



# Clipper Fund

---

December 31, 2023

ANNUAL REPORT

Shareholder Letter.....	2
Management’s Discussion of Fund Performance.....	3
Fund Overview .....	5
Expense Example.....	6
Schedule of Investments .....	7
Statement of Assets and Liabilities .....	8
Statement of Operations .....	9
Statements of Changes in Net Assets.....	10
Notes to Financial Statements.....	11
Financial Highlights .....	16
Report of Independent Registered Public Accounting Firm.....	17
Federal Income Tax Information.....	18
Privacy Notice and Householding.....	19
Tailored Shareholder Report.....	20
Trustees and Officers .....	21

***This Annual Report is authorized for use by existing shareholders. Prospective shareholders must receive a current Clipper Fund (the “Fund”) prospectus, which contains more information about investment strategies, risks, fees, and expenses. Please read the prospectus carefully before investing or sending money.***

*Shares of the Fund 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.*

#### **Portfolio Proxy Voting Policies and Procedures**

The Board of Trustees has directed Davis Selected Advisers, L.P. (“Adviser”) to vote the Fund’s portfolio securities in conformance with the Adviser’s Proxy Voting Policies and Procedures. A description of these policies and procedures is available (i) without charge, upon request, by calling the Fund toll-free at 1-800-432-2504, (ii) on the Fund’s website at [www.clipperfund.com](http://www.clipperfund.com), and (iii) on the SEC’s website at [www.sec.gov](http://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 30<sup>th</sup>, no later than August 31<sup>st</sup> of each year. The Fund’s Form N-PX filing is available (i) without charge, upon request, by calling the Fund toll-free at 1-800-432-2504, (ii) on the Fund’s website at [www.clipperfund.com](http://www.clipperfund.com), and (iii) on the SEC’s website at [www.sec.gov](http://www.sec.gov).

#### **Quarterly Schedule of Investments and Monthly Holdings**

The Fund files its complete schedule of investments with the SEC on Form N-CSR (as of the end of the second and fourth quarters) and on Form N-PORT Part F (as of the end of the first and third quarters). The Fund’s Forms N-CSR (Annual and Semi-Annual Reports) and N-PORT Part F are available without charge, upon request, by calling 1-800-432-2504, on the Fund’s website at [www.clipperfund.com](http://www.clipperfund.com), and on the SEC’s website at [www.sec.gov](http://www.sec.gov). Lists of the Fund’s month-end and quarter-end holdings are also available at [www.clipperfund.com](http://www.clipperfund.com). They become available on or about the 10<sup>th</sup> day following each respective time period and remain available on the website until the list is updated for the subsequent period.

Dear Fellow Shareholder,

As stewards of our customers' savings, the management team and Trustees of Clipper Fund recognize the importance of candid, thorough, and regular communication with our shareholders. In our Annual and Semi-Annual Reports, we include all of the required quantitative information, such as audited financial statements, detailed footnotes, performance reports, fund holdings, and performance attribution. Also included is a list of positions opened and closed.

In addition, we produce a Manager Commentary for the Fund. In this commentary, we give a more qualitative perspective on fund performance, discuss our thoughts on individual holdings, and share our investment outlook. You may obtain a copy of the current Manager Commentary either on the Fund's website at [www.clipperfund.com](http://www.clipperfund.com), or by calling 1-800-432-2504. Alternatively, the direct link is <https://clipperfund.com/funds/clipper-fund/pm-review>

Thank you for the trust you have placed in us.

Sincerely,



James J. McMonagle  
Chairman



Christopher C. Davis  
President & Portfolio Manager



Danton G. Goei  
Portfolio Manager

February 2, 2024

**Performance Overview**

Clipper Fund outperformed the Standard & Poor's 500<sup>®</sup> Index ("S&P 500<sup>®</sup>" or the "Index") for the twelve-month period ended December 31, 2023 (the "period"). The Fund delivered a total return of 31.48%, versus a 26.29% return for the S&P 500<sup>®</sup>.

**Index Overview**S&P 500<sup>®</sup>

- Strongest performing sectors<sup>1</sup>
  - Information Technology (+58%), Communication Services (+56%), and Consumer Discretionary (+42%)
- Weakest performing sectors
  - Utilities (-7%), Energy (-1%), and Consumer Staples (+1%)

**Contributors<sup>2</sup> to Performance**

- Communication Services - significantly outperformed the Index sector (+116% vs +56%) and overweight (average weighting 17% vs 8%)
  - *Meta Platforms* (+194%) and *Alphabet* (+58%) - two largest individual contributors
- Financials - outperformed the Index sector (+16% vs +12%)
  - *Capital One Financial* (+44%), *Wells Fargo* (+23%), *Berkshire Hathaway* (+16%), and *Bank of New York Mellon* (+18%)
- No exposure in Consumer Staples, Energy, Utilities, or Real Estate and underweight in Health Care (average weighting 8% vs 14%), the five weakest performing sectors of the Index
- Individual holdings
  - *Amazon.com* (+81%), *Applied Materials* (+68%), *Intel* (+95%), and *Owens Corning* (+77%)

**Detractors from Performance**

- Significantly overweight in Financials sector - (average weighting 52% vs 13%)
  - *Ping An Insurance* (-28%) and *Alia Group* (-14%)
  - *Alia Group* - no longer a Fund holding
- Underweight in Information Technology, the highest performing sector of the Index - (average weighting 7% vs 27%)
- Consumer Discretionary - underperformed the Index sector (+33% vs +42%)
  - *JD.com* (-48%) - largest individual detractor
- Health Care - underperformed the Index sector (-4% vs +2%)
  - *Cigna Group* (-8%) and *Quest Diagnostics* (-10%)
- Financial holding no longer held in Fund - *Bank of America* (-4%)

---

Clipper Fund's investment objective is to seek long-term capital growth and capital preservation. There can be no assurance that the Fund will achieve its objective. Clipper Fund's principal risks are: stock market risk, common stock risk, financial services risk, focused portfolio risk, foreign country risk, headline risk, large-capitalization companies risk, manager risk, depository receipts risk, fees and expenses risk, foreign currency risk, and mid- and small-capitalization companies risk. See the prospectus for a full description of each risk.

Clipper Fund focuses its investments in fewer companies, and it may be subject to greater risks than a more diversified fund that is not allowed to focus its investments in a few companies. The Fund's investment performance, both positive and negative, is expected to reflect the economic performance of its more focused portfolio.

