

Davis Value Portfolio

(Portfolio of Davis Variable Account Fund, Inc.)

June 30, 2010

Semi-Annual Report

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This Semi-Annual Report is authorized for use by existing shareholders. Prospective shareholders must receive a current Davis Value Portfolio prospectus, which contains more information about investment strategies, risks, charges, and expenses. Please read the prospectus carefully before investing or sending money.

Shares of the Davis Value Portfolio 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 Overview

Davis Value Portfolio delivered a negative return on net asset value of 7.16% for the six-month period ended June 30, 2010. Over the same time period, the Standard & Poor's 500[®] Index ("Index") declined 6.65%. Every sector¹ within the Index delivered negative returns over the period. The sectors within the Index that turned in the strongest (but still negative) performance over the six-month period were industrials, consumer discretionary, and consumer staples. The sectors within the Index that turned in the weakest performance over the six-month period were materials, energy, and information technology.

Factors Impacting the Portfolio's Performance

The Portfolio had more invested in financials than any other sector over the six-month period. Financial companies were the most important contributor² relative to the Index. The Portfolio's financial companies out-performed the corresponding sector within the Index (down 2% versus down 4% for the Index) and had a higher relative average weighting (29% versus 16% for the Index). Berkshire Hathaway³, Progressive, and Hang Lung Group were among the most important contributors to performance. Bank of New York Mellon and Julius Baer Group were among the most important detractors from performance.

Energy companies were the most important detractors from performance. The Portfolio's energy companies out-performed the corresponding sector within the Index (down 10% versus down 12% for the Index), but had a higher relative average weighting (16% versus 11% for the Index) in this weaker performing sector. EOG Resources was among the most important contributors to performance. Devon Energy, Transocean, and China Coal Energy were among the most important detractors from performance.

Information technology companies were the second most important detractors from performance. The Portfolio's information technology companies under-performed the corresponding sector within the Index (down 16% versus down 10% for the Index) and had a lower relative average weighting (7% versus 19% for the Index). Microsoft and Google were among the most important detractors from performance.

The Portfolio's consumer discretionary companies were significant detractors from performance relative to the Index. The Portfolio's consumer discretionary companies under-performed the corresponding sector within the Index (down 11% versus down 2% for the Index) and had a lower relative average weighting (7% versus 10% for the Index) in this stronger performing sector.

Other important contributors to performance included Express Scripts and Hershey. Other important detractors from performance included Pfizer and Costco Wholesale.

The Portfolio ended the six-month period with approximately 15% of its net assets invested in foreign companies. As a whole these companies under-performed the domestic companies held by the Portfolio.

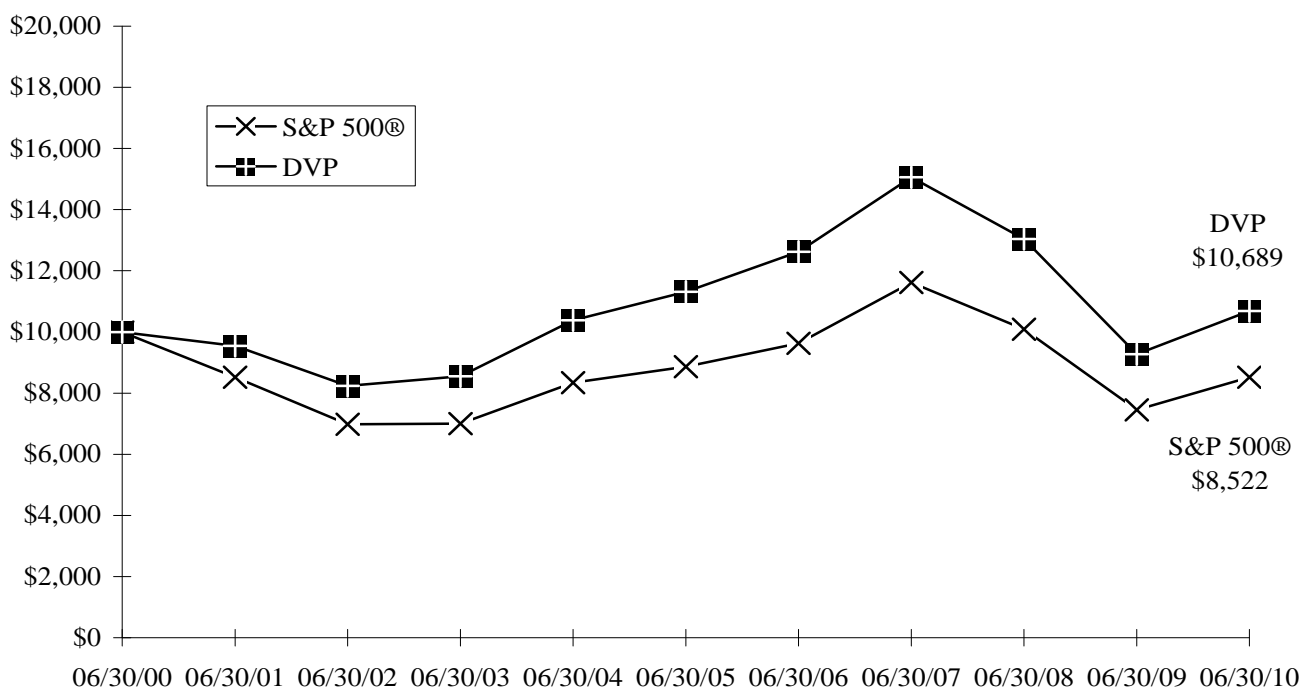
Davis Value Portfolio's investment objective is long-term growth of capital. There can be no assurance that the Portfolio will achieve its objective. Davis Value Portfolio's principal risks are: market risk, company risk, financial services risk, foreign country risk, small- and medium-capitalization risk, fees and expenses risk, and headline risk. See the prospectus for a full description of each risk.

¹ The companies included in the Standard & Poor's 500[®] Index are divided into ten sectors. One or more industry groups make up a sector.

² A company's or sector's contribution to or deduction from the Portfolio's performance is a product both of its appreciation or depreciation and its weighting within the portfolio. For example, a 5% holding that rises 20% has twice as much impact as a 1% holding that rises 50%.

³ This Management Discussion of Fund Performance discusses a number of individual companies. The information provided in this report does not provide information reasonably sufficient upon which to base an investment decision and should not be considered a recommendation to purchase or sell any particular security. The Schedule of Investments lists the Portfolio's holdings of each company discussed.

COMPARISON OF A \$10,000 INVESTMENT IN DAVIS VALUE PORTFOLIO VERSUS THE STANDARD & POOR’S 500® INDEX OVER 10 YEARS FOR AN INVESTMENT MADE ON JUNE 30, 2000



AVERAGE ANNUAL TOTAL RETURN FOR PERIODS ENDED JUNE 30, 2010

FUND & BENCHMARK INDEX	1-YEAR	5-YEAR	10-YEAR	SINCE FUND'S INCEPTION (07/01/99)	GROSS EXPENSE RATIO	NET EXPENSE RATIO
Davis Value Portfolio	15.34%	(1.13)%	0.67%	1.47%	0.62%	0.62%
Standard & Poor's 500® Index	14.43%	(0.79)%	(1.59)%	(0.87)%		

The Standard & Poor's 500® Index is an unmanaged index of 500 selected common stocks, most of which are listed on the New York Stock Exchange. The Index is adjusted for dividends, weighted towards stocks with large market capitalizations, and represents approximately two-thirds of the total market value of all domestic common stocks. Investments cannot be made directly in the Index.

