



## Selected Funds

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Selected American Shares  
Selected International Fund

June 30, 2017

SEMI-ANNUAL REPORT

|  |    |
|--|----|
| Shareholder Letter .....                       | 2  |
| Management’s Discussion of Fund Performance:   |    |
| Selected American Shares .....                 | 3  |
| Selected International Fund.....               | 5  |
| Fund Overview:                                 |    |
| Selected American Shares .....                 | 7  |
| Selected International Fund.....               | 8  |
| Expense Example .....                          | 9  |
| Schedule of Investments:                       |    |
| Selected American Shares .....                 | 10 |
| Selected International Fund.....               | 14 |
| Statements of Assets and Liabilities .....     | 17 |
| Statements of Operations.....                  | 18 |
| Statements of Changes in Net Assets .....      | 19 |
| Notes to Financial Statements .....            | 21 |
| Financial Highlights .....                     | 29 |
| Director Approval of Advisory Agreements ..... | 31 |
| Privacy Notice and Householding .....          | 34 |
| Directors and Officers .....                   | 35 |

***This Semi-Annual Report is authorized for use by existing shareholders. Prospective shareholders must receive a current Selected Funds 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 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.***

**Portfolio Proxy Voting Policies and Procedures**

The Funds have adopted Portfolio Proxy Voting Policies and Procedures under which the Funds vote proxies relating to securities held by the Funds. A description of the Funds’ Portfolio Proxy Voting Policies and Procedures is available (i) without charge, upon request, by calling the Funds toll-free at 1-800-243-1575, (ii) on the Funds’ website at [www.selectedfunds.com](http://www.selectedfunds.com), and (iii) on the SEC’s website at [www.sec.gov](http://www.sec.gov).

In addition, the Funds are required to file Form N-PX, with their 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 Funds’ Form N-PX filing is available (i) without charge, upon request, by calling the Funds toll-free at 1-800-243-1575, (ii) on the Funds’ website at [www.selectedfunds.com](http://www.selectedfunds.com), and (iii) on the SEC’s website at [www.sec.gov](http://www.sec.gov).

**Form N-Q**

The Funds file their complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Funds’ Form N-Q is available without charge, upon request, by calling 1-800-243-1575, on the Funds’ website at [www.selectedfunds.com](http://www.selectedfunds.com), and on the SEC’s website at [www.sec.gov](http://www.sec.gov). The Funds’ Form N-Q may be reviewed and copied at the SEC’s Public Reference Room in Washington, D.C., and information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

Dear Fellow Shareholder,

As stewards of our customers' savings, the management team and Directors of the Selected Funds 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 financial statements, detailed footnotes, performance reports, fund holdings, and performance attribution.

In addition, we produce a Manager Commentary for each Fund, which is published semi-annually. 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 Funds' website at [www.selectedfunds.com](http://www.selectedfunds.com), or by calling 1-800-243-1575.

We thank you for your continued trust. We will do our best to earn it in the years ahead.

Sincerely,



James J. McMonagle  
Chairman



Christopher C. Davis  
President & Portfolio Manager



Danton G. Goei  
Portfolio Manager

August 4, 2017

### **Performance Overview**

Selected American Shares underperformed the Standard & Poor's 500<sup>®</sup> Index ("S&P 500<sup>®</sup>") for the six-month period ended June 30, 2017 (the "period"). The Fund's Class S and D shares delivered a total return of 8.75% and 8.94%, respectively, versus a 9.34% return for the S&P 500<sup>®</sup>. Only two sectors<sup>1</sup> within the S&P 500<sup>®</sup> reported negative performance, Energy (down 13%) and Telecommunication Services (down 11%). The third-weakest, but still positive, performing sector was Real Estate (up 6%). The sectors within the S&P 500<sup>®</sup> that reported the strongest performance were Information Technology (up 17%), Health Care (up 16%), and Consumer Discretionary (up 11%).

### **Detractors from Performance**

The Fund's holdings in the Energy sector were the most significant detractor from performance<sup>2</sup>. The Fund's Energy holdings were down about 18%, compared to down 13% for the S&P 500<sup>®</sup> sector. When compared to the S&P 500<sup>®</sup>, the Fund suffered from an overweight position (average weighting of 11%, versus 7%) in the weakest performing sector of the period. The Fund's top four overall detractors came from the Energy sector, *Apache*<sup>3</sup> (down 24%), *Encana* (down 25%), *Occidental Petroleum* (down 14%), and *EQT* (down 12%), respectively. The Fund no longer owns *EQT*.

When compared to the S&P 500<sup>®</sup>, returns from holdings in the Health Care sector also detracted from performance. The Fund's Health Care holdings were up about 12%, compared to up 16% for the S&P 500<sup>®</sup> sector. The Fund suffered from an underweight position, versus the S&P 500<sup>®</sup> (average weighting of 6%, versus 14%), and due to two weak performers, *Express Scripts* (down 7%) and *Valeant Pharmaceuticals* (down 34%). The Fund no longer owns *Valeant Pharmaceuticals*.

The Fund maintained its large position in Financials (average weighting of 30%, versus 15% for the S&P 500<sup>®</sup>). The Fund's Financial holdings slightly underperformed those of the S&P 500<sup>®</sup> sector (up 7%, compared to up 8%). *Capital One Financial* (down 4%) and *Fairfax Financial* (down 9%) were key detractors.

Additional detractors included *Liberty TripAdvisor* (down 23%) and *CarMax* (down 2%), both from the Consumer Discretionary sector.

### **Contributors to Performance**

The Fund's holdings in the Consumer Discretionary sector made the most significant contribution to performance. The Fund's Consumer Discretionary holdings were up about 23%, compared to up 11% for the S&P 500<sup>®</sup> sector. *Amazon* (up 29%), the Fund's second-largest holding, was the Fund's top overall contributor for the period. *Didi Chuxing* (up 33%) was another strong performer.

Returns from holdings in the Information Technology sector helped performance on an absolute basis. The Fund's Information Technology holdings were up about 18%, compared to up 17% for the S&P 500<sup>®</sup> sector. However, when compared to the S&P 500<sup>®</sup>, the Fund suffered from an underweight position (average weighting of 14%, versus 21%) in the strongest performing sector of the period. *Alphabet* (up 18%), the Fund's largest holding, and *Facebook* (up 31%) were key contributors.

Other contributors to performance came from the Fund's Industrial holdings, which were up about 15%, compared to up 10% for the S&P 500<sup>®</sup> sector. *Safran* (up 28%) and *United Technologies* (up 13%) were strong performers.

Additional contributors included *American Express* (up 15%), *Bank of New York Mellon* (up 9%), and *JPMorgan Chase* (up 7%), all from the Financials sector, and *Aetna* (up 23%) from the Health Care sector.

The Fund had approximately 11% of its average net assets invested in foreign securities. As a whole, the Fund's foreign holdings outperformed its domestic holdings (up 10%, versus up 9%).

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Selected American Shares' investment objective is to achieve both capital growth and income. In the current market environment, we expect that income will be low. There can be no assurance that the Fund will achieve its objective. Selected American Shares' principal risks are: common stock risk, depository receipts risk, emerging market risk, fees and expenses risk, financial services risk, foreign country risk, foreign currency risk, headline risk, large-capitalization companies risk, manager risk, mid- and small-capitalization companies risk, and stock market risk. See the prospectus for a full description of each risk.

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 six-month period ended June 30, 2017, 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 six-month period, June 30, 2017, 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.

