



*Over 40 Years of Reliable Investing™*

# Davis New York Venture Fund

December 1, 2009

## PROSPECTUS

Class A Shares

Class B Shares

Class C Shares

*A Portfolio of Davis New York Venture Fund, Inc.*

### *Tickers:*

*Class A—NYVTX*

*Class B—NYVBX*

*Class C—NYVCX*

The Securities and Exchange Commission has neither approved nor disapproved of these securities, nor has it determined whether this prospectus is accurate or complete. Anyone who tells you otherwise is committing a crime.

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This prospectus contains important information. Please read it carefully before investing and keep it for future reference.

No financial adviser, dealer, salesperson or any other person has been authorized to give any information or to make any representations, other than those contained in this Prospectus, in connection with the offer contained in this Prospectus and, if given or made, such other information or representations must not be relied on as having been authorized by the Fund, the Fund's investment adviser or the Fund's distributor. This Prospectus does not constitute an offer by the Fund or by the Fund's distributor to sell or a solicitation of an offer to buy any of the securities offered hereby in any jurisdiction to any person to whom it is unlawful for the Fund to make such an offer.

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## OVERVIEW OF DAVIS NEW YORK VENTURE FUND

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### **Investment Objective and Principal Investment Strategies**

Davis New York Venture Fund's (the "Fund") investment objective is long-term growth of capital. Davis Selected Advisers, L.P., ("Davis Advisors" or the "Adviser"), the Fund's investment adviser, uses the Davis Investment Discipline to invest the majority of the Fund's assets in equity securities issued by large companies with market capitalizations of at least \$10 billion. See "The Davis Investment Discipline" below.

The Fund has the flexibility to invest in companies of any size, companies whose shares may be subject to controversy, foreign securities, and non-equity securities. See "Additional Information About Investments" in this prospectus.

### **The Davis Investment Discipline**

Davis Advisors manages equity funds using the Davis Investment Discipline. Davis Advisors conducts extensive research to try to identify businesses that possess characteristics which we believe foster the creation of long-term value, such as proven management, a durable franchise and business model, and sustainable competitive advantages. We aim to invest in such businesses when they are trading at discounts to their intrinsic worth. We emphasize individual stock selection and believe that the ability to evaluate management is critical. We routinely visit managers at their places of business in order to gain insight into the relative value of different businesses. Such research, however rigorous, involves predictions and forecasts that are inherently uncertain.

Over the years, Davis Advisors has developed a list of characteristics that we believe help companies to create shareholder value over the long term and manage risk. While few companies possess all of these characteristics at any given time, Davis Advisors searches for companies that demonstrate a majority or an appropriate mix of these characteristics.

#### ***First Class Management***

- Proven Track Record
- Significant Alignment of Interest in Business
- Smart Application of Technology to Improve Business and Lower Costs

#### ***Strong Financial Condition and Satisfactory Profitability***

- Strong Balance Sheet
- Low Cost Structure
- High Returns on Capital

#### ***Strong Competitive Positioning***

- Non-obsolescent Products / Services
- Dominant or Growing Market Share
- Global Presence and Brand Names

After determining which companies we wish to own, we then turn our analysis to determining the intrinsic value of those companies' common stock. We seek common stock which can be purchased at attractive valuations relative to their intrinsic value. Our goal is to invest in companies for the long term. We consider selling a company's stock if the stock's market price exceeds Davis Advisors' estimates of intrinsic value, or if the ratio of the risks and rewards of continuing to own the company's stock is no longer attractive.

## Determining If This Fund Is Right For You

You should consider investing in this Fund if:

- You are seeking long-term growth of capital.
- You are more comfortable investing in established, well-known companies.
- You are investing for the long term.

You should not invest in this Fund if:

- You are worried about the possibility of sharp price swings and dramatic market declines.
- You are interested in earning current income.
- You are investing for the short term.

## Principal Risks of Investing in the Fund

If you buy shares of Davis New York Venture Fund, you may lose some or all of the money that you invest. The investment return and principal value of an investment in the Fund will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. This section describes what we think are the most significant factors (but not the only factors) that could cause the value of your investment in the Fund to decline and which could prevent the Fund from achieving its stated objective.

- **Market risk.** The market value of shares of common stock can change rapidly and unpredictably as a result of political or economic events having little or nothing to do with the performance of the companies in which we invest.
- **Company risk.** The market values of corporate securities vary with the success or failure of the company issuing the security. Many factors can negatively affect the prices of securities issued by a particular company, such as poor earnings reports, loss of major customers, major litigation against the company or changes in government regulations affecting the company or its industry. The success of the companies in which the Fund invests largely determines the Fund's long-term performance.
- **Financial services risk.** The Fund, historically, has invested a significant portion of its assets in the financial services sector. Risks of investing in the financial services sector include: (i) *Regulatory actions:* financial services companies may suffer setbacks if regulators change the rules under which they operate; (ii) *Changes in interest rates:* unstable and/or rising interest rates may have a disproportionate effect on companies in the financial services sector; (iii) *Non-diversified loan portfolios:* financial services companies, whose securities the Fund purchases, may themselves have concentrated portfolios, such as a high level of loans to real estate developers, which makes them vulnerable to economic conditions that affect that industry; (iv) *Credit:* financial services companies may have exposure to investments or agreements which, under certain circumstances, may lead to losses, for example sub-prime loans; and (v) *Competition:* the financial services sector has become increasingly competitive.
- **Foreign country risk.** The Fund may invest a portion of its assets in companies operating, incorporated, or principally traded in foreign countries. Investing in foreign countries involves risks that may cause the Fund's performance to be more volatile than it would be if the Fund invested solely in the United States. Foreign economies may not be as strong or as 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. In addition, foreign capital markets may not be as well developed, so securities may be less liquid, transaction costs may be higher, and investments may be subject to more or less government regulation. Securities issued by foreign companies are frequently denominated in foreign currencies. 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 generally does not hedge its currency risk. When the value of a foreign currency declines against the U.S. dollar, the value of the Fund's shares will tend to decline.

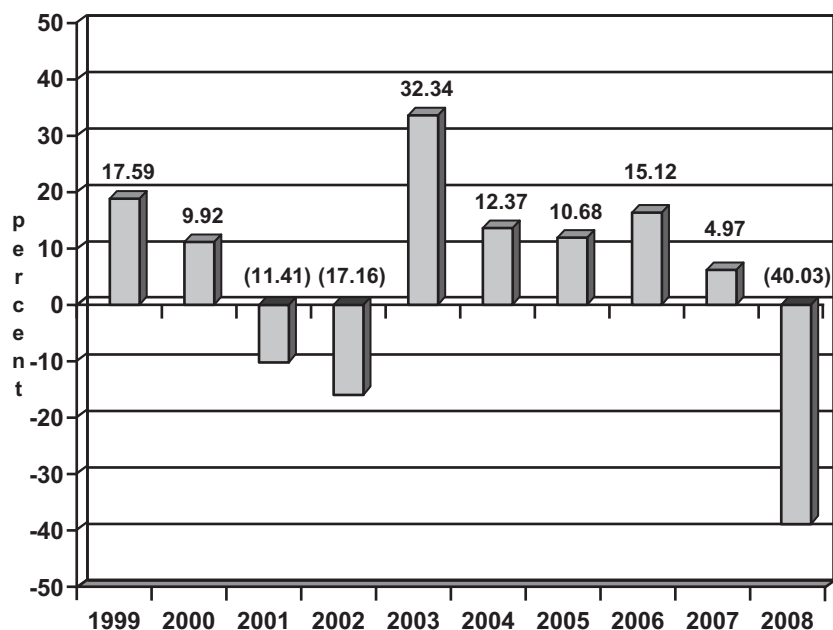
- **Fees and Expenses risk.** All mutual funds incur operating fees and expenses. Fees and expenses reduce the return which a shareholder may earn by investing in a fund. A low return environment, or a bear market, increases the risk that a shareholder may lose money.
- **Headline risk.** We seek to acquire companies with durable business models that can be purchased at attractive valuations relative to what Davis Advisors believes to be the companies' intrinsic values. We may make such investments when a company becomes the center of controversy after receiving adverse media attention. The company may be involved in litigation, the company's financial reports or corporate governance may be challenged, the company's public filings may disclose a weakness in internal controls, greater government regulation may be contemplated, or other adverse events may threaten the company's future. While we research companies subject to such contingencies, we cannot be correct every time, and the company's stock may never recover.
- **Selection risk.** The securities we select for the Fund may underperform the S&P 500® Index or other funds with similar investment objectives and strategies.

The Fund's shares 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.

### **Performance Information**

The bar chart and table that follow provide an indication of the risks of investing in Davis New York Venture Fund by showing changes in the Fund's year-to-year performance and by showing how the Fund's average annual returns compare to those of the S&P 500® Index, a widely recognized, unmanaged index of stock performance. The Fund is not managed to track any particular index and, consequently, the performance of the Fund may deviate significantly from the performance of the Index. The Fund's past performance (before and after taxes) is not necessarily an indication of how the Fund will perform in the future.

**Davis New York Venture Fund**  
**Annual Total Returns for Class A Shares**  
*for the years ended December 31*



During the period shown above, the Fund's highest quarterly return was 18.66% for the quarter ended June 30, 2003, and the lowest quarterly return was (24.52)% for the quarter ended December 31, 2008. Total return for the ten months ended October 31, 2009 (not annualized) was 21.76%.

The bar chart does not reflect any sales charges. Total return would have been less if it reflected those charges. The returns for the other classes of shares offered by this prospectus will differ from the Class A returns shown in the chart, depending upon the expenses of that class.

**Davis New York Venture Fund Average Annual Total Returns**  
*for the periods ended December 31, 2008*

	Past 1 Year	Past 5 Years	Past 10 Years	Life of Class*
Class A shares <i>return before taxes</i>	(42.88)%	(3.00)%	0.75%	11.28%
Class A shares <i>return after taxes on distributions</i>	(43.02)%	(3.14)%	0.39%	N/A
Class A shares <i>return after taxes on distributions and sale of fund shares</i>	(27.72)%	(2.49)%	0.57%	N/A
Class B shares <i>return before taxes</i>	(42.87)%	(3.22)%	0.67%**	8.02%**
Class C shares <i>return before taxes</i>	(41.08)%	(2.81)%	0.46%	7.48%
S&P 500® Index	(37.00)%	(2.19)%	(1.38)%	9.05%

*Average Annual Total Returns for each class of shares reflect sales charges.*

\* *Average annual total returns for life are for the periods from the commencement of each class's investment operations: Class A shares, 2/17/69; Class B shares, 12/1/94; and Class C shares, 12/20/94. Index average annual total return for life is from 2/17/69.*

\*\* *Class B shares automatically convert to Class A shares after seven years. Class B shares performance for the past 10 years and the life of class includes the first seven years of Class B share performance and Class A share performance thereafter.*

After-tax returns are calculated using the highest historical individual federal marginal income tax rates for each year and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown. After-tax returns shown are not relevant to investors who hold their Fund shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts.