The performance data for Davis Value Portfolio contained in this report represents past performance and assumes that all distributions were reinvested, and should not be considered as an indication of future performance from an investment in the Portfolio today. The investment return and principal value will fluctuate so that shares may be worth more or less than their original cost when redeemed. Portfolio performance changes over time and current performance may be higher or lower than stated. The operating expense ratio may vary in future years. For more current information please call Davis Funds Investor Services at 1-800-279-0279.

Portfolio performance numbers are net of all Portfolio operating expenses, but do not include any insurance charges imposed by your insurance company's separate account. If performance included the effect of these additional charges, the return would be lower.

DAVIS VALUE PORTFOLIO

Fund Overview
June 30, 2010 (Unaudited)

Portfolio Composition (% of Fund's Net Assets)		Industry Weightings (% of Long Term Portfolio)		
			<u>Fund</u>	<u>S&P 500[®]</u>
Common Stock (U.S.)	74.70%	Energy	17.19%	10.75%
Common Stock (Foreign)	15.25%	Diversified Financials	12.19%	7.74%
Corporate Bonds	0.55%	Insurance	11.58%	3.98%
Convertible Bonds (Foreign)	0.16%	Health Care	11.02%	12.09%
Convertible Bonds (U.S.)	0.09%	Food & Staples Retailing	8.05%	2.53%
Short Term Investments	3.90%	Information Technology	6.55%	18.76%
Other Assets & Liabilities	5.35%	Food, Beverage & Tobacco	6.19%	6.18%
	<u>100.00%</u>	Materials	6.12%	3.44%
		Banks	4.81%	3.20%
		Commercial & Professional Services	2.62%	0.64%
		Retailing	2.55%	3.46%
		Transportation	2.44%	1.93%
		Media	2.31%	3.14%
		Household & Personal Products	1.94%	2.82%
		Automobiles & Components	1.75%	0.64%
		Other	1.47%	10.94%
		Capital Goods	1.22%	7.76%
			<u>100.00%</u>	<u>100.00%</u>

Top 10 Holdings
(% of Fund's Net Assets)

Occidental Petroleum Corp.	Energy	4.63%
Costco Wholesale Corp.	Food & Staples Retailing	4.41%
Wells Fargo & Co.	Commercial Banks	4.37%
American Express Co.	Consumer Finance	4.23%
EOG Resources, Inc.	Energy	3.97%
Berkshire Hathaway Inc., Class A	Property & Casualty Insurance	3.73%
Devon Energy Corp.	Energy	2.97%
CVS Caremark Corp.	Food & Staples Retailing	2.90%
Merck & Co., Inc.	Pharmaceuticals, Biotechnology & Life Sciences	2.87%
Loews Corp.	Multi-line Insurance	2.63%

Example

As a shareholder of the Fund, you incur ongoing costs only, including advisory and administrative fees and other Fund expenses. The Expense Example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds. The Expense Example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period indicated, which for the Fund is for the six-month period ended June 30, 2010. Please note that the Expense Example is general and does not reflect charges imposed by your insurance company’s separate account or account specific costs, which may increase your total costs of investing in the Fund. If these charges or account specific costs were included in the Expense Example, the expenses would have been higher.

Actual Expenses

The information represented in the row entitled “Actual” provides information about actual account values and actual expenses. You may use the information in this row, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then, multiply the result by the number under the heading “Expenses Paid During Period” to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes

The information represented in the row entitled “Hypothetical” provides information about hypothetical account values and hypothetical expenses based on the Fund’s actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund’s actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only. Therefore, the information in the row entitled “Hypothetical” is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds.

	Beginning Account Value <u>(01/01/10)</u>	Ending Account Value <u>(06/30/10)</u>	Expenses Paid During Period* <u>(01/01/10-06/30/10)</u>
Actual	\$1,000.00	\$928.37	\$2.96
Hypothetical	\$1,000.00	\$1,021.72	\$3.11

Hypothetical assumes 5% annual return before expenses.

* Expenses are equal to the Fund’s annualized operating expense ratio (0.62%)**, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period).

** The expense ratio reflects the impact, if any, of the reduction of expenses paid indirectly and of certain reimbursements from the Adviser.

DAVIS VALUE PORTFOLIO

**Schedule of Investments
June 30, 2010 (Unaudited)**

Shares	Security	Value (Note 1)
COMMON STOCK – (89.95%)		
CONSUMER DISCRETIONARY – (5.63%)		
Automobiles & Components – (1.04%)		
225,000	Harley-Davidson, Inc.	\$ 5,001,750
Consumer Durables & Apparel – (0.15%)		
20,299	Hunter Douglas NV (Netherlands)	741,388
Consumer Services – (0.02%)		
6,963	H&R Block, Inc.	109,249
Media – (2.10%)		
117,070	Grupo Televisa S.A., ADR (Mexico)	2,038,189
8,506	Liberty Media - Starz, Series A *	440,441
296,325	News Corp., Class A	3,545,528
130,600	Walt Disney Co.	4,113,900
		10,138,058
Retailing – (2.32%)		
3,260	Amazon.com, Inc. *	356,318
167,915	Bed Bath & Beyond Inc. *	6,225,449
175,000	CarMax, Inc. *	3,482,500
107,765	Liberty Media Corp. - Interactive, Series A *	1,132,071
		11,196,338
TOTAL CONSUMER DISCRETIONARY		27,186,783
CONSUMER STAPLES – (14.69%)		
Food & Staples Retailing – (7.31%)		
388,390	Costco Wholesale Corp.	21,293,482
477,398	CVS Caremark Corp.	13,997,309
		35,290,791
Food, Beverage & Tobacco – (5.62%)		
111,940	Coca-Cola Co.	5,610,433
99,233	Diageo PLC, ADR (United Kingdom)	6,225,878
141,621	Heineken Holding NV (Netherlands)	5,173,724
33,060	Hershey Co.	1,584,566
39,065	Mead Johnson Nutrition Co.	1,957,938
15,100	Nestle S.A. (Switzerland)	728,104
92,290	Philip Morris International Inc.	4,230,574
60,000	Unilever NV, NY Shares (Netherlands)	1,639,200
		27,150,417
Household & Personal Products – (1.76%)		
31,800	Natura Cosméticos S.A. (Brazil)	704,709
130,040	Procter & Gamble Co.	7,799,799
		8,504,508
TOTAL CONSUMER STAPLES		70,945,716
ENERGY – (15.60%)		
324,800	Canadian Natural Resources Ltd. (Canada)	10,793,104
2,659,900	China Coal Energy Co. - H (China)	3,309,571
2,632	ConocoPhillips	129,205
235,230	Devon Energy Corp.	14,330,212
194,830	EOG Resources, Inc.	19,165,427
289,560	Occidental Petroleum Corp.	22,339,554
290,000	OGX Petroleo e Gas Participacoes S.A. (Brazil)*	2,686,316