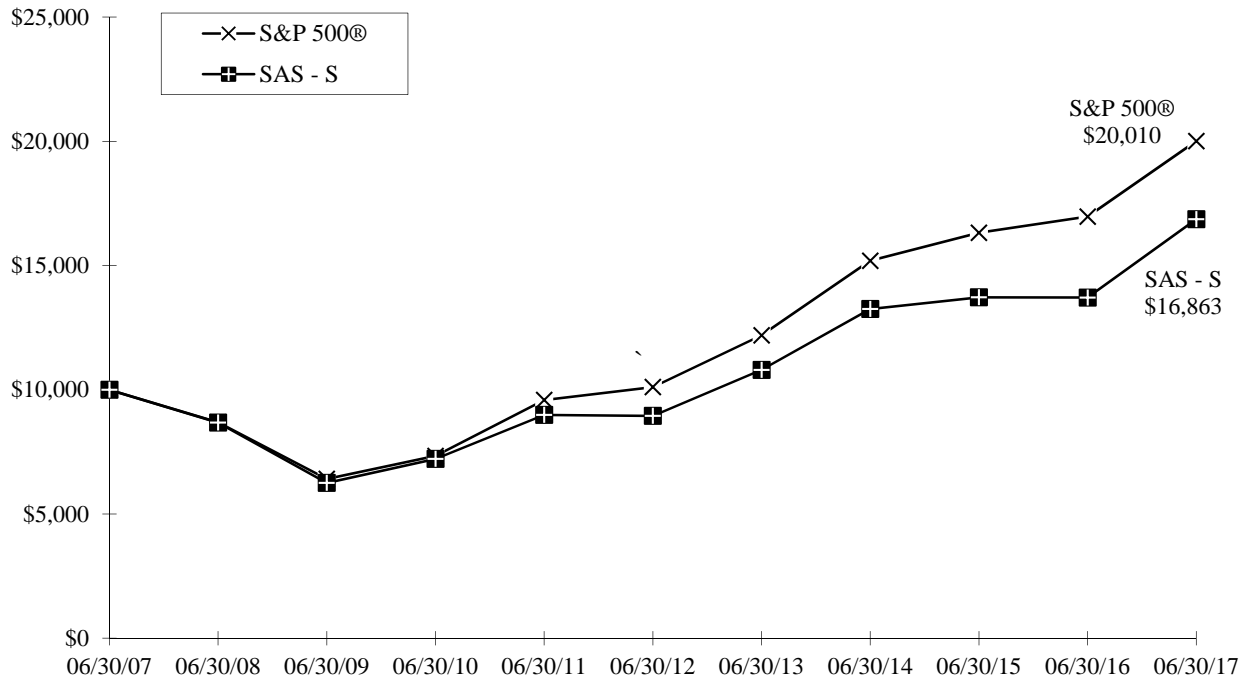
<sup>2</sup> A company's or sector's contribution to or deduction from the Fund's performance is a product both of its appreciation or depreciation and its weighting within the Fund. For example, a 5% holding that rises 20% has twice as much impact as a 1% holding that rises 50%.

<sup>3</sup> This Management 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.

**SELECTED FUNDS**  
**SELECTED AMERICAN SHARES, INC. – (CONTINUED)**

**Management’s Discussion of Fund Performance**

**COMPARISON OF A \$10,000 INVESTMENT IN SELECTED AMERICAN SHARES CLASS S VERSUS THE STANDARD & POOR’S 500® INDEX OVER 10 YEARS FOR AN INVESTMENT MADE ON JUNE 30, 2007**



**AVERAGE ANNUAL TOTAL RETURN FOR PERIODS ENDED JUNE 30, 2017**

| FUND & BENCHMARK INDEX       | 1-YEAR | 5-YEAR | 10-YEAR | SINCE CLASS D’S INCEPTION (May 3, 2004) | GROSS EXPENSE RATIO | NET EXPENSE RATIO |
|------------------------------|--------|--------|---------|---|---------------------|-------------------|
| Class S                      | 22.98% | 13.51% | 5.36%   | N/A                                     | 0.97%               | 0.97%             |
| Class D                      | 23.35% | 13.89% | 5.71%   | 7.53%                                   | 0.65%               | 0.65%             |
| Standard & Poor’s 500® Index | 17.90% | 14.63% | 7.18%   | 8.29%                                   |                     |                   |

The Standard & Poor’s 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 the Index.

The performance data for Selected American Shares contained in this report represents past performance, assumes that all distributions were reinvested, and should not be considered as an indication of future performance from an investment in the Fund today. The investment return and principal value will fluctuate so that shares may be worth more or less than their original cost when redeemed. Fund performance changes over time and current performance may be higher or lower than stated. 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 ratios may vary in future years. For more current information please call Selected Funds Investor Services at 1-800-243-1575.

### **Performance Overview**

Selected International Fund outperformed the Morgan Stanley Capital International All Country World Index ex USA ("MSCI") for the six-month period ended June 30, 2017 (the "period"). The Fund's Class S and D shares delivered a total return of 21.24% and 21.52%, respectively, versus a 14.10% return for the MSCI. The sectors<sup>1</sup> within the MSCI that reported the strongest performance were Information Technology (up 30%), Industrials (up 17%), and Consumer Staples (up 17%). Only one sector within the MSCI reported negative performance, Energy (down 3%). The second- and third-weakest, but still positive, performing sectors were Materials (up 10%) and Telecommunication Services (up 11%).

### **Contributors to Performance**

The Fund's holdings in the Consumer Discretionary sector made the most significant contribution to performance<sup>2</sup>. The Fund's Consumer Discretionary holdings were up about 34%, compared to up 13% for the MSCI sector. Six of the top ten contributors for the period came from the Fund's Consumer Discretionary holdings, *Didi Chuxing* (up 33%)<sup>3</sup>, the Fund's largest holding; *JD.com* (up 54%), the Fund's third-largest holding; *TAL Education Group* (up 75%); *Naspers* (up 32%), the Fund's second-largest holding; *New Oriental Education & Technology Group* (up 67%); and *Hunter Douglas* (up 54%). The Fund's largest industry group position in the Consumer Discretionary sector was in Retailing securities, which had an average weighting of 18%.

Returns from holdings in the Industrials sector also helped performance. The Fund's Industrial holdings were up about 23%, compared to up 17% for the MSCI sector. *InterGlobe Aviation* (up 49%) and *Safran* (up 28%) were key contributors.

Additional contributors included *Alibaba* (up 60%) from the Information Technology sector and *Noah Holdings* (up 31%) from the Financials sector.

The Fund had a 39% average weighting in Chinese securities. At the country level, the Fund's Chinese holdings (up 30%) made the largest contribution to performance.

### **Detractors from Performance**

The Fund's holdings in the Energy sector were the most significant detractor from performance. The Fund's Energy holdings were down about 17%, compared to down 3% for the MSCI sector. *Encana* (down 25%) was the top overall detractor for the period. *Seven Generations Energy* (down 25%) was another weak performer.

When compared to the MSCI, holdings in the Information Technology sector hindered performance due to stock selection and an underweight position (average weighting of 8%, versus 10%) in the strongest performing sector of the period. *Hollysys Automation Technologies* (down 5%) was a key detractor.

*Valeant Pharmaceuticals* (down 17%), from the Health Care sector, was the Fund's second overall detractor for the period. The Fund no longer owns *Valeant Pharmaceuticals*.

The Fund experienced a large amount of inflows during the period and, as a result, the Fund ended with 22% of net assets in cash and equivalents. The average cash and equivalents weighting during the period was 6%, which was a key detractor when compared to the MSCI.

Although the Fund's Consumer Discretionary holdings in total made positive contributions to performance, the Fund had several weak performers in this sector, including *Jumei International Holding* (down 57%), *Xiabu Xiabu* (down 4%), and *Vipshop Holdings* (down 4%). The Fund no longer owns *Xiabu Xiabu*.

*CAR* (down 6%), from the Industrials sector, also detracted from performance.

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Selected International Fund's investment objective is capital growth. There can be no assurance that the Fund will achieve its objective. Selected International Fund's principal risks are: common stock risk, depositary receipts risk, emerging market risk, fees and expenses risk, foreign country risk, foreign currency risk, headline risk, large-capitalization companies risk, manager risk, mid- and small-capitalization companies risk, and stock market risk. See the prospectus for a full description of each risk.

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 six-month period ended June 30, 2017, 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 six-month period, June 30, 2017, unless otherwise noted.

<sup>1</sup> The companies included in the Morgan Stanley Capital International All Country World Index ex USA 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 detractor 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%.

