4% | 17.7% |
| P/E (Forward) | 14.1x | 24.9x |

As shown above, what makes our portfolio rather unique in today's environment is that it represents a finite and select list of our highest conviction ideas (versus an entire broad market portfolio) that have been able to deliver five-year earnings per share growth above the benchmark. At the same time, the portfolio is trading at a far lower forward P/E multiple than the S&P 500 Index. Combining these metrics, we believe that our portfolio is more attractively positioned than an unmanaged index on multiple fronts.

**1.** Five-year EPS Growth Rate (5-year EPS) is the average annualized earnings per share growth for a company over the past 5 years. The values shown are the weighted average of the 5-year EPS of the stocks in the Portfolio or Index. Approximately 2.20% of the assets of the Portfolio are not accounted for in the calculation of 5-year EPS as relevant information on certain companies is not available to the Advisors' data provider. Forward Price/Earnings (Forward P/E) Ratio is a stock's price at the date indicated divided by the company's forecasted earnings for the following 12 months based on estimates provided by the Fund's data provider. These values for both the Fund and the Index are the weighted average of the stocks in the portfolio or Index.

The portfolio's themes include businesses in three broad areas of the economy: (1) dominant healthcare companies (predominantly healthcare services that are both cheap and underestimated in our view), (2) leading technology-related companies, and (3) durable financial services.

The balance of the portfolio represents more individualized investment opportunities in areas such as copper production, offline and online gaming, biofuel, and energy production, among others.

**Healthcare**, one of the portfolio's largest sector allocations, has been a headwind to recent performance and is without question under a cloud. We believe that the healthcare businesses we own, which include managed care insurers, a global supplier of generic pharmaceuticals, an independent lab and diagnostics company, and a medical supplies business, are trading at attractive prices relative to our expectations for their long-term earnings power.

*"We like the low expectations built into their share prices, and consider that owning a handful of companies in the sector may help us diversify individual company risk."*

The pie for healthcare spending continues to grow overall in the U.S. economy. We have selected on a bottom-up basis those companies we feel are best-positioned to benefit from the inexorable, long-tailed demographic reality that we have an aging population. That stated, individual company results can be lumpy at times—for example, when costs move differently from revenues. Market share shifts take place, favoring some for a time versus others. For these reasons, we own a basket of healthcare companies—for example, CVS and Viatris, among others. We like the current valuations and low expectations built into their share prices, and consider that owning a handful of companies in the sector may help us diversify individual company risk. Overall, we believe we have meaningful exposure to the whole pie but have diversified that exposure by company.

Leading **technology-related** companies as a category delivered very strong results in 2024, both bottom-line and in share price performance overall. While this category has appreciated, we anticipate that its earnings power should expand considerably over time, if not in straight-line fashion then on a normalized basis. We base our view on the monumental, global scale of the addressable markets in which these companies operate, their respective leadership positions competitively, their vast internal financial resources, constant innovation and cutting-edge products, their human capital, and the specific economics of the business models they represent, in particular their return on invested capital.

Within **financial services**, we have selected businesses where we have high confidence in their per-share total return potential as well as their durability through full economic cycles. Capital One Financial and Markel Group are representative holdings.

Overall, the common thread that runs through the entire portfolio is a strong focus on durability, earnings growth potential over the long term, and attractive current valuation. ■

## Outlook:
## Favoring Active Management

As part of investing for the long run and through different phases of market cycles, investors may at times have to operate in a market environment like we have today with major stock indexes trading at high valuations relative to history and showing a degree of concentration that may be a reason for pause.

We have a constructive view based on the simple fact that one need not follow an index portfolio. In other words, today's setup argues in favor of active management and selectivity, above all, and we feel Davis Large Cap Value SMA portfolio is well-positioned for the long term. At 2024 year-end, the portfolio held 26 high-conviction investments with an average five-year earnings per share growth rate of 21.4% and an average forward P/E of 14.1x (or a 43% discount relative to the S&P 500 Index).

For more than 50 years we have navigated a constantly changing investment landscape guided by one North Star: to grow the value of the funds entrusted to us. We are pleased to have achieved strong results thus far and look forward to the decades ahead. With more than $2 billion of our own money invested in our portfolios, we stand shoulder to shoulder with our clients on this long journey.[2] We are grateful for your trust and are well-positioned for the future. ■

**2.** As of 12/31/24, Davis Advisors, the Davis family and Foundation, and our employees have more than $2 billion invested alongside clients in similarly managed accounts and strategies.

