

Symbol (Class A): RPF CX

Fund Overview

Since its inception in 1992, the goal of the Davis Appreciation and Income Fund has been to provide investors with a way to participate in equity market long-term total returns while offering a degree of downside protection over complete market cycles.

The Fund may use a combination of convertible securities, stocks, bonds and preferred stocks to achieve its goal.

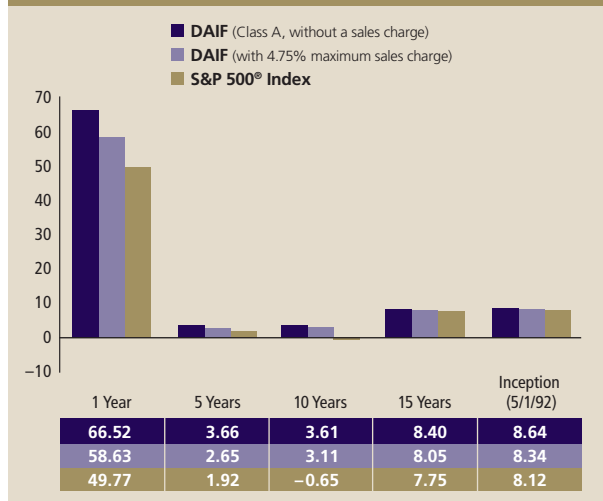
Investment Strategy

The Fund seeks to purchase durable, well-managed businesses at value prices and hold them for the long term.

Portfolio Managers Andrew Davis and Keith Sabol follow a three-step investment process:

- First, they carefully consider valuations, creating valuation models for each of the companies considered.
- Next, they analyze the investment potential of businesses using the time-tested Davis investment discipline, purchasing only those that are trading at a discount to their estimate of fair value.
- Third, having identified attractively priced convertible securities, stocks and bonds issued by durable businesses, they seek to structure a portfolio with the potential to participate in some of the upside potential of the stock while providing a degree of downside protection.

Attractive Relative Investment Results



Alignment of Interests

As with all Davis Funds, the Davis family, Davis Advisors, employees, and directors are among the largest shareholders of the Davis Appreciation and Income Fund. This helps to ensure an appropriate alignment of interests with clients.

Morningstar's Highest Stewardship Grade

Davis Appreciation and Income Fund has received Morningstar's highest overall Stewardship Grade of "A," recognition of our commitment to shareholder interests achieved by less than 10% of the funds Morningstar studies.

Who Should Consider the Fund?

The Fund may be appropriate for investors with long-term financial goals that require capital appreciation but would like limited downside protection over full market cycles.

Fund Facts

Inception Date (Class A Shares)	5/1/92
Total Net Assets	\$424.6 million
Total Fund Holdings	54
CUSIP	Symbols
A Shares: 239103-880	A Shares: RPF CX
B Shares: 239103-872	B Shares: DCSBX
C Shares: 239103-732	C Shares: DCSCX
Y Shares: 239103-773	Y Shares: DCSYX
Dividend Paid	Quarterly
Last Distribution (A Shares) as of 12/31/09	\$0.1685

Lower Than Average Expense Ratio

Davis Appreciation and Income Fund A ¹	1.07%
Average Domestic Stock Fund ²	1.87%

Security Allocation

Common Stocks	48.6%
Preferred Stocks	10.6
Bonds	39.3
Cash and Equivalents	1.5

The average annual total returns for Davis Appreciation and Income Fund's Class A shares for periods ending March 31, 2010, including a maximum 4.75% sales charge, are: 1 year, 58.63%; 5 years, 2.65%; and 10 years, 3.11%. The performance presented represents past performance and is not a guarantee of future results. Total return assumes reinvestment of dividends and capital gain distributions. Investment return and principal value will vary so that, when redeemed, an investor's shares may be worth more or less than their original cost. The total annual operating expense ratio may vary in future years. Returns and expenses for other classes of shares will vary. Current performance may be higher or lower than the performance data quoted. For most recent month-end performance, visit davisfunds.com or call 800-279-0279.

