

Davis International ADR SMA Portfolio

Summer Update 2025

Commentary

Selective. Attractive Growth. Undervalued.

Holdings

Fact Sheet

Investment Professionals

Contacts



THE EQUITY SPECIALISTS

Portfolio Commentary

Key Takeaways

- The Davis International ADR SMA strategy returned 14.27% in the first half of 2025. It was a substantial absolute gain for the portfolio although its relative performance lagged the benchmark.
- Our strong performance year-to-date masks how volatile markets have been in the face of stress factors like global tariff negotiations, ongoing military conflicts, high national debt burdens (in the U.S. and elsewhere) and the multispeed complexity of interactions between countries, blocs and regions.
- Comparing our portfolio with the benchmark illustrates how precise and selective we are being in our best ideas. We are nimble with capital and can act quickly when market volatility offers compelling opportunities to capture above-average earnings growth at below-average multiples.

Market Perspectives: Large-Scale Resets

In the six months ended June 30, 2025, the Davis International ADR SMA strategy returned 14.27% compared with 17.90% for the MSCI ACWI ex US (All Country World Index ex US).

The solid positive returns thus far in 2025 mask just how volatile markets have been. There are several factors at work. A major one is the ongoing tariff negotiations between the U.S. and other countries, which represent a large-scale reset in terms of trade around the world. The geopolitical risk from conflicts in Ukraine and the Middle East is another factor to monitor. The U.S., among other countries, is facing a burgeoning national debt problem. Finally, the global economy, broken down into blocs or countries, reflects a truly multi-speed world, which adds complexity to any analysis of companies.

Net Average Annual Total returns as of June 30, 2025, for Davis International Equity SMA Composite with a 3% maximum wrap fee: 1 year, 31.10%; 5 years, 5.00%; 10 years, 3.01%. The performance presented represents past performance and is not a guarantee of future results. 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. 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 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. Davis Advisors fee schedules are described in Part 2 of its Form ADV. The strategies herein may not be suitable or appropriate for all investors depending on their specific investment objectives and financial situation. Potential investors should consult with their financial professional before determining whether to invest in a strategy.

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 6/30/25. 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.

In our thinking and in our positioning we are prepared for a range of scenarios, including one that assumes heightened market volatility could persist for some time. We feel well-equipped for choppy markets. Looking back over the last one to three years in particular, we believe that we have an advantage as active portfolio managers. It gives us the ability and willingness to invest opportunistically in businesses we know well (and in advance), to be patient for the market's natural volatility to bring prices in line with attractive levels, and to be decisive and deliberate when making decisions. Our aim is to invest in the best businesses we can find at attractive multiples with an eye to establishing something of a margin of safety on each investment. ■

Portfolio Review: Building Stock by Stock

Davis Advisors' active management approach is to look far and wide for potentially attractive ideas but, at the point of decision, to invest in a rather surgical manner, stock by stock. We follow this discipline in part because we feel that many of the companies we have studied around the world are not particularly attractive given a number of issues. These include (but are not limited to) state influence (i.e., state-owned or state-directed enterprises), corruption, illiquidity, unstable currencies, poor demographic and/or wealth dynamics, a lack of competitive advantages, and geopolitical risk, among other factors we consider. It does not mean that opportunities cannot be found, nor does it mean that certain markets we currently avoid in our portfolio could not change for the better.

We have invested across 23 different businesses in the Davis International ADR SMA portfolio which represent a diverse mix of international companies. In our view, the way we have constructed the portfolio

balances a breadth of ideas with research depth at the individual company level. We feel we are relatively diversified but not excessively so. The number of holdings in our portfolio, while meaningful, represents less than 1.5% of the total number of holdings in the MSCI ACWI ex US benchmark. That is an indication of how selective we are in international markets.

Being selective helps us focus capital on companies that we believe have true long-term financial and competitive durability as well as attractive growth prospects. Durability and growth, purchased at attractive starting valuations, can lead to investments functioning as compounding machines for shareholders over the long term, in our experience.

Another important benefit of having a portfolio with a manageable list of businesses is that we are in a better position to reduce and isolate in our company-by-company analysis some of the key opportunities and risks associated with each one, from the micro to the macro. By contrast, investment approaches built on overly broad generalizations around extremely complex geographies, sectors and other such broad assumptions would be far harder to execute in our view, given the sheer complexity of today's world.

We build the portfolio in a conscious, stock-by-stock way. A benefit of that can be seen in the table below which is a side-by-side comparison of the Davis International ADR SMA portfolio versus MSCI ACWI ex US in terms of number of holdings, growth rates, and valuations.

Selective, Attractive Growth, Undervalued¹

	Portfolio	MSCI ACWI ex US
Holdings	23	1,981
EPS Growth (5 Year)	21.9%	12.0%
P/E (Forward)	8.0x	14.8x

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 12.10% 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 Portfolio's data provider. These values for both the Portfolio and the Index are the weighted average of the stocks in the portfolio or Index.