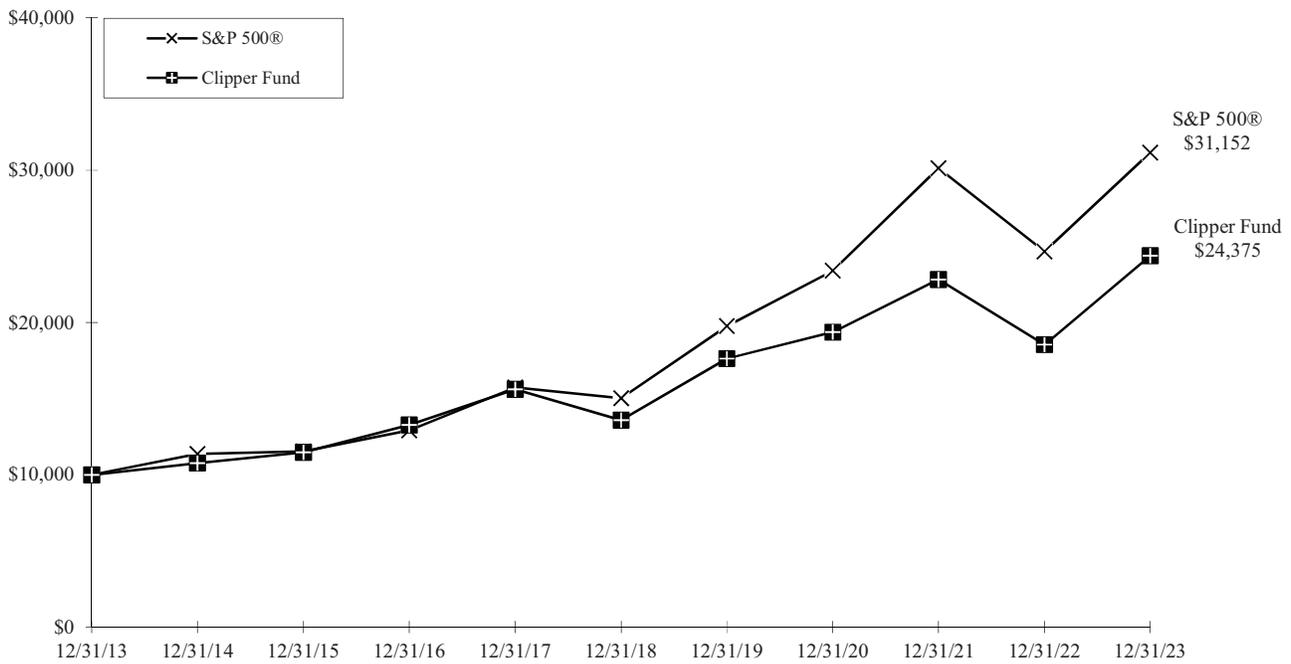
Past performance does not guarantee future results, Fund prices fluctuate, and the value of an investment may be worth more or less than the purchase price. Data provided in this performance overview is for the twelve-month period ended December 31, 2023, unless otherwise noted. Return figures for underlying Fund positions reflect the return of the security from the beginning of the period or the date of first purchase if subsequent thereto through the end of the period or the date the position is completely liquidated. The actual contribution to the Fund will vary based on a number of factors (e.g., trading activity, weighting). Portfolio holding information is as of the end of the twelve-month period, December 31, 2023, unless otherwise noted.

<sup>1</sup> The companies included in the Standard & Poor's 500<sup>®</sup> Index are divided into eleven sectors. One or more industry groups make up a sector. For purposes of measuring concentration, the Fund generally classifies companies at the industry group or industry level. See the SAI for additional information regarding the Fund's concentration policy.

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

<sup>3</sup> Management's 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, sell, or hold any particular security. The Schedule of Investments lists the Fund's holdings of each company discussed.

**COMPARISON OF A \$10,000 INVESTMENT IN CLIPPER FUND VERSUS THE STANDARD & POOR’S 500<sup>®</sup> INDEX OVER 10 YEARS FOR AN INVESTMENT MADE ON DECEMBER 31, 2013**



**AVERAGE ANNUAL TOTAL RETURN FOR PERIODS ENDED DECEMBER 31, 2023**

FUND & BENCHMARK INDEX	1-YEAR	5-YEAR	10-YEAR	SINCE FUND’S INCEPTION (02/29/84)	GROSS EXPENSE RATIO	NET EXPENSE RATIO
Clipper Fund	31.48%	12.39%	9.31%	11.23%	0.71%	0.71%
S&P 500 <sup>®</sup> Index	26.29%	15.68%	12.03%	11.48%		

The Standard & Poor’s 500<sup>®</sup> 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 quoted in this report represents past performance, assumes that all distributions were reinvested, and is not a guarantee of future results. The investment return and principal value will fluctuate so that shares may be worth more or less than their original cost when redeemed. Current performance may be higher or lower than performance data quoted. Returns shown do not reflect the deduction of taxes that a shareholder would pay on fund distributions or the redemption of fund shares. The operating expense ratio may vary in future years. For most recent month-end performance information, please call Clipper Fund Investor Services at 1-800-432-2504 or visit the Fund’s website at [www.clipperfund.com](http://www.clipperfund.com).**

Davis Selected Advisers, L.P. began serving as investment adviser to Clipper Fund on January 1, 2006. A different investment adviser managed the Fund through December 31, 2005.

Portfolio Composition (% of Fund's 12/31/23 Net Assets)		Industry Weightings (% of 12/31/23 Stock Holdings)		
			Fund	S&P 500 <sup>®</sup>
Common Stock (U.S.)	85.99%	Financial Services	22.67%	7.66%
Common Stock (Foreign)	12.46%	Banks	19.80%	3.26%
Short-Term Investments	1.62%	Media & Entertainment	16.57%	7.68%
Other Assets & Liabilities	(0.07)%	Information Technology	8.54%	28.86%
	100.00%	Health Care	8.30%	12.62%
		Consumer Discretionary Distribution & Retail	8.09%	5.69%
		Insurance	7.23%	2.06%
		Consumer Services	3.51%	2.17%
		Capital Goods	2.25%	5.75%
		Materials	2.21%	2.41%
		Transportation	0.83%	1.79%
		Energy	–	3.89%
		Food, Beverage & Tobacco	–	2.93%
		Equity REITs	–	2.36%
		Utilities	–	2.34%
		Other	–	8.53%
			100.00%	100.00%

