Davis Large Cap Value SMA Portfolio

Fall Update 2024

50 YEARS DAVIS ADVISORS

Davis ADVISORS

THE EQUITY SPECIALISTS

Portfolio Commentary

Key Takeaways

- Despite negative headlines about the economy, corporate America has made significant progress in the post-COVID period, with the S&P 500 Index's earnings per share rising about 70% since the end of 2020.
- As long-term investors our view is constructive, based on the fact that we are still finding attractive opportunities for capital while explicitly paying much lower price multiples than those on the major large cap market indexes.
- The select holdings that make up Davis Large Cap Value portfolio today are among the most compelling ideas we have seen in a long time, businesses that have delivered real value in the form of earnings per share growth over the past half-decade yet trade at a low forward P/E relative to the S&P 500.

Market Perspectives:
Economic Resilience

In the year-to-date period ended September 30, 2024 the U.S. stock market delivered double-digit gains, with the S&P 500 returning 22.08%.

The stock market's meaningful advance occurred despite ongoing uncertainties about the U.S. economy's health, geopolitical conflicts overseas and a transitioning interest rate environment.

The stock market may or may not behave in a way that reflects the macro backdrop and, in our view, the unwritten headline among negative ones is that corporate America has made significant progress, in particular since the COVID period.

The S&P 500's earnings per share were $31.44 at the close of 2020 and had increased roughly 70% to $53.12 by the end of second quarter 2024. In other words, in a span of three-and-a-half years, the corporate sector on balance should be worth far more in intrinsic value based on the earnings its constituent units are producing.

In part, this reflects the inherent resilience of the U.S. economy. With unemployment hovering around only 4%, which is low historically, consumers are managing to spend at a reasonable rate.

The financial stability of the country, as measured by the relatively low leverage ratio among the major banks, is far sounder than when the 2008–2009 crisis occurred. Gross domestic product (GDP) grew a modest 2.8% in August meaning that we are still in expansion mode, however slow the expansion may be for now. The Federal Reserve's new posture aimed at lowering interest rates may support both spend and credit among consumers at the margin. Significantly, the Fed's pivot to lowering rates reflects a view among policymakers that the inflation surge which was caused by COVID and global supply chain issues has abated dramatically from its level just a few years ago.

However, prices, once higher, tend rarely to slide back and revert to former levels, excluding explicit discounting or outright deflation. Inflation has clearly proven difficult for most people and in this context it is to be expected that certain social tensions might emerge. Highly unionized workforces in some areas have begun pushing for higher wages by organizing strikes, for instance. This introduces uncertainty about the normal and smooth functioning of specific companies and industries. It is also a reminder that real wages—nominal wages adjusted for inflation—are and will continue to be an important factor in how comfortable and confident people feel, which can have second-order implications for the economy.

We believe that investors should focus on being prepared while not trying to predict the unpredictable. Preparation in our minds today means taking stock of how durable and resilient one's businesses are over the course of a long cycle, and maintaining the realist's view that proverbial trees do not grow to the sky.

In summary, we are proceeding not as optimists or pessimists, but as realists. We maintain a very constructive view as long-term investors based on the fact that we are still finding what we feel are many attractive opportunities for capital. At the same time, we are balancing considerations by consciously and explicitly paying much lower multiples than is currently the case with the major large-cap market indexes. ■

Portfolio Review:
Structural Earnings Growth

Davis Large Cap Value portfolio holds a select list of individually chosen holdings representing businesses that we believe have the potential to compound at attractive returns over the long term.

We show below the number of holdings in the portfolio at the end of third quarter 2024 as well as the portfolio's 5-year earnings per share growth and its forward P/E multiple versus the S&P 500.

Selective, Attractive Growth, Undervalued[1]

	Portfolio	Index
Holdings	28	503
EPS Growth (5 Year)	18.2%	16.9%
P/E (Forward)	14.7x	23.7x

What should be apparent from the above is that we are being extremely selective and prefer owning businesses which on balance have demonstrated a structural ability to grow earnings over a meaningful time horizon but which can be purchased at value prices.

While we research and purchase each company on its own merits, there are a few major themes at work as well, namely highly durable financials, leaders in various areas of technology (both online and offline), healthcare services and generic pharmaceuticals.

The **financial stocks** in the portfolio span a wide array of companies from traditional banks such as JP Morgan Chase to rather untraditional, multi-industry financial companies such as Berkshire Hathaway to entities that specialize in credit cards and property casualty insurance, among others.

What all of our financial businesses have in common is that they have a long history of being tested by economic and market forces and have proven exceptionally durable over full cycles. A further intangible distinguishing feature of our holdings is that they are led by highly skillful management teams whom we have known for decades and whose vision and operating discipline set them apart from most managements in the sector.

1. The Attractive Growth and Undervalued reference in this material 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. Approximately 2.71% 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 media and public often think of financial stocks as being a monolithic group, virtually uniform in makeup and tied mainly to interest rates or other such factors. In reality our companies generate their core earnings power from many different sources and in different ways that make them highly individualized as investment cases.