Class A, B and C shares are offered by this prospectus. After-tax returns are shown only for Class A shares and will vary for other classes.

If returns are negative, returns after taxes on distributions and sale of fund shares may be higher than returns before taxes, as the resulting capital losses from the sale of fund shares would be available to offset capital gains from other investments.

S&P 500® Index returns do not reflect deductions for fees, expenses, or taxes. You cannot invest directly in an index.

## Fees and Expenses of the Fund

### ***Fees You May Pay as a Davis Funds Shareholder***

*paid directly from your investment*

	<b>Class A shares</b>	<b>Class B shares</b>	<b>Class C shares</b>
Maximum sales charge (load) imposed on purchases <i>as a percentage of offering price<sup>(1)</sup></i>	4.75%	None	None
Maximum deferred sales charge (load) imposed on redemptions <i>as a percentage of the lesser of the net asset value of the shares redeemed or the total cost of such shares</i>	0.50% <sup>(2)</sup>	4.00%	1.00%
Maximum sales charge (load) imposed on reinvested dividends	None	None	None
Redemption Fee	None	None	None
Exchange Fee	None	None	None

*A Wire Fee of \$5 for domestic transfers may be deducted from sale proceeds. See "Wiring Sale Proceeds to Your Bank Account" in this prospectus.*

<sup>1</sup> See "How to Choose a Share Class" in this prospectus to determine whether you may qualify for a reduced sales charge.

<sup>2</sup> As a Class A shareholder, this charge is imposed only if you buy shares valued at \$1 million or more without a sales charge and sell the shares within one year of purchase.

### ***Davis New York Venture Fund Annual Operating Expenses***

*deducted from the Fund's assets*

	<b>Class A shares</b>	<b>Class B shares</b>	<b>Class C shares</b>
Management Fees	0.49%	0.49%	0.49%
Distribution (12b-1) Fees	0.24%	1.00%	1.00%
Other Expenses <sup>(1)</sup>	0.19%	0.32%	0.22%
Total Annual Operating Expenses	0.92%	1.81%	1.71%

*Expenses may vary in future years. See "Fees and Expenses of the Fund" in this prospectus.*

<sup>1</sup> Includes custodian fees, transfer agent fees, audit fees, legal fees, directors' fees and expenses, reports to shareholders, and various other expenses.

The difference in the fee structure between the classes is primarily the result of fees and expenses paid by the Fund to dealers and financial institutions for providing services to shareholders. These services may include, but are not limited to, assessing a client's investment needs and recommending suitable investments on an ongoing basis.

The fee is not the result of any difference in the amounts charged by Davis Advisors for investment advisory services. Class B and Class C contingent deferred sales charges and asset-based sales charges have the same purpose as the front-end sales charge on sales of Class A shares, i.e., to compensate dealers and financial institutions for their services. Accordingly, the investment advisory expenses do not vary by class. Different fees and expenses will affect performance.

### ***Expense Example***

This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds.

The example assumes that you invest \$10,000 in the Fund for the time periods indicated. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same as shown above. Although your actual costs may be higher or lower, your costs, based on these assumptions, would be:

<b>If you sell your shares in...</b>	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>
Class A shares	\$564	\$754	\$ 960	\$1,553
Class B shares	\$584	\$869	\$1,180	\$1,783*
Class C shares	\$274	\$539	\$ 928	\$2,019

<b>If you still hold your shares after...</b>	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>
Class A shares	\$564	\$754	\$ 960	\$1,533
Class B shares	\$184	\$569	\$ 980	\$1,783*
Class C shares	\$174	\$539	\$ 928	\$2,019

\* Class B shares' expenses for the 10 year period include three years of Class A shares' expenses since Class B shares automatically convert to Class A shares after seven years.

### **Additional Information About Investments**

Davis New York Venture Fund's investment objective is long-term growth of capital. The Fund's investment objective is not a fundamental policy and may be changed by the Fund's Board of Directors without a vote of shareholders. The Fund's prospectuses would be amended before any change in investment objective, and shareholders would be promptly notified of the change.

The Fund's principal investment strategies and main risks are described in the Overview section of this prospectus. The Fund is not limited to investing in the securities and using the principal investment strategies described in the Overview. The Fund may also purchase other kinds of securities, engage in active trading (which would increase portfolio turnover and commission expenses and could increase taxable distributions), or employ other investment strategies that are not principal investment strategies if, in Davis Advisors' professional judgment, the securities, trading, or investment strategies are appropriate. Factors that Davis Advisors considers in pursuing these other strategies include whether the strategies (i) would be consistent with shareholders' reasonable expectations; (ii) would assist the Fund in pursuing its investment objective; (iii) are consistent with the Fund's investment strategy; (iv) would cause the Fund to violate any of its investment restrictions; or (v) would materially change the Fund's risk profile as described in the Fund's prospectus and Statement of Additional Information, as amended from time to time. The Statement of Additional Information discusses these securities and investment strategies.

**Short-Term Investments.** The Fund uses short-term investments, such as treasury bills and repurchase agreements, to maintain flexibility while evaluating long-term opportunities. The Fund may also use short-term investments for temporary defensive purposes. At such times the Fund will not be pursuing its normal investment policies. In the event that our investment professionals anticipate a decline in the market values of the companies in which the Fund invests (due to economic, political or other factors), the Fund may reduce its risk by investing in short-term

securities until market conditions improve. Unlike equity securities, these investments will not appreciate in value when the market advances and will not contribute to long-term growth of capital.

For more details concerning current investments and market outlook, please see the Fund's most recent shareholder report.

**Execution of Portfolio Transactions.** Davis Advisors places orders with broker-dealers for Davis Funds' portfolio transactions. Davis Advisors seeks to place portfolio transactions with brokers or dealers who will execute transactions as efficiently as possible and at the most favorable net price. In placing executions and paying brokerage commissions or dealer markups, Davis Advisors considers price, commission, timing, competent block trading coverage, capital strength and stability, research resources, and other factors. Subject to best price and execution, Davis Advisors may place orders for Davis Funds' portfolio transactions with broker-dealers who have sold shares of Davis Funds. However, when Davis Advisors places orders for Davis Funds' portfolio transactions, it does not give any consideration to whether a broker-dealer has sold shares of Davis Funds. In placing orders for Davis Funds' portfolio transactions, the Adviser does not commit to any specific amount of business with any particular broker-dealer.

Over the last three years, the Fund paid the following brokerage commissions:

	<i>For The Year Ended July 31,</i>		
	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b>Davis New York Venture Fund</b>			
Brokerage commissions paid:	\$12,204,003	\$13,205,834	\$6,387,930
Brokerage as a percentage of average net assets:	0.04%	0.03%	0.01%

## DAVIS MANAGEMENT

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### Davis Advisors

Davis Advisors serves as the investment adviser for each of the Davis Funds. Davis Advisors' offices are located at 2949 East Elvira Road, Suite 101, Tucson, Arizona 85756. Davis Advisors provides investment advice for the Davis Funds, manages their business affairs, and provides day-to-day administrative services. Davis Advisors also serves as investment adviser for other mutual funds and institutional and individual clients.

For the fiscal year ended July 31, 2009, Davis Advisors' compensation from the Fund for its services (based on average net assets) was 0.49%.

Davis Selected Advisers-NY, Inc., serves as the sub-adviser for each of the Davis Funds. Davis Selected Advisers-NY, Inc.'s offices are located at 609 Fifth Avenue, New York, New York 10017. Davis Selected Advisers-NY, Inc., provides investment management and research services for the Davis Funds and other institutional clients, and is a wholly owned subsidiary of Davis Advisors. Davis Selected Advisers-NY, Inc.'s fee is paid by Davis Advisors, not the Davis Funds.

Every year the Fund's Board of Directors considers whether to re-approve the Fund's advisory and sub-advisory agreements. The basis for the Board's decision is described in the Fund's most recent Annual Report.

### Investment Professionals

- **Christopher C. Davis** has served as a Portfolio Manager of Davis New York Venture Fund since October 1995 and also manages other equity funds advised by Davis Advisors. He has served as President of the Fund since March 2000. Mr. Davis served as Assistant Portfolio Manager and Research Analyst working with Shelby M.C. Davis from September 1989 through September 1995.
- **Kenneth Charles Feinberg** has served as a Portfolio Manager of Davis New York Venture Fund since May 1998 and also manages other equity funds advised by Davis Advisors. Mr. Feinberg started with Davis Advisors as a Research Analyst in December 1994.

In addition, a limited portion of the Fund's assets may be managed by Davis Advisors' research analysts, subject to review by the Fund's Portfolio Managers.

The Statement of Additional Information provides additional information about the Portfolio Managers' compensation, other accounts managed by the Portfolio Managers, and the Portfolio Managers' investments in the Fund.

## ONCE YOU INVEST IN DAVIS FUNDS

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This section describes how your investment in the Fund is valued, how you earn money on your investment and how the government may tax these earnings.

### **How Your Shares Are Valued**

Once you open your Davis Funds account, you may buy or sell shares on any day that the Funds are open for business. The price of your shares in a Davis Fund is based upon the total value of the Fund's investments. Your account balance may change daily because the share price may change daily.

The value of one share of a Davis Fund, also known as the net asset value, or NAV, is calculated at 4 p.m. Eastern time, on each day the New York Stock Exchange is open or as of the time the Exchange closes, if earlier.

The business sections of many, but not all, major newspapers publish Davis Funds' daily net asset values. If you have access to the Internet, you can also check the net asset value on our website ([www.davisfunds.com](http://www.davisfunds.com)).

### ***Valuation of Portfolio Securities***

Your shares will be purchased or sold at the net asset value next determined after Davis Funds' transfer agent receives your request to purchase or sell shares in good order. Class A shares are generally purchased at net asset value plus a sales charge. A contingent deferred sales charge may apply at the time you sell.