As these figures show, we are being selective in our best ideas. We are positioning the portfolio consciously in opportunities that may afford higher than average earnings per share growth at below average multiples. We are also nimble with capital and can act quickly and decisively when market volatility offers unusually compelling opportunities.

Currently, the portfolio's largest geographic exposures are Asia-Pacific and developed Europe. Those vast markets represent approximately 83% of our assets in the strategy.

To illustrate the dynamics in this multi-speed world, thus far this year international stocks have beaten U.S. stocks by a wide margin. The fastest growth we have seen is in China and the greater Asia-Pacific region, with the Hang Seng Index up over 22% in the first half of this year. Europe, while sluggish economically, is fertile ground currently, especially in tech-forward businesses, in our view.

We believe there are many overvalued situations in the world but, among positives, there are many others that are undervalued.

We like the businesses we hold currently. Within Asia-Pacific, we hold several financial companies including a major bank in Singapore, as well as consumer- and technology-driven companies that specialize in food delivery and e-commerce. We have a constructive view of life insurance in China and have positions in two multiline insurers based in Hong Kong. We also hold a Chinese company tied to logistics services connecting truckers and shippers throughout China, a field where online platforms are growing market share dramatically versus manual processes. Finally, in Japan, we have a position in a major global trading firm.

In Europe, we hold positions in select banks in Switzerland and in Denmark, where we own Danske Bank, the country's leading financial institution. We hold shares of a German-based food delivery company. We also own a position in a European technology and media holding company listed in Amsterdam with interests in many different online businesses ranging from app-based food delivery services to video gaming. Finally, one of our more recent purchases is an online gaming platform based in the U.K. ■

Outlook: Sources of Opportunity

The global stock market is really a market of thousands of stocks operating in a multi-speed world. Many crosscurrents are at work. This is always generally the case, but the macro uncertainties today argue in favor of being selective, bottom-up and very specific in the types of opportunities and risk sets that we are comfortable capturing. Where some may see market volatility as a risk, we view it as a source of opportunity because we are flexible and selective in our investment process. Furthermore, we believe from our own experience and portfolio construction that it is possible to own some of the most compelling businesses available today around the globe all while paying a reasonable, if not relatively low, multiple for the privilege. As always, our goal is to purchase durable businesses at value prices that we can hold for the long term.

For more than 50 years at Davis Advisors 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 6/30/25, 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 International ADR SMA Portfolio

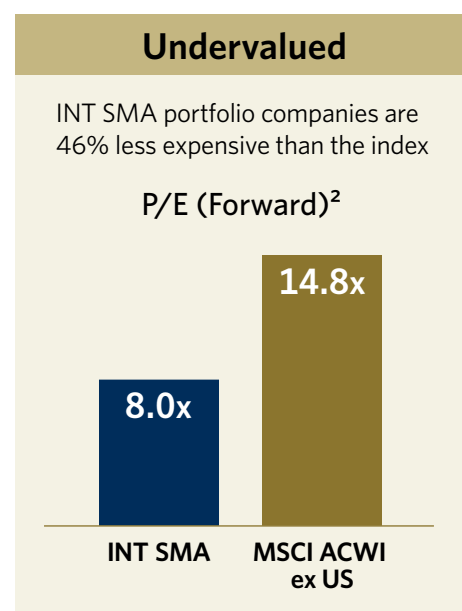
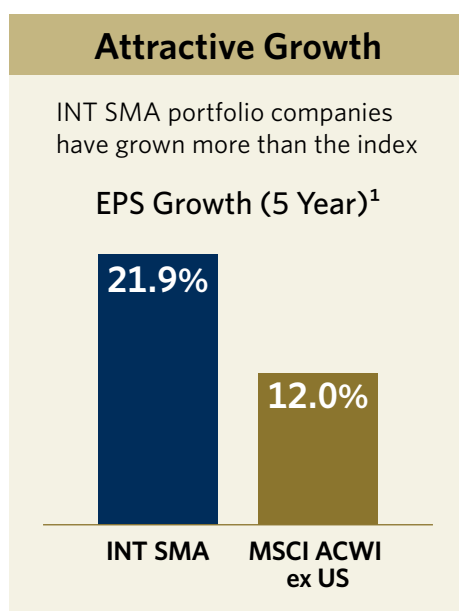
Selective. Attractive Growth. Undervalued.



“What gives us confidence that Davis International ADR SMA (INT 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 International ADR SMA Portfolio have grown more than the index, yet are 46% less expensive. 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.”

Danton Goei, Portfolio Manager



As of 6/30/25. 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.** 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 MSCI ACWI ex US is 12.0%. Approximately 12.10% 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. **2.** 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 MSCI ACWI ex US is 14.8x.