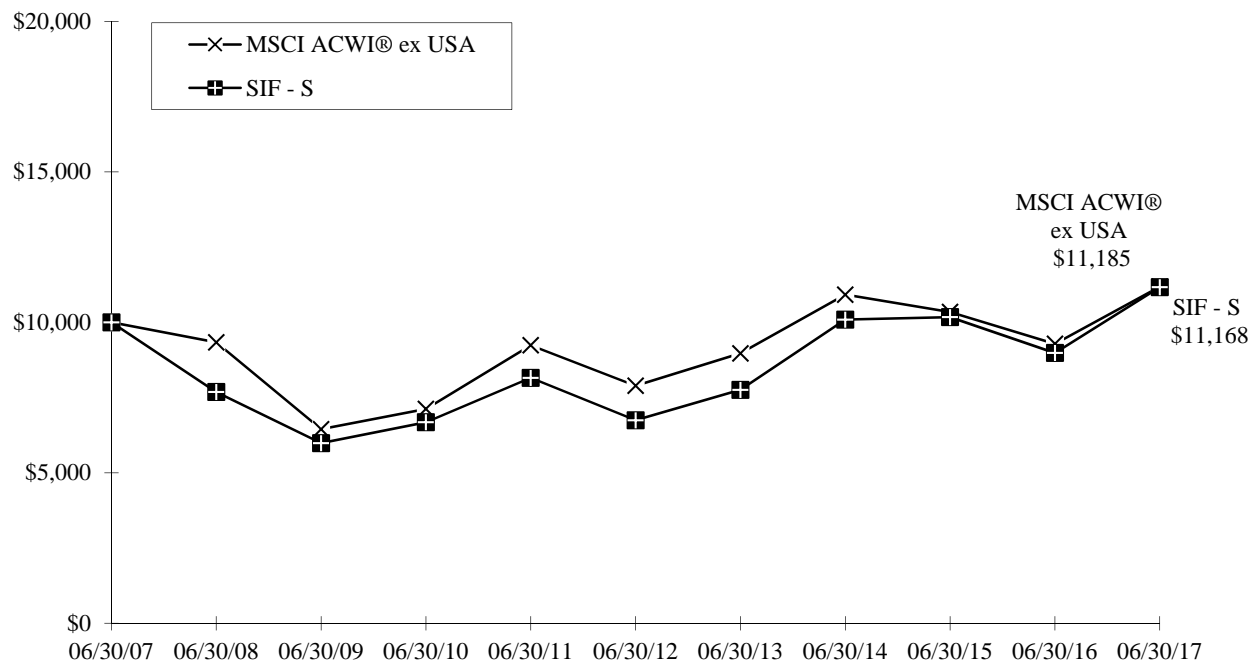
<sup>3</sup> This Management Discussion of Fund Performance discusses a number of individual companies. The information provided in this report does not provide information reasonably sufficient upon which to base an investment decision and should not be considered a recommendation to purchase, sell, or hold any particular security. The Schedule of Investments lists the Fund's holdings of each company discussed.

**SELECTED FUNDS**

**Management’s Discussion of Fund Performance**

**SELECTED INTERNATIONAL FUND, INC. – (CONTINUED)**

**COMPARISON OF A \$10,000 INVESTMENT IN SELECTED INTERNATIONAL FUND CLASS S VERSUS THE MORGAN STANLEY CAPITAL INTERNATIONAL ALL COUNTRY WORLD INDEX EX USA (MSCI ACWI® EX USA) OVER 10 YEARS FOR AN INVESTMENT MADE ON JUNE 30, 2007**



**AVERAGE ANNUAL TOTAL RETURN FOR PERIODS ENDED JUNE 30, 2017**

| FUND & BENCHMARK INDEX | 1-YEAR | 5-YEAR | 10-YEAR | SINCE CLASS D’S INCEPTION (May 3, 2004) | GROSS EXPENSE RATIO | NET EXPENSE RATIO |
|------------------------|--------|--------|---------|---|---------------------|-------------------|
| Class S                | 24.34% | 10.60% | 1.11%   | N/A                                     | 1.41%               | 1.30%             |
| Class D                | 24.85% | 11.15% | 1.60%   | 4.37%                                   | 0.90%               | 0.90%             |
| MSCI ACWI® EX USA      | 20.45% | 7.22%  | 1.13%   | 6.20%                                   |                     |                   |

On May 1, 2011, the Fund changed its name from Selected Special Shares to Selected International Fund and changed its investment strategy from investing primarily in domestic equity securities to investing primarily in foreign equity securities. Performance prior to that date is unlikely to be relevant to future performance.

The Fund’s performance benefited from IPO purchases in 2010 and 2014. After purchase, the IPOs rapidly increased in value. The Adviser purchases shares intending to benefit from long-term growth of the underlying company; the rapid appreciation of the IPOs were unusual occurrences.

The MSCI ACWI® EX USA is a free float-adjusted market capitalization weighted index designed to measure the equity market performance of developed and emerging markets, excluding the United States. The Index includes reinvestment of dividends, net of foreign withholding taxes. Investments cannot be made directly in the Index.

The performance data for Selected International Fund contained in this report represents past performance, assumes that all distributions were reinvested, and should not be considered as an indication of future performance from an investment in the Fund today. The investment return and principal value will fluctuate so that shares may be worth more or less than their original cost when redeemed. Fund performance changes over time and current performance may be higher or lower than stated. 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 ratios may vary in future years. For more current information please call Selected Funds Investor Services at 1-800-243-1575.

**SELECTED FUNDS**  
**SELECTED AMERICAN SHARES, INC.**

**Fund Overview**  
**June 30, 2017 (Unaudited)**

| <b>Portfolio Composition</b><br>(% of Fund's 06/30/17 Net Assets) |                | <b>Industry Weightings</b><br>(% of 06/30/17 Stock Holdings) |                |                     |
|---|----------------|--|----------------|---------------------|
|   |                |  | <b>Fund</b>    | <b>S&amp;P 500®</b> |
| Common Stock (U.S.)   | 86.69%         | Diversified Financials                                       | 18.10%         | 5.26%               |
| Common Stock (Foreign)  | 8.99%          | Information Technology                                       | 14.72%         | 22.25%              |
| Preferred Stock (Foreign)   | 3.04%          | Retailing  | 12.75%         | 5.47%               |
| Short-Term Investments  | 1.41%          | Banks  | 10.70%         | 6.50%               |
| Other Assets & Liabilities  | (0.13)%        | Energy   | 10.00%         | 6.05%               |
|   | <u>100.00%</u> | Capital Goods  | 8.86%          | 7.38%               |
|   |                | Materials  | 7.42%          | 2.85%               |
|   |                | Health Care  | 5.72%          | 14.50%              |
|   |                | Automobiles & Components                                     | 3.60%          | 0.68%               |
|   |                | Insurance  | 2.42%          | 2.78%               |
|   |                | Food & Staples Retailing                                     | 1.82%          | 1.88%               |
|   |                | Transportation   | 1.70%          | 2.29%               |
|   |                | Media  | 1.58%          | 3.05%               |
|   |                | Consumer Durables & Apparel                                  | 0.61%          | 1.26%               |
|   |                | Food, Beverage & Tobacco                                     | –              | 5.26%               |
|   |                | Other  | –              | 12.54%              |
|   |                |  | <u>100.00%</u> | <u>100.00%</u>      |

**Top 10 Long-Term Holdings**  
(% of Fund's 06/30/17 Net Assets)

|                                  |                                |       |
|----------------------------------|--------------------------------|-------|
| Alphabet Inc. *                  | Software & Services            | 7.81% |
| Amazon.com, Inc.                 | Retailing                      | 6.75% |
| Wells Fargo & Co.                | Banks                          | 5.67% |
| Berkshire Hathaway Inc., Class A | Diversified Financial Services | 5.14% |
| JPMorgan Chase & Co.             | Banks                          | 4.89% |
| Bank of New York Mellon Corp.    | Capital Markets                | 4.79% |
| Apache Corp.                     | Energy                         | 4.44% |
| American Express Co.             | Consumer Finance               | 4.41% |
| United Technologies Corp.        | Capital Goods                  | 3.91% |
| Didi Chuxing Joint Co., Pfd. **  | Retailing                      | 3.04% |

\*Alphabet Inc. holding includes Class A and Class C.

\*\*Didi Chuxing Joint Co., Pfd. holding includes Series A and Series B.



**SELECTED FUNDS**  
**SELECTED INTERNATIONAL FUND, INC.**

**Fund Overview**  
**June 30, 2017 (Unaudited)**

| <b>Portfolio Composition</b><br>(% of Fund's 06/30/17 Net Assets) |                | <b>Industry Weightings</b><br>(% of 06/30/17 Stock Holdings) |                |                                  |
|---|----------------|--|----------------|----------------------------------|
|   |                |  | <b>Fund</b>    | <b>MSCI<br/>ACWI®<br/>EX USA</b> |
| Common Stock (Foreign)  | 69.19%         | Retailing  | 18.67%         | 1.57%                            |
| Preferred Stock (Foreign)   | 8.31%          | Information Technology                                       | 10.45%         | 10.76%                           |
| Short-Term Investments  | 22.24%         | Capital Goods  | 10.30%         | 8.09%                            |
| Other Assets & Liabilities  | 0.26%          | Materials  | 10.00%         | 7.56%                            |
|   | <u>100.00%</u> | Consumer Services  | 8.80%          | 1.35%                            |
|   |                | Media  | 8.06%          | 1.48%                            |
|   |                | Transportation   | 8.03%          | 2.73%                            |
|   |                | Diversified Financials                                       | 7.13%          | 3.25%                            |
|   |                | Health Care  | 6.32%          | 8.14%                            |
|   |                | Energy   | 6.01%          | 6.29%                            |
|   |                | Insurance  | 3.85%          | 5.21%                            |
|   |                | Consumer Durables & Apparel                                  | 2.38%          | 2.68%                            |
|   |                | Banks  | –              | 14.88%                           |
|   |                | Food, Beverage & Tobacco                                     | –              | 5.82%                            |
|   |                | Telecommunication Services                                   | –              | 4.40%                            |
|   |                | Automobiles & Components                                     | –              | 4.18%                            |
|   |                | Other  | –              | 11.61%                           |
|   |                |  | <u>100.00%</u> | <u>100.00%</u>                   |