DAVIS VALUE PORTFOLIO

Schedule of Investments – (Continued)
June 30, 2010 (Unaudited)

Shares	Security	Value (Note 1)
COMMON STOCK – (CONTINUED)		
ENERGY – (CONTINUED)		
4,100	Schlumberger Ltd.	\$ 226,894
51,504	Transocean Ltd. *	2,386,180
	TOTAL ENERGY	75,366,463
FINANCIALS – (26.63%)		
Banks – (4.37%)		
Commercial Banks – (4.37%)		
823,824	Wells Fargo & Co.	21,089,894
Diversified Financials – (11.06%)		
Capital Markets – (5.85%)		
90,220	Ameriprise Financial, Inc.	3,259,649
454,000	Bank of New York Mellon Corp.	11,209,260
116,400	Brookfield Asset Management Inc., Class A (Canada)	2,632,968
221,460	GAM Holding Ltd. (Switzerland)*	2,393,212
18,660	Goldman Sachs Group, Inc.	2,449,498
221,460	Julius Baer Group Ltd. (Switzerland)	6,314,397
		28,258,984
Consumer Finance – (4.23%)		
515,119	American Express Co.	20,450,225
Diversified Financial Services – (0.98%)		
14,068	JPMorgan Chase & Co.	515,029
148,230	Moody's Corp.	2,952,742
17,900	Visa Inc., Class A	1,266,425
		4,734,196
		53,443,405
Insurance – (10.51%)		
Multi-line Insurance – (3.21%)		
5,130	Fairfax Financial Holdings Ltd. (Canada)	1,889,584
2,490	Fairfax Financial Holdings Ltd., 144A (Canada)(a)(b)	911,936
381,190	Loews Corp.	12,697,439
		15,498,959
Property & Casualty Insurance – (6.30%)		
150	Berkshire Hathaway Inc., Class A *	18,000,000
1,390	Markel Corp. *	472,600
638,720	Progressive Corp. (Ohio)	11,956,838
		30,429,438
Reinsurance – (1.00%)		
100,907	Transatlantic Holdings, Inc.	4,839,500
		50,767,897
Real Estate – (0.69%)		
623,000	Hang Lung Group Ltd. (Hong Kong)	3,317,761
	TOTAL FINANCIALS	128,618,957
HEALTH CARE – (10.00%)		
Health Care Equipment & Services – (3.08%)		
57,900	Baxter International Inc.	2,353,056
63,800	Becton, Dickinson and Co.	4,314,156
7,350	Cardinal Health, Inc.	247,034
17,950	CareFusion Corp. *	407,465

DAVIS VALUE PORTFOLIO

Schedule of Investments – (Continued)
June 30, 2010 (Unaudited)

Shares	Security	Value (Note 1)
COMMON STOCK – (CONTINUED)		
HEALTH CARE – (CONTINUED)		
Health Care Equipment & Services – (Continued)		
160,960	Express Scripts, Inc. *	\$ 7,569,144
		14,890,855
Pharmaceuticals, Biotechnology & Life Sciences – (6.92%)		
197,680	Johnson & Johnson	11,674,981
395,855	Merck & Co., Inc.	13,843,049
553,600	Pfizer Inc.	7,894,336
		33,412,366
	TOTAL HEALTH CARE	48,303,221
INDUSTRIALS – (5.69%)		
Capital Goods – (1.10%)		
111,180	ABB Ltd., ADR (Switzerland)	1,921,190
96,934	Tyco International Ltd.	3,414,985
		5,336,175
Commercial & Professional Services – (2.38%)		
53,500	D&B Corp.	3,590,920
350,897	Iron Mountain Inc.	7,881,147
		11,472,067
Transportation – (2.21%)		
1,482,352	China Merchants Holdings International Co., Ltd. (China)	4,874,758
1,097,000	China Shipping Development Co. Ltd. - H (China)	1,383,925
466,804	Cosco Pacific Ltd. (China)	553,296
26,355	Kuehne & Nagel International AG (Switzerland)	2,712,951
63,000	LLX Logistica S.A. (Brazil)*	256,886
15,710	United Parcel Service, Inc., Class B	893,742
		10,675,558
	TOTAL INDUSTRIALS	27,483,800
INFORMATION TECHNOLOGY – (5.95%)		
Semiconductors & Semiconductor Equipment – (1.49%)		
307,500	Texas Instruments Inc.	7,158,600
Software & Services – (2.19%)		
210,600	Activision Blizzard, Inc.	2,210,247
8,500	Google Inc., Class A *	3,781,650
199,410	Microsoft Corp.	4,587,427
		10,579,324
Technology Hardware & Equipment – (2.27%)		
139,550	Agilent Technologies, Inc. *	3,967,406
161,870	Hewlett-Packard Co.	7,005,734
		10,973,140
	TOTAL INFORMATION TECHNOLOGY	28,711,064
MATERIALS – (5.39%)		
81,830	BHP Billiton PLC (United Kingdom)	2,121,733
42,380	Martin Marietta Materials, Inc.	3,594,248
36,900	Monsanto Co.	1,705,518
11,354	Potash Corp. of Saskatchewan Inc. (Canada)	979,169
10,800	Praxair, Inc.	820,692
41,205	Rio Tinto PLC (United Kingdom)	1,809,493
503,895	Sealed Air Corp.	9,936,809

DAVIS VALUE PORTFOLIO

Schedule of Investments – (Continued)
June 30, 2010 (Unaudited)

Shares/Principal	Security	Value (Note 1)
COMMON STOCK – (CONTINUED)		
<u>MATERIALS – (CONTINUED)</u>		
256,750	Sino-Forest Corp. (Canada)*	\$ 3,649,079
8,900	Sino-Forest Corp., 144A (Canada)*(a)(b)	126,492
29,790	Vulcan Materials Co.	1,305,696
	TOTAL MATERIALS	26,048,929
<u>TELECOMMUNICATION SERVICES – (0.37%)</u>		
37,700	America Movil SAB de C.V., Series L, ADR (Mexico)	1,790,750
	TOTAL TELECOMMUNICATION SERVICES.....	1,790,750
	TOTAL COMMON STOCK – (Identified cost \$344,964,079).....	434,455,683
CONVERTIBLE BONDS – (0.25%)		
<u>MATERIALS – (0.16%)</u>		
\$ 736,000	Sino-Forest Corp., Conv. Sr. Notes, 5.00%, 08/01/13 (Canada) (c)	754,860
	TOTAL MATERIALS	754,860
<u>TELECOMMUNICATION SERVICES – (0.09%)</u>		
400,000	Level 3 Communications, Inc., Conv. Sr. Notes, 15.00%, 01/15/13 (c)	453,000
	TOTAL TELECOMMUNICATION SERVICES.....	453,000
	TOTAL CONVERTIBLE BONDS – (Identified cost \$1,136,000).....	1,207,860
CORPORATE BONDS – (0.55%)		
<u>CONSUMER DISCRETIONARY – (0.55%)</u>		
<u>Automobiles & Components – (0.55%)</u>		
2,000,000	Harley-Davidson, Inc., Sr. Notes, 15.00%, 02/01/14 (c).....	2,651,690
	TOTAL CORPORATE BONDS – (Identified cost \$2,000,000).....	2,651,690
SHORT TERM INVESTMENTS – (3.90%)		
3,323,000	Banc of America Securities LLC Joint Repurchase Agreement, 0.03%, 07/01/10, dated 06/30/10, repurchase value of \$3,323,003 (collateralized by: U.S. Government agency obligations in a pooled cash account, 0.00%-5.00%, 12/08/10-07/15/20, total market value \$3,389,460)	3,323,000
4,848,000	Goldman, Sachs & Co. Joint Repurchase Agreement, 0.01%, 07/01/10, dated 06/30/10, repurchase value of \$4,848,001 (collateralized by: U.S. Government agency obligations in a pooled cash account, 0.00%-5.05%, 08/30/10-01/26/15, total market value \$4,944,960)	4,848,000
10,632,000	Mizuho Securities USA Inc. Joint Repurchase Agreement, 0.14%, 07/01/10, dated 06/30/10, repurchase value of \$10,632,041 (collateralized by: U.S. Government agency mortgages in a pooled cash account, 2.421%-6.229%, 09/01/19-07/01/40, total market value \$10,844,640)	10,632,000
	TOTAL SHORT TERM INVESTMENTS – (Identified cost \$18,803,000)	18,803,000
	Total Investments – (94.65%) – (Identified cost \$366,903,079) – (d)	457,118,233
	Other Assets Less Liabilities – (5.35%)	25,863,305
	Net Assets – (100.00%)	\$ 482,981,538