The Fund's portfolio securities are valued primarily on the basis of market quotations. However, Davis Funds have adopted procedures for making "fair value" determinations if market quotations are not readily available. The Fund uses fair value prices any time Davis Advisors concludes that reliable market quotations for the Fund's portfolio securities are not readily available from an approved third-party pricing service or from independent brokers. Examples of when fair value pricing may be used include when the Fund holds illiquid or thinly traded securities, and securities whose values have been affected by a significant event occurring after the close of their primary markets. Davis Funds use an independent vendor to assist in fair value pricing of foreign securities when deemed appropriate. The use of fair value pricing by the Fund may cause the net asset value of its shares to differ significantly from the net asset value that would be calculated using last reported prices.

Some of the Fund's securities may be traded in markets that close at a different time than when the Fund's shares are priced. Events affecting portfolio values that occur after the time that such markets close and the time the Fund's shares are priced may result in the use of fair value pricing, as described above. Likewise, because foreign securities trade in markets and exchanges that operate on U.S. holidays and weekends, the values of some of the Fund's foreign investments might change significantly on those days when investors cannot buy or redeem shares. Davis Funds have adopted procedures designed to identify and react to significant events in foreign markets that would have a material effect on a Fund's net asset value. Notwithstanding, the net asset value of a Fund's shares may change on days when shareholders will not be able to purchase or redeem Fund shares.

Securities denominated in foreign currencies and traded in foreign markets will have their values converted into U.S. dollar equivalents at the prevailing exchange rates as computed by State Street Bank and Trust. Fluctuation in the values of foreign currencies in relation to the U.S. dollar may affect the net asset value of a Fund's shares even if there has not been any change in the foreign currency prices of that Fund's investments.

### **Portfolio Holdings**

A description of Davis Funds' policies and procedures with respect to the disclosure of the Fund's portfolio holdings is available in the Statement of Additional Information.

Davis Funds' portfolio holdings are published and mailed to shareholders twice a year in the Annual and Semi-Annual Reports which are mailed approximately 60 days after the end of the Fund's second and fourth fiscal quarters. In addition, each Fund publishes its portfolio holdings on the Davis Funds' website

([www.davisfunds.com](http://www.davisfunds.com)) and the SEC website ([www.sec.gov](http://www.sec.gov)) approximately 60 days after the end of each fiscal quarter. Other information concerning the Funds' portfolio holdings may also be published on the Davis Funds' website from time to time.

## **How We Pay Earnings**

There are two ways you can receive payments from the Davis Fund you invest in:

- **Dividends.** Dividends are distributions to shareholders of net investment income and short-term capital gains on investments.
- **Capital Gains.** Capital gains are profits received by a Fund from the sale of securities held for the long term, which are then distributed to shareholders.

If you would like information about when a particular Davis Fund pays dividends and distributes capital gains, please call **1-800-279-0279**. Unless you choose otherwise, the Davis Funds will automatically reinvest your dividends and capital gains in additional Fund shares.

You can request to have your dividends and capital gains paid to you by check or deposited directly into your bank account. Dividends and capital gains of \$50 or less will not be sent by check but will be reinvested in additional Fund shares.

We also offer a **Dividend Diversification Program**, which allows you to have your dividends and capital gains from one Davis Fund reinvested in shares of another Davis Fund.

You will receive a statement each year detailing the amount of all dividends and capital gains paid to you during the previous year. To ensure that these distributions are reported properly to the U.S. Treasury, you must certify on your Davis Funds Application Form or on IRS Form W-9 that your Taxpayer Identification Number is correct and you are not subject to backup withholding. If you are subject to backup withholding, or you did not certify your Taxpayer Identification Number, the IRS requires the Davis Funds to withhold a percentage of any dividends paid and redemption or exchange proceeds received.

### ***How to Put Your Dividends and Capital Gains to Work***

You can have all of your dividends and capital gains automatically invested in the same Fund or the same share Class of any other Davis Fund. To be eligible for this **Dividend Diversification Program**, all accounts involved must be registered under the same name and same Class of shares and have a minimum initial value of \$1,000. Shares are purchased at the chosen Fund's net asset value on the dividend payment date. You can make changes to your selection or withdraw from the program at any time. To participate in this program, fill out the cross-reinvest information in the appropriate section of the Application Form. If you wish to establish this program after your account has been opened, call for more information.

## **Federal Income Taxes**

### ***Taxes on Distributions***

Distributions you receive from the Fund may be subject to income tax and may also be subject to state or local taxes unless you are exempt from taxation.

For federal tax purposes, any taxable dividends and distributions of short-term capital gains are treated as ordinary income. The Fund's distributions of net long-term capital gains are taxable to you as long-term capital gains. Any taxable distributions you receive from the Fund will normally be taxable to you when made, regardless of whether you reinvest distributions or receive them in cash.

Davis Funds will send you a statement each year showing the tax status of your Fund distributions.

### ***Taxes on Transactions***

Your redemptions, including exchanges, may result in a capital gain or loss for federal tax purposes. A capital gain or loss on your investment is the difference between the cost of your shares, including any sales charges, and the price you receive when you sell them.

More information concerning federal taxes is available in the Statement of Additional Information. We recommend that you consult with a tax advisor about dividends and capital gains that you may receive from the Davis Funds.

### **Fees and Expenses of the Fund**

The Fund must pay operating fees and expenses.

#### ***Management Fee***

The management fee covers the normal expenses of managing the Fund, including compensation, research costs, corporate overhead expenses and related expenses. Davis Funds offer different Classes of shares in other prospectuses. The difference in the fee structure between the Classes is primarily the result of fees and expenses paid by the Fund to dealers and financial institutions for providing services to shareholders. Accordingly, the core investment advisory expenses do not vary by Class. Different fees and expenses will affect performance.

#### ***12b-1 Fees***

The Davis Funds have Plans of Distribution or “12b-1 Plans” under which the Funds may use their own assets to finance distribution activities. The 12b-1 Plans are used primarily to pay dealers and other institutions for providing services to Davis Funds’ shareholders. The 12b-1 Plans provide for annual distribution expenses of up to 0.25% of the average daily net asset value of the Class A shares; and up to the lesser of 1.25% of the average daily net asset value of the Class B or C shares or the maximum amount provided by applicable rule or regulation of the Financial Industry Regulatory Authority (“FINRA”), which is 1.00% at present.

For Class A, B or C shares, up to 0.25% of distribution expenses may be used to pay service fees to qualified dealers providing certain shareholder services. These services may include, but are not limited to, assessing a client’s investment needs and recommending suitable investments on an ongoing basis. In lieu of front-end sales charge (as assessed upon the sale of Class A shares), up to an additional 1.00% of distribution expenses may be paid for Class B and C shares. Because distribution expenses are paid out of a Fund’s assets on an ongoing basis, these fees will increase the cost of your investment over time and may cost you more than paying other types of sales charges. Thus, the higher fees for Class B and C shares may cost you more over time than paying the initial sales charge for Class A shares.

Class B and Class C shares contingent deferred sales charges and asset-based sales charges have the same purpose as the front-end sales charge on sales of Class A shares, i.e., to compensate dealers and other financial institutions for their services. The fees are paid by the Fund to dealers and financial institutions for providing services to their clients.

#### ***Other Expenses***

Other expenses include miscellaneous fees from affiliated and outside service providers. These fees may include legal, audit and custodial fees, the costs of printing and mailing of reports and statements, automatic reinvestment of distributions and other conveniences, and payments to third parties that provide recordkeeping services or administrative services for investors in the Fund.

#### ***Total Fund Operating Expenses***

The total cost of operating a mutual fund is reflected in its expense ratio. A shareholder does not pay operating costs directly; instead, operating costs are deducted before the Fund’s NAV is calculated and are expressed as a percentage of the Fund’s average daily net assets. The effect of these fees is reflected in the performance results

for that Class of shares. Investors should examine total operating expenses closely in the prospectus, especially when comparing one fund with another fund in the same investment category.

### **Fees Paid to Dealers and Other Financial Intermediaries**

Broker-dealers and other financial intermediaries (“Qualifying dealers”) may charge Davis Distributors, LLC (the “Distributor”) or the Adviser substantial fees for selling Davis Funds’ shares and providing continuing support to shareholders. Qualifying dealers may charge (i) sales commissions from sales charges paid by purchasing shareholders; (ii) distribution and service fees from the Funds’ 12b-1 distribution plans; (iii) record-keeping fees from the Funds for providing record-keeping services to investors who hold Davis Funds shares through dealer-controlled omnibus accounts; and (iv) other fees, described below, paid by Davis Advisors or the Distributor from their own resources.

Qualifying dealers may, as a condition to distributing shares of the Davis Funds, request that the Distributor, or the Adviser, pay or reimburse the Qualifying dealer for: (i) marketing support payments including business planning assistance, educating personnel about the Davis Funds, and shareholder financial planning needs, placement on the dealer’s list of offered funds, and access to sales meetings, sales representatives and management representatives of the dealer; and (ii) financial assistance charged to allow the Distributor to participate in and/or present at conferences or seminars, sales or training programs for invited registered representatives and other employees, client and investor events and other dealer-sponsored events. These additional fees are sometimes referred to as “revenue sharing” payments. A number of factors are considered in determining fees paid to Qualifying dealers, including the dealer’s sales and assets, and the quality of the dealer’s relationship with the Distributor. Fees are generally based on the value of shares of the Fund held by the dealer or financial institution for its customers or based on sales of Fund shares by the dealer or financial institution, or a combination thereof. Davis Advisors may use its profits from the advisory fee it receives from the Fund to pay some or all of these fees. Some dealers may also choose to pay additional compensation to their registered representatives who sell the Funds. Such payments may be associated with the status of a Fund on a financial intermediary’s preferred list of funds or otherwise associated with the financial intermediary’s marketing and other support activities. The foregoing arrangements may create an incentive for the brokers, dealers or other financial institutions, as well as their registered representatives, to sell the Davis Funds rather than other funds.

In 2009, the Distributor, or the Adviser was charged additional fees by the Qualifying dealers listed below. The Distributor paid these fees from its own resources. These Qualifying dealers may provide the Davis Funds enhanced sales and marketing support and financial advisers employed by the Qualifying dealers may recommend the Davis Funds rather than other funds. Qualifying dealers may be added or deleted at any time.