# Davis Large Cap Value SMA Portfolio

## Selective. Attractive Growth. Undervalued.

"What gives us confidence that Davis Large Cap Value SMA (LCV SMA) may build wealth for our shareholders in the years and decades to come? The compelling attributes of our businesses.

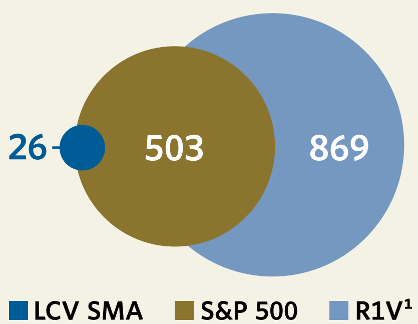
By being highly selective and rejecting the vast majority of companies in the index, the companies of Davis Large Cap Value SMA Portfolio have grown more than the indices, yet are less expensive. Specifically, 43% less expensive than the S&P 500 and 25% less expensive than the Russell 1000 Value Index. In fact, this gap between price and value is among the widest we have ever seen. We believe this sets the stage for attractive returns in the years ahead."

Chris Davis, Portfolio Manager

### Selective

LCV SMA invests in only a select group of well-researched companies

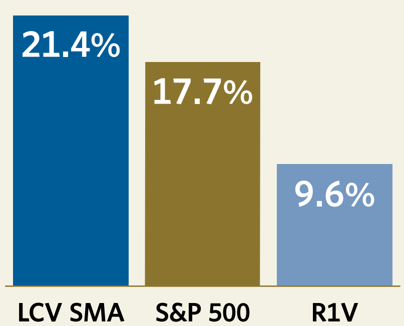
Holdings




### Attractive Growth

LCV SMA portfolio companies have grown more than the indices

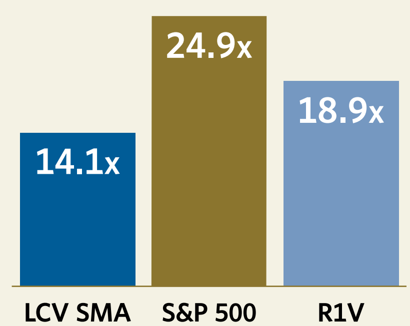
5-Year EPS Growth[2]




### Undervalued

LCV SMA portfolio companies are less expensive than the indices

P/E (Forward)[3]




As of 12/31/24. The Attractive Growth and Undervalued reference in this piece relates to underlying characteristics of the portfolio holdings. There is no guarantee that the Portfolio's performance will be positive as equity markets are volatile and an investor may lose money. **Past performance is not a guarantee of future returns.** Performance may vary. **1.** Russell 1000 Value Index. **2.** Five-Year EPS Growth Rate is the average annualized earning per share growth for a company over the past five years. The value for the portfolio is the weighted average of the five-year EPS Growth Rates of the stocks in the portfolio. Approximately 2.20% of the assets of the Portfolio are not accounted for in the calculation of 5-year EPS as relevant information on certain companies is not available to the Portfolio's data provider. The 5-year EPS of the S&P 500 is 17.7%. **3.** Forward Price/Earnings (Forward P/E) Ratio is a stock's price at the date indicated divided by the company's forecasted earnings for the following 12 months based on estimates provided by the Advisor's data provider. These values for both the Portfolio and the Index are the weighted average of the stocks in the Portfolio or Index. The Forward P/E of the S&P 500 is 24.9x.