For example, interest rates can impact bank loan profitability depending on the slope of the yield curve. At a more granular level, however, different lending institutions have very real differences in their cost of funds depending on each lender's particular business makeup. Financial institutions that have a heavy reliance on investment banking as opposed to either core deposits or sticky fee-based businesses tend to have a higher cost of funds than more plain-vanilla, traditional lenders that are "deposit rich." A bank such as JP Morgan Chase derives its revenues and cash earnings from a variety of sources and manages its costs across business lines very intelligently in our view. The company generates a large portion of its earnings from the spread it earns on loans already in place, and also has a suite of enormous fee-based businesses that include wealth management, investment banking (somewhat cyclical but with a high return on equity), the relatively staid business of trust, custody and administration and, finally, what has historically been a very lucrative credit card business.

In other words, financials—and especially very large-scale diversified financials—are far from one-trick ponies, and must be analyzed according to their nuances. However, the one common feature that can be said to cut across our financial holdings today is that they are trading at exceptionally reasonable or low valuations yet have a long history of delivering attractive returns on capital over full cycles.

In **technology**, we own shares of strong players in e-commerce, social media and advertising, online search, cloud computing, semiconductor-related industries and enterprise software. Microsoft is a longstanding holding in the portfolio and a very strong global competitor in enterprise software, cloud services and gaming. We believe that Microsoft is a better overall business today than it was decades ago when personal computers and servers were the mainstay of its earnings base. Software continues to be a very high-margin business and the company has shown great ability to keep its customers year after year, most of whom are now on subscription-based contracts. Cloud computing, meanwhile, is an enormous business line compared to 10 years ago but in our estimation remains in its very early stages of development relative to what we might anticipate over the next decade. Finally, the advent of high-power artificial intelligence may have applications in Microsoft's various businesses that could further support earnings growth over time.

Healthcare is a growing segment of the portfolio. Here we own primarily healthcare service providers specializing in managed care insurance, lab testing and diagnostics, and generic pharmaceuticals.

Cigna Health is a representative example of what we look for in the managed care insurance sector. It is among a small number of mega cap healthcare insurers that manage plans not only for individuals and their families but throughout much of the corporate sector as well. One of the company's most underestimated facets, in our opinion, is the Medicare Advantage business which is effectively a white-label private market option for recipients of Medicare in which Cigna's new enrollments have been strong. Finally, healthcare insurance has quickly become a scale business, partly because government reimbursement rates are relatively tepid and the technology requirements of running an insurer continue to climb. Having the scale to spend billions of dollars on front- and back-office technologies for operating efficiencies will be a key advantage of the major players in this space, in our view.

Other businesses in the portfolio deal in various products and services ranging from roofing and insulation and biofuel to copper and oil production, among others. ■

Outlook:
Market of Stocks

At Davis Advisors, we believe having a constructive view on the market starts with whether or not it offers a significant number of attractive investments that we can purchase at reasonable to low valuations. The U.S. stock market is vast and is truly a market of stocks rather than a monolithic entity, and we believe many opportunities to grow capital starting at fair to very cheap prices are available to the watchful investor.

The 28 holdings that make up Davis Large Cap Value portfolio today are among the most compelling ideas we have seen in a long time. On balance, these businesses have delivered real value in the form of earnings per share growth over the past half-decade yet trade at a forward P/E of only 14.7x. The portfolio's narrow focus and attractive valuation are the result of a deliberate and systematic process by the Davis research team as we continue to seek an appropriate balance of risk and reward for the benefit of our clients.

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, 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 9/30/24, 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.

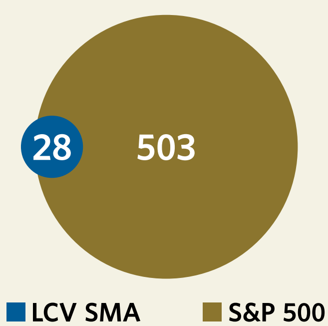
By being highly selective and rejecting the vast majority of companies in the index, the companies of Davis Large Cap Value SMA Portfolio have grown more than the index, yet are 38% less expensive. In fact, this gap between price and value is among the widest we have ever seen. We believe this sets the stage for attractive returns in the years ahead."

Chris Davis, Portfolio Manager

Selective

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

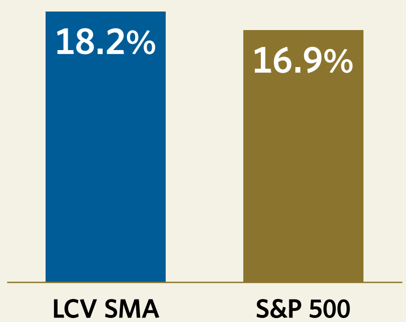
Holdings



Attractive Growth

LCV SMA portfolio companies have grown more than the index

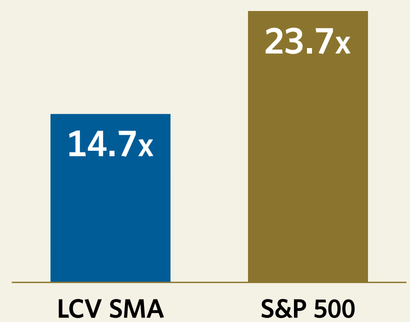
EPS Growth (5 Year)[1]



Undervalued

LCV SMA portfolio companies are 38% less expensive than the index

P/E (Forward)[2]



As of 9/30/24. 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.** 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 2.10% 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 Advisor's data provider. **2.** Forward Price/Earnings (Forward P/E) Ratio is a stock's current price divided by the company's forecasted earnings for the following 12 months. The values for the portfolio and index are the weighted average of the P/E ratios of the stocks in the portfolio or index.