ADR: American Depositary Receipt

* Non-Income producing security.

DAVIS VALUE PORTFOLIO

**Schedule of Investments – (Continued)
June 30, 2010 (Unaudited)**

- (a) These securities are subject to Rule 144A. The Board of Directors of the Fund has determined that there is sufficient liquidity in these securities to realize current valuations. These securities amounted to \$1,038,428 or 0.22% of the Fund's net assets as of June 30, 2010.
- (b) Restricted Security – See Note 7 of the Notes to Financial Statements.
- (c) Illiquid Security – See Note 7 of the Notes to Financial Statements.
- (d) Aggregate cost for federal income tax purposes is \$368,524,063. At June 30, 2010 unrealized appreciation (depreciation) of securities for federal income tax purposes is as follows:

Unrealized appreciation	\$	104,121,499
Unrealized depreciation		(15,527,329)
Net unrealized appreciation	\$	<u>88,594,170</u>

See Notes to Financial Statements

DAVIS VALUE PORTFOLIO**Statement of Assets and Liabilities
At June 30, 2010 (Unaudited)****ASSETS:**

Investments in securities at value* (see accompanying Schedule of Investments).....	\$	457,118,233
Cash		6,640
Cash - foreign currencies**		168,794
Receivables:		
Capital stock sold.....		25,342,035
Dividends and interest.....		797,344
Investment securities sold		153,565
Prepaid expenses.....		2,683
Total assets		<u>483,589,294</u>

LIABILITIES:

Payables:		
Capital stock redeemed		298,587
Accrued management fee.....		248,911
Other accrued expenses		60,258
Total liabilities		<u>607,756</u>

NET ASSETS\$ 482,981,538

SHARES OUTSTANDING..... 48,379,052

NET ASSET VALUE, offering, and redemption price per share (Net assets ÷ Shares outstanding)....\$ 9.98

NET ASSETS CONSIST OF:

Par value of shares of capital stock.....	\$	48,379
Additional paid-in capital		420,135,917
Undistributed net investment income		2,674,377
Accumulated net realized losses from investments and foreign currency transactions		(30,093,599)
Net unrealized appreciation on investments and foreign currency transactions		90,216,464
Net Assets	\$	<u>482,981,538</u>

***Including:**

Cost of Investments	\$	366,903,079
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**Cost of cash - foreign currencies		169,401
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See Notes to Financial Statements

DAVIS VALUE PORTFOLIO**Statement of Operations
For the six months ended June 30, 2010 (Unaudited)****INVESTMENT INCOME:**

Income:

Dividends*	\$	3,842,380
Interest		279,830
Total income		<u>4,122,210</u>

Expenses:

Management fees (Note 3).....	\$	1,396,996
Custodian fees.....		47,566
Transfer agent fees.....		8,961
Audit fees.....		10,200
Legal fees.....		9,150
Accounting fees (Note 3).....		3,252
Reports to shareholders.....		30,000
Directors' fees and expenses.....		58,417
Registration and filing fees.....		150
Miscellaneous		<u>9,815</u>
Total expenses.....		1,574,507
Expenses paid indirectly (Note 4)		<u>(8)</u>
Net expenses.....		<u>1,574,499</u>
Net investment income.....		<u>2,547,711</u>

**REALIZED & UNREALIZED GAIN (LOSS) ON INVESTMENTS AND FOREIGN
CURRENCY TRANSACTIONS:**

Net realized gain (loss) from:

Investment transactions.....		11,261,274
Foreign currency transactions		(293)
Net decrease in unrealized appreciation.....		<u>(49,199,383)</u>
Net realized and unrealized loss on investments and foreign currency transactions		<u>(37,938,402)</u>
Net decrease in net assets resulting from operations.....	\$	<u>(35,390,691)</u>

*Net of foreign taxes withheld as follows \$ 64,686

See Notes to Financial Statements

DAVIS VALUE PORTFOLIO

Statements of Changes in Net Assets

	Six months ended June 30, 2010 (Unaudited)	Year ended December 31, 2009
OPERATIONS:		
Net investment income	\$ 2,547,711	\$ 3,837,745
Net realized gain (loss) from investments and foreign currency transactions...	11,260,981	(40,978,639)
Net change in unrealized appreciation (depreciation) on investments and foreign currency transactions	(49,199,383)	155,373,588
Net increase (decrease) in net assets resulting from operations.....	(35,390,691)	118,232,694
DIVIDENDS AND DISTRIBUTIONS TO SHAREHOLDERS FROM:		
Net investment income	-	(3,982,003)
CAPITAL SHARE TRANSACTIONS:		
Net increase (decrease) in net assets resulting from capital share transactions (Note 5)	(1,031,735)	72,001,466
Total increase (decrease) in net assets.....	(36,422,426)	186,252,157
NET ASSETS:		
Beginning of period	519,403,964	333,151,807
End of period*	\$ 482,981,538	\$ 519,403,964
 *Including undistributed net investment income of.....	 \$ 2,674,377	 \$ 126,666

See Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Fund is a separate series of Davis Variable Account Fund, Inc. (a Maryland corporation), which is registered under the Investment Company Act of 1940, as amended, as a diversified, open-end management investment company. Only insurance companies, for the purpose of funding variable annuity or variable life insurance contracts, may purchase shares of the Fund. The following is a summary of significant accounting policies followed by the Fund in the preparation of financial statements.