| <b>Country Diversification</b><br>(% of 06/30/17 Stock Holdings) |                | <b>Top 10 Long-Term Holdings</b><br>(% of Fund's 06/30/17 Net Assets) |       |
|--|----------------|---|-------|
| China  | 45.00%         | Didi Chuxing Joint Co., Series A, Pfd.                                | 5.83% |
| Switzerland  | 10.58%         | Naspers Ltd. - N  | 4.64% |
| France   | 9.13%          | JD.com Inc., Class A, ADR   | 3.62% |
| Brazil   | 6.53%          | Encana Corp.  | 3.44% |
| Canada   | 6.01%          | Schneider Electric SE   | 3.43% |
| South Africa   | 5.98%          | Safran S.A.   | 3.11% |
| Netherlands  | 5.06%          | InterGlobe Aviation Ltd.  | 3.10% |
| India  | 4.01%          | Sul America S.A.  | 2.98% |
| Germany  | 3.53%          | LafargeHolcim Ltd.  | 2.96% |
| Mexico   | 2.08%          | New Oriental Education & Technology Group, Inc., ADR                  | 2.87% |
| United Kingdom   | 1.13%          |   |       |
| Belgium  | 0.96%          |   |       |
|  | <u>100.00%</u> |   |       |

## SELECTED FUNDS

## Expense Example (Unaudited)

As a shareholder of each Fund, you incur ongoing costs, including advisory and administrative fees, distribution and/or service (12b-1) fees, and other Fund expenses. As a shareholder of Selected International Fund, you may also incur transaction costs, which consist of redemption fees. The Expense Example is intended to help you understand your ongoing costs (in dollars) of investing in each 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 for each class is for the six-month period ended June 30, 2017.

### 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 \$15, charged on retirement plan accounts per Social Security Number, is not included in the Expense Example. This fee will be waived for accounts sharing the same Social Security Number if the accounts total at least \$50,000 at Selected Funds. 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 each 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 \$15, charged on retirement plan accounts per Social Security Number, is not included in the Expense Example. This fee will be waived for accounts sharing the same Social Security Number if the accounts total at least \$50,000 at Selected Funds. 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 and do not reflect any transactional costs, such as redemption fees. 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. In addition, if these transactional costs were included, your costs would be higher.

|   | <b>Beginning<br/>Account Value<br/>(01/01/17)</b> | <b>Ending<br/>Account Value<br/>(06/30/17)</b> | <b>Expenses Paid<br/>During Period*<br/>(01/01/17-06/30/17)</b> |
|---|---|--|---|
| <b>Selected American Shares</b>                   |   |  |   |
| <b>Class S</b> (annualized expense ratio 0.97%**) |   |  |   |
| Actual  | \$1,000.00  | \$1,087.47                                     | \$5.02  |
| Hypothetical                                      | \$1,000.00  | \$1,019.98                                     | \$4.86  |
| <b>Class D</b> (annualized expense ratio 0.65%**) |   |  |   |
| Actual  | \$1,000.00  | \$1,089.36                                     | \$3.37  |
| Hypothetical                                      | \$1,000.00  | \$1,021.57                                     | \$3.26  |
| <b>Selected International Fund</b>                |   |  |   |
| <b>Class S</b> (annualized expense ratio 1.30%**) |   |  |   |
| Actual  | \$1,000.00  | \$1,212.44                                     | \$7.13  |
| Hypothetical                                      | \$1,000.00  | \$1,018.35                                     | \$6.51  |
| <b>Class D</b> (annualized expense ratio 0.90%**) |   |  |   |
| Actual  | \$1,000.00  | \$1,215.24                                     | \$4.94  |
| Hypothetical                                      | \$1,000.00  | \$1,020.33                                     | \$4.51  |

Hypothetical assumes 5% annual return before expenses.

\*Expenses are equal to each Class’s annualized operating expense ratio, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period).

\*\*The expense ratios reflect the impact, if any, of certain reimbursements from the Adviser.

**SELECTED FUNDS**  
**SELECTED AMERICAN SHARES, INC.**

**Schedule of Investments**  
**June 30, 2017 (Unaudited)**

|   | Shares    | Value<br>(Note 1)  |
|---|-----------|--------------------|
| <b>COMMON STOCK – (95.68%)</b>                          |           |                    |
| <b>CONSUMER DISCRETIONARY – (15.26%)</b>                |           |                    |
| <b>Automobiles &amp; Components – (3.55%)</b>           |           |                    |
| Adient PLC  | 735,080   | \$ 48,059,530      |
| Delphi Automotive PLC                                   | 372,330   | 32,634,725         |
|   |           | <u>80,694,255</u>  |
| <b>Consumer Durables &amp; Apparel – (0.60%)</b>        |           |                    |
| Hunter Douglas N.V. (Netherlands)                       | 160,358   | 13,654,044         |
| <b>Media – (1.56%)</b>                                  |           |                    |
| Liberty Global PLC, LiLAC Class C *                     | 177,842   | 3,807,597          |
| Liberty Global PLC, Series C *                          | 1,017,198 | 31,716,234         |
|   |           | <u>35,523,831</u>  |
| <b>Retailing – (9.55%)</b>                              |           |                    |
| Amazon.com, Inc. *                                      | 158,510   | 153,437,680        |
| CarMax, Inc. *  | 438,070   | 27,624,694         |
| Liberty Expedia Holdings, Inc., Series A *              | 55,955    | 3,022,689          |
| Liberty Interactive Corp., Liberty Ventures, Series A * | 83,843    | 4,384,150          |
| Liberty Interactive Corp., QVC Group, Series A *        | 273,598   | 6,714,095          |
| Liberty TripAdvisor Holdings Inc., Series A *           | 77,515    | 899,174            |
| Priceline Group Inc. *                                  | 11,126    | 20,811,406         |
|   |           | <u>216,893,888</u> |
| <b>TOTAL CONSUMER DISCRETIONARY</b>                     |           | <b>346,766,018</b> |
| <b>CONSUMER STAPLES – (1.80%)</b>                       |           |                    |
| <b>Food &amp; Staples Retailing – (1.80%)</b>           |           |                    |
| Costco Wholesale Corp.                                  | 255,030   | 40,786,948         |
| <b>TOTAL CONSUMER STAPLES</b>                           |           | <b>40,786,948</b>  |
| <b>ENERGY – (9.87%)</b>                                 |           |                    |
| Apache Corp.  | 2,105,890 | 100,935,308        |
| Cabot Oil & Gas Corp.                                   | 1,410,210 | 35,368,067         |
| Encana Corp. (Canada)                                   | 5,269,893 | 46,375,058         |
| Occidental Petroleum Corp.                              | 695,732   | 41,653,475         |
| <b>TOTAL ENERGY</b>                                     |           | <b>224,331,908</b> |
| <b>FINANCIALS – (30.82%)</b>                            |           |                    |
| <b>Banks – (10.56%)</b>                                 |           |                    |
| JPMorgan Chase & Co.                                    | 1,215,666 | 111,111,873        |
| Wells Fargo & Co.                                       | 2,326,491 | 128,910,866        |
|   |           | <u>240,022,739</u> |
| <b>Diversified Financials – (17.87%)</b>                |           |                    |
| <b>Capital Markets – (4.79%)</b>                        |           |                    |
| Bank of New York Mellon Corp.                           | 2,132,811 | 108,816,017        |
| <b>Consumer Finance – (6.81%)</b>                       |           |                    |
| American Express Co.                                    | 1,188,490 | 100,118,398        |
| Capital One Financial Corp.                             | 659,299   | 54,471,283         |
|   |           | <u>154,589,681</u> |
| <b>Diversified Financial Services – (6.27%)</b>         |           |                    |
| Berkshire Hathaway Inc., Class A *                      | 459       | 116,907,300        |
| Visa Inc., Class A                                      | 273,176   | 25,618,445         |
|   |           | <u>142,525,745</u> |
|   |           | <u>405,931,443</u> |