**Top 10 Long-Term Holdings**  
(% of Fund's 12/31/23 Net Assets)

Berkshire Hathaway Inc., Class A	Financial Services	10.48%
Meta Platforms, Inc., Class A	Media & Entertainment	9.53%
Wells Fargo & Co.	Banks	7.88%
Alphabet Inc., Class A	Media & Entertainment	6.75%
Capital One Financial Corp.	Consumer Finance	6.66%
Amazon.com, Inc.	Consumer Discretionary Distribution & Retail	5.81%
Markel Group Inc.	Property & Casualty Insurance	5.70%
Bank of New York Mellon Corp.	Capital Markets	5.18%
U.S. Bancorp	Banks	4.69%
Applied Materials, Inc.	Semiconductors & Semiconductor Equipment	3.58%

**New Positions Added (01/01/23-12/31/23)**

Security	Industry	Date of 1 <sup>st</sup> Purchase	% of Fund's 12/31/23 Net Assets
AGCO Corp.	Capital Goods	10/24/23	0.92%
MGM Resorts International	Consumer Services	07/07/23	3.46%

**Positions Closed (01/01/23-12/31/23)**

(Gains and losses greater than \$24,000,000 are highlighted)

Security	Industry	Date of Final Sale	Realized Gain (Loss)
AIA Group Ltd.	Life & Health Insurance	08/04/23	\$ (348,850)
Alphabet Inc., Class C	Media & Entertainment	04/13/23	24,606,791
Bank of America Corp.	Banks	12/01/23	1,804,307

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 is for the six-month period ended December 31, 2023.

**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. An annual maintenance fee of \$10, charged on retirement plan accounts per Social Security Number, is not included in the Expense Example. If this fee was included, the estimate of expenses you paid during the period would be higher, and your ending account value would be lower, by this amount.

**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. An annual maintenance fee of \$10, charged on retirement plan accounts per Social Security Number, is not included in the Expense Example. If this fee was included, the estimate of expenses you paid during the period would be higher, and your ending account value would be lower, by this amount.

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.

	<b>Beginning Account Value (07/01/23)</b>	<b>Ending Account Value (12/31/23)</b>	<b>Expenses Paid During Period* (07/01/23-12/31/23)</b>
Actual	\$1,000.00	\$1,129.63	\$3.76
Hypothetical	\$1,000.00	\$1,021.68	\$3.57

Hypothetical assumes 5% annual return before expenses.

\*Expenses are equal to the Fund’s annualized operating expense ratio (0.70%)\*\*, multiplied by the average account value over the period, multiplied by 184/365 (to reflect the one-half year period).

\*\*The expense ratio reflects the impact, if any, of certain reimbursements and/or waivers from the Adviser.

**CLIPPER FUND<sup>SM</sup>**
**Schedule of Investments  
December 31, 2023**

	Shares	Value (Note 1)
<b>COMMON STOCK – (98.45%)</b>		
<b>COMMUNICATION SERVICES – (16.32%)</b>		
<b>Media &amp; Entertainment – (16.32%)</b>		
Alphabet Inc., Class A *	515,310	\$ 71,983,654
ASAC II L.P. *(a)(b)(c)	407,313	428,697
Meta Platforms, Inc., Class A *	287,240	101,671,470
<b>TOTAL COMMUNICATION SERVICES</b>		<b>174,083,821</b>
<b>CONSUMER DISCRETIONARY – (11.42%)</b>		
<b>Consumer Discretionary Distribution &amp; Retail – (7.96%)</b>		
Amazon.com, Inc. *	408,280	62,034,063
JD.com, Inc., Class A, ADR (China)	239,000	6,904,710
Naspers Ltd. - N (South Africa)	93,460	15,981,571
		84,920,344
<b>Consumer Services – (3.46%)</b>		
MGM Resorts International *	825,490	36,882,893
<b>TOTAL CONSUMER DISCRETIONARY</b>		<b>121,803,237</b>
<b>FINANCIALS – (48.93%)</b>		
<b>Banks – (19.50%)</b>		
Danske Bank A/S (Denmark)	676,110	18,062,441
DBS Group Holdings Ltd. (Singapore)	1,080,000	27,340,632
JPMorgan Chase & Co.	167,672	28,521,007
U.S. Bancorp	1,155,160	49,995,325
Wells Fargo & Co.	1,708,382	84,086,562
		208,005,967
<b>Financial Services – (22.32%)</b>		
<b>Capital Markets – (5.18%)</b>		
Bank of New York Mellon Corp.	1,060,983	55,224,165
<b>Consumer Finance – (6.66%)</b>		
Capital One Financial Corp.	541,963	71,062,189
<b>Financial Services – (10.48%)</b>		
Berkshire Hathaway Inc., Class A *	206	111,780,756
		238,067,110
<b>Insurance – (7.11%)</b>		
<b>Life &amp; Health Insurance – (1.41%)</b>		
Ping An Insurance (Group) Co. of China, Ltd. - H (China)	3,326,500	15,059,458
<b>Property &amp; Casualty Insurance – (5.70%)</b>		
Markel Group Inc. *	42,857	60,852,654
		75,912,112
<b>TOTAL FINANCIALS</b>		<b>521,985,189</b>
<b>HEALTH CARE – (8.17%)</b>		
<b>Health Care Equipment &amp; Services – (5.10%)</b>		
Cigna Group	118,950	35,619,577
Quest Diagnostics Inc.	136,120	18,768,226
		54,387,803
<b>Pharmaceuticals, Biotechnology &amp; Life Sciences – (3.07%)</b>		
Viatis Inc.	3,029,340	32,807,752
<b>TOTAL HEALTH CARE</b>		<b>87,195,555</b>
<b>INDUSTRIALS – (3.02%)</b>		
<b>Capital Goods – (2.21%)</b>		
AGCO Corp.	80,700	9,797,787
Owens Corning	93,000	13,785,390
		23,583,177

	Shares	Value (Note 1)
<b>COMMON STOCK – (CONTINUED)</b>		
<b>INDUSTRIALS – (CONTINUED)</b>		
<b>Transportation – (0.81%)</b>		
DiDi Global Inc., Class A, ADS (China) *	2,199,482	\$ 8,687,954
<b>TOTAL INDUSTRIALS</b>		<b>32,271,131</b>
<b>INFORMATION TECHNOLOGY – (8.41%)</b>		
<b>Semiconductors &amp; Semiconductor Equipment – (6.75%)</b>		
Applied Materials, Inc.	235,480	38,164,244
Intel Corp.	672,490	33,792,622
		71,956,866
<b>Technology Hardware &amp; Equipment – (1.66%)</b>		
Samsung Electronics Co., Ltd. (South Korea)	291,070	17,741,281
<b>TOTAL INFORMATION TECHNOLOGY</b>		<b>89,698,147</b>
<b>MATERIALS – (2.18%)</b>		
Teck Resources Ltd., Class B (Canada)	549,270	23,217,643
<b>TOTAL MATERIALS</b>		<b>23,217,643</b>