Security Valuation - The Fund calculates the net asset value of its shares as of the close of the New York Stock Exchange ("Exchange"), normally 4:00 P.M. Eastern time, on each day the Exchange is open for business. Securities listed on the Exchange (and other national exchanges) are valued at the last reported sales price on the day of valuation. Securities traded in the over-the-counter market (e.g. NASDAQ) and listed securities for which no sale was reported on that date are stated at the average of closing bid and asked prices. Securities traded on foreign exchanges are valued based upon the last sales price on the principal exchange on which the security is traded prior to the time when the Fund's assets are valued. Securities (including restricted securities) for which market quotations are not readily available are valued at their fair value. Securities whose values have been materially affected by what Davis Selected Advisers, L.P. ("Davis Advisors" or "Adviser"), the Fund's investment adviser, identifies as a significant event occurring before the Fund's assets are valued but after the close of their respective exchanges will be fair valued. Fair value is determined in good faith using consistently applied procedures under the supervision of the Board of Directors. Short-term securities purchased within 60 days to maturity are valued at amortized cost, which approximates market value. These valuation procedures are reviewed and subject to approval by the Board of Directors.

Value Measurements - Fair value is defined as the price that the Fund would receive upon selling an investment in an orderly transaction to an independent buyer in the principal or most advantageous market for the investment. Various inputs are used to determine the fair value of the Fund's investments. These inputs are summarized in the three broad levels listed below.

- Level 1 – quoted prices in active markets for identical securities
- Level 2 – other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 – significant unobservable inputs (including Fund's own assumptions in determining the fair value of investments)

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

Value Measurements – (Continued)

The following is a summary of the inputs used as of June 30, 2010 in valuing the Fund's investments carried at value:

	Investments in Securities at Value			
	Valuation Inputs			
	Level 1: Quoted Prices	Level 2: Other Significant Observable Inputs*	Level 3: Significant Unobservable Inputs	Total
<u>Equity securities:</u>				
Consumer discretionary	\$ 26,445,395	\$ 741,388	\$ –	\$ 27,186,783
Consumer staples	65,043,888	5,901,828	–	70,945,716
Energy	72,056,892	3,309,571	–	75,366,463
Financials	116,593,587	12,025,370	–	128,618,957
Health care	48,303,221	–	–	48,303,221
Industrials	17,958,870	9,524,930	–	27,483,800
Information technology	28,711,064	–	–	28,711,064
Materials	22,117,703	3,931,226	–	26,048,929
Telecommunication services	1,790,750	–	–	1,790,750
Convertible debt securities	–	1,207,860	–	1,207,860
Corporate debt securities	–	2,651,690	–	2,651,690
Short-term securities	–	18,803,000	–	18,803,000
Total	<u>\$ 399,021,370</u>	<u>\$ 58,096,863</u>	<u>\$ –</u>	<u>\$ 457,118,233</u>

*Includes certain securities trading primarily outside the U.S. whose value the Fund adjusted as a result of significant market movements following the close of local trading.

Application of standing Board valuation procedures related to non-U.S. securities triggered transfers between Level 1 and Level 2 assets during the period. During the six months ended June 30, 2010, \$6,314,397 transferred from Level 1 to Level 2.

Master Repurchase Agreements - The Fund, along with other affiliated funds, may transfer uninvested cash balances into one or more master repurchase agreement accounts. These balances are invested in one or more repurchase agreements, secured by U.S. Government securities. A custodian bank holds securities pledged as collateral for repurchase agreements until the agreements mature. Each agreement requires that the market value of the collateral be sufficient to cover payments of interest and principal; however, in the event of default by the other party to the agreement, retention of the collateral may be subject to legal proceedings.

Currency Translation - The market values of all assets and liabilities denominated in foreign currencies are recorded in the financial statements after translation to the U.S. Dollar based upon the mean between the bid and offered quotations of the currencies against U.S. Dollars on the date of valuation. The cost basis of such assets and liabilities is determined based upon historical exchange rates. Income and expenses are translated at average exchange rates in effect as accrued or incurred.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

Foreign Currency - The Fund may enter into forward purchases or sales of foreign currencies to hedge certain foreign currency denominated assets and liabilities against declines in market value relative to the U.S. Dollar. Forward currency contracts are marked-to-market daily and the change in market value is recorded by the Fund as an unrealized gain or loss. When the forward currency contract is closed, the Fund records a realized gain or loss equal to the difference between the value of the forward currency contract at the time it was opened and value at the time it was closed. Investments in forward currency contracts may expose the Fund to risks resulting from unanticipated movements in foreign currency exchange rates or failure of the counter-party to the agreement to perform in accordance with the terms of the contract.

Reported net realized foreign exchange gains or losses arise from the sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions, the difference between the amounts of dividends, interest, and foreign withholding taxes recorded on the Fund's books, and the U.S. Dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in the value of assets and liabilities other than investments in securities at fiscal year end, resulting from changes in the exchange rate. The Fund includes foreign currency gains and losses realized on the sale of investments together with market gains and losses on such investments in the Statement of Operations.

Federal Income Taxes - It is the Fund's policy to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies, and to distribute substantially all of its taxable income, including any net realized gains on investments not offset by loss carryovers, to shareholders. Therefore, no provision for federal income or excise tax is required. The Adviser has analyzed the Fund's tax positions taken on federal and state income tax returns for all open tax years and has concluded that as of June 30, 2010, no provision for income tax would be required in the Fund's financial statements. The Fund's federal and state (Arizona and Maryland) income and federal excise tax returns for tax years for which the applicable statutes of limitations have not expired are subject to examination by the Internal Revenue Service and state departments of revenue. The earliest tax year that remains subject to examination by these jurisdictions is 2006. At December 31, 2009, the Fund had available for federal income tax purposes unused capital loss carryforwards and post October 2009 capital losses as follows:

	Capital Loss Carryforwards	Post October 2009 Capital Losses
<u>Expiring</u>		
12/31/2017	\$ 30,445,000	\$ -
12/31/2018	-	9,789,000
	<u>\$ 30,445,000</u>	<u>\$ 9,789,000</u>

Securities Transactions and Related Investment Income - Securities transactions are accounted for on the trade date (date the order to buy or sell is executed) with realized gain or loss on the sale of securities being determined based upon identified cost. Dividend income is recorded on the ex-dividend date. Interest income, which includes accretion of discount and amortization of premium, is accrued as earned.

Dividends and Distributions to Shareholders - Dividends and distributions to shareholders are recorded on the ex-dividend date. Net investment income (loss), net realized gains (losses), and net unrealized appreciation (depreciation) on investments may differ for financial statement and tax purposes primarily due to differing treatments of wash sales, passive foreign investment company shares, and foreign currency transactions. The character of dividends and distributions made during the fiscal year from net investment income and net realized securities gains may differ from their ultimate characterization for federal income tax purposes. Also, due to the timing of dividends and distributions, the fiscal year in which amounts are distributed may differ from the fiscal year in which income or realized gain was recorded by the Fund. The Fund adjusts certain components of capital to reflect permanent differences between financial statement amounts and net income and realized gains/losses determined in accordance with income tax rules.

Indemnification - Under the Fund's organizational documents, its officers and directors are indemnified against certain liabilities arising out of the performance of their duties to the Fund. In addition, some of the Fund's contracts with its service providers contain general indemnification clauses. The Fund's maximum exposure under these arrangements is unknown since the amount of any future claims that may be made against the Fund cannot be determined and the Fund has no historical basis for predicting the likelihood of any such claims.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

Use of Estimates in Financial Statements - In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of income and expenses during the reporting period. Actual results may differ from these estimates.

