

DUSA Overview

- High-conviction, benchmark-agnostic. Low expected turnover and strategic long-term time horizon
- Benefits of a traditional ETF: low costs, tax efficiency, ease of trading, and transparency
- Seeks durable, well-managed businesses with competitive advantages, selling at a discount to true value
- An actively managed equity ETF offered by a manager with decades of experience

Fund Details¹

Total Net Assets (\$M)	\$95
Number of Holdings	21
Expense Ratio (gross/net) ²	0.81%/0.65%

Firm Overview¹

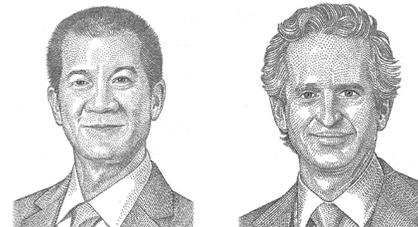
- Independent, employee-owned investment manager since 1969
- Bottom-up, research-driven investment approach
- Over \$29 billion in AUM
- Over \$2 billion invested alongside our clients

Experienced Management¹

- Chris Davis and Danton Goei are co-portfolio managers with 28 and 19 years at Davis Advisors.

Selectivity and Flexibility Keys to Success

Our investment decisions are not based on short-term forecasts, which history has shown are not reliable. Rather, we focus on the important and knowable, which in today's market include the following:



Danton Goei

Christopher Davis

- Equities should outperform bonds over the next decade given bond yields are at historic lows.³
- Within the equity universe, selectivity is critical. We believe durable, well-managed businesses whose true value is not recognized by the market should outperform.
- Technology and globalization are reconfiguring industries at an unprecedented rate. Many long-standing brands and business moats are being disrupted in unexpected ways. For example, in recent years the newspaper, retailing and media industries have all seen iconic companies become obsolete.
- To succeed, we believe investors should avoid conventional thinking and remain flexible. At the current rate of change, we estimate that 75% of the S&P 500 Index will be replaced in the coming decade.⁴
- Risks in today's market include: companies with near peak margins and overvalued dividend darlings that are riskier than they appear. The 25 most commonly held dividend-paying stocks are valued at 27 times earnings, a P/E ratio significantly higher than the market.⁴

This report includes candid statements and observations regarding investment strategies, individual securities, and economic and market conditions; however, there is no guarantee that these statements, opinions or forecasts will prove to be correct. Equity markets are volatile and an investor may lose money.

Past performance is not a guarantee of future results.

¹ As of December 31, 2017.

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, 2019. 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 Common stocks and bonds represent different asset classes subject to different risks and rewards. Unlike bonds, the Fund does not offer a fixed rate of return if held to maturity, and the Fund has risks not associated with holding a bond. Bonds are considered to have less risk than equities. Future economic events may favor one asset class over another.

⁴ Source: Morningstar stock intersection analysis as of most recent date fund holding information was made available to Morningstar. The market is represented by the holdings in the S&P 500 Index. As of December 31, 2017.

Portfolio Update *as of 12/31/17*

Investment opportunities include global leaders selling at bargain prices, dominant lesser-known businesses, blue chips of tomorrow, and beneficiaries of short-term misperceptions.

Portfolio Holding	Investment Rationale	Portfolio Weight (%)	Benchmark Weight (%)
Berkshire Hathaway	Owns a diversified portfolio of attractive businesses including Burlington Northern railroad, GEICO auto insurance, and one of the largest utilities in the U.S., Berkshire Hathaway Energy (formerly Mid-American Energy), among other businesses. Competitive world-class capital allocator.	10.02	1.67
Amazon.com	Global market leader in on-line retail and cloud computing services with revenues of \$136 billion growing at double-digit rates.	9.15	2.05
Alphabet	Global leader in online search, parent company of Google, has generated \$25 billion in free cash flow. Beneficiary of growth in online advertising and proliferation of mobile devices worldwide.	9.05	2.76
Capital One Financial	One of the top 10 largest banks in the U.S. with over \$240 billion of deposits offering competitive consumer finance products with a strong underwriting culture.	7.57	0.21
United Technologies	Largest global aerospace supplier (Pratt & Whitney). #1 market share in heating, ventilation and air conditioning (Carrier) and elevators (Otis).	6.90	0.42
Apache Corp.	Energy exploration and production company with decades of reserves and strong capital allocation discipline. Owns highly productive, low-cost assets and its newest discovery could double reserves.	4.73	0.07
Wells Fargo	Historically, one of the most profitable U.S. banks. Record profits each of the past six years. Serves 70 million customers. Conservatively funds loans through \$1.3 trillion of low cost deposits.	4.66	1.18
Johnson Controls International	Industrial leader providing energy, battery and power solutions to the auto and commercial building markets.	4.52	0.15
BNY Mellon	World's largest custodian bank with more than \$30 trillion of assets under custody, is a durable franchise that has benefited from economies of scale.	4.28	0.24
LafargeHolcim	#1 globally in cement and aggregates with a deep competitive moat and strong capital allocation discipline. Operates in 80 countries. Strong emerging markets presence.	1.94	0.00

Individual securities are discussed in this piece. 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 return of a security to the Fund will vary based on weighting and timing of purchase. This is not a recommendation to buy, sell or hold any specific security. **Past performance is not a guarantee of future results.**

Wisdom of Great Investors



“The function of economic forecasting is to make astrology look respectable”

John Kenneth Galbraith, Economist and Author

Davis Actively Managed Equity ETFs

Davis ETFs are 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, ease of trading, and transparency.

