Davis FUNDS

Davis New York Venture Institutional Trust Fund R2

June 30, 2014

Long-Term Capital Appreciation

About the Fund

The Davis New York Venture Institutional Trust Fund series are collective investment funds (CIFs) created by the Hand Composite Employee Benefit Trust and sponsored by Hand Benefits & Trust Company, a BPAS company, that invest in the strategies of Davis Selected Advisers which serves as the sub-advisor to the CIFs.

Investment Strategy

The Davis New York Venture Institutional Trust Fund R2 seeks to purchase durable, well-managed businesses at value prices and hold them for the long term.

We conduct rigorous, bottom-up, fundamental research to identify companies that possess characteristics we believe foster long-term value creation including: proven management, a strong and profitable business model, and sustainable competitive advantages.[1]

The Portfolio holds three categories of investments:

- Companies recognized as *strong global leaders* with strong balance sheets, which represent the largest percentage of the Portfolio.
- Companies that are *underfollowed or overlooked* but have strong business fundamentals.
- *Contrarian* investments which we make on a selective basis where the risk/reward trade-off appears favorable.

Performance Summary[2]

For the year-to-date period, the S&P 500® Index returned 7.14%. The Davis New York Venture Institutional Trust Fund R2 composite underperformed the Index during this period. On a sector basis and relative to the Index, energy was the largest contributor to performance, while health care and consumer discretionary were among the detractors.

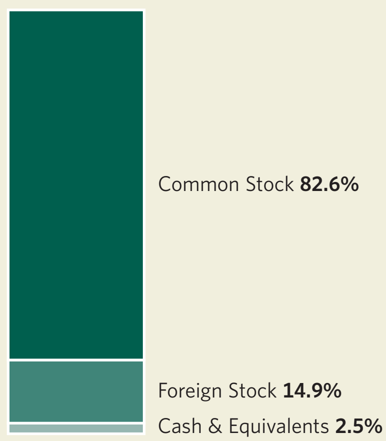
Our Investment Alongside Clients

The Davis family, Davis Advisors, employees, and directors have more than $2 billion invested side by side with clients in the various strategies the firm manages as of June 30, 2014.

Portfolio Facts

CUSIP (Class R2)	410235311
Inception Date	5/1/12
Investment Category	Large Cap Value
Benchmark	S&P 500® Index

Portfolio Allocation[3]



Top 10 Holdings[3]

- Bank of New York Mellon
- Wells Fargo
- American Express
- Google
- Berkshire Hathaway–Class A
- UnitedHealth Group
- Costco Wholesale
- Liberty Global PLC–Series C
- Express Scripts Holding
- Canadian Natural Resources

Sector Breakdown[3]

	Davis	S&P 500®
Consumer Discretionary	12.8%	11.8%
Consumer Staples	8.1	9.5
Energy	4.5	10.9
Financials	37.1	16.1
Health Care	9.5	13.3
Industrials	5.6	10.5
Information Technology	15.4	18.8
Materials	7.0	3.5
Telecommunication Services	0.0	2.4
Utilities	0.0	3.2

Fees

Management	42 bps
Trustee	8 bps
Custody	3 bps
Total Fee[4]	53 bps

Portfolio Characteristics[3]

	Davis	S&P 500®
Number of Holdings	76	501
Positive Price/Earnings (Trailing)	20.7	18.7
Positive Price/Earnings (FY1)	17.2	16.6
Price/Book	3.1	3.4
Yield (%)	1.3	2.0
Weighted Average Market Cap ($bn)	100.8	125.3
Median Market Cap ($bn)	27.1	17.7

Performance[2]

	YTD	1 Year	3 Years	5 Years	10 Years	Inception 2/17/69
DNYV Institutional Trust	5.20%	22.71%	14.38%	16.53%	7.21%	12.41%
S&P 500® Index	7.14%	24.61%	16.58%	18.83%	7.78%	10.05%

1. Davis New York Venture Institutional Trust Fund R2 searches for companies that have achieved a dominant or growing market share and are led by first-class management. There is no guarantee that the Fund's investments in these companies will be profitable. **2. The performance presented represents past performance and is not a guarantee of future results.** Returns reflect the performance of Davis New York Venture Fund Class A shares which has been restated to reflect the lower expense ratio paid by Davis New York Venture Institutional Trust Fund. Total return assumes reinvestment of dividends and capital gain distributions. Investment return and principal value will vary so that, when redeemed, an investor's shares may be worth more or less than their original cost. **3.** Information provided represents the Davis New York Venture Fund. The Davis New York Venture Institutional Trust Fund may not have the same composition or results. **4.** Total fee expense paid will be $5.30 per $1,000 investment.