**SELECTED FUNDS**  
**SELECTED AMERICAN SHARES, INC. - (CONTINUED)**

**Schedule of Investments**  
**June 30, 2017 (Unaudited)**

|   | Shares/Units | Value<br>(Note 1)  |
|---|--------------|--------------------|
| <b>COMMON STOCK – (CONTINUED)</b>                             |              |                    |
| <b>FINANCIALS – (CONTINUED)</b>                               |              |                    |
| <b>Insurance – (2.39%)</b>                                    |              |                    |
| <b>Multi-line Insurance – (1.20%)</b>                         |              |                    |
| Fairfax Financial Holdings Ltd. (Canada)                      | 5,717        | \$ 2,474,603       |
| Loews Corp.   | 527,095      | 24,673,317         |
|   |              | 27,147,920         |
| <b>Property &amp; Casualty Insurance – (1.19%)</b>            |              |                    |
| Chubb Ltd.  | 116,499      | 16,936,625         |
| Markel Corp. *  | 10,385       | 10,134,306         |
|   |              | 27,070,931         |
|   |              | 54,218,851         |
| <b>TOTAL FINANCIALS</b>                                       |              | <b>700,173,033</b> |
| <b>HEALTH CARE – (5.65%)</b>                                  |              |                    |
| <b>Health Care Equipment &amp; Services – (5.65%)</b>         |              |                    |
| Aetna Inc.  | 408,040      | 61,952,713         |
| Express Scripts Holding Co. *                                 | 416,577      | 26,594,276         |
| UnitedHealth Group Inc.                                       | 214,439      | 39,761,279         |
| <b>TOTAL HEALTH CARE</b>                                      |              | <b>128,308,268</b> |
| <b>INDUSTRIALS – (10.43%)</b>                                 |              |                    |
| <b>Capital Goods – (8.75%)</b>                                |              |                    |
| Johnson Controls International PLC                            | 1,346,126    | 58,368,023         |
| Orascom Construction Ltd. (United Arab Emirates)*             | 627,473      | 4,078,575          |
| Safran S.A. (France)  | 518,672      | 47,534,260         |
| United Technologies Corp.                                     | 727,345      | 88,816,098         |
|   |              | 198,796,956        |
| <b>Transportation – (1.68%)</b>                               |              |                    |
| FedEx Corp.   | 175,940      | 38,237,040         |
| <b>TOTAL INDUSTRIALS</b>                                      |              | <b>237,033,996</b> |
| <b>INFORMATION TECHNOLOGY – (14.53%)</b>                      |              |                    |
| <b>Semiconductors &amp; Semiconductor Equipment – (2.05%)</b> |              |                    |
| Texas Instruments Inc.  | 605,195      | 46,557,651         |
| <b>Software &amp; Services – (12.48%)</b>                     |              |                    |
| Alphabet Inc., Class A *                                      | 77,179       | 71,751,773         |
| Alphabet Inc., Class C *                                      | 116,246      | 105,636,228        |
| ASAC II L.P. *(a)   | 1,174,606    | 1,141,129          |
| CommerceHub, Inc., Series A *                                 | 13,898       | 242,103            |
| CommerceHub, Inc., Series C *                                 | 27,998       | 488,285            |
| Facebook Inc., Class A *                                      | 383,298      | 57,870,332         |
| Fang Holdings Ltd., Class A, ADR (China)*                     | 960,969      | 3,565,195          |
| Microsoft Corp.   | 355,787      | 24,524,398         |
| Oracle Corp.  | 367,720      | 18,437,481         |
|   |              | 283,656,924        |
| <b>TOTAL INFORMATION TECHNOLOGY</b>                           |              | <b>330,214,575</b> |

**SELECTED FUNDS**  
**SELECTED AMERICAN SHARES, INC. - (CONTINUED)**

**Schedule of Investments**  
**June 30, 2017 (Unaudited)**

|   | Shares/Principal | Value<br>(Note 1)    |
|---|------------------|----------------------|
| <b>COMMON STOCK – (CONTINUED)</b>   |                  |                      |
| <b>MATERIALS – (7.32%)</b>  |                  |                      |
| Axalta Coating Systems Ltd. *   | 678,920          | \$ 21,752,597        |
| Ecolab Inc.   | 145,185          | 19,273,309           |
| LafargeHolcim Ltd. (Switzerland)  | 1,141,028        | 65,513,108           |
| OCI N.V. (Netherlands)*   | 956,776          | 21,057,897           |
| Praxair, Inc.   | 292,481          | 38,768,357           |
| <b>TOTAL MATERIALS</b>  |                  | <b>166,365,268</b>   |
| <b>TOTAL COMMON STOCK – (Identified cost \$1,308,208,009)</b>   |                  | <b>2,173,980,014</b> |
| <b>PREFERRED STOCK – (3.04%)</b>  |                  |                      |
| <b>CONSUMER DISCRETIONARY – (3.04%)</b>   |                  |                      |
| <b>Retailing – (3.04%)</b>  |                  |                      |
| Didi Chuxing Joint Co., Series A (China)*(a)  | 1,161,716        | 59,168,635           |
| Didi Chuxing Joint Co., Series B (China)*(a)  | 195,204          | 9,942,150            |
| <b>TOTAL CONSUMER DISCRETIONARY</b>   |                  | <b>69,110,785</b>    |
| <b>TOTAL PREFERRED STOCK – (Identified cost \$42,180,623)</b>   |                  | <b>69,110,785</b>    |
| <b>SHORT-TERM INVESTMENTS – (1.41%)</b>   |                  |                      |
| INTL FCStone Financial Inc. Joint Repurchase Agreement, 1.08%,<br>07/03/17, dated 06/30/17, repurchase value of \$3,646,328 (collateralized<br>by: U.S. Government agency mortgages in a pooled cash account,<br>2.00%-9.00%, 09/15/17-05/01/47, total market value \$3,718,920)                | \$ 3,646,000     | 3,646,000            |
| Mizuho Securities USA Inc. Joint Repurchase Agreement, 1.10%,<br>07/03/17, dated 06/30/17, repurchase value of \$2,151,197 (collateralized<br>by: U.S. Government agency mortgages in a pooled cash account,<br>4.00%, 07/01/46-06/01/47, total market value \$2,194,020)                       | 2,151,000        | 2,151,000            |
| Nomura Securities International, Inc. Joint Repurchase Agreement,<br>1.13%, 07/03/17, dated 06/30/17, repurchase value of \$21,877,060<br>(collateralized by: U.S. Government agency mortgages in a pooled cash<br>account, 2.50%-4.50%, 02/01/27-06/20/47, total market value<br>\$22,312,500) | 21,875,000       | 21,875,000           |
| SunTrust Robinson Humphrey, Inc. Joint Repurchase Agreement,<br>1.27%, 07/03/17, dated 06/30/17, repurchase value of \$4,375,463<br>(collateralized by: U.S. Government agency mortgages in a pooled cash<br>account, 2.127%-3.329%, 04/01/25-11/01/44, total market value<br>\$4,462,500)      | 4,375,000        | 4,375,000            |
| <b>TOTAL SHORT-TERM INVESTMENTS – (Identified cost \$32,047,000)</b>  |                  | <b>32,047,000</b>    |

**SELECTED FUNDS**  
**SELECTED AMERICAN SHARES, INC. - (CONTINUED)**

**Schedule of Investments**  
**June 30, 2017 (Unaudited)**

|   |                         |
|---|-------------------------|
| Total Investments – (100.13%) – (Identified cost \$1,382,435,632) – (b) | \$ 2,275,137,799        |
| Liabilities Less Other Assets – (0.13%)                                 | <u>(2,867,504)</u>      |
| Net Assets – (100.00%)  | <u>\$ 2,272,270,295</u> |

ADR: American Depositary Receipt

\* Non-income producing security.

(a) Restricted Security – See Note 7 of the Notes to Financial Statements.

(b) Aggregate cost for federal income tax purposes is \$1,392,261,698. At June 30, 2017, unrealized appreciation (depreciation) of securities for federal income tax purposes is as follows:

|                             |                       |
|-----------------------------|-----------------------|
| Unrealized appreciation     | \$ 965,767,411        |
| Unrealized depreciation     | <u>(82,891,310)</u>   |
| Net unrealized appreciation | <u>\$ 882,876,101</u> |