ADP Broker Dealer, Inc.; Ameriprise Financial Services, Inc.; Charles Schwab & Co., Inc.; Citigroup Global Markets, Inc.; Comerica Bank; Diversified Investment Advisors, Inc.; Fidelity Brokerage Services, LLC.; Genworth Life Insurance Company of New York; Genworth Life and Annuity Insurance Company; Hartford Life Insurance Company; Hartford Securities Distribution Company, Inc; HSBC Bank USA; ING Life Insurance and Annuity Co.; ING Financial Advisers, LLC; John Hancock Life Insurance Company (U.S.A.); John Hancock Life Insurance Company of New York; Marshall & Ilsley Trust Company; Massachusetts Mutual Life Insurance Co.; Mercer HR Services LLC; Merrill Lynch, Pierce, Fenner & Smith, Inc.; Merrill Lynch Life Insurance Co.; Morgan Stanley & Co., Inc.; Morgan Stanley Smith Barney LLC; National Financial Services, LLC.; Nationwide Financial Services, Inc.; New York Life Distribution; Prudential Investment Management Services, LLC.; Raymond James & Associates, Inc.; Standard Insurance Company; The Guardian Insurance & Annuity Company, Inc.; The Princeton Retirement Group, Inc.; The Vanguard Group, Inc.; UBS Financial Services, Inc.; Wachovia Bank N.A.; Wachovia Bank N.A., Executive Benefits Group; Wachovia Securities, Inc.; Wells Fargo, N.A.

In addition, the Distributor may, from time to time, pay additional cash compensation or other promotional incentives to authorized dealers or agents who sell shares of the Davis Funds. In some instances, such cash compensation or other incentives may be offered only to certain dealers or agents who employ registered representatives who have sold or may sell significant amounts of shares of the Davis Funds during specified periods of time.

Although Davis Funds may use brokers who sell shares of the Funds to execute portfolio transactions, the Funds do not consider the sale of fund shares as a factor when selecting brokers to execute portfolio transactions.

Investors should consult their financial intermediaries regarding the details of payments they may receive in connection with the sale of Fund shares.

**Due Diligence Meetings.** The Distributor routinely sponsors due diligence meetings for registered representatives during which they receive updates on various Davis Funds and are afforded the opportunity to speak with the Adviser's investment professionals. Invitation to these meetings is not conditioned on selling a specific number of shares. Those who have shown an interest in Davis Funds, however, are more likely to be considered. To the extent permitted by their firm's policies and procedures, registered representatives' expenses in attending these meetings may be covered by the Distributor.

**Seminars and Educational Meetings.** The Distributor may defray certain expenses of Qualifying dealers incurred in connection with seminars and other educational efforts subject to the Distributor's policies and procedures governing payments for such seminars. The Distributor may share expenses with Qualifying dealers for costs incurred in conducting training and educational meetings about various aspects of the Funds for the employees of Qualifying dealers. In addition, the Distributor may share expenses with Qualifying dealers for costs incurred in hosting client seminars at which the Fund is discussed.

**Recordkeeping Fees.** Certain Qualifying dealers have chosen to maintain "omnibus accounts" with Davis Funds. In an omnibus account, the Fund maintains a single account in the name of the dealer and the dealer maintains all of its clients' individual shareholder accounts. Likewise, for many retirement plans, a third-party administrator may open an omnibus account with the Davis Funds and the administrator will then maintain all of the participant accounts. Davis Advisors, on behalf of the Funds, enters into agreements whereby the Funds are charged by the dealer or administrator for such recordkeeping services.

Recordkeeping services typically include: (i) establishing and maintaining shareholder accounts and records; (ii) recording shareholder account balances and changes thereto; (iii) arranging for the wiring of funds; (iv) providing statements to shareholders; (v) furnishing proxy materials, periodic Davis Funds reports, prospectuses and other communications to shareholders as required; (vi) transmitting shareholder transaction information; and (vii) providing information in order to assist Davis Funds in their compliance with state securities laws. Each Davis Fund typically would be paying these shareholder servicing fees directly if a Qualifying dealer did not hold all customer accounts in a single omnibus account with each Davis Fund.

**Other Compensation.** The Distributor may, from its own resources and not the Funds', pay additional fees to the extent not prohibited by state or federal laws, the Securities and Exchange Commission (SEC), or any self-regulatory agency, such as the Financial Industry Regulatory Authority (FINRA).

## HOW TO CHOOSE A SHARE CLASS

Before you buy shares in any Davis Fund, you need to decide which class of shares best suits your needs. Davis Funds offer four classes of shares: A, B, C and Y. Each class is subject to different expenses and sales charges. Class Y shares are offered through a separate prospectus. Class Y shares are generally available only to qualified institutional investors. Davis New York Venture Fund also offers Class R shares, which are generally available only to qualified retirement plans, through a separate prospectus.

The difference in the fee structures between the classes is primarily the result of their separate arrangements for shareholder and distribution services and is not the result of any difference in the amounts charged by Davis Advisors for investment advisory services. Accordingly, the investment advisory expenses do not vary by class.

You may choose to buy one class of shares rather than another depending on the amount of the purchase and the expected length of time of investment. Long-term shareholders of Class B or C shares may pay more than the maximum front-end sales charge allowed by FINRA.

### Class A Shares

Class A shares may be best for you if you are a long-term investor who is willing to pay the entire sales charge at the time of purchase. In return, you pay a lower distribution fee than Class B or C shares.

- For any investment below \$100,000, you buy Class A shares at their net asset value per share plus a sales charge, which is approximately 4.75% of the offering price (see chart following). The term “offering price” includes the front-end sales charge.
- There is no limit to how much you can invest in this share class.
- Davis Funds (other than Davis Government Money Market Fund) pay a distribution fee—up to 0.25% of the average daily net assets—each year you hold the shares. This fee is lower than the fee you pay for the other two classes of shares. Lower expenses of Class A shares translate into higher annual return on net asset value than Class B or C shares.

### Class A Shares Sales Charges

for all Davis Funds except Davis Government Money Market Fund

Amount of Purchase	Sales Charge approximate percentage of offering price	Sales Charge approximate percentage of net amount invested	Amount of Sales Charge Retained by Dealer percentage of offering price
Under \$100,000	4.75%	4.99%	4.00%
\$100,000 – \$249,999	3.50%	3.63%	3.00%
\$250,000 – \$499,999	2.50%	2.56%	2.00%
\$500,000 – \$749,999	2.00%	2.04%	1.75%
\$750,000 – \$999,999	1.00%	1.01%	0.75%
\$1 million or more*	None	None	None

\* You pay no front-end sales charge on purchases of \$1 million or more, but if you sell those shares (in any Davis Fund other than Davis Government Money Market Fund) within the first year, a deferred sales charge of 0.50% may be deducted from the redemption proceeds.

The Distributor may pay the dealer of record commissions (on Davis Funds other than Davis Government Money Market Fund) on purchases at the annual rate described in the table below. Commissions may be paid on either (i) Class A purchases of \$1 million or more; or (ii) Class A purchases (net of redemptions) in retirement plans which qualify for sales at net asset value. The commission will be paid only on purchases that were not previously subject to a front-end sales charge or dealer concession.

<b>Purchase Amount</b>	<b>Commission</b>
First \$5 million	0.50%
More than \$5 million	0.25%

The Fund may reimburse the Distributor for these payments through its Plans of Distribution. If distribution fee limits already have been reached for the year, the Distributor itself will pay the commissions.

### ***Reduction of Class A Shares Initial Sales Charge***

As the chart above shows, the sales charge gets smaller as your purchase amount increases. There are several ways you may combine purchases to qualify for a lower sales charge. To receive a reduction in your Class A initial sales charge, you must let your dealer or Davis Funds know at the time you purchase shares that you qualify for such a reduction. If you do not let your dealer or Davis Funds know you are eligible for a reduction, you may not receive a sales charge discount to which you are otherwise entitled. To qualify for a reduction in Class A shares initial sales charge you must provide records (generally account statements are sufficient; your broker may require additional documents) of all Davis Funds shares owned which you wish to count towards the sales charge reduction.

### ***You Can Combine Purchases of Class A Shares***

- **With other “immediate family” members.** To receive a reduced Class A sales charge, investments made by yourself, your spouse and any children under the age of 21, may be aggregated if made for your own account(s) and/or certain other accounts, such as:
  - a) trust accounts established by the above individuals. However, if the person(s) who established the trust is deceased, then the trust account may only be aggregated with accounts of the primary beneficiary of the trust;
  - b) solely controlled business accounts; or
  - c) single-participant retirement plans.
- **Through employee benefit plans.** If you buy shares through trust or fiduciary accounts and Individual Retirement Accounts (IRAs) of a single employer, the purchases will be treated as a single purchase.
- **Under a Statement of Intention.** If you enter a Statement of Intention and agree to buy Class A shares of \$100,000 or more over a thirteen-month period, all of the shares you buy during that period will be counted as a single purchase, with the exception of purchases into Davis Government Money Market Fund. Before entering a Statement of Intention, please read the terms and conditions in the Statement of Additional Information. Under a Statement of Intention, you agree to permit our service provider, State Street Bank and Trust, to hold fund shares in escrow to guarantee payment of any sales charges that may be due if you ultimately invest less than you agreed to invest over the covered thirteen-month period. Money Market Fund purchases do not count toward a Statement of Intention unless the shares were exchanged from another Davis Fund and the shares were previously subject to a sales charge.
- **Under Rights of Accumulation.** If you notify your dealer or the Distributor, you can include the Class A, B and C shares in Davis Funds you already own (excluding shares in Davis Government Money Market Fund) when calculating the price for your current purchase. These shares are valued at current offering price value to determine whether or not you qualify for a reduction in the sales charge. Money Market Fund purchases

do not count toward Rights of Accumulation unless the shares were exchanged from another Davis Fund and the shares were previously subject to a sales charge.

- **Combining Rights of Accumulation (ROA) with Statement of Intention.** A shareholder can use a Statement of Intention and Rights of Accumulation in conjunction with one another; the Statement of Intention will take precedence over the Rights of Accumulation. Once the Statement of Intention has been satisfied, any new purchases into any of the linked Class A share accounts will receive the reduced sales charge.

For more information about how to reduce Class A shares initial sales charge, please visit Davis Funds' website, free of charge, at [www.davisfunds.com](http://www.davisfunds.com) (which includes additional information in a clear and prominent format that includes hyperlinks), consult your broker or financial intermediary, or refer to the Fund's Statement of Additional Information which is available through your financial intermediary or from the Fund by calling Investor Services at **1-800-279-0279**.