Contacts

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The CIF is not a mutual fund. Its shares are not deposits of Hand Benefits & Trust Company, a BPAS company, or Davis Selected Advisers, and are not insured by the Federal Deposit Insurance Corporation or any other agency. The CIF is a security which has not been registered under the Securities Act of 1933 and is exempt from investment company registration under the Investment Act of 1940. Performance provided in this report prior to inception date reflects the performance of Davis New York Venture Fund Class A shares which has been restated to reflect the lower expense ratio paid by Davis New York Venture Institutional Trust Fund. Total return assumes reinvestment of dividends and capital gain distributions. The performance quoted here does not guarantee future results. As market conditions fluctuate, the investment return and principal value of any investment will change. Diversification may not protect against market risk. There are risks involved with investing, including possible loss of principal. Before investing in any investment portfolio, the client and the financial professional should carefully consider client investment objectives, time horizon, risk tolerance, and fees.

Davis New York Venture Institutional Trust Fund's investment objective is long-term growth of capital. There can be no assurance that the Fund will achieve its objective. The Fund invests primarily in equity securities issued by large companies with market capitalizations of at least $10 billion. Some important risks of an investment in the Fund are: management risk: Performance is subject to the risk that the advisor's asset allocation and investment strategies do not perform as expected, which may cause the portfolio to underperform its benchmark, other investments with similar objectives, or the market in general. The investment is subject to the risk of loss of income and capital invested, and the advisor does not guarantee its value, performance, or any particular rate of return; active management risk: The investment is actively managed and subject to the risk that the advisor's usage of investment techniques and risk analyses to make investment decisions fails to perform as expected, which may cause the portfolio to lose value or underperform investments with similar objectives and strategies or the market in general; equity securities risk: The value of equity securities, which include common, preferred, and convertible preferred stocks, will fluctuate based on changes in their issuers' financial conditions, as well as overall market and economic conditions, and can decline in the event of deteriorating issuer, market, or economic conditions; financials sector risk: Concentrating assets in the financials sector may disproportionately subject the portfolio to the risks of that industry, including loss of value because of economic recession, availability of credit, volatile interest rates, government regulation, and other factors; large cap risk: Concentrating assets in large-capitalization stocks may subject the portfolio to the risk that those stocks underperform other capitalizations or the market as a whole. Large-cap companies may be unable to respond as quickly as small- and mid-cap companies can to new competitive pressures and may lack the growth potential of those securities. Historically, large-cap companies do not recover as quickly as smaller companies do from market declines; foreign securities risk: Investments in foreign securities may be subject to increased volatility as the value of these securities can change more rapidly and extremely than can the value of U.S. securities. Foreign securities are subject to increased issuer risk because foreign issuers may not experience the same degree of regulation as U.S. issuers do and are held to different reporting, accounting, and auditing standards. In addition, foreign securities are subject to increased costs because there are generally higher commission rates on transactions, transfer taxes, higher custodial costs, and the potential for foreign tax charges on dividend and interest payments. Many foreign markets are relatively small, and securities issued in less-developed countries face the risks of nationalization, expropriation or confiscatory taxation, and adverse changes in investment or exchange control regulations, including suspension of the ability to transfer currency from a country. Economic, political, social, or diplomatic developments can also negatively impact performance; depositary receipts risk: Investments in depositary receipts generally reflect the risks of the securities they represent, although they may be subject to increased liquidity risk and higher expenses and may not pass through voting and other shareholder rights. Depositary receipts cannot be directly exchanged for the securities they represent and may trade at either a discount or premium to those securities.

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.