Directors Fees and Expenses - The Fund set up a Rabbi Trust to provide for the deferred compensation plan for Independent Directors that enables them to elect to defer receipt of all or a portion of annual fees they are entitled to receive. The value of an eligible Director's account is based upon years of service and fees paid to each Director during the years of service. The amount paid to the Director by the Trust under the plan will be determined based upon the performance of the Davis Funds.

NOTE 2 - PURCHASES AND SALES OF SECURITIES

Purchases and sales of investment securities (excluding short-term securities) during the six months ended June 30, 2010 were \$43,291,970 and \$65,205,561, respectively.

NOTE 3 - INVESTMENT ADVISORY FEES AND OTHER TRANSACTIONS WITH AFFILIATES

Advisory fees are paid monthly to the Adviser at an annual rate of 0.55% of the Fund's average net assets.

Boston Financial Data Services, Inc. ("BFDS") is the Fund's primary transfer agent. State Street Bank and Trust Company ("State Street Bank") is the Fund's primary accounting provider. Fees for such services are included in the custodian fee as State Street Bank also serves as the Fund's custodian. The Adviser is also paid for certain accounting services. The fee paid to the Adviser for these services for the six months ended June 30, 2010 amounted to \$3,252. Certain directors and officers of the Fund are also directors and officers of the general partner of the Adviser.

Davis Selected Advisers-NY, Inc. ("DSA-NY"), a wholly-owned subsidiary of the Adviser, acts as sub-adviser to the Fund. DSA-NY performs research and portfolio management services for the Fund under a Sub-Advisory Agreement with the Adviser. The Fund pays no fees directly to DSA-NY.

NOTE 4 - EXPENSES PAID INDIRECTLY

Under an agreement with State Street Bank, custodian fees are reduced for earnings on cash balances maintained at the custodian by the Fund. Such reductions amounted to \$8 during the six months ended June 30, 2010.

NOTE 5 - CAPITAL STOCK

At June 30, 2010, there were 500 million shares of capital stock (\$0.001 par value per share) authorized. Transactions in capital stock were as follows:

	Six months ended		Year ended	
	June 30, 2010 (Unaudited)		December 31, 2009	
	Shares	Amount	Shares	Amount
Shares sold	4,127,801	\$ 42,592,134	16,029,614	\$ 142,471,775
Shares issued in reinvestment of distributions	—	—	368,022	3,982,003
	4,127,801	42,592,134	16,397,636	146,453,778
Shares redeemed	(4,051,841)	(43,623,869)	(8,410,774)	(74,452,312)
Net increase (decrease)	75,960	\$ (1,031,735)	7,986,862	\$ 72,001,466

NOTE 6 - BANK BORROWINGS

The Fund may borrow up to 5% of its assets from a bank to purchase portfolio securities, or for temporary and emergency purposes. The purchase of securities with borrowed funds creates leverage in the Fund. The Fund has entered into an agreement, which enables it to participate with certain other funds managed by the Adviser in an unsecured line of credit with a bank, which permits borrowings up to \$50 million, collectively. Interest is charged based on its borrowings, at a rate equal to the higher of the Federal Funds Rate or the Overnight Libor Rate, plus 1.25%. The Fund had no borrowings during the six months ended June 30, 2010.

NOTE 7 - ILLIQUID AND RESTRICTED SECURITIES

Securities may be considered illiquid if they lack a readily available market or if valuation has not changed for a certain period of time. Restricted securities are not registered under the Securities Act of 1933 and may have contractual restrictions on resale. They are valued under methods approved by the Board of Directors as reflecting fair value. The aggregate value of illiquid securities amounted to \$3,859,550 or 0.80% of the Fund's net assets as of June 30, 2010. The aggregate value of restricted securities amounted to \$1,038,428 or 0.22% of the Fund's net assets as of June 30, 2010.

Information regarding illiquid and restricted securities is as follows:

<u>Security</u>	<u>Acquisition Date</u>	<u>Principal</u>	<u>Units/ Shares</u>	<u>Cost per Unit/Share</u>	<u>Valuation per Unit/Share as of June 30, 2010</u>
Fairfax Financial Holdings Ltd., 144A	02/23/10	NA	2,490	\$ 355.00	\$ 366.24
Harley-Davidson, Inc., Sr. Notes, 15.00%, 02/01/14	02/03/09	\$ 2,000,000	20,000	\$ 100.00	\$ 132.58
Level 3 Communications, Inc., Conv. Sr. Notes, 15.00%, 01/15/13	12/23/08	\$ 400,000	4,000	\$ 100.00	\$ 113.25
Sino-Forest Corp., Conv. Sr. Notes, 5.00%, 08/01/13	07/17/08	\$ 736,000	7,360	\$ 100.00	\$ 102.56
Sino-Forest Corp., 144A	12/11/09	NA	8,900	\$ 15.85	\$ 14.21

NOTE 8 - SUBSEQUENT EVENTS

Fund management has determined that no material events or transactions occurred subsequent to June 30, 2010 and through the issuance of the financial statements, which required adjustments and/or additional disclosure.

DAVIS VALUE PORTFOLIO

Financial Highlights

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

	Six months ended June 30, 2010 (Unaudited)	Year ended December 31,				
		2009	2008	2007	2006	2005
Net Asset Value, Beginning of Period	\$ 10.75	\$ 8.26	\$ 14.48	\$ 14.58	\$ 12.77	\$ 11.78
Income (Loss) from Investment Operations:						
Net Investment Income	0.05	0.08	0.13	0.17	0.11	0.12
Net Realized and Unrealized Gains (Losses)	(0.82)	2.49	(6.00)	0.51	1.81	0.99
Total from Investment Operations.....	(0.77)	2.57	(5.87)	0.68	1.92	1.11
Dividends and Distributions:						
Dividends from Net Investment Income	–	(0.08)	(0.12)	(0.17)	(0.11)	(0.11)
Distributions from Realized Gains	–	–	(0.23)	(0.61)	–	–
Distributions in Excess of Net Investment Income	–	–	–	–	–	(0.01)
Total Dividends and Distributions.....	–	(0.08)	(0.35)	(0.78)	(0.11)	(0.12)
Net Asset Value, End of Period	\$ 9.98	\$ 10.75	\$ 8.26	\$ 14.48	\$ 14.58	\$ 12.77
Total Return ^a	(7.16)%	31.16%	(40.32)%	4.64%	15.00%	9.44%
Ratios/Supplemental Data:						
Net Assets, End of Period (in thousands).....	\$ 482,982	\$ 519,404	\$ 333,152	\$ 658,699	\$ 771,828	\$ 620,369
Ratio of Expenses to Average Net Assets:						
Gross	0.62% ^b	0.71%	0.82%	0.81%	0.81%	0.81%
Net ^c	0.62% ^b	0.71%	0.82%	0.81%	0.81%	0.81%
Ratio of Net Investment Income to Average Net Assets.....						
Portfolio Turnover Rate ^d	1.00% ^b	0.97%	0.98%	1.11%	0.83%	0.87%
	9%	20%	17%	9%	19%	14%

a 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. Total returns are not annualized for periods of less than one year and do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown.

b Annualized.

c 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.

d 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.