### ***Class A Shares Front-End Sales Charge Waivers***

We do not impose a sales charge on purchases of Class A shares for:

- Investments in Davis Government Money Market Fund.
- Shareholders making purchases with dividends or capital gains that are automatically reinvested.
- Current and former directors, officers, and employees of any Davis Fund or Davis Advisors (or its affiliates), and their extended family. The term "extended family" includes "immediate family," which is one's spouse and children under 21, and also one's grandchildren, grandparents, parents, parents-in-law, brothers and sisters, sons- and daughters-in-law, a sibling's spouse, a spouse's sibling, aunts, uncles, nieces and nephews; relatives by virtue of a remarriage (step-children, step-parents, etc.) are included. Extended family shall include any child regardless of age.
- Davis Advisors or its affiliates.
- Registered representatives, principals, and employees (and any extended family member) of securities dealers having a sales agreement with the Distributor.
- Financial institutions acting as fiduciaries making single purchases of \$250,000 or more.
- Employee benefit plans making purchases through a single account covering at least fifty participants.
- Wrap accounts offered by securities firms, fee-based investment advisers or financial planners.
- State and local governments.
- Shareholders making purchases in certain accounts offered by securities firms that have entered into contracts with the Davis Funds and which charge fees based on assets in the account.

### ***Rollovers from Retirement Plans to IRAs***

For qualifying rollovers, you must send our service provider, State Street Bank and Trust, a written request for the rollover.

Assets from retirement plans may be invested in Class A, B or C shares through an IRA rollover. Rollovers invested in Class A shares from retirement plans will be subject to applicable sales charges. Rollovers to Class A shares will be made without a sales charge if they meet the following requirements:

- a) the assets being rolled over were invested in Davis Funds at the time of distribution; and
- b) the rolled over assets are contributed to a Davis Funds IRA with State Street Bank and Trust as custodian.

IRA assets that rollover without a sales charge, as described above, will not be subject to a contingent deferred sales charge.

IRA rollover assets invested in Class A shares that are not attributable to Davis Funds investments, as well as future contributions to the IRA, will be subject to sales charges and the terms and conditions generally applicable to Class A share investments as described in the prospectus and Statement of Additional Information.

### **Class B Shares**

Class B shares may be best for you if you are willing to pay a higher distribution fee than Class A shares for seven years in order to avoid paying a front-end sales charge. The Class B contingent deferred sales charge and asset-based sales charge have the same purpose as the front-end sales charge on sales of Class A shares, i.e., to compensate the broker. Class B shares assess a higher distribution fee to pay fees and expenses charged by dealers and financial institutions for services provided to clients.

- You buy the shares at net asset value (no initial sales charge).
- The purchase maximum per transaction for Class B shares is \$50,000.
- If you have significant Davis Funds holdings, you may not be eligible to invest in Class B shares. You may not purchase Class B shares if you are eligible to purchase Class A shares at the \$100,000 or higher sales charge discount rate. See “Class A Shares Sales Charges” and “Reduction of Class A Shares Initial Sales Charge” for more information regarding sales charge discounts.
- If you sell Class B shares in any of the Davis Funds within six years of purchase, you must pay a deferred sales charge. This charge decreases over time as you own the shares (see chart following).
- After you hold Class B shares for seven years, they are converted automatically into Class A shares without incurring a front-end sales charge. As this is a dollar for dollar conversion, you may receive fewer Class A shares due to the difference in the price of the two share classes. Investors in Class A shares pay a lower distribution fee.
- Investors in Class B shares (other than Davis Government Money Market Fund) pay a distribution fee of one percent of the average daily net asset value each year they hold the shares. Higher distribution fees translate into lower annual return on net asset value.
- At redemption, the deferred sales charge for each purchase will be calculated from the date of purchase, excluding any time the shares were held in a money market fund.

*Note:* Investors who buy Class B shares of Davis Government Money Market Fund will not pay a deferred sales charge unless the money market fund shares were received in exchange for shares of another Davis Fund (see “Exchanging Shares” in this prospectus).

### ***Class B Shares Deferred Sales Charges***

*for all Davis Funds except Davis Government Money Market Fund*

<b>Sales Made After Purchase</b>	<b>Amount of Deferred Sales Charge</b>
Year 1	4%
Years 2-3	3%
Years 4-5	2%
Year 6	1%
Year 7	None

*Class B shares automatically convert to Class A shares after seven years.*

### **Class C Shares**

Class C shares may be best for you if you are willing to pay a higher distribution fee than Class A shares in order to avoid paying a front-end sales charge. The Class C contingent deferred sales charge and asset-based sales charge have the same purpose as the front-end sales charge on sales of Class A shares, i.e., to compensate the

broker. Class C shares assess a higher distribution fee to pay fees and expenses charged by dealers and financial institutions for services provided to clients.

- You buy the shares at net asset value (no initial sales charge).
- The purchase maximum per transaction for Class C shares is \$500,000.
- If you have significant Davis Funds holdings, you may not be eligible to invest in Class C shares. You may not purchase Class C shares if you are eligible to purchase Class A shares at the \$1 million or more sales charge discount rate (i.e., at net asset value). See “Class A Shares Sales Charges” and “Reduction of Class A Shares Initial Sales Charge” for more information regarding sales charge discounts.
- If you sell Class C shares in any of the Davis Funds (other than Davis Government Money Market Fund) within one year of purchase, you must pay a deferred sales charge of one percent. At redemption, the deferred sales charge for each purchase will be calculated from the date of purchase, excluding any time the shares were held in a money market fund.
- Investors in Class C shares (other than Davis Government Money Market Fund) pay a distribution fee of one percent of the average daily net asset value each year they hold the shares. Higher distribution fees translate into lower annual return on net asset value.
- Class C shares do not have a conversion provision.

### **Deferred Sales Charge**

If you purchase shares subject to a contingent deferred sales charge and redeem any of those shares during the applicable holding period for the class of shares you own, the contingent deferred sales charge will be deducted from the redemption proceeds unless you are eligible for one of the waivers described below. At redemption, the deferred sales charge will be calculated from the date of each purchase, excluding any time that shares were held in a money market fund. You will pay a deferred sales charge in the following cases:

- As a Class A shareholder, only if you buy shares valued at \$1 million or more without a sales charge and sell the shares within one year of purchase.
- As a Class B shareholder, if you sell shares within six years of purchase. The percentage decreases over the six-year period.
- As a Class C shareholder, if you sell shares within one year of purchase.

To keep deferred sales charges as low as possible, we first will sell shares in your account that are not subject to a deferred sales charge (if any). We do not impose a deferred sales charge on the amount of your account value represented by an increase in net asset value over the initial purchase price, or on shares acquired through dividend reinvestments or capital gains distributions. If the net asset value has decreased the sales charge will be based on the current NAV. To determine whether the deferred sales charge applies to a redemption, we redeem shares in the following order:

- Shares in your account represented by an increase in NAV over the initial purchase price (appreciation).
- Shares acquired by reinvestment of dividends and capital gain distributions.
- Shares that are no longer subject to the deferred sales charge.
- Shares held the longest, but which are still subject to the deferred sales charge.

*Note:* Investors who buy Class B or C shares of Davis Government Money Market Fund will not pay a deferred sales charge unless the money market fund shares were received in exchange for shares of another Davis Fund (see “Exchanging Shares” in this prospectus).

## ***Deferred Sales Charge Waivers***

We will waive the deferred sales charge on sales of Class A, B and C shares of any Davis Fund if:

- You sell Class A shares that were not subject to a commission at the time of purchase (the amount of purchase totaled \$1 million or more) and the shares were held for more than a year.
- You die and were the sole owner of the account. Otherwise, shares can be redeemed without a contingent deferred sales charge following the death or disability of the last surviving shareholder, including a trustee of a grantor trust or revocable living trust for which the trustee is also the sole beneficiary. The death or disability must have occurred after the account was established. If you claim a disability you must provide evidence of a determination of disability by the Social Security Administration.
- You sell shares under a qualified retirement plan or IRA that constitutes a tax-free return of excess contributions to avoid a penalty.
- Your Fund redeems the remaining shares in your account under an Involuntary Redemption.
- You qualify for an exception related to defined contribution plans. These exceptions are described in the Statement of Additional Information.
- You are a director, officer or employee of Davis Advisors or one of its affiliates (or an extended family member of a director, officer or employee).
- You sell Class B or Class C shares under the Systematic Withdrawal Plan if the aggregate value of the redeemed shares does not exceed twelve percent of the account's value.\*

If the net asset value of the shares that you sell has increased since you purchased them, any deferred sales charge will be based on the original cost of the shares.

*\* A Systematic Withdrawal Plan may be established as either a percentage or a fixed-dollar amount. The shares that may be redeemed without a sales charge are recalculated as a percentage of the current market value of the account as of the date of each withdrawal. If established as a percentage, no sales charge will be incurred regardless of market fluctuations. If established as a fixed-dollar amount, a sales charge may be incurred if the market value of the account decreases. If you redeem shares in addition to those redeemed pursuant to the Systematic Withdrawal Plan, a deferred sales charge may be imposed on those shares and on any subsequent redemptions within a twelve-month period, regardless of whether such redemptions are pursuant to a Systematic Withdrawal Plan.*

If you have any additional questions about choosing a share class, please call us toll free at **1-800-279-0279** during business hours, 9 a.m. to 6 p.m. Eastern time. If you still are not sure about which class is best for you, contact your financial adviser.

## HOW TO OPEN AN ACCOUNT

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To open an account with Davis Funds you must meet the initial minimum investment for each fund you choose to invest in. For each Class A, B or C share fund you must invest at least \$1,000.

At the Distributor's discretion, the minimum may be waived for an account established under a "wrap account" or other fee-based program that is sponsored and maintained by a registered broker-dealer approved by the Distributor.

### Two Ways You Can Open an Account

- **By Mail.** Complete and sign the Application Form and mail it to our service provider, State Street Bank and Trust. Include a check made payable to **Davis Funds**. All purchases by check should be in U.S. dollars. **Davis Funds will not accept third-party checks, starter checks, traveler's checks or money orders.**
- **By Dealer.** You may have your dealer order and pay for the shares. In this case, you must pay your dealer directly. Your dealer will then order the shares from the Distributor. Please note that your dealer may charge a service fee or commission for these transactions.

### Anti-Money Laundering Compliance

Davis Funds and the Distributor are required to comply with various anti-money laundering laws and regulations. Consequently, the Funds or the Distributor may request additional information from you to verify your identity and the source of your funds. If you do not provide the requested information, the Davis Funds may not be able to open your account. If at any time the Funds believe an investor may be involved in suspicious activity or if certain account information matches information on government lists of suspicious persons, the Fund and the Distributor may choose not to establish a new account or may be required to "freeze" a shareholder's account. They may also be required to provide a government agency or another financial institution with information about transactions that have occurred in a shareholder's account or to transfer monies received to establish a new account, transfer an existing account or transfer the proceeds of an existing account to a governmental agency. In some circumstances, the law may not permit the Funds or the Distributor to inform the shareholder that it has taken the actions described above.