**TOTAL COMMON STOCK –  
(Identified cost \$606,371,950) 1,050,254,723**

	Principal	Value (Note 1)
<b>SHORT-TERM INVESTMENTS – (1.62%)</b>		
Nomura Securities International, Inc. Joint Repurchase Agreement, 5.31%, 01/02/24 (d)	\$8,105,000	\$ 8,105,000
StoneX Financial Inc. Joint Repurchase Agreement, 5.31%, 01/02/24 (e)	9,199,000	9,199,000
<b>TOTAL SHORT-TERM INVESTMENTS – (Identified cost \$17,304,000) 17,304,000</b>		
Total Investments – (100.07%) – (Identified cost \$623,675,950)		1,067,558,723
Liabilities Less Other Assets – (0.07%)		(790,734)
Net Assets – (100.00%)		<u>\$1,066,767,989</u>

ADR: American Depositary Receipt

ADS: American Depositary Share

\* Non-income producing security.

- (a) Restricted Security – See Note 6 of the Notes to Financial Statements.
- (b) The value of this security was determined using significant unobservable inputs. See Note 1 of the Notes to Financial Statements.
- (c) Limited partnership units.
- (d) Dated 12/29/23, repurchase value of \$8,109,782 (collateralized by: U.S. Government agency mortgages in a pooled cash account, 2.00%-6.00%, 09/01/50-08/01/53, total market value \$8,267,100).
- (e) Dated 12/29/23, repurchase value of \$9,204,427 (collateralized by: U.S. Government agency mortgages and obligations in a pooled cash account, 0.00%-10.00%, 01/15/24-09/20/73, total market value \$9,382,980).

*See Notes to Financial Statements*

**CLIPPER FUND<sup>SM</sup>****Statement of Assets and Liabilities  
At December 31, 2023****ASSETS:**

Investments in securities, at value* (see accompanying Schedule of Investments)	\$	1,067,558,723
Cash		44,576
Receivables:		
Capital stock sold		122,423
Dividends and interest		661,415
Prepaid expenses		31,705
<b>Total assets</b>		<b>1,068,418,842</b>

**LIABILITIES:**

Payables:		
Capital stock redeemed		869,688
Accrued custodian fees		96,000
Accrued investment advisory fees		501,370
Accrued transfer agent fees		113,336
Other accrued expenses		70,459
<b>Total liabilities</b>		<b>1,650,853</b>

**NET ASSETS** **\$** 1,066,767,989

**SHARES OUTSTANDING** 8,253,771

**NET ASSET VALUE**, offering, and redemption price per share (Net assets ÷ Shares outstanding) **\$** 129.25

**NET ASSETS CONSIST OF:**

Paid-in capital	\$	610,634,552
Distributable earnings		456,133,437
<b>Net Assets</b>	<b>\$</b>	<b><u><u>1,066,767,989</u></u></b>

**\*Including:**

Cost of investments	\$	623,675,950
---------------------	----	-------------

*See Notes to Financial Statements*

**CLIPPER FUND<sup>SM</sup>****Statement of Operations  
For the year ended December 31, 2023****INVESTMENT INCOME:****Income:**

Dividends*		\$	16,364,843
Interest			638,302
<b>Total income</b>			<b>17,003,145</b>

**Expenses:**

Investment advisory fees (Note 3)	\$	5,306,904	
Custodian fees		207,661	
Transfer agent fees		846,307	
Audit fees		58,026	
Legal fees		27,586	
Reports to shareholders		41,194	
Trustees' fees and expenses		231,027	
Registration and filing fees		43,410	
Miscellaneous		68,800	
<b>Total expenses</b>			<b>6,830,915</b>

**Net investment income** **10,172,230**

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

Net realized gain (loss) from:

Investment transactions	63,184,691
Foreign currency transactions	(32,537)

**Net realized gain** **63,152,154**

Net increase in unrealized appreciation 191,848,616

**Net realized and unrealized gain on investments and foreign  
currency transactions** **255,000,770**

**Net increase in net assets resulting from operations** **\$ 265,173,000**

\*Net of foreign taxes withheld of \$ 329,049

*See Notes to Financial Statements*

	<u>Year ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
<b>OPERATIONS:</b>		
Net investment income	\$ 10,172,230	\$ 9,420,367
Net realized gain from investments and foreign currency transactions	63,152,154	20,799,051
Net increase (decrease) in unrealized appreciation on investments and foreign currency transactions	191,848,616	(250,829,309)
<b>Net increase (decrease) in net assets resulting from operations</b>	<b>265,173,000</b>	<b>(220,609,891)</b>
<b>DIVIDENDS AND DISTRIBUTIONS TO SHAREHOLDERS:</b>	(63,561,433)	(50,193,683)
<b>CAPITAL SHARE TRANSACTIONS:</b>		
Net decrease in net assets resulting from capital share transactions (Note 4)	(14,850,221)	(38,311,521)
<b>Total increase (decrease) in net assets</b>	<b>186,761,346</b>	<b>(309,115,095)</b>
<b>NET ASSETS:</b>		
Beginning of year	880,006,643	1,189,121,738
<b>End of year</b>	<b><u>\$ 1,066,767,989</u></b>	<b><u>\$ 880,006,643</u></b>

*See Notes to Financial Statements*

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Clipper Funds Trust, a Delaware statutory trust (“Trust”), on behalf of Clipper Fund (“Fund”), a series of the Trust, is registered under the Investment Company Act of 1940, as amended, as a non-diversified, open-end management investment company. The Fund follows the reporting guidance of the Financial Accounting Standards Board (“FASB”) *Accounting Standards Codification Topic 946, Financial Services – Investment Companies*. The Fund’s investment objective is long-term capital growth and capital preservation. Davis Selected Advisers, L.P. (“Davis Advisers” or “Adviser”), the Fund’s investment adviser, seeks to invest the Fund’s assets primarily in common stocks of large companies (generally, companies with market capitalizations of \$10 billion or more at the time of initial purchase) that are trading at prices below the Adviser’s estimate of their intrinsic values. The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial statements.

