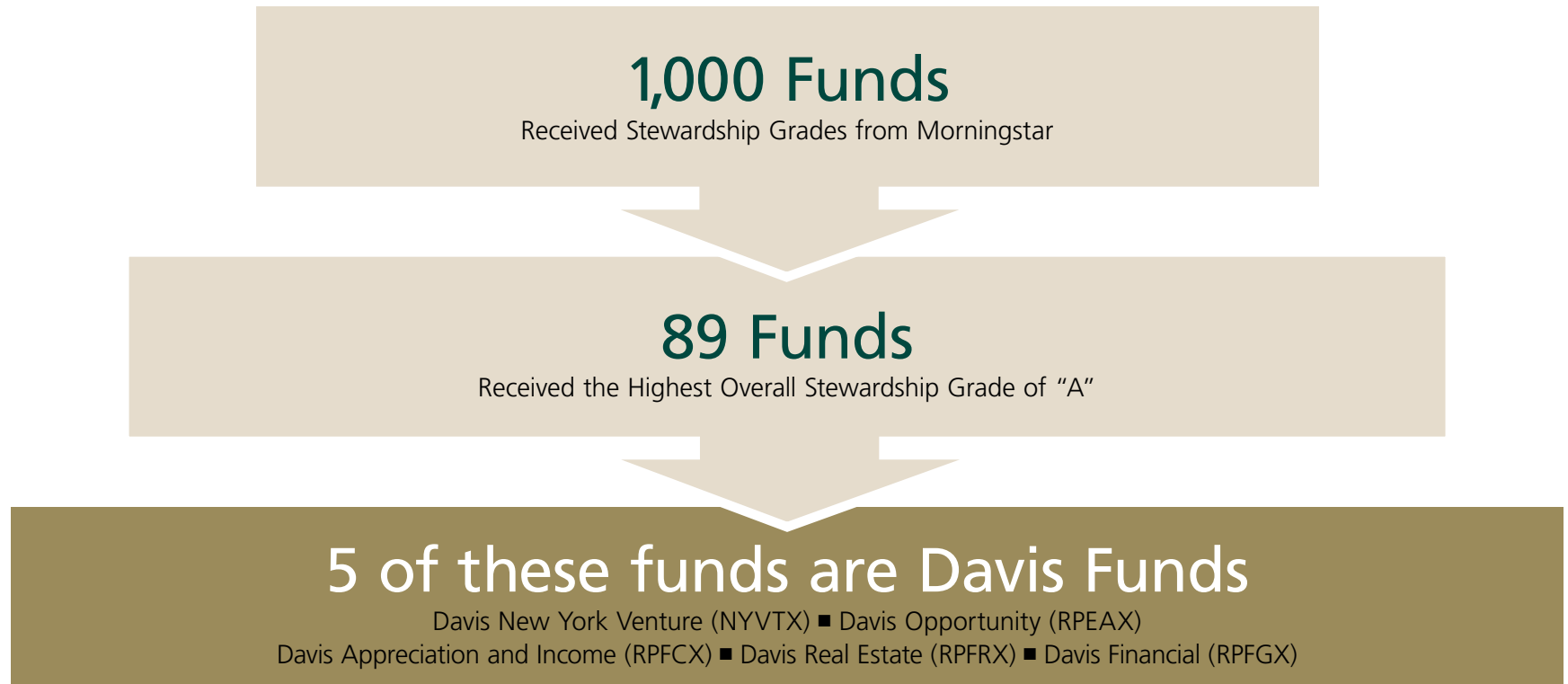


Davis Funds Receive Morningstar's Highest Stewardship Grade

Over 40 Years of Reliable Investing™



At the Davis Funds, we have worked hard to develop a culture that is built on the Principles of Stewardship. Morningstar provides the industry an independent, objective Stewardship Grading System, which is a qualitative analysis related to how mutual funds are run, including the quality of the mutual fund board of directors, manager incentives, fees, corporate culture, and regulatory issues. As illustrated above, of the 1,000 mutual funds to receive a Stewardship Grade from

Morningstar, 89 funds, or less than 10% of all the funds, received the highest overall grade of "A." **5 of these funds are Davis Funds:** Davis New York Venture, Davis Opportunity, Davis Appreciation and Income, Davis Real Estate, and Davis Financial. To us, this is a constant reminder of the responsibility we bear to clients and reinforces our determination to work hard each year to earn the right to manage clients' money, as we have done for more than 40 years.

This piece is authorized for use by existing shareholders. A current Davis Funds 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.

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 grades are subject to change and are as of March 31, 2010. 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.

Davis New York Venture Fund's, Davis Opportunity Fund's, and Davis Financial Fund's investment objective is long-term growth of capital. Davis Appreciation and Income Fund's and Davis Real Estate Fund's investment objective is total return through a combination of growth and income. There can be no assurance that a Fund will achieve its objective. Some important risks of an investment in Davis New York Venture Fund are market risk, company risk, financial services risk, and foreign country risk. Some important risks of an investment in Davis Opportunity Fund are market risk, company risk, small- and medium-capitalization risk, and foreign country risk. Some important risks of an investment in Davis Financial Fund are market risk, company risk, and financial services risk. Davis Appreciation and Income Fund is subject to both equity and debt risk. Some important risks of an investment in Davis Appreciation and Income Fund are market risk, company risk, small- and medium-capitalization risk, and foreign country risk. Some important risks of an investment in Davis Real Estate Fund are market risk, company risk, concentrated real estate portfolio risk, focused portfolio risk, small- and medium-capitalization risk, and foreign country risk.

Risk Disclosures. Following is a brief description of these risks. Please see the prospectus for a complete listing of the principal risks. 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; financial services risk: investing a significant portion of assets in the financial services sector may cause a fund to be more volatile; foreign country risk: companies operating, incorporated or principally traded in foreign countries may have more fluctuation as foreign economies may not be as strong or diversified, foreign political systems may not be as stable and foreign financial reporting standards may not be as rigorous as they are in the United States; small- and medium-capitalization risk: small- and medium-capitalization companies' share prices tend to fluctuate more often as they tend to have limited product lines, markets and financial resources, and their securities may trade less frequently and in more limited volume than those of larger companies; currency risk: the change in value of a foreign currency against the U.S. dollar will result in a change in the U.S. dollar value of securities denominated in that foreign currency. The Fund may, but generally does not, hedge its currency risk; concentrated real estate portfolio risk: any fund that has a concentrated portfolio is particularly vulnerable to the risks of its selected industry; focused portfolio risk: the Fund is classified as a non-diversified fund and is allowed to focus its investments in fewer companies than a diversified fund.

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.

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.