High Conviction. Different from the Index.

Holdings	Portfolio (%)	MSCI ACWI ex US (%)
Danske Bank	7.0	0.1
Prosus	7.0	0.2
Naspers	7.0	0.2
Ping An Insurance Group	7.0	0.2
Meituan	7.0	0.3
Julius Baer Group	6.5	0.1
AIA Group	6.1	0.3
Trip.com Group	5.6	0.1
Entain	5.2	< 0.1
Full Truck Alliance	4.8	—
KE Holdings	4.2	—
ITOCHU	4.1	0.2
Sea	3.5	0.2
Teck Resources	3.3	0.1
Tokyo Electron	2.9	0.3
NetEase	2.6	0.2
Restaurant Brands International	2.4	0.1
Bank of N.T. Butterfield & Son	2.2	—
Coupang	1.9	—
Noah Holdings	1.8	—
Vale	1.7	—
Delivery Hero	1.6	< 0.1
JD.com	1.1	0.1
CASH	3.5	—
	100%	

The listed securities are representative of a model Davis International ADR 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 MSCI ACWI ex US are not representative of the entire portfolio, which consists of 1,981 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 International ADR SMA is a portfolio of attractive businesses from outside of the U.S. selected using the time-tested Davis Investment Discipline. As one of the largest investors in the strategy, we have a unique commitment to client stewardship.*

Unique Attributes of Davis International ADR 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:

The portfolio invests in both developed and developing markets. We believe in a bottom-up stock selection process and in not mirroring the benchmark index. Active Share = 97%.

We Are One of the Largest Investors:

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

Attractive Growth, Undervalued, Selective[†]

		Portfolio	Index
Attractive Growth	EPS Growth (5 Year)	21.9%	12.0%
Undervalued	P/E (Forward)	8.0x	14.8x
Selective	Holdings	23	1,981
	Total Countries	14	46

Experienced Management

Danton G. Goei, 27 yrs with Davis Advisors

Our Investment Alongside Our Clients

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

Geographically Diverse Portfolio

	Portfolio (%)
Asia	54.5
Europe	28.3
North & Central America Ex US	8.2
Africa	7.3
South America	1.8
Australia/Oceania	0.0

Sectors**

	Portfolio (%)	Index (%)
Consumer Discretionary	40.2	10.1
Financials	31.7	25.1
Industrials	9.2	14.8
Communication Services	6.3	6.4
Materials	5.2	6.2
Real Estate	4.4	1.7
Information Technology	3.0	13.3
Health Care	—	8.0
Consumer Staples	—	6.7
Energy	—	4.6
Utilities	—	3.2

Performance (%)

	1 Year	3 Year	5 Year	Inception 10/1/14
International ADR SMA Composite (gross)	35.00	16.55	8.19	6.21
International ADR SMA Composite (net 3%)	31.10	13.14	5.00	3.08
MSCI ACWI ex US	17.72	13.98	10.12	5.68

Top 10 Holdings[‡]

	Portfolio (%)	Index (%)
Danske Bank	7.0	0.1
Prosus	7.0	0.2
Naspers	7.0	0.2
Ping An Insurance Group	7.0	0.2
Meituan	7.0	0.3
Julius Baer Group	6.5	0.1
AIA Group	6.1	0.3
Trip.com Group	5.6	0.1
Entain	5.2	< 0.1
Full Truck Alliance	4.8	—

Top 10 Countries

1. China	6. Switzerland
2. Japan	7. Hong Kong
3. Denmark	8. Canada
4. South Africa	9. United Kingdom
5. Netherlands	10. Singapore

The performance presented represents past performance and is not a guarantee of future results. 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.

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 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.

Investment Professionals

Christopher C. Davis joined Davis Advisors in 1989. He has 37 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.

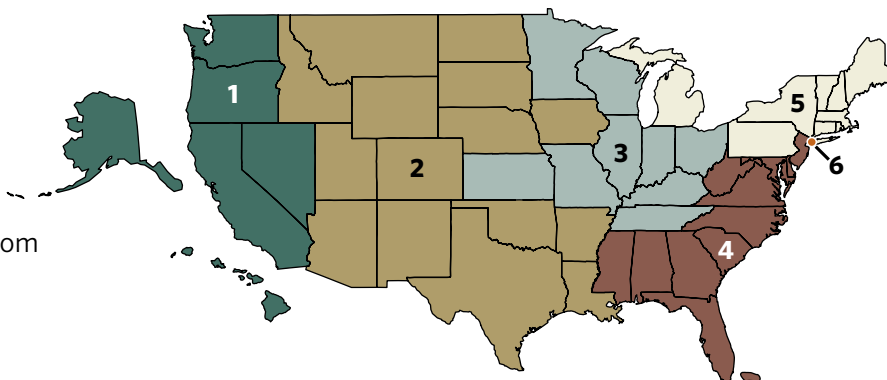
Sobby Arora, CFA joined Davis Advisors in 2017. Previously, he worked as a research analyst at Federated Global Investment Management and ING Investment Management. Mr. Arora received his B.A. from Colgate University, his M.B.A. from The Stern School of Business and is a CFA charter holder.