Davis Large Cap Value SMA Portfolio Holdings

September 30, 2024

High Conviction. Different from the Index.

Holdings	Portfolio (%)	S&P 500 (%)
Berkshire Hathaway	7.0	1.7
Capital One Financial	7.0	0.1
Meta Platforms	7.0	2.6
Applied Materials	6.9	0.3
Viatris	5.2	< 0.1
MGM Resorts	5.2	< 0.1
Wells Fargo	5.1	0.4
Amazon.com	5.0	3.6
Humana	4.9	0.1
Alphabet	4.5	3.7
Texas Instruments	4.5	0.4
U.S. Bancorp	3.6	0.2
Cigna Group	3.5	0.2
Teck Resources	3.5	—
Owens Corning	2.8	—
Markel Group	2.7	—
Intel	2.1	0.2
Solventum	2.1	< 0.1
Quest Diagnostics	2.0	< 0.1
Bank of New York Mellon	1.9	0.1
Chubb	1.9	0.2
Microsoft	1.8	6.6
Tyson Foods	1.3	< 0.1
JPMorgan Chase	1.3	1.2
ConocoPhillips	1.2	0.3
AGCO	1.2	—
IAC	1.1	—
Darling Ingredients	0.7	—
Cash	3.0	—
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 Portfolio

September 30, 2024

Davis ADVISORS

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.

Undervalued. Attractive Growth. Selective.†

		Portfolio	Index
Undervalued	P/E (Forward)	14.7x	23.7x
Attractive Growth	EPS Growth (5 Year)	18.2%	16.9%
Selective	Holdings	28	503

Experienced Management

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

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

Our Investment Alongside Our Clients

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

Sectors**

	Portfolio (%)	Index (%)
Financials	31.5	12.9
Health Care	18.2	11.6
Information Technology	15.8	31.7
Communication Services	13.0	8.9
Consumer Discretionary	10.5	10.1
Industrials	4.1	8.5
Materials	3.6	2.2
Consumer Staples	2.1	5.9
Energy	1.2	3.3
Utilities	—	2.5
Real Estate	—	2.3

Top 10 Holdings‡

	Portfolio (%)	Index (%)
Berkshire Hathaway	7.0	1.7
Capital One Financial	7.0	0.1
Meta Platforms	7.0	2.6
Applied Materials	6.9	0.3
Viatris	5.2	< 0.1
MGM Resorts	5.2	< 0.1
Wells Fargo	5.1	0.4
Amazon.com	5.0	3.6
Humana	4.9	0.1
Alphabet	4.5	3.7

Wealth Over the Long Term

$100,000 Hypothetical Investment§	Portfolio (%)
1 Year	$131,000
5 Year	$164,511
10 Year	$217,561
Inception (4/1/69)	$29,671,081

Net average annual total returns as of September 30, 2024, for Davis Large Cap Value SMA Portfolio Composite with a 3% maximum wrap fee: 1 year, 31.00%; 5 years, 10.47%; 10 years, 8.08%; and Inception, 10.80%. *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.*

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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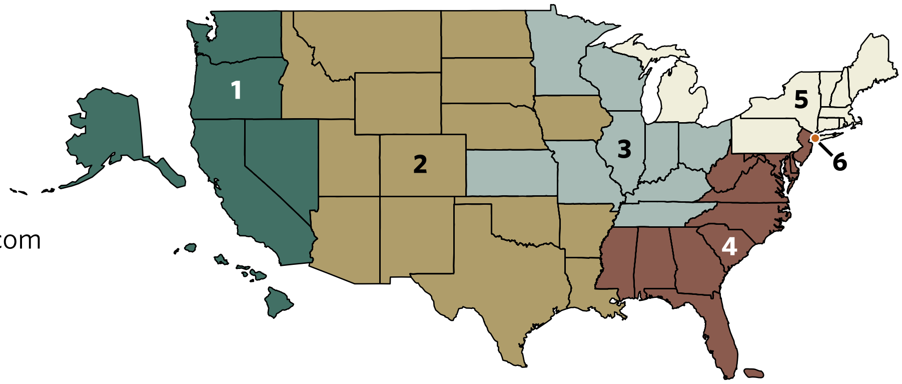

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This material may be shared with existing and potential clients to provide information concerning market conditions and the investment strategies and techniques used by Davis Advisors to manage its client accounts. Please refer to Davis Advisors Form 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 9/30/24. 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 16.9%. Approximately 2.10% 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. 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 23.7x. ‡For information purposes only. Not a recommendation to buy or sell any security. **Sources: Davis Advisors and Wilshire Atlas. §Net of fees. As of 9/30/24.

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 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 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 4/1/69 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 1/1/06, 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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