



Introducing Davis Actively Managed ETFs

Interview with Chris Davis, Portfolio Manager and Chairman

Describe the three actively managed equity ETFs.

We are pleased to offer investors the **Davis Select U.S. Equity ETF (DUSA)**, **Davis Select Financial ETF (DFNL)**, and **Davis Select Worldwide ETF (DWLD)**. These are among the first actively managed equity ETFs offered by a manager with decades of experience investing in these areas.

Each of our ETFs is managed using the Davis Investment Discipline. They are high-conviction, benchmark-agnostic portfolios with low expected turnover and a strategic long-term time horizon. Davis ETFs offer investors the benefits associated with traditional ETFs including low costs, tax efficiency, intraday trading, and transparency.

With almost 50 years of investment experience and \$25 billion in assets under management, our goal has always been to provide our research expertise to investors in the vehicle of their choice, which now include ETFs.¹

	Ticker	Expense Ratio ² (%) (gross/net)	Holdings ³	Performance Benchmark	Portfolio Managers
Davis Select U.S. Equity ETF	DUSA	0.66/0.60	21	S&P 500	C. Davis D. Goei
Davis Select Financial ETF	DFNL	0.66/0.65	24	S&P 500 Financials	C. Davis
Davis Select Worldwide ETF	DWLD	0.68/0.65	41	MSCI ACWI	D. Goei

What makes Davis ETFs different?

We are providing an investment solution that has not been widely available: proven active management in a traditional ETF.

Davis Advisors has specialized in equity investing since 1969. We have a proven investment discipline and a capable, experienced management team that has built long-term wealth in U.S. equities, the financial sector and global equities.

Davis Advisors' active management approach evaluates financial strength, culture, vision, and quality of management to invest in stronger companies and avoid weaker ones. These portfolios are not based on a particular benchmark index but instead are composed of companies in which we have a high degree of conviction combined with expected low turnover and a strategic long-term time horizon. Our ETFs deliver a combination of active management with the benefits of traditional ETFs. As a firm, we have a significant alignment of interests with more than \$2 billion invested side by side with clients.¹

Why should investors consider Davis actively managed ETFs?

The main reason to use Davis actively managed ETFs is to give clients the potential to enhance investment returns.

We believe selectivity and sound judgment are the keys to long-term outperformance. We evaluate each company's financial strength, culture, vision, and quality of management. A passive indexing approach must invest in every single company in the index, regardless of the company's future growth prospects or valuation.

With that said, investors need not commit entirely to all active or all passive approaches. Many sophisticated investors combine investments in exceptional active management strategies with investments in passive strategies to their advantage.

1. As of December 31, 2016. 2. Davis Selected Advisers, L.P. has contractually agreed to waive fees and/or reimburse the Funds' expenses to the extent necessary to cap total annual fund operating expenses until March 1, 2018. After that date, there is no assurance that the Adviser will continue to cap expenses. The expense cap cannot be terminated prior to that date, without the consent of the Board of Trustees. 3. As of January 11, 2017.

This material is authorized for use by existing shareholders. A current Davis Fundamental ETF Trust prospectus must accompany or precede this material if it is distributed to prospective shareholders. You should carefully consider the Fund's investment objective, risks, fees, and expenses before investing. Read the prospectus carefully before you invest or send money.

Shares of Davis Fundamental ETF Trust are bought and sold at market price (not NAV) and are not individually redeemed from the ETF. There can be no guarantee that an active trading market for ETF shares will develop or be maintained, or that their listing will continue or remain unchanged. Buying or selling ETF shares on an exchange may

require the payment of brokerage commissions and frequent trading may incur brokerage costs that detract significantly from investment returns.

Objective and Risks. Davis Select U.S. Equity ETF's investment objective is long-term capital growth and capital preservation. The Fund invests primarily in equity securities issued by large companies with market capitalizations of at least \$10 billion. Davis Select Worldwide ETF's investment objective is long-term growth of capital. Davis Select Financial ETF's investment objective is long-term growth of capital. Under normal circumstances the Fund invests at least 80% of its net assets, plus any borrowing for investment purposes, in securities issued by companies principally engaged in the financial services sector. There can be no assurance that the Funds will achieve their objectives. An investment in Davis ETFs is subject to numerous risks, including possible loss of principal. The Fund is actively managed and does not seek to replicate a specified index. The Fund is subject to the following principal risks: authorized participant concentration risk, common stock risk, depositary receipts risk, exchange-traded fund risk, fees and expenses risk, financial services risk, focused portfolio risk, foreign country risk, foreign currency risk, headline risk, intraday indicative value risk, large-capitalization companies risk, manager risk, market trading risk,

mid- and small-capitalization companies risk, and stock market risk. See the prospectus for a complete description of the principal risks.

Diversification does not ensure a profit or protect against a loss.

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. The **S&P 500 Financials** is a capitalization-weighted index that tracks the companies in the financial sector as a subset of the S&P 500 Index. The **MSCI ACWI (All Country World Index)** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets throughout the world. The Index includes reinvestment of dividends, net foreign withholding taxes. Investments cannot be made directly in an index.

Shares of the Davis Fundamental ETF Trust 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.