*See Notes to Financial Statements*

**SELECTED FUNDS**  
**SELECTED INTERNATIONAL FUND, INC.**

**Schedule of Investments**  
**June 30, 2017 (Unaudited)**

|   | Shares/Units | Value<br>(Note 1) |
|---|--------------|-------------------|
| <b>COMMON STOCK – (69.19%)</b>                                      |              |                   |
| <b>CONSUMER DISCRETIONARY – (21.08%)</b>                            |              |                   |
| <b>Consumer Durables &amp; Apparel – (1.84%)</b>                    |              |                   |
| Hunter Douglas N.V. (Netherlands)                                   | 20,122       | \$ 1,713,333      |
| <b>Consumer Services – (6.82%)</b>                                  |              |                   |
| New Oriental Education & Technology Group, Inc., ADR (China)*       | 37,806       | 2,664,945         |
| TAL Education Group, Class A, ADR (China)                           | 21,708       | 2,655,106         |
| Tarena International, Inc., Class A, ADR (China)                    | 57,130       | 1,023,198         |
|   |              | <u>6,343,249</u>  |
| <b>Media – (6.25%)</b>  |              |                   |
| Grupo Televisa S.A.B., ADR (Mexico)                                 | 61,469       | 1,498,000         |
| Naspers Ltd. - N (South Africa)                                     | 22,174       | 4,313,612         |
|   |              | <u>5,811,612</u>  |
| <b>Retailing – (6.17%)</b>  |              |                   |
| Ctrip.com International, Ltd., ADR (China)*                         | 13,367       | 719,947           |
| JD.com Inc., Class A, ADR (China)*                                  | 85,855       | 3,367,233         |
| Jumei International Holding Ltd., Class A, ADR (China)*             | 4,057        | 8,641             |
| Vipshop Holdings Ltd., Class A, ADR (China)*                        | 155,437      | 1,639,860         |
|   |              | <u>5,735,681</u>  |
| <b>TOTAL CONSUMER DISCRETIONARY</b>                                 |              | <b>19,603,875</b> |
| <b>ENERGY – (4.66%)</b>   |              |                   |
| Encana Corp. (Canada)   | 363,435      | 3,198,228         |
| Paramount Resources Ltd., Class A (Canada)*                         | 75,550       | 1,112,160         |
| Seven Generations Energy Ltd., Class A (Canada)*                    | 1,448        | 24,800            |
| <b>TOTAL ENERGY</b>   |              | <b>4,335,188</b>  |
| <b>FINANCIALS – (8.51%)</b>   |              |                   |
| <b>Diversified Financials – (5.53%)</b>                             |              |                   |
| <b>Capital Markets – (4.45%)</b>                                    |              |                   |
| B3 S.A. - Brasil, Bolsa, Balcao (Brazil)                            | 324,520      | 1,934,640         |
| Noah Holdings Ltd., ADS (China)*                                    | 76,844       | 2,201,581         |
|   |              | <u>4,136,221</u>  |
| <b>Diversified Financial Services – (1.08%)</b>                     |              |                   |
| Groupe Bruxelles Lambert S.A. (Belgium)                             | 7,170        | 690,269           |
| Pargesa Holding S.A., Bearer Shares (Switzerland)                   | 4,131        | 314,273           |
|   |              | <u>1,004,542</u>  |
|   |              | <u>5,140,763</u>  |
| <b>Insurance – (2.98%)</b>  |              |                   |
| <b>Multi-line Insurance – (2.98%)</b>                               |              |                   |
| Sul America S.A. (Brazil)   | 518,698      | 2,771,274         |
| <b>TOTAL FINANCIALS</b>   |              | <b>7,912,037</b>  |
| <b>HEALTH CARE – (4.89%)</b>  |              |                   |
| <b>Pharmaceuticals, Biotechnology &amp; Life Sciences – (4.89%)</b> |              |                   |
| Novartis AG, ADR (Switzerland)                                      | 28,000       | 2,337,160         |
| Roche Holding AG - Genusschein (Switzerland)                        | 8,700        | 2,215,601         |
| <b>TOTAL HEALTH CARE</b>  |              | <b>4,552,761</b>  |
| <b>INDUSTRIALS – (14.21%)</b>                                       |              |                   |
| <b>Capital Goods – (7.98%)</b>                                      |              |                   |
| Brenntag AG (Germany)   | 9,184        | 531,608           |
| Meggitt PLC (United Kingdom)  | 130,817      | 812,555           |
| Safran S.A. (France)  | 31,521       | 2,888,776         |

**SELECTED FUNDS**  
**SELECTED INTERNATIONAL FUND, INC. - (CONTINUED)**

**Schedule of Investments**  
**June 30, 2017 (Unaudited)**

|  | Shares/Principal | Value<br>(Note 1) |
|--|------------------|-------------------|
| <b>COMMON STOCK – (CONTINUED)</b>  |                  |                   |
| <b>INDUSTRIALS – (CONTINUED)</b>   |                  |                   |
| <b>Capital Goods – (Continued)</b>   |                  |                   |
| Schneider Electric SE (France)   | 41,554           | \$ 3,192,694      |
|  |                  | <u>7,425,633</u>  |
| <b>Transportation – (6.23%)</b>  |                  |                   |
| CAR Inc. (China)*  | 1,053,241        | 967,247           |
| InterGlobe Aviation Ltd. (India)   | 160,214          | 2,887,508         |
| ZTO Express (Cayman) Inc., Class A, ADR (China)*   | 138,678          | 1,935,945         |
|  |                  | <u>5,790,700</u>  |
| <b>TOTAL INDUSTRIALS</b>   |                  | <b>13,216,333</b> |
| <b>INFORMATION TECHNOLOGY – (8.10%)</b>  |                  |                   |
| <b>Software &amp; Services – (5.50%)</b>   |                  |                   |
| 58.com Inc., Class A, ADR (China)*   | 2,346            | 103,482           |
| Alibaba Group Holding Ltd., ADR (China)*   | 17,050           | 2,402,345         |
| Baidu, Inc., Class A, ADR (China)*   | 3,847            | 688,075           |
| Fang Holdings Ltd., Class A, ADR (China)*  | 517,331          | 1,919,298         |
|  |                  | <u>5,113,200</u>  |
| <b>Technology Hardware &amp; Equipment – (2.60%)</b>   |                  |                   |
| Hollysys Automation Technologies Ltd. (China)  | 145,620          | 2,418,748         |
| <b>TOTAL INFORMATION TECHNOLOGY</b>  |                  | <b>7,531,948</b>  |
| <b>MATERIALS – (7.74%)</b>   |                  |                   |
| Air Liquide S.A. (France)  | 4,042            | 499,513           |
| Akzo Nobel N.V. (Netherlands)  | 22,296           | 1,937,660         |
| LafargeHolcim Ltd. (Switzerland)   | 48,003           | 2,756,134         |
| Linde AG (Germany)   | 10,622           | 2,011,471         |
| <b>TOTAL MATERIALS</b>   |                  | <b>7,204,778</b>  |
| <b>TOTAL COMMON STOCK – (Identified cost \$53,782,113)</b>   |                  | <b>64,356,920</b> |
| <b>PREFERRED STOCK – (8.31%)</b>   |                  |                   |
| <b>CONSUMER DISCRETIONARY – (8.31%)</b>  |                  |                   |
| <b>Retailing – (8.31%)</b>   |                  |                   |
| Didi Chuxing Joint Co., Series A (China)*(a)   | 106,435          | 5,420,958         |
| Internet Plus Holdings Ltd., Series A-10 (China)*(a)   | 616,958          | 2,302,919         |
| <b>TOTAL CONSUMER DISCRETIONARY</b>  |                  | <b>7,723,877</b>  |
| <b>TOTAL PREFERRED STOCK – (Identified cost \$4,861,352)</b>   |                  | <b>7,723,877</b>  |
| <b>SHORT-TERM INVESTMENTS – (22.24%)</b>   |                  |                   |
| INTL FCStone Financial Inc. Joint Repurchase Agreement, 1.08%,<br>07/03/17, dated 06/30/17, repurchase value of \$2,354,212 (collateralized<br>by: U.S. Government agency mortgages in a pooled cash account,<br>2.00%-9.00%, 09/15/17-05/01/47, total market value \$2,401,080) | \$ 2,354,000     | 2,354,000         |
| Mizuho Securities USA Inc. Joint Repurchase Agreement, 1.10%,<br>07/03/17, dated 06/30/17, repurchase value of \$1,389,127 (collateralized<br>by: U.S. Government agency mortgages in a pooled cash account,<br>4.00%, 07/01/46-06/01/47, total market value \$1,416,780)        | 1,389,000        | 1,389,000         |



**SELECTED FUNDS**  
**SELECTED INTERNATIONAL FUND, INC. - (CONTINUED)**

**Schedule of Investments**  
**June 30, 2017 (Unaudited)**

|   | Principal     | Value<br>(Note 1)    |
|---|---------------|----------------------|
| <b>SHORT-TERM INVESTMENTS – (CONTINUED)</b>   |               |                      |
| Nomura Securities International, Inc. Joint Repurchase Agreement, 1.13%, 07/03/17, dated 06/30/17, repurchase value of \$14,123,330 (collateralized by: U.S. Government agency mortgages in a pooled cash account, 3.00%-3.50%, 05/01/46-07/20/46, total market value \$14,404,440) | \$ 14,122,000 | \$ 14,122,000        |
| SunTrust Robinson Humphrey, Inc. Joint Repurchase Agreement, 1.27%, 07/03/17, dated 06/30/17, repurchase value of \$2,824,299 (collateralized by: U.S. Government agency mortgages in a pooled cash account, 2.284%-6.00%, 08/01/17-07/01/47, total market value \$2,880,480)       | 2,824,000     | 2,824,000            |
| <b>TOTAL SHORT-TERM INVESTMENTS – (Identified cost \$20,689,000)</b>  |               | <b>20,689,000</b>    |
| Total Investments – (99.74%) – (Identified cost \$79,332,465) – (b)   |               | 92,769,797           |
| Other Assets Less Liabilities – (0.26%)   |               | 244,483              |
| Net Assets – (100.00%)  |               | <u>\$ 93,014,280</u> |

ADR: American Depositary Receipt

ADS: American Depositary Share

\* Non-income producing security.