### Retirement Plan Accounts

You can invest in Davis Funds using any of these types of retirement plan accounts:

- IRAs
- Roth IRAs
- Education Savings Accounts
- Simple IRAs
- Simplified Employee Pension (SEP) IRAs
- 403(b) Plans

State Street Bank and Trust acts as custodian for these retirement plans and charges each participant a \$15 custodial fee each year per Social Security Number. This fee will be waived for accounts sharing the same Social Security Number if the accounts total at least \$50,000 at Davis Funds. This custodial fee is automatically deducted from each account unless you elect to pay the fee directly. There is also a \$15 fee for closing retirement plan accounts. To open a retirement plan account, you must fill out a special application form. You can request this form by calling Investor Services or by visiting the Davis Funds' website.

## HOW TO BUY, SELL AND EXCHANGE SHARES

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Once you have established an account with Davis Funds, you can add to or withdraw from your investment. This prospectus describes the types of transactions you can perform as a Davis Funds shareholder including how to initiate these transactions and the charges that you may incur (if any) when buying, selling or exchanging shares. A transaction will not be executed until all required documents have been received in a form meeting all legal requirements. Legal requirements vary depending upon the type of transaction and the type of account. Call Investor Services for instructions. These procedures and charges may change over time and the prospectus in effect at the time a transaction is initiated will describe the procedures and charges which will apply to the transaction.

### **Right to Reject or Restrict any Purchase or Exchange Order**

Purchases and exchanges should be made for long-term investment purposes only. Davis Funds and the Distributor reserve the right to reject or restrict any purchase or exchange order for any reason. Davis Funds are not designed to serve as a vehicle for frequent trading in response to short-term fluctuations in the securities markets. Accordingly, purchases or exchanges that are part of activity that Davis Funds or the Distributor have determined may involve actual or potential harm to a Fund may be rejected.

### **Four Ways to Buy, Sell and Exchange Shares**

- **By Telephone.** Call **1-800-279-0279**. You can speak directly with an Investor Services Professional during our business hours (9 a.m. to 6 p.m. Eastern time) or use our automated telephone system at any time, day or night.
- **By Online Account Access.** You may initiate most account transactions through online account access on our website, ([www.davisfunds.com](http://www.davisfunds.com)). Please note that certain account types may be restricted from online access.
- **By Mail.** Send the request to our service provider, State Street Bank and Trust Company.

*Regular mail:*

Davis Funds  
c/o State Street Bank and Trust Company  
P.O. Box 8406, Boston, MA 02266-8406

*Express shipping:*

Davis Funds  
c/o State Street Bank and Trust Company  
30 Dan Road, Canton, MA 02021-2809

- **By Dealer.** Contact a dealer who will execute the transaction through the Distributor. Please note that your dealer may charge service fees or commissions for these transactions.

The Davis Funds do not issue certificates for any class of shares. Instead, shares purchased are automatically credited to an account maintained for you on the books of the Davis Funds by State Street Bank and Trust. Transactions in the account, such as additional investments, will be reflected on regular confirmation statements from Davis Funds. Dividend and capital gain distributions, purchases through automatic investment plans and certain retirement plans, and automatic exchanges and withdrawals will be confirmed at least quarterly.

### **When Your Transactions Are Processed**

The per-share price for purchases or sales made through the Distributor will be processed on the same day if the order is received before 4 p.m. Eastern time. If State Street Bank and Trust or the Fund requires additional documents to complete the purchase or sale, the transaction price will be determined at the close of business after all required documents are received.

For your transaction to be counted on the day you place your order with your broker-dealer or other financial institution, it must:

- Receive your order before 4 p.m. Eastern time; and
- Promptly transmit the order to State Street Bank and Trust.

### **Buying More Shares**

You may buy more shares at any time by mail, through a dealer or by wire. The minimum purchase amount is \$25.

- **By Mail.** When you purchase shares by mail, send a check made payable to Davis Funds for the amount of purchase to our service provider, State Street Bank and Trust. If you have the investment slip from your most recent statement, include it with the check. If you do not have an investment slip, include a letter with your check stating the name of the Fund, the class of shares you wish to buy, and your account number.
- **Through a Dealer.** When you buy shares through a dealer, you may be charged service fees or commissions for these transactions.
- **By Wire.** You may wire federal funds directly to our service provider, State Street Bank and Trust. To ensure that the purchase is credited properly, follow these wire instructions:

State Street Bank and Trust Company

Boston, MA 02210

Attn: Mutual Fund Services

**[Name of Davis Fund and Class of shares that you are buying]**

*Shareholder Name*

*Shareholder Account Number*

Federal Routing Number 011000028

DDA Number 9904-606-2

### ***Making Automatic Investments***

An easy way to increase your investment in any Davis Fund is to sign up for the **Automatic Investment Plan**. Under this plan, you arrange for a predetermined amount of money to be withdrawn from your bank account and invested in Fund shares. The minimum amount you can invest under the plan each month is \$25. The account minimum of \$1,000 must be met prior to establishing an automatic investment plan.

Purchases can be processed electronically on any day of the month if the institution that services your bank account is a member of the Automated Clearing House (ACH) system. Each debit should be reflected on your next bank statement.

To sign up for the Automatic Investment Plan, complete the appropriate section of the Application Form or complete an Account Service Form. You can modify your Automatic Investment Plan at any time by calling Investor Services.

### **Selling Shares**

You may sell back all or part of your shares in any Davis Fund in which you invest (also known as redeeming your shares) on any day that the Fund is open for business at net asset value minus any sales charges that may be due. You can sell the shares by telephone, by internet, by mail or through a dealer. The minimum redemption amount is \$50, unless your account is less than \$50, in which case you must redeem the entire account.

When you sell shares by mail, indicate the number of shares or the dollar amount you wish to redeem and send the request to our service provider, State Street Bank and Trust. If more than one person owns the shares you wish to sell, all owners must sign the redemption request. You may be required to have the owners' signatures medallion-guaranteed (see "Medallion Signature Guarantee" below).

When you sell shares through a dealer, you may be charged service fees or commissions by the dealer for these transactions.

Redemption proceeds are usually paid to you by check within seven days after State Street Bank and Trust receives your proper redemption request. You may redeem shares on any day that the Fund is open for business. Redemption proceeds may be withheld until a sufficient period of time has passed for State Street Bank and Trust to be reasonably sure that all checks or drafts (including certified or cashier's checks) for shares purchased have cleared, normally not exceeding fifteen calendar days.

### ***What You Need to Know Before You Sell Your Shares***

- You will always receive cash for sales that total less than \$250,000 or one percent of a Fund's net asset value during any ninety-day period. Any sales above the cash limit may be paid in securities and would mean you would have to pay brokerage fees if you sold the securities.
- You will need a medallion signature guarantee on a stock power or redemption request for sales paid by check totaling more than \$100,000. However, if your address of record has changed in the last 30 days, or if you wish to send redemption proceeds to a third party, you will need a medallion signature guarantee for all sales.
- In the past, the Davis Funds issued certificates for its shares. If a certificate was issued for the shares you wish to sell, the certificate must be sent by certified mail to State Street Bank and Trust and accompanied by a letter of instruction signed by the owner(s).
- A sale may produce a gain or loss. Gains may be subject to tax.
- The Securities and Exchange Commission may suspend redemption of shares under certain emergency circumstances if the New York Stock Exchange is closed for reasons other than customary closings and holidays.

### ***Medallion Signature Guarantee***

To protect you and the Davis Funds against fraud, certain redemption requests must be made in writing with your signature guaranteed. A medallion signature guarantee is a written endorsement from an eligible guarantor institution that the signature(s) on the written request is (are) valid. Certain commercial banks,

trust companies, savings associations, credit unions and members of a United States stock exchange participate in the medallion signature guarantee program. No other form of signature verification will be accepted.

### ***Stock Power***

This is a letter of instruction signed by the owner of Fund shares that gives State Street Bank and Trust permission to transfer ownership of the shares to another person or group. Any transfer of ownership requires that all shareholders have their signatures medallion-guaranteed.

### ***If You Decide to Buy Back Shares You Sold***

If you sold Davis Funds Class A or Class B shares on which you have paid a sales charge (other Classes of shares are not entitled to this privilege) and decide to repurchase some or all shares within 60 days of sale, you may notify us in writing of your intent to exercise the **Subsequent Repurchase Privilege**. This privilege can only be exercised once. With this privilege you may purchase Class A shares at current net asset value without a sales charge. If you redeemed Class B shares and paid a contingent deferred sales charge on redemption, it will not be refunded or returned to your account. You may purchase Class A shares of the same fund/account in an amount up to, but not exceeding, the dollar amount of Class A or Class B shares which you previously redeemed. To exercise this privilege, you must send a letter to our service provider, State Street Bank and Trust, along with a check for the repurchased shares.

### ***Involuntary Redemption***

If your Fund account balance declines to less than \$1,000 in any Fund as a result of a redemption, exchange or transfer, we will redeem your remaining shares in the Fund at net asset value. You will be notified before your account is involuntarily redeemed. Telephone redemptions will receive immediate notice that the redemption will result in the entire account being redeemed upon execution of the transaction. All other redemptions will receive a letter notifying account holders that their accounts will be involuntarily redeemed unless the account balance is increased to at least \$1,000 within 30 days.

### ***Making Systematic Withdrawals***

If your fund/account balance is more than \$10,000, you can sell a predetermined dollar or percentage amount each month or quarter (for retirement accounts or IRAs, withdrawals may be established on an annual basis). Because withdrawals are sales, they may produce a gain or loss. If you purchase additional Fund shares at around the same time that you make a withdrawal, you may have to pay taxes and a sales charge. When you participate in this plan, known as the **Systematic Withdrawal Plan**, shares are sold so that you will receive payment by one of three methods:

- You may receive a check at the address of record provided that this address has not changed for a period of at least 30 days.
- You may also choose to receive funds by ACH by completing an account service form. If you wish to execute a Systematic Withdrawal Plan by ACH after your account has been established, please complete an account service form and have your signature medallion guaranteed.
- You may have funds sent by check to a third party at an address other than the address of record. In order to do so, you must complete the appropriate section of the Application Form. If you wish to designate a third-party payee after your account has been established, you must submit a letter of instruction with a medallion signature guarantee.

You may stop systematic withdrawals at any time without charge or penalty by calling Investor Services.