**Security Valuation** - The Fund’s Board of Trustees has designated the Adviser as the valuation designee for the Fund. The Adviser has established a Pricing Committee to carry out the day-to-day valuation activities for the Fund. 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 including NASDAQ) are valued at the last reported sales price on the day of valuation. Listed securities for which no sale was reported on that date are valued at the last quoted bid price. 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 or securities whose values have been materially affected by what the 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 using a fair valuation methodology applicable to the security type or the significant event as previously approved by the Pricing Committee. The Pricing Committee considers all facts it deems relevant that are reasonably available, through either public information or information available to the Adviser’s portfolio management team, when determining the fair value of a security. To assess the appropriateness of security valuations, the Pricing Committee may consider (i) comparing prior day prices and/or prices of comparable securities; (ii) comparing sale prices to the prior or current day prices and challenge those prices exceeding certain tolerance levels with the third-party pricing service or broker source; (iii) new rounds of financing; (iv) the performance of the market or the issuer’s industry; (v) the liquidity of the security; (vi) the size of the holding in a fund; and/or (vii) any other appropriate information. The determination of a security’s fair value price often involves the consideration of a number of subjective factors and is therefore subject to the unavoidable risk that the value assigned to a security may be higher or lower than the security’s value would be if a reliable market quotation for the security was readily available.

Short-term investments purchased within 60 days to maturity are valued at amortized cost, which approximates market value.

On a quarterly basis, the Board of Trustees receives reports of valuation actions taken by the Pricing Committee. On at least an annual basis, the Board of Trustees receives an assessment of the adequacy and effectiveness of the Adviser’s process for determining the fair value of the Fund’s investments.

**Fair 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 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 the Fund’s own assumptions in determining the fair value of investments)

The inputs or methodologies used for valuing securities are not necessarily an indication of the risks associated with investing in those securities nor can it be assured that the Fund can obtain the fair value assigned to a security if it were to sell the security.

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

## Fair Value Measurements - (Continued)

The following is a summary of the inputs used as of December 31, 2023 in valuing the Fund's investments carried at value:

	Investments in Securities at Value			
	Valuation Inputs			
	Level 1:	Level 2:	Level 3:	Total
	Quoted Prices	Other Significant Observable Inputs	Significant Unobservable Inputs	
<u>Common Stock:</u>				
Communication Services	\$ 173,655,124	\$ –	\$ 428,697	\$ 174,083,821
Consumer Discretionary	121,803,237	–	–	121,803,237
Financials	521,985,189	–	–	521,985,189
Health Care	87,195,555	–	–	87,195,555
Industrials	32,271,131	–	–	32,271,131
Information Technology	89,698,147	–	–	89,698,147
Materials	23,217,643	–	–	23,217,643
Short-Term Investments	–	17,304,000	–	17,304,000
<b>Total Investments</b>	<b>\$ 1,049,826,026</b>	<b>\$ 17,304,000</b>	<b>\$ 428,697</b>	<b>\$ 1,067,558,723</b>

The following table reconciles the valuation of assets in which significant unobservable inputs (Level 3) were used in determining fair value during the year ended December 31, 2023. The net change in unrealized appreciation (depreciation) during the period on Level 3 securities still held at December 31, 2023 was \$32,341. The cost of purchases or proceeds from sales may include securities received or delivered through corporate actions or exchanges. Realized and unrealized gains (losses) are included in the related amounts on investments in the Statement of Operations.

	Beginning Balance at January 1, 2023	Cost of Purchases	Proceeds from Sales	Net Change in Unrealized Appreciation (Depreciation)	Net Realized Gain (Loss)	Transfers into Level 3	Transfers out of Level 3	Ending Balance at December 31, 2023
<i>Investments in Securities:</i>								
Common Stock	\$ 396,356	\$ –	\$ –	\$ 32,341	\$ –	\$ –	\$ –	\$ 428,697
<b>Total Level 3</b>	<b>\$ 396,356</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ 32,341</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ 428,697</b>

The following table is a summary of those assets in which significant unobservable inputs (Level 3) were used by the Adviser in determining fair value. Note that these amounts exclude any valuations provided by a pricing service or broker.

	Fair Value at December 31, 2023	Valuation Technique	Unobservable Input	Amount	Impact to Valuation from an Increase in Input
<i>Investments in Securities:</i>					
Common Stock	\$ 428,697	Discounted Cash Flow	Annualized Yield	6.507%	Decrease
<b>Total Level 3</b>	<b>\$ 428,697</b>				

The significant unobservable input listed in the above table is used in the fair value measurement of common stock, and if changed, would affect the fair value of the Fund's investments. The "Impact to Valuation from an Increase in Input" represents the change in fair value measurement resulting from an increase in the corresponding input. A decrease in the input would have the opposite effect.

**Repurchase Agreements** - Repurchase agreements are transactions under which a Fund purchases a security from a dealer counterparty and agrees to resell the security to that counterparty on a specified future date at the same price, plus a specified interest rate. The Fund's repurchase agreements are secured by U.S. government or agency securities. It is the Fund's policy that its regular custodian or third party custodian take possession of the underlying collateral securities, the fair value of which exceeds the principal amount of the repurchase transaction, including accrued interest, at all times. In the event of default by the counterparty, the Fund has the contractual right to liquidate the collateral securities and to apply the proceeds in satisfaction of the obligation.

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

**Currency Translation** - The market values of all assets and liabilities denominated in foreign currencies are recorded in the financial statements after translation to United States Dollar (“USD”) on the date of valuation using exchange rates determined as of the close of trading on the Exchange. 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.

**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 USD. 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. During the year ended December 31, 2023, there were no forward currency contracts entered into by the Fund.

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 security transactions, the difference between the amounts of dividends, interest, and foreign withholding taxes recorded on the Fund’s books, and the USD equivalent of the amounts actually received or paid. The Fund includes foreign currency gains and losses realized on the sales of investments together with market gains and losses on such investments in the Statement of Operations. Net unrealized foreign exchange gains or losses arise from changes in the value of assets and liabilities resulting from changes in the exchange rate and are included within net unrealized appreciation or depreciation 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 analyzed the Fund’s tax positions taken on federal and state income tax returns for all open tax years and concluded that as of December 31, 2023, no provision for income tax is required in the Fund’s financial statements related to these tax positions. The Fund’s federal and state (Arizona) 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 Department of Revenue. The earliest tax year that remains subject to examination by these jurisdictions is 2020.