	Ticker	Expense Ratio ² (%)(gross/net)	Holdings ¹	Performance Benchmark	Portfolio Managers
Davis Select US Equity ETF	DUSA	0.81/0.65	21	S&P 500	Chris Davis, Danton Goei
Davis Select Financial ETF	DFNL	0.76/0.65	25	S&P 500 Financials	Chris Davis
Davis Select Worldwide ETF	DWLD	0.86/0.65	39	MSCI ACWI	Danton Goei

This report 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 Financial ETF’s investment objective is long-term growth of capital. There can be no assurance that the Fund will achieve its objective. 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. Davis Select Worldwide ETF’s investment objective is long-term growth of capital. There can be no assurance that the Funds will achieve their objectives.

Some important risks of an investment in the Funds are: **authorized participant concentration risk:** to the extent that Authorized Participants exit the business or are unable or unwilling to proceed with creation and/or redemption orders with respect to the Fund and no other Authorized Participant is able to step forward to create or redeem Creation Units, Fund shares may trade at a discount to NAV and could face delisting; **common stock risk; credit risk:** The issuer of a fixed income security (potentially even the U.S. Government) may be unable to make timely payments of interest and principal; **depository receipts risk:** depository receipts involve higher expenses and may trade at a discount (or premium) to the underlying security; **emerging market risk:** securities of issuers in emerging and developing markets may present risks not found in more mature markets; **exchange-traded fund risk:** the Fund is subject to the risks of owning the underlying securities as well as the risks of owning an exchange-traded fund generally; **fees and expenses risk; financial services risk; focused portfolio risk:** investing in a limited number of companies causes changes in the value of a single security to have a more significant effect on the value of the Fund's total portfolio; **foreign country risk; foreign currency risk; headline risk; interest rate sensitivity risk:** interest rates may have a powerful influence on the earnings of financial institutions; **intraday indicative value risk:** the Fund's INAV agent intends to disseminate the approximate per share value of the Fund's published basket of portfolio securities every 15 seconds. The IIV should not be viewed as a "real-time" update of the NAV per share of the Fund because the IIV may not be calculated in the same manner as the NAV, the calculation of NAV may be subject to fair valuation at different prices, the IIV does not take into account Fund expenses, and the IIV calculations are based on local market prices and may not reflect events that occur subsequent to the local market's close; **large-capitalization companies risk; manager risk; market trading risk:** includes the possibility of an inactive market for Fund shares, losses from trading in secondary markets, periods of high volatility, and disruptions in the creation/redemption process. **ONE OR MORE OF THESE FACTORS, AMONG OTHERS, COULD LEAD TO THE FUND'S SHARES TRADING AT A PREMIUM OR DISCOUNT TO NAV; mid- and small-capitalization companies risk; and stock market risk.** See the prospectus for a complete description of the principal risks.

The information provided in this material should not be considered a recommendation to buy, sell or hold any particular security.

As of December 31, 2017, the top ten holdings of Davis Select U.S. Equity ETF were: Berkshire Hathaway Inc., Class B, 10.02%; Amazon.com, Inc., 9.15%; Alphabet Inc., Class C, 9.05%; Capital One Financial Corp., 7.57%; United Technologies Corp., 6.90%; Apache Corp., 4.73%; Markel Corp., 4.71%; Wells Fargo & Co., 4.66%; JPMorgan Chase & Co., 4.60%; American Express Co., 4.60%.

As of December 31, 2017, the top ten holdings of Davis Select Financial ETF were: Capital One Financial Corp., 6.94%; Berkshire Hathaway Inc., Class B, 6.54%; American Express Co., 6.52%; Markel Corp., 6.20%; Visa Inc., Class A, 5.33%; Loews Corp., 4.91%; U.S. Bancorp, 4.71%; Wells Fargo & Co., 4.71%; JPMorgan Chase & Co., 4.68%; Chubb Ltd., 4.51%.

As of December 31, 2017, the top ten holdings of Davis Select Worldwide ETF were: Alphabet Inc., Class C, 6.47%; Naspers Ltd.-N, 5.96%; Amazon.com, Inc., 4.93%; Wells Fargo & Co., 4.27%; Encana Corp., 4.25%; Alibaba Group Holding Ltd., ADR, 4.23%; Berkshire Hathaway Inc., Class B, 4.13%; JD.com Inc., Class A, ADR, 3.65%; Adient PLC, 3.59%; Fang Holdings Ltd., Class A, ADR, 3.45%.

Davis Fundamental ETF Trust has adopted a Portfolio Holdings Disclosure policy that governs the release of non-public portfolio holding information. This policy is described in the prospectus. Holding percentages are subject to change. Visit davisetfs.com or call 800-279-0279 for the most current public portfolio holdings information.

Price/Earnings (P/E) Ratio is the weighted average of the price/earnings ratios of the stocks in a portfolio. The P/E ratio of a stock is calculated by dividing the current price of the stock by its trailing 12 months' earnings per share. Portfolio totals are computed using an inverse harmonic methodology.

Free cash flow is a measure of a company's financial performance, calculated as operating cash flow minus capital expenditures.

John Kenneth Galbraith is not associated in any way with Davis Selected Advisers, Davis Advisors or their affiliates.

We gather our index data from a combination of reputable sources, including, but not limited to, Thomson Financial, Lipper and index websites.

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.

Distributor, Foreside Fund Services, LLC
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