(a) Restricted Security – See Note 7 of the Notes to Financial Statements.

(b) Aggregate cost for federal income tax purposes is \$80,918,266. At June 30, 2017, unrealized appreciation (depreciation) of securities for federal income tax purposes is as follows:

|                             |                      |
|-----------------------------|----------------------|
| Unrealized appreciation     | \$ 15,550,564        |
| Unrealized depreciation     | (3,699,033)          |
| Net unrealized appreciation | <u>\$ 11,851,531</u> |

*See Notes to Financial Statements*

**SELECTED FUNDS****Statements of Assets and Liabilities  
At June 30, 2017 (Unaudited)**

|   | <u>Selected<br/>American Shares</u> | <u>Selected<br/>International Fund</u> |
|---|-------------------------------------|--|
| <b>ASSETS:</b>  |                                     |  |
| Investments in securities at value* (see accompanying Schedules of Investments) | \$ 2,275,137,799                    | \$ 92,769,797                          |
| Cash  | 1,885                               | 1,977                                  |
| Receivables:  |                                     |  |
| Capital stock sold  | 1,406,596                           | 325,668                                |
| Dividends and interest  | 1,112,175                           | 70,951                                 |
| Investment securities sold  | 5,369,531                           | –                                      |
| Prepaid expenses  | 34,076                              | 1,275                                  |
| <b>Total assets</b>   | <b>2,283,062,062</b>                | <b>93,169,668</b>                      |

**LIABILITIES:**

|                                   |                   |                |
|-----------------------------------|-------------------|----------------|
| Payables:                         |                   |                |
| Capital stock redeemed            | 1,526,355         | 500            |
| Deferred foreign taxes            | –                 | 1,119          |
| Investment securities purchased   | 7,608,965         | 62,089         |
| Accrued custodian fees            | 76,284            | 18,879         |
| Accrued distribution service fees | 192,876           | 6,024          |
| Accrued investment advisory fees  | 1,097,571         | 42,226         |
| Accrued transfer agent fees       | 277,229           | 16,251         |
| Other accrued expenses            | 12,487            | 8,300          |
| <b>Total liabilities</b>          | <b>10,791,767</b> | <b>155,388</b> |

|                   |                         |                      |
|-------------------|-------------------------|----------------------|
| <b>NET ASSETS</b> | <b>\$ 2,272,270,295</b> | <b>\$ 93,014,280</b> |
|-------------------|-------------------------|----------------------|

**NET ASSETS CONSIST OF:**

|  |                         |                      |
|--|-------------------------|----------------------|
| Par value of shares of capital stock   | \$ 75,324,603           | \$ 1,826,691         |
| Additional paid-in capital   | 1,292,174,704           | 82,949,523           |
| Undistributed net investment income (loss)   | (644,481)               | 232,320              |
| Accumulated net realized gains (losses) from investments and foreign currency transactions | 12,713,302              | (5,431,310)          |
| Net unrealized appreciation on investments and foreign currency transactions**             | 892,702,167             | 13,437,056           |
| <b>Net Assets</b>  | <b>\$ 2,272,270,295</b> | <b>\$ 93,014,280</b> |

**CLASS S SHARES:**

|   |                 |                 |
|---|-----------------|-----------------|
| Net assets  | \$ 887,065,786  | \$ 29,908,754   |
| Shares outstanding  | 23,543,820      | 2,361,320       |
| Net asset value, offering, and redemption price per share (Net assets ÷ Shares outstanding) | <u>\$ 37.68</u> | <u>\$ 12.67</u> |

**CLASS D SHARES:**

|   |                  |                 |
|---|------------------|-----------------|
| Net assets  | \$ 1,385,204,509 | \$ 63,105,526   |
| Shares outstanding  | 36,715,862       | 4,945,445       |
| Net asset value, offering, and redemption price per share (Net assets ÷ Shares outstanding) | <u>\$ 37.73</u>  | <u>\$ 12.76</u> |

**\*Including:**

|  |                  |               |
|--|------------------|---------------|
| Cost of investments  | \$ 1,382,435,632 | \$ 79,332,465 |
| Cost and market value of repurchase agreements (if greater than 10% of net assets) | –                | 20,689,000    |

|                                    |   |       |
|------------------------------------|---|-------|
| **Net of deferred foreign taxes of | – | 1,119 |
|------------------------------------|---|-------|

*See Notes to Financial Statements*

## SELECTED FUNDS

## Statements of Operations For the six months ended June 30, 2017 (Unaudited)

|  | <u>Selected<br/>American Shares</u> | <u>Selected<br/>International Fund</u> |
|--|-------------------------------------|--|
| <b>INVESTMENT INCOME:</b>  |                                     |  |
| <b>Income:</b>   |                                     |  |
| Dividends*   | \$ 18,219,410                       | \$ 562,457                             |
| Interest   | 191,141                             | 19,416                                 |
| Net securities lending fees  | 3,497                               | 11,022                                 |
| <b>Total income</b>  | <b>18,414,048</b>                   | <b>592,895</b>                         |
| <b>Expenses:</b>   |                                     |  |
| Investment advisory fees (Note 3)  | 6,382,392                           | 189,175                                |
| Custodian fees   | 145,264                             | 31,090                                 |
| Transfer agent fees:   |                                     |  |
| Class S  | 550,176                             | 20,077                                 |
| Class D  | 348,398                             | 17,878                                 |
| Audit fees   | 31,167                              | 11,310                                 |
| Legal fees   | 17,407                              | 3,606                                  |
| Reports to shareholders  | 67,499                              | 2,200                                  |
| Directors' fees and expenses   | 225,931                             | 8,854                                  |
| Registration and filing fees   | 27,502                              | 28,000                                 |
| Miscellaneous  | 59,259                              | 13,388                                 |
| Distribution service fees (Note 3):  |                                     |  |
| Class S  | 1,138,899                           | 15,279                                 |
| <b>Total expenses</b>  | <b>8,993,894</b>                    | <b>340,857</b>                         |
| Reimbursement of expenses by Adviser (Note 3)  | -                                   | (7,139)                                |
| <b>Net expenses</b>  | <b>8,993,894</b>                    | <b>333,718</b>                         |
| <b>Net investment income</b>   | <b>9,420,154</b>                    | <b>259,177</b>                         |
| <b>REALIZED &amp; UNREALIZED GAIN (LOSS) ON INVESTMENTS AND FOREIGN CURRENCY TRANSACTIONS:</b> |                                     |  |
| Net realized gain (loss) from:   |                                     |  |
| Investment transactions  | 34,735,839                          | (3,536,575)                            |
| Foreign currency transactions  | (56,358)                            | (1,164)                                |
| <b>Net realized gain (loss)</b>  | <b>34,679,481</b>                   | <b>(3,537,739)</b>                     |
| Net change in unrealized appreciation (depreciation)**   | 155,265,008                         | 15,624,414                             |
| <b>Net realized and unrealized gain on investments and foreign currency transactions</b>       | <b>189,944,489</b>                  | <b>12,086,675</b>                      |
| <b>Net increase in net assets resulting from operations</b>                                    | <b>\$ 199,364,643</b>               | <b>\$ 12,345,852</b>                   |