At December 31, 2023, the aggregate cost of investments and unrealized appreciation (depreciation) for federal income tax purposes were as follows:

Cost	\$	628,884,520
Unrealized appreciation		488,784,659
Unrealized depreciation		(50,110,456)
Net unrealized appreciation	\$	<u>438,674,203</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 [collectively “Distributable earnings (losses)”] may differ for financial statement and tax purposes primarily due to permanent and temporary differences which may include wash sales, foreign currency transactions, Trustee deferred compensation, corporate actions, equalization, passive foreign investment company shares, and partnership income. 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. The Fund’s net assets have not been affected by these reclassifications.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)*****Dividends and Distributions to Shareholders - (Continued)***

During the year ended December 31, 2023, amounts have been reclassified to reflect increases (decreases) as follows:

Distributable earnings	\$	(2,026,871)
Paid-in capital		2,026,871

The tax character of distributions paid during the years ended December 31, 2023 and 2022 was as follows:

	<u>Ordinary Income</u>	<u>Long-Term Capital Gain</u>	<u>Total</u>
2023	\$ 13,789,821	\$ 49,771,612	\$ 63,561,433
2022	10,504,952	39,688,731	50,193,683

As of December 31, 2023, the components of distributable earnings on a tax basis were as follows:

Undistributed ordinary income	\$ 995,391
Undistributed long-term capital gain	16,873,728
Net unrealized appreciation on investments and foreign currency transactions	438,673,839
Other temporary differences	(409,521)
Total	<u>\$ 456,133,437</u>

***Indemnification*** - Under the Fund's organizational documents, its officers and trustees 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.

***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.

***Trustees Fees and Expenses*** - The Fund set up a Rabbi Trust to provide for the deferred compensation plan for Independent Trustees 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 Trustee's account is based upon years of service and fees paid to each Trustee during the years of service. The amount paid to the Trustee by the Trust under the plan will be determined based upon the performance of the Funds in which the amounts are invested.

**NOTE 2 - PURCHASES AND SALES OF SECURITIES**

The cost of purchases and proceeds from sales of investment securities (excluding short-term investments) during the year ended December 31, 2023 were \$72,346,784 and \$150,010,345, respectively.

**NOTE 3 - FEES AND OTHER TRANSACTIONS WITH SERVICE PROVIDERS (INCLUDING AFFILIATES)**

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.

All officers of the Fund (including Interested Trustees) hold positions as executive officers with the Adviser or its affiliates.

**NOTE 3 - FEES AND OTHER TRANSACTIONS WITH SERVICE PROVIDERS (INCLUDING AFFILIATES) – (CONTINUED)**

**Investment Advisory Fees** - Advisory fees are paid monthly to the Adviser. The annual rate is 0.55% of the average net assets for the first \$3 billion, 0.54% on the next \$1 billion, 0.53% on the next \$1 billion, 0.52% on the next \$1 billion, 0.51% on the next \$1 billion, 0.50% on the next \$3 billion, and 0.485% of the average net assets greater than \$10 billion. Advisory fees paid during the year ended December 31, 2023 approximated 0.55% of average net assets.

**Transfer Agent and Accounting Fees** - SS&C Global Investor & Distribution Solutions, Inc. is the Fund's primary transfer agent. The Adviser is also paid for certain transfer agent services. The fee paid to the Adviser for these services during the year ended December 31, 2023 amounted to \$61,649. State Street Bank and Trust Company ("State Street Bank") is the Fund's primary accounting provider. Fees for accounting services are included in the custodian fees as State Street Bank also serves as the Fund's custodian.

**NOTE 4 - CAPITAL STOCK**

At December 31, 2023, there were unlimited shares of capital stock (no par value) authorized. Transactions in capital stock were as follows:

	Year ended December 31, 2023			
	Sold	Reinvestment of Distributions	Redeemed	Net Decrease
Shares:	109,453	509,458	(755,344)	(136,433)
Value:	\$ 12,865,981	\$ 60,886,866	\$ (88,603,068)	\$ (14,850,221)

	Year ended December 31, 2022			
	Sold	Reinvestment of Distributions	Redeemed	Net Decrease
Shares:	139,776	453,529	(922,067)	(328,762)
Value:	\$ 16,236,662	\$ 48,341,052	\$ (102,889,235)	\$ (38,311,521)

**NOTE 5 - SECURITIES LOANED**

The Fund has entered into a securities lending arrangement with State Street Bank. Under the terms of the agreement, the Fund receives fee income from lending transactions; in exchange for such fees, State Street Bank is authorized to loan securities on behalf of the Fund, against receipt of collateral at least equal to the value of the securities loaned. As of December 31, 2023, the Fund did not have any securities on loan. The Fund bears the risk of any deficiency in the amount of the collateral available for return to a borrower due to a loss in an approved investment.

**NOTE 6 - RESTRICTED SECURITIES**

Restricted securities are not registered under the Securities Act of 1933 and may have contractual restrictions on resale. They are fair valued under methods approved by the Pricing Committee. The aggregate value of restricted securities amounted to \$428,697 or 0.04% of the Fund's net assets as of December 31, 2023. Information regarding restricted securities is as follows:

Security	Initial Acquisition Date	Units	Cost per Unit	Valuation per Unit as of December 31, 2023
ASAC II L.P.	10/10/13	407,313	\$ 1.0000	\$ 1.0525