# Davis Large Cap Value SMA Holdings

December 31, 2024

## High Conviction. Different from the Index.

| Holdings | Portfolio (%) | S&P 500 (%) |
|---|---|---|
| Capital One Financial | 7.0 | 0.1 |
| Berkshire Hathaway | 7.0 | 1.7 |
| Meta Platforms | 7.0 | 2.6 |
| Applied Materials | 6.4 | 0.3 |
| Amazon.com | 6.1 | 4.1 |
| Viatris | 6.1 | < 0.1 |
| Alphabet | 5.7 | 4.0 |
| MGM Resorts | 4.9 | < 0.1 |
| Texas Instruments | 4.3 | 0.3 |
| U.S. Bancorp | 4.2 | 0.2 |
| Humana | 4.1 | 0.1 |
| Wells Fargo | 4.1 | 0.5 |
| CVS Health | 3.5 | 0.1 |
| Markel Group | 3.2 | — |
| Cigna Group | 3.0 | 0.2 |
| Teck Resources | 2.9 | — |
| Owens Corning | 2.3 | — |
| Solventum | 2.2 | < 0.1 |
| Quest Diagnostics | 2.1 | < 0.1 |
| Chubb | 2.0 | 0.2 |
| Microsoft | 1.9 | 6.3 |
| Tyson Foods | 1.4 | < 0.1 |
| AGCO | 1.3 | — |
| ConocoPhillips | 1.2 | 0.3 |
| IAC | 0.9 | — |
| Darling Ingredients | 0.7 | — |
| Cash | 4.5 | — |
| **Total** | **100%** | |

The listed securities are representative of a model Davis Large Cap Value SMA Portfolio as of the indicated date. Portfolio holdings may change over time. Individual accounts may contain different securities. There is no assurance that any securities listed herein will remain in an individual account at the time you receive this report. The securities listed for the S&P 500 are not representative of the entire portfolio, which consists of 503 securities. The information provided should not be considered a recommendation to buy or sell any particular security. There can be no assurance that an investor will earn a profit and not lose money.

# Davis Large Cap Value SMA

December 31, 2024

Davis Large Cap Value is a portfolio of attractive businesses selected using the time-tested Davis Investment Discipline. The portfolio has outperformed its benchmark since inception. As one of the largest investors in the strategy, we have a unique commitment to client stewardship.*

## Unique Attributes of Davis Large Cap Value SMA Portfolio

**Equity-Focused Research Firm:** Established in 1969, Davis is a leading specialist in equity investing. Our primary focus on 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.

**Flexible, Opportunistic Approach:** We believe a bottom-up stock selection process and not mirroring the benchmark index are keys to long-term outperformance. Active Share = 83%.

**We Are One of the Largest Investors:** We have a unique commitment to stewardship, generating attractive long-term results and managing risks.

## Our Investment Alongside Our Clients

We have more than $2 billion invested in Davis Strategies and Funds.*

## Selective, Attractive Growth, Undervalued†

| | | Portfolio | S&P 500 |
|---|---|---|---|
| Selective | Holdings | 26 | 503 |
| Attractive Growth | EPS Growth (5 Year) | 21.4% | 17.7% |
| Undervalued | P/E (Forward) | 14.1x | 24.9x |

## Experienced Management

Chris C. Davis, *35 yrs with Davis Advisors*

Danton G. Goei, *26 yrs with Davis Advisors*

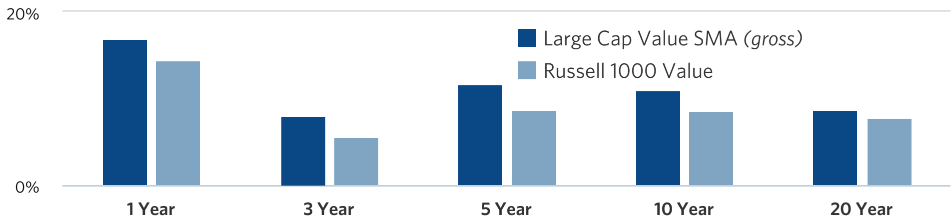
## Sectors**

| | Portfolio (%) | S&P 500 (%) |
|---|---|---|
| Financials | 28.8 | 13.6 |
| Health Care | 22.0 | 10.1 |
| Communication Services | 14.2 | 9.4 |
| Information Technology | 13.2 | 32.4 |
| Consumer Discretionary | 11.5 | 11.3 |
| Industrials | 3.8 | 8.2 |
| Materials | 3.0 | 1.9 |
| Consumer Staples | 2.2 | 5.5 |
| Energy | 1.3 | 3.2 |
| Utilities | — | 2.3 |
| Real Estate | — | 2.1 |

## Top 10 Holdings‡

| | Portfolio (%) | S&P 500 (%) |
|---|---|---|
| Capital One Financial | 7.0 | 0.1 |
| Berkshire Hathaway | 7.0 | 1.7 |
| Meta Platforms | 7.0 | 2.6 |
| Applied Materials | 6.4 | 0.3 |
| Amazon.com | 6.1 | 4.1 |
| Viatris | 6.1 | < 0.1 |
| Alphabet | 5.7 | 4.0 |
| MGM Resorts | 4.9 | < 0.1 |
| Texas Instruments | 4.3 | 0.3 |
| U.S. Bancorp | 4.2 | 0.2 |

