



“A market downturn doesn’t bother us. It is an opportunity to increase our ownership of great companies with great management at good prices.”

Warren Buffett
Chairman, Berkshire Hathaway

A Market Correction is an Opportunity

Market corrections are an inevitable and frustrating part of any long-term investment journey. How you react to them can greatly affect your investment results. This is illustrated below using the results achieved by three hypothetical investors who each invested \$10,000 at the markets highest point prior to 2008 market downturn:

- **Nervous Investor**
Following the 2008 market downturn sold all stocks and invested in cash on March 9, 2009.
Ending value: \$5,138
- **Patient Investor**
Steadfastly held stocks through the market downturn.
Ending value: \$33,420
- **Savvy Investor**
Viewed 2008 downturn as an opportunity to take advantage of low prices. Invested an additional \$10,000 in stocks on March 9, 2009.
Ending value: \$108,119

If you are a long-term investor, when faced with a market correction do not react emotionally or abandon your investment plan. Be patient and, assuming your goals and/or time horizon have not changed, view the downturn as an opportunity to purchase good businesses at attractive prices.

Three Reactions to the 2008 Market Downturn

Hypothetical \$10,000 Initial Investment
S&P 500 Index 2007-2022



Source: Morningstar, Standard and Poor's. Chart represents a hypothetical \$10,000 investment in the S&P 500 Index from 10/9/07 through 12/31/22 with the conditions described in the text. Hypotheticals assume a cash yield of 1.0% per year. Investments cannot be made directly in an index. **Past performance is not a guarantee of future results.**

WISDOM^{of} GREAT INVESTORS

Before investing in the Davis Funds, you should carefully consider the investment objectives, risks, charges, and expenses of the Funds. The prospectus and summary prospectus contains this and other information about the Funds. You can obtain performance information and a current prospectus and summary prospectus by visiting davisfunds.com or calling 800-279-0279. Please read the prospectus or summary prospectus carefully before investing or sending money. Investing involves risks including possible loss of principal.

Davis Advisors is committed to communicating with our investment partners as candidly as possible because we believe our investors benefit from understanding our investment philosophy and approach. Our views and opinions include "forward-looking statements" which may or may not be accurate over the long term. Forward-looking statements can be identified by words like "believe," "expect," "anticipate," or similar expressions. You should not place undue reliance on forward-looking

statements, which are current as of the date of this report. We disclaim any obligation to update or alter any forward-looking statements, whether as a result of new information, future events, or otherwise. While we believe we have a reasonable basis for our appraisals and we have confidence in our opinions, actual results may differ materially from those we anticipate.

The chart in this report is used to illustrate specific points. No graph, chart, formula or other device can, by itself, guide an investor as to what securities should be bought or sold or when to buy or sell them. Although the facts in this report have been obtained from and are based on sources we believe to be reliable, we do not guarantee their accuracy, and such information is subject to change without notice.

"Three Reactions to the 2008 Market Downturn" chart represents performance of S&P 500 Index from 10/9/07 to 12/31/22. Nervous investor sold out of stocks and went to cash on 3/9/09 for the remainder of the investment period. Patient investor

Share the wisdom. Enhance knowledge.

maintained their original position. Savvy investor contributed an additional \$10,000 to their original investment on 3/9/09. Savvy investor invested twice as much money as the other investor types and was able to successfully time the market. **Past performance is not a guarantee of future results.**

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

Warren Buffett is not associated in any way with Davis Selected Advisers, Davis Advisors or their affiliates.

Share the wisdom. Enhance knowledge. is a registered service mark of Davis Selected Advisers, L.P.