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

	Year ended December 31,				
	2023	2022	2021	2020	2019
Net Asset Value, Beginning of Period	\$ 104.89	\$ 136.38	\$ 131.69	\$ 122.75	\$ 96.09
<b>Income (Loss) from Investment Operations:</b>					
Net Investment Income <sup>a</sup>	1.24	1.10	0.49	0.52	0.67
Net Realized and Unrealized Gains (Losses)	31.00	(26.64)	23.01	11.65	27.79
<b>Total from Investment Operations</b>	<b>32.24</b>	<b>(25.54)</b>	<b>23.50</b>	<b>12.17</b>	<b>28.46</b>
<b>Dividends and Distributions:</b>					
Dividends from Net Investment Income	(1.28)	(1.25)	(0.49)	(0.98)	(1.10)
Distributions from Realized Gains	(6.60)	(4.70)	(18.32)	(2.25)	(0.70)
<b>Total Dividends and Distributions</b>	<b>(7.88)</b>	<b>(5.95)</b>	<b>(18.81)</b>	<b>(3.23)</b>	<b>(1.80)</b>
<b>Net Asset Value, End of Period</b>	<b>\$ 129.25</b>	<b>\$ 104.89</b>	<b>\$ 136.38</b>	<b>\$ 131.69</b>	<b>\$ 122.75</b>
Total Return <sup>b</sup>	31.48%	(18.75)%	17.78%	9.96%	29.63%
<b>Ratios/Supplemental Data:</b>					
Net Assets, End of Period (in millions)	\$ 1,067	\$ 880	\$ 1,189	\$ 1,093	\$ 1,123
Ratio of Expenses to Average Net Assets:					
Gross	0.71%	0.71%	0.71%	0.71%	0.71%
Net <sup>c</sup>	0.71%	0.71%	0.71%	0.71%	0.71%
Ratio of Net Investment Income to Average					
Net Assets	1.05%	0.95%	0.33%	0.45%	0.59%
Portfolio Turnover Rate <sup>d</sup>	8%	9%	25%	10%	7%

a Per share calculations were based on average shares outstanding for the period.

b 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.

c The Net Ratio of Expenses to Average Net Assets reflects the impact, if any, of certain reimbursements and/or waivers 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*

**The Shareholders and Board of Trustees  
Clipper Funds Trust:***Opinion on the Financial Statements*

We have audited the accompanying statement of assets and liabilities of Clipper Fund (a series of Clipper Funds Trust) (the “Fund”), including the schedule of investments, as of December 31, 2023, the related statement of operations for the year then ended, the statements of changes in net assets for each of the years in the two-year period then ended, and the related notes (collectively, the financial statements) and the financial highlights for each of the years in the five-year period then ended. In our opinion, the financial statements and financial highlights present fairly, in all material respects, the financial position of the Fund as of December 31, 2023, the results of its operations for the year then ended, the changes in its net assets for each of the years in the two-year period then ended, and the financial highlights for each of the years in the five-year period then ended, in conformity with U.S. generally accepted accounting principles.

*Basis for Opinion*

These financial statements and financial highlights are the responsibility of the Fund’s management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements and financial highlights, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements and financial highlights. Such procedures also included confirmation of securities owned as of December 31, 2023, by correspondence with the custodian and brokers. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and financial highlights. We believe that our audits provide a reasonable basis for our opinion.

**KPMG LLP**

We have served as the Fund’s auditor since 2006.

Minneapolis, Minnesota  
February 20, 2024

In early 2024, shareholders received information regarding all dividends and distributions paid to them by the Fund during the calendar year 2023. Regulations of the U.S. Treasury Department require the Fund to report this information to the Internal Revenue Service.

The information and distributions reported herein may differ from the information reported as distributions taxable to certain shareholders for the calendar year 2023 with their 2023 Form 1099-DIV.

The information is presented to assist shareholders in reporting distributions received from the Fund to the Internal Revenue Service. Because of the complexity of the federal regulations that may affect your individual tax return and the many variations in state and local regulations, we recommend that you consult your tax adviser for specific guidance.

During the calendar year 2023, the Fund paid long-term capital gain distributions in the amount of \$49,771,612. The Fund utilized equalization accounting for tax purposes, whereby a portion of redemption payments were treated as distributions of long-term capital gain. As a result, the Fund designated long-term capital gain distributions in the amount of \$51,798,483.

During the calendar year 2023, \$13,789,821 of dividends paid by the Fund constituted income dividends for federal income tax purposes. The Fund designates \$11,555,254 or 84% as income qualifying for the corporate dividends-received deduction.

For the calendar year 2023, certain dividends paid by the Fund constitute qualified dividend income for federal income tax purposes. The Fund designates \$13,789,821 or 100% as qualified dividend income.

**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 the Fund, 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 may also gather information through the use of “cookies” when you visit our website. These files help us to recognize repeat visitors and allow easy access to and use of the website. 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.

**Householding**

The Fund may, on occasion, mail notices, reports, prospectuses, or proxy material to shareholders. To avoid sending duplicate copies of materials to households, the Fund will mail only one copy of these items 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 have a direct account with the Fund and you do not want the mailing of these documents to be combined with those to other members of your household, please contact Clipper Fund by phone at 1-800-432-2504. Your instructions will become effective within 30 days of your notice to the Fund.

Beginning in July 2024, as required by regulations adopted by the SEC, the Fund will be producing a Tailored Shareholder Report, which, together with Form N-CSR, will replace the current Annual and Semi-Annual reports that investors receive today. The Tailored Shareholder Report is intended to make the content more concise and easier for investors to understand. These new reports will include class-specific information, such as simplified expense presentation, fund performance details including returns, graphical representation of holdings, and material changes from the prior year to help investors monitor their fund by share class.

There is no action needed on your part:

- If you currently elect to receive shareholder reports electronically, you will receive the new Tailored Shareholder Report in this way.
- If you currently receive printed reports or postcard notices via mail, the new Tailored Shareholder Report will be mailed to you.

Detailed information (such as complete financial statements) will not be included in the Tailored Shareholder Report but will be available online, and if requested, delivered via email or in paper free of charge. This detailed information will be filed on a semi-annual basis on Form N-CSR. Please contact your financial intermediary to inform them if you wish to receive paper or email copies of the more detailed information and whether this will apply to all funds held with your financial intermediary.

For the purpose of their service as trustees to the Fund, the business address for each of the Trustees is 2949 E. Elvira Road, Suite 101, Tucson, AZ 85756. Each Trustee serves until retirement, resignation, death, or removal. After turning 75, each Trustee will be annually reviewed by the Independent Trustees, and a majority of the Independent Trustees (with such Trustee abstaining) may request such Trustee's resignation as of the last business day of the year. Subject to further exceptions and exemptions that may be granted by the Independent Trustees, Trustees must retire from the Board and cease being a Trustee at the close of business on the last day of the calendar year in which the Trustee attains age 80.