## Attractive Average Returns *(%)*




## Performance *(%)*

| | 1 Year | 3 Year | 5 Year | 10 Year | 20 Year |
|---|---|---|---|---|---|
| Large Cap Value SMA *(gross)* | 16.89 | 7.92 | 11.64 | 10.91 | 8.75 |
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| S&P 500 | 25.02 | 8.93 | 14.51 | 13.09 | 10.35 |

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# Investment Professionals

**Christopher C. Davis** joined Davis Advisors in 1989. He has 36 years experience in investment management and securities research. Mr. Davis received his M.A. from the University of St. Andrews in Scotland.

**Danton G. Goei** joined Davis Advisors in 1998. Mr. Goei received his B.A. from Georgetown University and his M.B.A. from The Wharton School. He was previously employed at Bain & Company, Morgan Stanley Asia Ltd. and Citicorp. Mr. Goei speaks multiple languages and has lived in Europe, Asia and currently resides in New York City.

**Dwight C. Blazin** joined Davis Advisors in 1995. He was previously a consultant for IT Consulting and Systems Design. Mr. Blazin received his B.A. from Brigham Young University and his M.A. and Ph.D. from New York University.

**Darin Prozes** joined Davis Advisors in 2004. He previously worked for the Parthenon Group, a strategy consulting firm. Mr. Prozes received his B.A. from Princeton University and his M.B.A. from Stanford University.

**Pierce B.T. Crosbie, CFA** joined Davis Advisors in 2008. Previously, he worked as a research analyst at Davidson Kempner Capital Management and in mergers and acquisitions at RBC Capital Markets. Mr. Crosbie received his B.A. from McGill University, his M.B.A. from the Harvard Business School and is a CFA charter holder.

**Edward Yen** joined Davis Advisors in 2013. Previously, he worked at Dodge & Cox and Lehman Brothers. Mr. Yen received his B.S. from the University of California, Berkeley and his M.B.A. from Stanford University.

**Sobby Arora, CFA** joined Davis Advisors in 2017. Previously, he worked as a research analyst at Federated Global Investment Management and ING Investment Management. Mr. Arora received his B.A. from Colgate University, his M.B.A. from The Stern School of Business and is a CFA charter holder.

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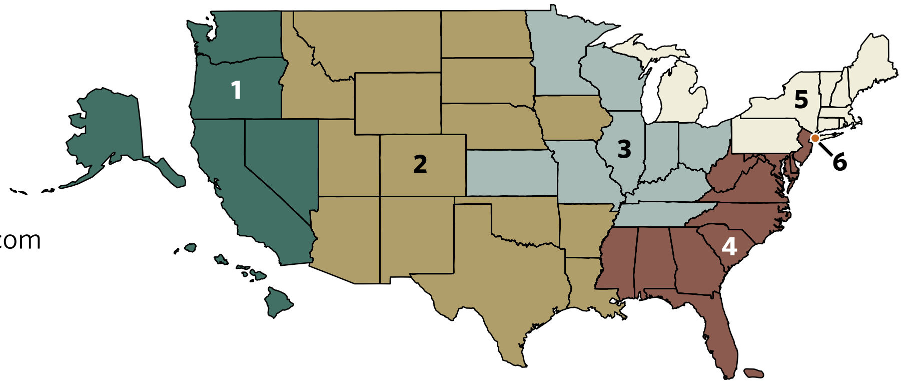


Literature Requests: 800-717-3477, davisfunds.com

| | | | | |
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*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.*

*As of 12/31/24. Includes Davis Advisors, Davis family and Foundation, and our employees. † The Attractive Growth and Undervalued reference in this piece relates to underlying characteristics of the portfolio holdings. There is no guarantee that the Portfolio's performance will be positive as equity markets are volatile and an investor may lose money. **Past performance is not a guarantee of future returns.** Five-year EPS Growth Rate (5-year EPS) is the average annualized earnings per share growth for a company over the past 5 years. The values shown are the weighted average of the 5-year EPS of the stocks in the Portfolio or Index. The 5-year EPS of the S&P 500 is 17.7%. Approximately 2.20% of the assets of the Portfolio are not accounted for in the calculation of 5-year EPS as relevant information on certain companies is not available to the Portfolio's data provider. Forward Price/Earnings (Forward P/E) Ratio is a stock's price at the date indicated divided by the company's forecasted earnings for the following 12 months based on estimates provided by the Advisor's data provider. These values for both the Portfolio and the Index are the weighted average of the stocks in the Portfolio or Index. The Forward P/E of the S&P 500 is 24.9x. ‡ For information purposes only. Not a recommendation to buy or sell any security. **Sources: Davis Advisors and Wilshire Atlas.