¹As of most recent prospectus. ²Source: Morningstar Principia Pro. Morningstar Average Domestic Stock Fund averages are comprised of the oldest share class for each fund within the category.

For additional information on the Davis Appreciation and Income Fund, please contact your Davis Representative at 800-279-0279.

This material is authorized for use by existing shareholders. A current Davis Series, Inc. prospectus must accompany or precede this material if it is distributed to prospective shareholders. You should carefully consider the Fund's investment objectives, risks, charges, and expenses before investing. Read the prospectus carefully before you invest or send money.

Davis Appreciation and Income Fund's investment objective is total return through a combination of growth and income. There can be no assurance that the Fund will achieve its objective. The Fund is subject to both equity and debt risk. Some important risks of an investment in the Fund are: market risk: the market value of shares of common stock can change rapidly and unpredictably; company risk: the market value of a common stock varies with the success or failure of the company issuing the stock; and small- and medium-capitalization risk: small and mid-size companies typically have more limited product lines, markets and financial resources than larger companies, and their securities may trade less frequently and in more limited volume than those of larger, more mature companies. Some of the risks of owning high-yield, high-risk debt securities are: many issuers only resort to offering high-yield, high-risk debt securities when they cannot get financing from more traditional sources, such as banks; issuers of high-yield, high-risk debt securities are likely to have a substantial amount of other debt that is more senior; high-risk debt securities may be difficult to sell; and prices of high-yield, high-risk debt securities are more volatile than prices of higher-rated securities. See the prospectus for a complete listing of the principal risks.

While we seek to structure a portfolio that will increase in value when the S&P 500® Index increases in value and that will provide downside protection when the S&P 500® Index decreases in value there can be no assurance that the portfolio will perform in line with our expectations. **Past performance is not a guarantee of future results.**

Morningstar assigns a stewardship grade to funds it covers. The overall stewardship grade is the sum of the following five components that are graded on a scale of A through F: Regulatory Issues, Board Quality, Manager Incentives, Fees, and Corporate Culture. The overall grade will range from an A to an F. Morningstar utilizes a fund's public filings, responses to a survey sent out by Morningstar to the fund company and the expertise of the Morningstar analysts to determine a fund grade. The methodology for the Morningstar Stewardship grade is completely different from the performance-based Morningstar star rating and has no impact on the star rating. **The grades are subject to change and are as of March 31, 2010.**

Broker-dealers and other financial intermediaries may charge Davis Advisors substantial fees for selling its products and providing continuing support to clients and shareholders. For example, broker-dealers and other financial intermediaries may charge: sales commissions; distribution and service fees; and record-keeping fees. In addition, payments or reimbursements may be requested for: marketing support concerning Davis Advisors' products; placement on a list of offered products; access to sales meetings, sales representatives and management representatives; and participation in conferences or seminars, sales or training programs for invited registered representatives and other employees, client and investor events, and other dealer-sponsored events. Financial advisors should not consider Davis Advisors' payment(s) to a financial intermediary as a basis for recommending Davis Advisors.

Over the last five years, the high and low turnover ratio for Davis Appreciation and Income Fund was 28% and 15%, respectively.

The net expense ratio for Davis Appreciation and Income Fund Class A for the fiscal period ended December 31, 2009 was 1.06%.

Effective July 31, 2009, Davis Advisors voluntarily and permanently reduced any management fee breakpoints ABOVE 0.55% to 0.55% for Davis Appreciation and Income Fund.

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.

After July 31, 2010, this material must be accompanied by a supplement containing performance data for the most recent quarter end.

Shares of the Davis Funds are not deposits or obligations of any bank, are not guaranteed by any bank, are not insured by the FDIC or any other agency, and involve investment risks, including possible loss of the principal amount invested.