Financial Advisor Relationship Team

Dodd Kittsley, CFA®
 National Director
 212-891-5578, dkittsley@dsaco.com

Ed Snowden
 Manager, Regional Representatives
 800-717-3477 Ext. 2267, esnowden@dsaco.com

Peter J. Sackmann, CFA®
 Institutional Director
 212-891-5505, psackmann@dsaco.com



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

1 West Coast AK, CA, HI, NV, OR, WA			
Joe Emhof, SVP	Regional Director	800-717-3477 Ext. 3786	jemhof@dsaco.com
Jon Franke	Senior Regional Representative	800-717-3477 Ext. 2663	jfranke@dsaco.com
Garrison Powell	Regional Representative	800-717-3477 Ext. 2647	gpowell@dsaco.com
2 Central AZ, AR, CO, ID, IA, LA, MT, NE, NM, ND, OK, SD, TX, UT, WY			
Dan Steichen	Regional Director	800-717-3477 Ext. 2262	dsteichen@dsaco.com
Sean Lynch	Senior Regional Representative	800-717-3477 Ext. 2675	slynch@dsaco.com
Laurel Hardy	Senior Regional Representative	800-717-3477 Ext. 2683	lhardy@dsaco.com
3 Mid-West IL, IN, KS, KY, MN, MO, OH, TN, WI			
Bill Coughlin, SVP	Regional Director	800-717-3477 Ext. 3783	bcoughlin@dsaco.com
Nancy Brennan	Senior Regional Representative	800-717-3477 Ext. 2679	nbrennan@dsaco.com
Danny Hardy	Senior Regional Representative	800-717-3477 Ext. 2677	dhardy@dsaco.com
4 East Coast AL, DE, FL, GA, MD, MS, NJ, NC, PR, SC, VA, DC, WV			
Reed Finley, SVP	Regional Director	800-717-3477 Ext. 6906	rfinley@dsaco.com
Mike Longoni	Senior Regional Representative	800-717-3477 Ext. 2261	mlongoni@dsaco.com
Mari Downey	Senior Regional Representative	800-717-3477 Ext. 2665	mdowney@dsaco.com
5 Northeast CT, ME, MA, MI, NH, NY, PA, RI, VT			
Steve Coyle	Regional Director	800-717-3477 Ext. 3790	coyle@dsaco.com
Danielle Irwin	Senior Regional Representative	800-717-3477 Ext. 2682	dirwin@dsaco.com
Danny Hardy	Senior Regional Representative	800-717-3477 Ext. 2677	dhardy@dsaco.com
6 New York City			
Dodd Kittsley	National Director	800-717-3477 Ext. 3787	dkittsley@dsaco.com
Laurel Hardy	Senior Regional Representative	800-717-3477 Ext. 2683	lhardy@dsaco.com

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 6/30/25. 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 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 12.10% 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 MSCI ACWI ex US is 12.0%. 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 MSCI ACWI ex US is 14.8x. ‡For information purposes only. Not a recommendation to buy or sell any security. **Sources: Davis Advisors and Clearwater Wilshire Atlas.

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 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.

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 International 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 International Fund or any other fund.

Effective 9/23/14, Davis Advisors created an International Equity SMA Composite which excludes the institutional accounts and mutual funds. Performance shown from 10/1/14, through the date of this material, the Davis Advisors' International Equity 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.

A time-weighted internal rate of return formula is used to calculate performance for the accounts included in the Composite. The net of fees rate of return formula is calculated based on a hypothetical 3% maximum wrap fee charged by the wrap account sponsor for all account services. For the gross performance results, custodian fees and advisory fees are treated as cash withdrawals.

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.

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 an International Companies 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. Each of these holdings must come from a different country. 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. 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 International Equity 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 portfolio principally in common stocks (including indirect holdings of common stock through depositary receipts) issued by foreign companies, including countries with developed or emerging markets. The international companies strategy may invest

in large, medium, or small companies without regard to market capitalization. The principal risks are: China risk, common stock risk, depositary receipts risk, emerging markets risk, exposure to industry or sector risk, fees and expenses 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.

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

The **MSCI ACWI (All Country World Index) ex US** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets, excluding the United States. The index includes reinvestment of dividends, net of foreign withholding taxes. The **Hang Seng Index** ("HSI"), the most widely quoted gauge of the Hong Kong stock market, includes the largest and most liquid stocks listed on the Main Board of the Stock Exchange of Hong Kong. Investments cannot be made directly in an index.