### ***Wiring Sale Proceeds to Your Bank Account***

You may be eligible to have your redemption proceeds electronically transferred to a commercial bank account by federal funds wire. There is a \$5 charge by State Street Bank and Trust for wire service and receiving banks may also charge for this service. Proceeds of redemption by federal funds wire are usually credited to your bank account on the next business day after the sale. Alternatively, redemption through ACH will usually arrive at your bank two banking days after the sale. To have redemption proceeds sent by federal funds wire to your bank, you must first fill out the Banking Instructions section on the account application form and attach a voided check or deposit slip. If the account has already been established, an Account Service Form must be submitted with a medallion guarantee and a voided check.

### ***Exchanging Shares***

You can sell shares of any Davis Fund to buy shares in the same class of any other Davis Fund without having to pay a sales charge. This is known as an exchange. You can only exchange shares from your account within the same class and under the same registration. You can exchange shares by telephone, by internet, by mail or through a dealer. The initial exchange must be for at least \$1,000. Exchanges are normally performed on the same day of the request if received in proper form (all necessary documents, signatures, etc.) by 4 p.m. Eastern time.

Shares in different Davis Funds may be exchanged at relative net asset value. However, if any Davis Fund shares being exchanged are subject to a deferred sales charge, Statement of Intention or other limitation, the limitation will continue to apply to the shares received in the exchange. When you exchange shares in a Davis Fund for shares in Davis Government Money Market Fund, the holding period for any deferred sales charge does not continue during the time that you own Davis Government Money Market Fund shares. For example, Class B

shares are subject to a declining sales charge for six years. Any period that you are invested in shares of Davis Government Money Market Fund will be added to the six-year declining sales charge period.

When you exchange shares by mail, you must send our service provider, State Street Bank and Trust, a written request for the exchange. In the past, the Davis Funds issued certificates. If you wish to exchange shares for which you hold share certificates, these certificates must be sent by certified mail to State Street Bank and Trust accompanied by a letter of instruction signed by the owner(s). If your shares are being sold for cash, this is known as a redemption. Please see “What You Need to Know Before You Sell Your Shares” in this prospectus for restrictions that might apply to this type of transaction.

When you exchange shares through a dealer, you may be charged a service fee or commission for each transaction.

Before you decide to make an exchange, you must obtain the current prospectus of the desired Davis Fund. For federal income tax purposes, exchanges between Davis Funds are treated as a sale and a purchase. Therefore, there will usually be a recognizable capital gain or loss due to an exchange.

### **Market Timing**

Davis Funds discourage short-term or excessive trading, often referred to as “market timing,” and intend to seek to restrict or reject such trading or take other action if in the judgment of Davis Advisors such trading may be detrimental to the interests of a Fund and its long-term shareholders. Market timing strategies may dilute the value of fund shares held by long-term shareholders, interfere with the efficient management of the Fund’s portfolio, and increase brokerage and administrative costs.

Davis Funds’ Board of Directors has adopted policies and procedures with respect to the frequent purchases and redemption of fund shares. Currently, four round-trip purchases, redemptions or exchanges into or between Davis Funds are allowed during any twelve-month period. You may make an unlimited number of exchanges out of Davis Government Money Market Fund. Automatic exchanges are excluded from this provision. Certain financial intermediaries, such as 401(k) plan administrators, may apply purchase and exchange limitations which are different than the limitations discussed above. These limitations may be more or less restrictive than the limitations imposed by the Davis Funds, but are designed to detect and prevent excessive trading. Shareholders should consult their financial intermediaries to determine what purchase and exchange limitations may be applicable to their transactions in the Davis Funds through those financial intermediaries. To the extent reasonably feasible, the Funds’ market timing procedures apply to all shareholder accounts and neither Davis Funds nor Davis Advisors have entered into agreements to exempt any shareholder from application of either the Davis Funds’ or a financial intermediary’s market-timing procedures, as applicable.

Davis Funds and Davis Advisors use several methods to reduce the risk of market timing. These methods include: (i) limiting annual exchange activity per fund account; and (ii) committing staff to selectively review on a continuing basis recent trading activity in order to identify trading activity that may be contrary to the Funds’ market timing policy.

If Davis Funds determine that your purchase or exchange patterns reflect a market timing strategy, Davis Funds reserve the right to take any action permitted under applicable rules and standards, including but not limited to: (i) refusing to accept your orders to purchase Fund shares; and/or (ii) restricting the availability of exchanges through telephone requests, facsimile transmissions, automated telephone services, internet services or any electronic transfer services.

Davis Funds receive purchase, exchange and redemption orders from many financial intermediaries which maintain omnibus accounts with the Funds. Omnibus account arrangements permit financial intermediaries to aggregate their clients’ transaction and ownership positions. Shareholders seeking to engage in excessive trading practices may employ a variety of strategies to avoid detection and there can be no assurance that Davis Funds will successfully prevent all instances of market timing.

### ***Making Automatic Exchanges***

You can elect to make automatic monthly exchanges if all accounts involved are registered under the same name and have a minimum initial value of \$1,000. You must exchange at least \$25 to participate in this program, known as the **Automatic Exchange Program**. To sign up for this program you may contact Investor Services.

### **Telephone Transactions**

A benefit of investing through Davis Funds is that you can use our automated telephone system to buy, sell or exchange shares. If you do not wish to have this option activated for your account, complete the appropriate section of the Application Form.

When you call Davis Funds you can perform a transaction in one of two ways:

- Speak directly with an Investor Services Professional during business hours (9 a.m. to 6 p.m. Eastern time).
- You can use Davis Funds' automated telephone system, 24 hours a day, seven days a week.

If you wish to sell shares by telephone and receive a check in the mail:

- The minimum amount that can be issued is \$50 and the maximum amount is \$100,000.
- The check can be issued only to the registered account owner(s).
- The check must be sent to the address on file with the Distributor.
- Your current address must be on file for at least 30 days.

When you buy, sell or exchange shares by telephone instruction, you agree that the Davis Funds are not liable for following telephone instructions believed to be genuine (that is, directed by the account holder, registered representative or authorized trader, whose name is on file). We use certain procedures to confirm that your instructions are genuine, including a request for personal identification and a tape recording of the conversation. If these procedures are not used, the Fund may be liable for any loss from unauthorized instructions.

Be aware that during unusual market conditions Davis Funds may not be able to accept all requests by telephone.

### **Internet Transactions**

You can use our website—[www.davisfunds.com](http://www.davisfunds.com)—to review your account balance and recent transactions. Your account may qualify for the privilege to purchase, sell or exchange shares online. You may also request confirmation statements and tax summary information to be mailed to the address on file. Please review our website for more complete information. If you do not wish to have this option activated for your account, please contact Investor Services.

To access your accounts, you will need the name of the Fund(s) in which you are invested, your account number and your Social Security Number.

You must also establish a unique and confidential Personal Identification Number (PIN). This PIN is required each time you access your Davis account online.

When you buy, sell or exchange shares over the Internet, you agree that the Davis Funds are not liable for following instructions believed to be genuine (that is, directed by the account holder or registered representative on file). We use certain procedures to confirm that your instructions are genuine. If these procedures are not used, the Funds may be liable for any loss from unauthorized instructions.

## **OTHER INFORMATION**

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### **Disclosure Documents and Not a Contract**

The Fund's prospectuses, Statement of Additional Information, Annual and Semi-Annual Reports, and other documents are disclosure documents and not contracts. These documents will be updated and amended from time to time to reflect changing laws, rules, and operations. An investor's rights as a shareholder in the Fund are governed by the most current documents as they are updated and amended from time to time.

### **Dividends and Distributions**

- The Davis long-term growth funds (i.e., Davis New York Venture Fund, Davis Opportunity Fund, Davis Financial Fund, and Davis Global Fund) ordinarily distribute their dividends and capital gains, if any, in December.
- The Davis growth & income funds (i.e., Davis Real Estate Fund and Davis Appreciation & Income Fund) ordinarily distribute dividends quarterly and capital gains, if any, in December.
- Davis Government Bond Fund and Davis Government Money Market Fund ordinarily distribute dividends monthly. Davis Government Bond Fund ordinarily distributes capital gains, if any, in December. Davis Government Money Market Fund does not ordinarily distribute capital gains.
- When a dividend or capital gain is distributed, the net asset value per share is reduced by the amount of the payment. Davis Government Bond Fund's and Davis Government Money Market Fund's net asset values are not affected by dividend payments.
- You may elect to reinvest dividend and/or capital gain distributions to purchase additional shares of any Davis Fund, or you may elect to receive them in cash. Many shareholders do not elect to take capital gain distributions in cash because these distributions reduce principal value.
- If a dividend or capital gain distribution is for an amount less than \$50, the Fund will not issue a check. Instead, the dividend or capital gain distribution will be automatically reinvested in additional shares of the Fund.
- If a dividend or capital gain distribution check remains uncashed for six months or is undeliverable by the United States Postal Service, we will reinvest the dividend or distribution in additional shares of the Fund promptly after making this determination; and future dividends and capital gains distributions will be automatically reinvested in additional shares of the Fund.

### **Financial Highlights**

These tables are designed to show you the financial performance of Davis New York Venture Fund for the past five years, assuming that all dividends and capital gains have been reinvested. Some of the information reflects financial results for a single Fund share. The total returns represent the rate at which an investor would have earned (or lost) money on an investment in the Fund.

This information has been audited by KPMG LLP. KPMG LLP's report, along with the Fund's financial statements, is included in the Annual Report, which is available upon request.

**DAVIS NEW YORK VENTURE FUND**  
**FINANCIAL HIGHLIGHTS**  
**CLASS A**

The following financial information represents selected data for each share of capital stock outstanding throughout each period:

	<b>Year Ended July 31,</b>				
	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
<b>Net Asset Value, Beginning of Period</b>	<u>\$34.31</u>	<u>\$39.75</u>	<u>\$35.11</u>	<u>\$32.13</u>	<u>\$27.83</u>
<b>Income (Loss) From Investment Operations:</b>					
Net Investment Income <sup>1</sup>	0.29	0.39	0.37	0.27	0.30
Net Realized and Unrealized Gains (Losses)	<u>(7.27)</u>	<u>(5.40)</u>	<u>4.54</u>	<u>2.98</u>	<u>4.23</u>
Total from Investment Operations	(6.98)	(5.01)	4.91	3.25	4.53
<b>Dividends and Distributions:</b>					
Dividends from Net Investment Income	<u>(0.34)</u>	<u>(0.43)</u>	<u>(0.27)</u>	<u>(0.27)</u>	<u>(0.23)</u>
Total Dividends and Distributions	(0.34)	(0.43)	(0.27)	(0.27)	(0.23)
<b>Net Asset Value, End of Period</b>	<u>\$26.99</u>	<u>\$34.31</u>	<u>\$39.75</u>	<u>\$35.11</u>	<u>\$32.13</u>
<b>Total Return<sup>2</sup></b>	(20.08)%	(12.77)%	14.03%	10.15%	16.34%
<b>Ratios/Supplemental Data:</b>					
Net Assets, End of Period (in millions)	\$18,628	\$26,029	\$29,764	\$22,809	\$17,508
Ratio of Expenses to Average Net Assets:					
Gross	0.92%	0.85%	0.85%	0.88%	0.89%
Net <sup>3</sup>	0.92%	0.85%	0.85%	0.87%	0.89%
Ratio of Net Investment Income to Average Net Assets	1.14%	1.01%	0.95%	0.79%	0.98%
Portfolio Turnover Rate <sup>4</sup>	15%	16%	5%	6%	3%

<sup>1</sup> Per share calculations were based on average shares outstanding for the period.

