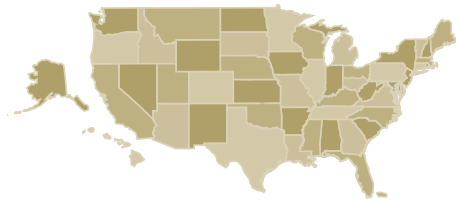


Global Market Overview and Investment Themes



SELECTING QUALITY COMPANIES FOR THE LONG TERM

■ ■ Global Investment Landscape



United States

- Favorable conditions: low inflation, low interest rates, relatively full employment, moderate growth.
- Current valuations and margins favor investing selectively.
- Opportunities include both wide-moat businesses with room for margin expansion and earnings growth and select out-of-favor businesses with strong prospects.



Europe

- Continues towards recovery from the financial crisis.
- Opportunities include premier multinational leaders with strong, long-term global growth prospects.
- Avoid companies with tepid growth tied solely to the European region.



Emerging Markets

- Attractively valued, but opportunities and risks vary widely by country.
- Opportunities include companies increasing market share in enormous and fast growing economies such as China and India and industry-dominating businesses in Brazil.

Investment Themes



Rise of the Online Consumer Worldwide

- The number of internet users has doubled since 2010 to 3.5 billion and is growing at 10% per year.
- A vast opportunity exists in the years ahead: Global online purchases are growing at 17% per year, yet account for only 7% of total retail sales worldwide.
- Many of the best opportunities for investing in this theme are international, as 75% of online purchases occur outside the U.S.
- Beneficiaries include Amazon, Naspers and Alibaba.



Expansion of Global Transportation

- The movement of people and products worldwide is accelerating because of the expansion of world trade, the emerging global middle class, and the proliferation of the Internet worldwide.
- The world's transportation infrastructure has not kept pace with rising demand. For example in India, there are currently fewer than 500 commercial passenger aircraft for 1.2 billion people.
- Beneficiaries include InterGlobe Aviation, ZTO Express and Safran.



Boom in College-Prep Education in Asia

- College admissions in Asia are hyper-competitive, with large numbers of students competing at early ages for a finite number of spots.
- In China, 200 million students in grades K-12 will compete for admission to top universities, with only a 3% acceptance rate versus 28% in the U.S.
- Beneficiaries include: New Oriental & Education Technology, TAL Education and Tarena International.

Before investing in the Selected Funds, you should carefully consider the investment objectives, risks, fees, and expenses of the Funds. The prospectus and summary prospectus contains this and other information about the Funds. You can obtain performance information and a current prospectus and summary prospectus by visiting selectedfunds.com or calling 800-243-1575. Please read the prospectus or summary prospectus carefully before investing or sending money. Investing involves risks including possible loss of principal.

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. These comments may also include the expression of opinions that are speculative in nature and should not be relied on as statements of fact.

Objective and Risks. Selected American Shares' investment objective is capital growth and income. In the current market environment, we expect that income will be low. Selected International Fund's investment objective is capital growth. There can be no assurance that a Fund will achieve its objective. Some important risks of an investment in the Fund are: **common stock risk:** an adverse event may have a negative impact on a company and could result in a decline in the price of its common stock; **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; **fees and expenses risk:** the Fund may not earn enough through income and capital appreciation to offset the operating expenses of the Fund; **financial services risk:** investing a significant portion of assets in the financial services sector may cause the Fund to be more sensitive to systemic risk, regulatory actions, changes in interest rates, non-diversified loan portfolios, credit, and competition; **foreign country risk:** foreign companies may be subject to greater risk as foreign economies may not be as strong or diversified; **foreign currency risk:** the change in value of a foreign currency against the U.S. dollar will result in a change in the U.S. dollar value of securities denominated in that foreign currency; **headline risk:** the Fund may invest in a company when the company becomes the center of controversy. The company's stock may never recover or may become worthless; **large-capitalization companies risk:** companies with \$10 billion or more in market capitalization generally experience slower rates of growth in earnings per share than do mid- and small-capitalization companies; **manager risk:** poor security selection may cause the Fund to underperform relevant benchmarks; **mid- and small-capitalization companies risk:** companies with less than \$10 billion in market capitalization typically have more limited product lines, markets and financial resources than larger companies, and may trade less frequently and in more limited volume; and **stock market risk:** stock markets have periods

of rising prices and periods of falling prices, including sharp declines. See the prospectus for a complete description of the principal risks.

Davis Advisors is committed to communicating with our investment partners as candidly as possible because we believe our investors benefit from understanding our investment philosophy and approach. Our views and opinions include "forward-looking statements" which may or may not be accurate over the long term. Forward-looking statements can be identified by words like "believe," "expect," "anticipate," or similar expressions. You should not place undue reliance on forward-looking statements, which are current as of the date of this report. We disclaim any obligation to update or alter any forward-looking statements, whether as a result of new information, future events, or otherwise. While we believe we have a reasonable basis for our appraisals and we have confidence in our opinions, actual results may differ materially from those we anticipate.

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

As of March 31, 2018, the top ten holdings of Selected American Shares were: Alphabet, 8.21%; Amazon.com, 7.07%; Berkshire Hathaway-Class A, 5.93%; JPMorgan Chase, 5.49%; Wells Fargo, 5.39%; Capital One Financial, 4.81%; Bank of New York Mellon, 4.63%; Apache, 3.95%; United Technologies, 3.76%; Aetna, 3.43%.

As of March 31, 2018, the top ten holdings of Selected International Fund were: Alibaba Group Holding-ADR, 6.81%; Naspers-N, 6.42%; Hollysys Automation Technologies, 5.35%; Didi Chuxing Joint Co., Series A, 5.17%; New Oriental Education and Technology, 4.21%; Safran SA, 4.09%; InterGlobe Aviation, 4.00%; Encana, 3.90%; Ferguson PLC, 3.76%; JD.com-Class A-ADR, 3.69%.

Selected Funds 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 selectedfunds.com or call 800-243-1575 for the most current public portfolio holdings information.

Selecting Quality Companies for the Long Term™ is a service mark of Davis Selected Advisers, L.P.

Shares of the Selected Funds 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.