See Notes to Financial Statements

Process of Annual Review

The Board of Directors of the Davis Funds oversees the management of each Davis Fund and, as required by law, determines annually whether to approve the continuance of each Davis Fund's advisory agreement with Davis Selected Advisers, L.P. and sub-advisory agreement with Davis Selected Advisers-NY, Inc. (jointly "Davis Advisors" and "Advisory Agreements").

As a part of this process the Independent Directors, with the assistance of counsel for the Independent Directors, prepared questions submitted to Davis Advisors in anticipation of the annual contract review. The Independent Directors were provided with responsive background material (including recent investment performance data), and their counsel provided guidance, prior to a separate contract review meeting held in March 2010 where the Independent Directors reviewed and evaluated all information which they deemed reasonably necessary in the circumstances. Upon completion of this review, the Independent Directors found that the terms of the Advisory Agreements are fair and reasonable and that continuation of the Advisory Agreements was in the best interest of Davis Value Portfolio and its shareholders.

Reasons the Independent Directors Approved Continuation of the Advisory Agreements

The Independent Directors' determinations were based upon a comprehensive consideration of all information provided to the Independent Directors and were not the result of any single factor. The following facts and conclusions were important, but not exclusive, in the Independent Directors' recommendation to renew the Advisory Agreements.

The Independent Directors considered not only the investment performance of the Fund, but also the full range and quality of services provided by Davis Advisors to the Fund and its shareholders, including whether it:

1. Achieves satisfactory investment results over the long-term after all costs;
2. Handles shareholder transactions, inquiries, requests, and records efficiently and effectively, and provides quality accounting, legal, and compliance services, and oversight of third party service providers; and
3. Fosters healthy investor behavior.

Davis Advisors is reimbursed a portion of its costs in providing some, but not all, of these services.

A shareholder's ultimate return is the product of a fund's results as well as the shareholder's behavior, specifically in selecting when to invest or redeem. The Independent Directors concluded that, through its actions and communications, Davis Advisors has attempted to have a meaningful, positive impact on investor behavior.

The Independent Directors noted the importance of reviewing quantitative measures, but also recognized that qualitative factors are also important in assessing whether Davis Fund shareholders are likely to be well served by the renewal of the Advisory Agreements. They noted both the value and shortcomings of purely quantitative measures, including the data provided by independent service providers, and concluded that while such measures and data may be informative, the judgment of the Independent Directors must take many factors, including those listed below, into consideration in representing the shareholders of the Davis Funds. In connection with reviewing comparative performance information, the Independent Directors generally give weight to longer-term measurements.

The Independent Directors expect Davis Advisors to employ a disciplined, company-specific, research-driven, businesslike, long-term investment philosophy.

The Independent Directors recognized Davis Advisors' (a) efforts to minimize transaction costs by generally having a long-term time horizon and low portfolio turnover; (b) record of generally producing satisfactory results over longer-term periods; (c) efforts towards fostering healthy investor behavior by, among other things, providing informative and substantial educational material; and (d) efforts to promote shareholder interests by actively speaking out on corporate governance issues.

Reasons the Independent Directors Approved Continuation of the Advisory Agreements – (Continued)

The Independent Directors reviewed (a) comparative fee and expense information for other funds, as selected and analyzed by a nationally recognized independent service provider; (b) information regarding fees charged by Davis Advisors to other advisory clients, including funds which it sub-advises and private accounts, as well as the differences in the services provided to such other clients; and (c) the fee schedule of the Fund, including an assessment of competitive fee schedules.

Effective July 1, 2009, Davis Advisors voluntarily and permanently reduced all management fee breakpoints above 0.55% to 0.55%. The former fee schedule for the Fund was a flat 0.75%. The Fund now has a flat fee of 0.55%, resulting in a fee which the Independent Directors noted was both lower than under its previous schedule and lower than the average fees of its peer group as determined by an independent service provider.

The Independent Directors reviewed the fixed management fee for the Fund and the profitability of the Fund to Davis Advisors, the extent to which economies of scale might be realized if the Fund's net assets increased, and whether the fixed fee reflected those potential economies of scale. The Independent Directors considered the nature, quality, and extent of the services being provided to the Fund and the costs incurred by Davis Advisors in providing such services. The Independent Directors considered various potential benefits that Davis Advisors may receive in connection with the services it provides under the Advisory Agreements with the Fund, including a review of portfolio brokerage practices. The Independent Directors noted that Davis Advisors does not use client commissions to pay for publications that are available to the general public or for third-party research services.

The Independent Directors noted that Davis Value Portfolio had out-performed its benchmark, the Standard & Poor's 500[®] Index, over the one- and ten-year time periods and under-performed over the three- and five-year time periods, all ended February 28, 2010. The Fund out-performed the average performance of its peer group as determined by an independent service provider over the one-, five-, and ten-year time periods and under-performed over the three-year time period, all ended December 31, 2009. The Independent Directors noted that the Fund out-performed the Standard & Poor's 500[®] Index in 5 of the 6 rolling five calendar year time frames, and its peer group in all of the 6 rolling five calendar year time frames ended December 31, 2009. The Fund out-performed both the Index and its peers in the 1 rolling ten calendar year time frame ended December 31, 2009.

The Independent Directors also considered the total expense ratio for Davis Value Portfolio, noting that the expenses were reasonable and below the average ratios of its peer group as determined by an independent service provider.

Approval of Advisory Agreements

The Independent Directors concluded that Davis Advisors had provided Davis Value Portfolio and its shareholders a reasonable level of both investment and non-investment services. The Independent Directors further concluded that shareholders have received a significant benefit from Davis Advisors' shareholder oriented approach, as well as the execution of its investment discipline.

The Independent Directors determined that the advisory fee for Davis Value Portfolio was reasonable in light of the nature, quality, and extent of the services being provided to the Fund, the costs incurred by Davis Advisors in providing such service, and in comparison to the range of the average advisory fees of its peer group as determined by an independent service provider. The Independent Directors found that the terms of the Advisory Agreements are fair and reasonable and that continuation of the Advisory Agreements was in the best interest of the Fund and its shareholders. The Independent Directors and the full Board of Directors therefore voted to continue the Advisory Agreements.

Portfolio Proxy Voting Policies and Procedures

The Fund has adopted Portfolio Proxy Voting Policies and Procedures under which the Fund votes proxies relating to securities held by the Fund. A description of the Fund's Portfolio Proxy Voting Policies and Procedures is available (i) without charge, upon request, by calling the Fund toll-free at 1-800-279-0279, (ii) on the Fund's website at www.davisfunds.com, and (iii) on the SEC's website at www.sec.gov.

In addition, the Fund is required to file Form N-PX, with its complete proxy voting record for the 12 months ended June 30th, no later than August 31st of each year. The Fund's Form N-PX filing is available (i) without charge, upon request, by calling the Fund toll-free at 1-800-279-0279, (ii) on the Fund's website at www.davisfunds.com, and (iii) on the SEC's website at www.sec.gov.