<sup>2</sup> Assumes hypothetical initial investment on the business day before the first day of the fiscal period, with all dividends and distributions reinvested in additional shares on the reinvestment date, and redemption at the net asset value calculated on the last business day of the fiscal period. Sales charges are not reflected in the total returns.

<sup>3</sup> The Net Ratio of Expenses to Average Net Assets reflects the impact, if any, of the reduction of expenses paid indirectly and of certain reimbursements from the Adviser.

<sup>4</sup> The lesser of purchases or sales of portfolio securities for a period, divided by the monthly average of the market value of portfolio securities owned during the period. Securities with a maturity or expiration date at the time of acquisition of one year or less are excluded from the calculation.

**DAVIS NEW YORK VENTURE FUND**  
**FINANCIAL HIGHLIGHTS**  
**CLASS B**

The following financial information represents selected data for each share of capital stock outstanding throughout each period:

	<b>Year Ended July 31,</b>				
	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
<b>Net Asset Value, Beginning of Period</b>	<u>\$32.74</u>	<u>\$37.93</u>	<u>\$33.53</u>	<u>\$30.69</u>	<u>\$26.60</u>
<b>Income (Loss) From Investment Operations:</b>					
Net Investment Income <sup>2</sup>	0.06	0.09	0.05	— <sup>1</sup>	0.05
Net Realized and Unrealized Gains (Losses)	<u>(6.90)</u>	<u>(5.18)</u>	<u>4.35</u>	<u>2.85</u>	<u>4.04</u>
Total from Investment Operations	(6.84)	(5.09)	4.40	2.85	4.09
<b>Dividends and Distributions:</b>					
Dividends from Net Investment Income	<u>(0.06)</u>	<u>(0.10)</u>	<u>—<sup>1</sup></u>	<u>(0.01)</u>	<u>—<sup>1</sup></u>
Total Dividends and Distributions	(0.06)	(0.10)	— <sup>1</sup>	(0.01)	— <sup>1</sup>
<b>Net Asset Value, End of Period</b>	<u>\$25.84</u>	<u>\$32.74</u>	<u>\$37.93</u>	<u>\$33.53</u>	<u>\$30.69</u>
<b>Total Return<sup>3</sup></b>	(20.84)%	(13.45)%	13.13%	9.30%	15.38%
<b>Ratios/Supplemental Data:</b>					
Net Assets, End of Period (in millions)	\$823	\$1,582	\$3,007	\$4,154	\$5,223
Ratio of Expenses to Average Net Assets:					
Gross	1.81%	1.66%	1.65%	1.66%	1.69%
Net <sup>4</sup>	1.81%	1.66%	1.65%	1.65%	1.69%
Ratio of Net Investment Income to Average Net Assets	0.25%	0.20%	0.15%	0.01%	0.18%
Portfolio Turnover Rate <sup>5</sup>	15%	16%	5%	6%	3%

<sup>1</sup> Less than \$0.005 per share.

<sup>2</sup> Per share calculations were based on average shares outstanding for the period.

<sup>3</sup> Assumes hypothetical initial investment on the business day before the first day of the fiscal period, with all dividends and distributions reinvested in additional shares on the reinvestment date, and redemption at the net asset value calculated on the last business day of the fiscal period. Sales charges are not reflected in the total returns.

<sup>4</sup> The Net Ratio of Expenses to Average Net Assets reflects the impact, if any, of the reduction of expenses paid indirectly and of certain reimbursements from the Adviser.

<sup>5</sup> The lesser of purchases or sales of portfolio securities for a period, divided by the monthly average of the market value of portfolio securities owned during the period. Securities with a maturity or expiration date at the time of acquisition of one year or less are excluded from the calculation.

**DAVIS NEW YORK VENTURE FUND**  
**FINANCIAL HIGHLIGHTS**  
**CLASS C**

The following financial information represents selected data for each share of capital stock outstanding throughout each period:

	<b>Year Ended July 31,</b>				
	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
<b>Net Asset Value, Beginning of Period</b>	<u>\$32.96</u>	<u>\$38.18</u>	<u>\$33.74</u>	<u>\$30.89</u>	<u>\$26.77</u>
<b>Income (Loss) From Investment Operations:</b>					
Net Investment Income <sup>1</sup>	0.09	0.09	0.07	0.01	0.05
Net Realized and Unrealized Gains (Losses)	<u>(6.94)</u>	<u>(5.19)</u>	<u>4.37</u>	<u>2.86</u>	<u>4.08</u>
Total from Investment Operations	(6.85)	(5.10)	4.44	2.87	4.13
<b>Dividends and Distributions:</b>					
Dividends from Net Investment Income	<u>(0.08)</u>	<u>(0.12)</u>	<u>—<sup>2</sup></u>	<u>(0.02)</u>	<u>(0.01)</u>
Total Dividends and Distributions	(0.08)	(0.12)	— <sup>2</sup>	(0.02)	(0.01)
<b>Net Asset Value, End of Period</b>	<u>\$26.03</u>	<u>\$32.96</u>	<u>\$38.18</u>	<u>\$33.74</u>	<u>\$30.89</u>
<b>Total Return<sup>3</sup></b>	(20.74)%	(13.41)%	13.17%	9.29%	15.42%
<b>Ratios/Supplemental Data:</b>					
Net Assets, End of Period (in millions)	\$4,186	\$6,444	\$7,750	\$6,230	\$4,998
Ratio of Expenses to Average Net Assets:					
Gross	1.71%	1.61%	1.62%	1.65%	1.68%
Net <sup>4</sup>	1.71%	1.61%	1.62%	1.64%	1.68%
Ratio of Net Investment Income to Average Net Assets	0.35%	0.25%	0.18%	0.02%	0.19%
Portfolio Turnover Rate <sup>5</sup>	15%	16%	5%	6%	3%

<sup>1</sup> Per share calculations were based on average shares outstanding for the period.

<sup>2</sup> Less than \$0.005 per share.

<sup>3</sup> Assumes hypothetical initial investment on the business day before the first day of the fiscal period, with all dividends and distributions reinvested in additional shares on the reinvestment date, and redemption at the net asset value calculated on the last business day of the fiscal period. Sales charges are not reflected in the total returns.

<sup>4</sup> The Net Ratio of Expenses to Average Net Assets reflects the impact, if any, of the reduction of expenses paid indirectly and of certain reimbursements from the Adviser.

<sup>5</sup> The lesser of purchases or sales of portfolio securities for a period, divided by the monthly average of the market value of portfolio securities owned during the period. Securities with a maturity or expiration date at the time of acquisition of one year or less are excluded from the calculation.

## **Householding**

To avoid sending duplicate copies of materials to households, the Fund will mail only one copy of each prospectus, Annual and Semi-Annual Report to shareholders having the same last name and address on the Fund's records. The consolidation of these mailings, called householding, benefits the Fund through reduced mailing expense. If you do not want the mailing of these documents to be combined with those to other members of your household, please contact the Davis Funds by phone at 1-800-279-0279. Individual copies of current prospectuses and reports will be sent to you within 30 days after the Fund receives your request to stop householding.

## **Privacy Notice**

While you generally will be dealing with a broker-dealer or other financial adviser, we may collect information about you from your account application and other forms that you may deliver to us. We use this information to process your requests and transactions; for example, to provide you with additional information about our funds, to open an account for you, or to process a transaction. In order to service your account and execute your transactions, we may provide your personal information to firms that assist us in servicing your account, such as our transfer agent. We may also provide your name and address to one of our agents for the purpose of mailing to you your account statement and other information about our products and services. We require these outside firms and agents to protect the confidentiality of your information and to use the information only for the purpose for which the disclosure is made. We do not provide customer names and addresses to outside firms, organizations or individuals except in furtherance of our business relationship with you or as otherwise allowed by law.

We restrict access to nonpublic personal information about you to those employees who need to know that information to provide products or services to you. We maintain physical, electronic and procedural safeguards that comply with federal standards to guard your personal information.

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## OBTAINING ADDITIONAL INFORMATION

Additional information about the Fund's investments is available in the Fund's **Annual and Semi-Annual Reports** to shareholders. In the Fund's Annual Report, you will find a discussion of the market conditions and investment strategies that significantly affected the Fund's performance during its last fiscal year. The **Statement of Additional Information** provides more detailed information about Davis Funds and their management and operations. The Statement of Additional Information and the Fund's Annual and Semi-Annual Reports are available, without charge, upon request.

The Davis Funds' Statement of Additional Information and Annual Report have been filed with the Securities and Exchange Commission, and are incorporated by reference, and are legally a part of this prospectus.

## HOW TO GET MORE INFORMATION

(Including Annual Report, Semi-Annual Report and Statement of Additional Information)

- **By Telephone.** Call Davis Funds toll-free at 1-800-279-0279, Monday through Friday, 9 a.m. to 6 p.m. Eastern time. You may also call this number for account inquiries.
- **By Mail.** Write to Davis Funds c/o State Street Bank and Trust Company, P.O. Box 8406, Boston, MA 02266-8406.
- **On the Internet.** [www.davisfunds.com](http://www.davisfunds.com).
- **From the SEC.** Additional copies of the registration statement can be obtained, for a duplicating fee, by writing the Public Reference Section of the SEC, Washington, DC 20549-0102, or by sending an electronic request to [publicinfo@sec.gov](mailto:publicinfo@sec.gov). Reports and other information about the Funds are also available by visiting the SEC website ([www.sec.gov](http://www.sec.gov)). For more information on the operations of the Public Reference Room, call 1-202-942-8090.