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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 material. 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.

Returns from inception (April 1, 1969) through 12/31/01, were calculated from the Davis Large Cap Value Composite (see description below). Returns from 1/1/02, through the date of this material were calculated from the Large Cap Value (SMA) Composite.

Davis Advisors' Large Cap Value Composite includes all actual, fee-paying, discretionary Large Cap Value investing style institutional accounts, mutual funds, and wrap accounts under management 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. A time-weighted internal rate of return formula is used to calculate performance for the accounts included in the Composite.

Davis Advisors' Large Cap Value (SMA) Composite excludes institutional accounts and mutual funds. Performance shown from 1/1/02, through 12/31/10, includes all eligible wrap accounts with a minimum account size of $3,500,000 from inception date for the first full month of account management and includes closed accounts through the last day of the month prior to the account's closing. For the performance shown from 1/1/11, through the date of this material, the Davis Advisors' Large Cap Value SMA Composite includes all eligible wrap accounts with no account minimum from inception date for the first full month of account management and includes closed accounts through the last day of the month prior to the account's closing. The net of fees rate of return formula used by the wrap-fee style accounts is calculated based on a hypothetical 3% maximum wrap fee charged by the wrap account sponsor for all account service, including advisory fees for the period January 1, 2006, and thereafter. 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.

This material discusses companies in conformance with Rule 206(4)-1 of the Investment Advisers Act of 1940 and guidance published thereunder. Six companies are discussed and are chosen as follows: (1-4) current holdings based on December 31 holdings; (5) the first new position; and (6) the first position that is completely closed out. Starting at the beginning of the year, the holdings from a Large-Cap Value model portfolio are listed in descending order based on percentage owned. Companies that reflect different weights are then selected. For the first quarter, holdings numbered 1, 6, 11, and 16 are selected and discussed. For the second quarter, holdings numbered 2, 7, 12, and 17 are selected and discussed. This pattern then repeats itself for the following quarters. If a holding is no longer in the portfolio then the next holding listed is discussed. No more than two of these holdings can come from the same sector per piece. None of these holdings can be discussed if they were discussed in the previous three quarters. If there were no purchases or sales, the purchases and sales are omitted from the material. If there were multiple purchases and/or sales, the purchase and sale discussed shall be the earliest to occur. As this is primarily a domestic equity strategy, no more than one foreign holding will be discussed in any material. If more than one foreign holding would be discussed based on the criteria above, the holding with the largest percent of assets in the model portfolio would be chosen. However, if the model portfolio has an aggregate foreign holding percentage that is greater than 15% the commentary would include a discussion of the largest foreign holding in the model portfolio that has not been discussed in the previous three quarters. Other than the recent buy and sell, any company discussed must constitute at least 1% of the portfolio as of December 31.

The information provided in this material does not provide information reasonably sufficient upon which to base an investment decision and should not be considered a recommendation to buy or sell any particular security. There is no assurance that any of the securities discussed herein will remain in an account at the time this material is received or that securities sold have not been repurchased. The securities discussed do not represent an account's entire portfolio and in the aggregate may represent only a small percentage of any account's portfolio holdings. It should not be assumed that any of the securities discussed were or will prove to be profitable, or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the securities discussed herein. It is possible that a security was profitable over the previous five year period of time but was not profitable over the last year. In order to determine if a certain security added value to a specific portfolio, it is important to take into consideration at what time that security was added to that specific portfolio. A complete listing of all securities purchased or sold in an account, including the date and execution prices, 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 depositary 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, depositary receipts risk, emerging market 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 attractive growth reference in this material relates to underlying characteristics of the portfolio holdings. There is no guarantee that the portfolio performance will be positive as equity markets are volatile and an investor may lose money.

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.

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