Form N-Q

The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Fund's Form N-Q is available without charge, upon request, by calling 1-800-279-0279 or on the Fund's website at www.davisfunds.com or on the SEC's website at www.sec.gov. The Fund's Form N-Q may be reviewed and copied at the SEC's Public Reference Room in Washington, DC, and information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

DAVIS VALUE PORTFOLIO

Directors and Officers

For the purposes of their service as directors to the Davis Funds, the business address for each of the directors is 2949 E. Elvira Road, Suite 101, Tucson, AZ 85756. Each Director serves until their retirement, resignation, death or removal. Subject to exceptions and exemptions, which may be granted by the Independent Directors, Directors must retire at the close of business on the last day of the calendar year in which the Director attains age seventy-four (74).

Name (birthdate)	Position(s) Held With Fund	Term of Office and Length of Time Served	Principal Occupation(s) During Past Five Years	Number of Portfolios in Fund Complex Overseen by Director	Other Directorships Held by Director
<i>Independent Directors</i>					
Marc P. Blum (09/09/42)	Director	Director since 1986	Chief Executive Officer, World Total Return Fund, LLLP; of Counsel to Gordon, Feinblatt, Rothman, Hoffberger and Hollander, LLC (law firm).	13	Director, Legg Mason Investment Counsel & Trust Company N.A. (asset management company) and Rodney Trust Company (Delaware).
John S. Gates, Jr. (08/02/53)	Director	Director since 2007	Chairman and Chief Executive Officer of PortaeCo LLC, a private investment company (beginning in 2006); Co-founder of CenterPoint Properties Trust (REIT); Co-chairman and Chief Executive Officer for 22 years (until 2006).	13	Director, DCT Industrial Trust (REIT).
Thomas S. Gayner (12/16/61)	Director/ Chairman	Director since 2004	Executive Vice President and Chief Investment Officer, Markel Corporation (insurance company).	13	Director, Washington Post Co. (publishing company); Director, Colfax Corp. (engineering and manufacturer of pumps and fluid handling equipment).
G. Bernard Hamilton (03/18/37)	Director	Director since 1978	Managing General Partner, Avanti Partners, L.P. (investment partnership), retired 2005.	13	none
Samuel H. Iapalucci (07/19/52)	Director	Director since 2006	Former Executive Vice President and Chief Financial Officer, CH2M-HILL Companies, Ltd. (engineering).	13	Director, Trow Global Holdings Inc. (engineering & consulting).
Robert P. Morgenthau (03/22/57)	Director	Director since 2002	Chairman, NorthRoad Capital Management, LLC (investment management firm) since June 2002.	13	none
Christian R. Sonne (05/06/36)	Director	Director since 1990	General Partner, Tuxedo Park Associates (land holding and development firm).	13	none
Marsha Williams (03/28/51)	Director	Director since 1999	Senior Vice President and Chief Financial Officer, Orbitz Worldwide, Inc. (travel-services provider) since 2007; former Executive Vice President and Chief Financial Officer, Equity Office Properties Trust (REIT).	13	Director, Modine Manufacturing, Inc. (heat transfer technology); Director, Chicago Bridge & Iron Company, N.V. (industrial construction and engineering); Director, Fifth Third Bancorp (diversified financial services).

Name (birthdate)	Position(s) Held With Fund	Term of Office and Length of Time Served	Principal Occupation(s) During Past Five Years	Number of Portfolios in Fund Complex Overseen by Director	Other Directorships Held by Director
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*Inside Directors**

Christopher C. Davis (07/13/65)	Director	Director since 1997	President or Vice President of each Davis Fund, Selected Fund, and Clipper Fund; Chairman, Davis Selected Advisers, L.P., and also serves as an executive officer in certain companies affiliated with the Adviser, including sole member of the Adviser's general partner, Davis Investments, LLC; Employee of Shelby Cullom Davis & Co. (registered broker/dealer).	10	Director, Davis New York Venture Fund, Inc. (consisting of four portfolios); Director, the Selected Funds (consisting of three portfolios) since 1998; Director, Washington Post Co. (publishing company).
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* Christopher C. Davis owns partnership units (directly, indirectly, or both) of the Adviser and is considered to be an "interested person" of the Funds as defined in the Investment Company Act of 1940.

Officers

Christopher C. Davis (born 07/13/65, Davis Funds officer since 1997). See description in the section on Inside Directors.

Andrew A. Davis (born 06/25/63, Davis Funds officer since 1997). President or Vice President of each of the Davis Funds (consisting of 13 portfolios) and Selected Funds (consisting of three portfolios); President, Davis Selected Advisers, L.P., serves as an executive officer in certain companies affiliated with the Adviser; Director of Davis Series, Inc. (consisting of six portfolios) and the Selected Funds (consisting of three portfolios).

Kenneth C. Eich (born 08/14/53, Davis Funds officer since 1997). Executive Vice President and Principal Executive Officer of each of the Davis Funds (consisting of 13 portfolios), Selected Funds (consisting of three portfolios), and Clipper Fund, Inc. (consisting of one portfolio); Chief Operating Officer, Davis Selected Advisers, L.P., and also serves as an executive officer in certain companies affiliated with the Adviser.

Douglas A. Haines (born 03/04/71, Davis Funds officer since 2004). Vice President, Treasurer, Chief Financial Officer, Principal Financial Officer, and Principal Accounting Officer of each of the Davis Funds (consisting of 13 portfolios), Selected Funds (consisting of three portfolios), and Clipper Fund, Inc. (consisting of one portfolio); Vice President and Director of Fund Accounting, Davis Selected Advisers, L.P.

Sharra L. Haynes (born 09/25/66, Davis Funds officer since 1997). Vice President, Chief Compliance Officer of each of the Davis Funds (consisting of 13 portfolios), Selected Funds (consisting of three portfolios), and Clipper Fund, Inc. (consisting of one portfolio); Vice President and Chief Compliance Officer, Davis Selected Advisers, L.P., and also serves as an executive officer in certain companies affiliated with the Adviser.

Thomas D. Tays (born 03/07/57, Davis Funds officer since 1997). Vice President and Secretary of each of the Davis Funds (consisting of 13 portfolios), Selected Funds (consisting of three portfolios), and Clipper Fund, Inc. (consisting of one portfolio); Vice President, Chief Legal Officer and Secretary, Davis Selected Advisers, L.P., and also serves as an executive officer in certain companies affiliated with the Adviser.

Arthur Don (born 09/24/53, Davis Funds officer since 1991). Assistant Secretary (for clerical purposes only) of each of the Davis Funds and Selected Funds; Shareholder, Greenberg Traurig, LLP (law firm); counsel to the Independent Directors and the Davis Funds.

DAVIS VALUE PORTFOLIO

Investment Adviser

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(800) 279-0279

Distributor

Davis Distributors, LLC
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P.O. Box 8406
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Custodian

State Street Bank and Trust Co.
One Lincoln Street
Boston, Massachusetts 02111

Counsel

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Chicago, Illinois 60601

Independent Registered Public Accounting Firm

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Denver, Colorado 80202

For more information about Davis Value Portfolio, including management fee, charges, and expenses, see the current prospectus, which must precede or accompany this report. The Fund’s Statement of Additional Information contains additional information about the Fund’s Directors and is available without charge upon request by calling 1-800-279-0279 and on the Fund’s website at www.davisfunds.com. Quarterly Fact sheets are available on the Fund’s website at www.davisfunds.com.

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