<b>Name, Date of Birth, Position(s) Held with Fund, Length of Service</b>	<b>Principal Occupation(s) During Past Five Years</b>	<b>Number of Portfolios Overseen</b>	<b>Other Directorships</b>
<i>Independent Trustees</i>			
<b>Francisco L. Borges</b> (11/17/51) Trustee since 2014	Partner and Co-Head, Ares Management Corp. (global alternative investment manager) since 2021; Chairman and Managing Partner, Landmark Partners, LLC (private equity firm) until 2021.	3	Chairman and Trustee, John S. and James L. Knight Foundation; Chairman/Director, Assured Guaranty Ltd. (financial guaranty insurance business); Trustee, Millbrook School; Director, Hartford Healthcare (healthcare network); Director, Selected Funds (consisting of two portfolios).
<b>Lawrence E. Harris</b> (09/16/56) Trustee/Director since 2006	Fred V. Keenan Chair in Finance of the Marshall School of Business, University of Southern California, Los Angeles, CA.	3	Director, Interactive Brokers Group, Inc.; Director, Selected Funds (consisting of two portfolios).
<b>Katherine L. MacWilliams</b> (01/19/56) Trustee since 2014	Retired; Chief Financial Officer, Caridian BCT, Inc. (medical device company).	3	Director, Selected Funds (consisting of two portfolios).
<b>James J. McMonagle</b> (10/01/44) Trustee since 2014 Chairman since 2015	Of Counsel to Vorys, Sater, Seymour and Pease LLP (law firm) since 2002.	3	Director/Chairman, Selected Funds (consisting of two portfolios).
<b>Richard O'Brien</b> (09/12/45) Trustee since 2014	Retired; Corporate Economist, HP Inc.	3	Director, Selected Funds (consisting of two portfolios).
<i>Interested Trustees*</i>			
<b>Andrew A. Davis</b> (06/25/63) Trustee since 2014	President or Vice President of each Selected Fund, Clipper Fund, and Davis Fund; President, Davis Selected Advisers, L.P., and also serves as an executive officer of certain companies affiliated with the Adviser.	16	Director, Selected Funds (consisting of two portfolios); Director, Davis Funds (consisting of 13 portfolios).
<b>Christopher C. Davis</b> (07/13/65) Trustee since 2014	President or Vice President of each Selected Fund, Davis Fund, Clipper Fund, and Davis ETF; Chairman, Davis Selected Advisers, L.P., and also serves as an executive officer of certain companies affiliated with the Adviser, including sole member of the Adviser's general partner, Davis Investments, LLC.	16	Director, Selected Funds (consisting of two portfolios); Director, Davis Funds (consisting of 13 portfolios); Lead Independent Director, Graham Holdings Company (educational and media company); Director, The Coca-Cola Company (beverage company); Director, Berkshire Hathaway Inc. (financial services).

\* Andrew A. Davis and Christopher C. Davis own partnership units (directly, indirectly, or both) of the Adviser and are considered to be "interested persons" of the Funds as defined in the Investment Company Act of 1940. Andrew A. Davis and Christopher C. Davis are brothers.

### **Officers**

**Lisa J. Cohen (born 04/25/89, Clipper Fund officer since 2021).** Vice President and Secretary of Clipper Funds Trust (consisting of one portfolio), Davis Funds (consisting of 13 portfolios), Selected Funds (consisting of two portfolios), and Davis Fundamental ETF Trust (consisting of four portfolios); Vice President, Chief Legal Officer, and Secretary, Davis Selected Advisers, L.P., and also serves as an executive officer of certain companies affiliated with the Adviser.

**Andrew A. Davis (born 06/25/63, Clipper Fund officer since 2015).** See description in the section on Interested Trustees.

**Christopher C. Davis (born 07/13/65, Clipper Fund officer since 2005).** See description in the section on Interested Trustees.

**Kenneth C. Eich (born 08/14/53, Clipper Fund officer since 2005).** Executive Vice President and Principal Executive Officer of Clipper Funds Trust (consisting of one portfolio), Davis Funds (consisting of 13 portfolios), and Selected Funds (consisting of two portfolios); Trustee/Chairman, Executive Vice President, and Principal Executive Officer of Davis Fundamental ETF Trust (consisting of four portfolios); Chief Operating Officer, Davis Selected Advisers, L.P., and also serves as an executive officer of certain companies affiliated with the Adviser.

**Douglas A. Haines (born 03/04/71, Clipper Fund officer since 2005).** Vice President, Treasurer, Chief Financial Officer, Principal Financial Officer, and Principal Accounting Officer of Clipper Funds Trust (consisting of one portfolio), Davis Funds (consisting of 13 portfolios), Selected Funds (consisting of two portfolios), and Davis Fundamental ETF Trust (consisting of four portfolios); Vice President and Director of Fund Accounting, Davis Selected Advisers, L.P.

**Michaela McLoughry (born 03/21/81, Clipper Fund officer since 2023).** Vice President and Chief Compliance Officer of Clipper Funds Trust (consisting of one portfolio), Davis Funds (consisting of 13 portfolios), Selected Funds (consisting of two portfolios), and Davis Fundamental ETF Trust (consisting of four portfolios); Vice President and Chief Compliance Officer, Davis Selected Advisers, L.P., and also serves as an executive officer of certain companies affiliated with the Adviser.

## **CLIPPER FUND<sup>SM</sup>**

### **Investment Adviser**

Davis Selected Advisers, L.P. (Doing business as “Davis Advisors”)  
2949 East Elvira Road, Suite 101  
Tucson, Arizona 85756  
(800) 432-2504

### **Distributor**

Davis Distributors, LLC  
2949 East Elvira Road, Suite 101  
Tucson, Arizona 85756

### **Transfer Agent**

SS&C Global Investor & Distribution Solutions, Inc.  
P.O. Box 219167  
Kansas City, Missouri 64121-9167

### **Overnight Address:**

430 West 7th Street, Suite 219167  
Kansas City, Missouri 64105-1407

### **Custodian**

State Street Bank and Trust Co.  
One Congress Street, Suite 1  
Boston, Massachusetts 02114

### **Legal Counsel**

Greenberg Traurig, LLP  
77 West Wacker Drive, Suite 3100  
Chicago, Illinois 60601

### **Independent Registered Public Accounting Firm**

KPMG LLP  
4200 Wells Fargo Center  
90 South 7<sup>th</sup> Street  
Minneapolis, MN 55402

---

*For more information about Clipper Fund, 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 Trustees and is available without charge, upon request, by contacting the Fund at 1-800-432-2504 and on the Fund's website at [www.clipperfund.com](http://www.clipperfund.com). Quarterly Fact Sheets are available on the Fund's website at [www.clipperfund.com](http://www.clipperfund.com).*

---



Sign up for e-delivery.  
CF\_AR\_2023

Investment Company Act File No. 811-21758

*This report is not authorized for distribution to prospective investors unless accompanied by a current prospectus.*