\*Net of foreign taxes withheld of \$ 152,751 \$ 53,795

\*\*Net of deferred foreign taxes of - 1,119

*See Notes to Financial Statements*

**SELECTED FUNDS****Statements of Changes in Net Assets  
For the six months ended June 30, 2017 (Unaudited)**

|   | <u>Selected<br/>American Shares</u> | <u>Selected<br/>International Fund</u> |
|---|-------------------------------------|--|
| <b>OPERATIONS:</b>  |                                     |  |
| Net investment income   | \$ 9,420,154                        | \$ 259,177                             |
| Net realized gain (loss) from investments and foreign currency transactions                           | 34,679,481                          | (3,537,739)                            |
| Net change in unrealized appreciation (depreciation) on investments and foreign currency transactions | 155,265,008                         | 15,624,414                             |
| <b>Net increase in net assets resulting from operations</b>   | <b>199,364,643</b>                  | <b>12,345,852</b>                      |
| <b>DIVIDENDS AND DISTRIBUTIONS TO SHAREHOLDERS FROM:</b>  |                                     |  |
| Net investment income:  |                                     |  |
| Class S   | (2,524,965)                         | -                                      |
| Class D   | (6,105,552)                         | -                                      |
| Realized gains from investment transactions:  |                                     |  |
| Class S   | (25,249,650)                        | -                                      |
| Class D   | (39,275,483)                        | -                                      |
| <b>CAPITAL SHARE TRANSACTIONS:</b>  |                                     |  |
| Net increase (decrease) in net assets resulting from capital share transactions (Note 4):             |                                     |  |
| Class S   | (156,178,065)                       | 19,920,197                             |
| Class D   | (82,149,413)                        | 311,388                                |
| <b>Total increase (decrease) in net assets</b>  | <b>(112,118,485)</b>                | <b>32,577,437</b>                      |
| <b>NET ASSETS:</b>  |                                     |  |
| Beginning of period   | 2,384,388,780                       | 60,436,843                             |
| <b>End of period*</b>   | <b>\$ 2,272,270,295</b>             | <b>\$ 93,014,280</b>                   |
| *Including undistributed net investment income (loss) of  | \$ (644,481)                        | \$ 232,320                             |

*See Notes to Financial Statements*

**SELECTED FUNDS****Statements of Changes in Net Assets  
For the year ended December 31, 2016**

|   | <u>Selected<br/>American Shares</u> | <u>Selected<br/>International Fund</u> |
|---|-------------------------------------|--|
| <b>OPERATIONS:</b>  |                                     |  |
| Net investment income   | \$ 15,358,219                       | \$ 246,945                             |
| Net realized gain from investments and foreign currency transactions                                  | 520,971,013                         | 6,763,723                              |
| Net change in unrealized appreciation (depreciation) on investments and foreign currency transactions | (279,746,874)                       | (4,922,644)                            |
| <b>Net increase in net assets resulting from operations</b>   | <b>256,582,358</b>                  | <b>2,088,024</b>                       |
| <b>DIVIDENDS AND DISTRIBUTIONS TO SHAREHOLDERS FROM:</b>  |                                     |  |
| Net investment income:  |                                     |  |
| Class S   | (7,542,381)                         | -                                      |
| Class D   | (15,057,441)                        | (205,383)                              |
| Realized gains from investment transactions:  |                                     |  |
| Class S   | (141,827,218)                       | -                                      |
| Class D   | (199,916,750)                       | -                                      |
| <b>CAPITAL SHARE TRANSACTIONS:</b>  |                                     |  |
| Net decrease in net assets resulting from capital share transactions (Note 4):                        |                                     |  |
| Class S   | (153,378,575)                       | (642,518)                              |
| Class D   | (666,677,813)                       | (23,997,153)                           |
| <b>Total decrease in net assets</b>   | <b>(927,817,820)</b>                | <b>(22,757,030)</b>                    |
| <b>NET ASSETS:</b>  |                                     |  |
| Beginning of year   | 3,312,206,600                       | 83,193,873                             |
| <b>End of year*</b>   | <b>\$ 2,384,388,780</b>             | <b>\$ 60,436,843</b>                   |
| *Including distributions in excess of net investment income   | \$ (1,434,118)                      | \$ (26,857)                            |

*See Notes to Financial Statements*

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Selected Funds (“Funds”) consist of Selected American Shares, Inc. (a Maryland corporation) (“Selected American Shares”) and Selected International Fund, Inc. (a Maryland corporation) (“Selected International Fund”). The Funds are registered under the Investment Company Act of 1940, as amended, as diversified, open-end management investment companies. The Funds follow the reporting guidance of the Financial Accounting Standards Board (“FASB”) *Accounting Standards Codification Topic 946, Financial Services – Investment Companies*.

**Selected American Shares’** investment objective is to achieve both capital growth and income. The Fund principally invests in common stocks issued by large companies with market capitalizations of at least \$10 billion.

**Selected International Fund** was formerly known as Selected Special Shares. Effective May 1, 2011, Selected International Fund modified its investment strategy to invest principally in common stocks issued by foreign companies, including companies in developed or emerging markets. The Fund may invest in large, medium, or small companies without regard to market capitalization and maintains its investment objective to achieve capital growth.

An investment in the Funds, as with any mutual fund, includes risks that vary depending upon the Funds’ investment objectives and policies. There is no assurance that the investment objective of any fund will be achieved. Each Fund’s return and net asset value will fluctuate.

Class S and Class D shares are sold at net asset value. Income, expenses (other than those attributable to a specific class), and gains and losses are allocated daily to each class of shares based on the relative proportion of net assets represented by each class. Operating expenses directly attributable to a specific class are charged against the operations of that class. All classes have identical rights with respect to voting (exclusive of each class’ distribution arrangement), liquidation, and distributions. Selected International Fund assesses a 2% fee on the proceeds of Fund shares that are redeemed (either by selling or exchanging into Selected American Shares) within 30 days of their purchase. The fee, which is retained by the Fund, is accounted for as an addition to paid-in capital. The following is a summary of significant accounting policies followed by the Funds in the preparation of their financial statements.

**Security Valuation** - The Funds calculate the net asset value of their 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 Funds’ 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 Davis Selected Advisers, L.P. (“Adviser”), the Funds’ investment adviser, identifies as a significant event occurring before the Funds’ 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 Funds’ Pricing Committee and Board of Directors. 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 Adviser 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 of the security was readily available. Fair value determinations are subject to review, approval, and ratification by the Funds’ Board of Directors at its next regularly scheduled meeting covering the calendar quarter in which the fair valuation was determined. Fair valuation methods used by the Funds may include, but are not limited to, valuing securities initially at cost (excluding commissions) and subsequently adjusting the value due to: additional transactions by the issuer, changes in company specific fundamentals and changes in the value of similar securities. Values may be further adjusted for any discounts related to security-specific resale restrictions.

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

*Security Valuation - (Continued)*

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

The Funds' valuation procedures are reviewed and subject to approval by the Board of Directors. There have been no significant changes to the fair valuation procedures during the period.

**Fair Value Measurements** - Fair value is defined as the price that the Funds 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 Funds' 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 Funds can obtain the fair value assigned to a security if they were to sell the security.

The following is a summary of the inputs used as of June 30, 2017 in valuing each Fund's investments carried at value:

|   | <b>Investments in Securities at Value</b> |  |
|---|---|--|
|   | <b>Selected<br/>American Shares</b>       | <b>Selected<br/>International Fund</b> |
| <u>Valuation inputs</u>                               |   |  |
| <b>Level 1 – Quoted Prices:</b>                       |   |  |
| <u>Equity securities:</u>                             |   |  |
| Consumer Discretionary                                | \$ 346,766,018                            | \$ 19,603,875                          |
| Consumer Staples                                      | 40,786,948                                | –                                      |
| Energy  | 224,331,908                               | 4,335,188                              |
| Financials  | 700,173,033                               | 7,912,037                              |
| Health Care   | 128,308,268                               | 4,552,761                              |
| Industrials   | 237,033,996                               | 13,216,333                             |
| Information Technology                                | 329,073,446                               | 7,531,948                              |
| Materials   | 166,365,268                               | 7,204,778                              |
| <b>Total Level 1</b>                                  | <b>2,172,838,885</b>                      | <b>64,356,920</b>                      |
| <b>Level 2 – Other Significant Observable Inputs:</b> |   |  |
| Short-term securities                                 | 32,047,000                                | 20,689,000                             |
| <b>Total Level 2</b>                                  | <b>32,047,000</b>                         | <b>20,689,000</b>                      |
| <b>Level 3 – Significant Unobservable Inputs:</b>     |   |  |
| <u>Equity securities:</u>                             |   |  |
| Consumer Discretionary                                | 69,110,785                                | 7,723,877                              |
| Information Technology                                | 1,141,129                                 | –                                      |
| <b>Total Level 3</b>                                  | <b>70,251,914</b>                         | <b>7,723,877</b>                       |
| <b>Total Investments</b>                              | <b>\$ 2,275,137,799</b>                   | <b>\$ 92,769,797</b>                   |

There were no transfers of investments between Level 1 and Level 2 of the fair value hierarchy during the six months ended June 30, 2017.

**SELECTED FUNDS**

**Notes to Financial Statements – (Continued)**  
**June 30, 2017 (Unaudited)**

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

**Fair Value Measurements - (Continued)**

The following table reconciles the valuation of assets in which significant unobservable inputs (Level 3) were used in determining fair value during the six months ended June 30, 2017:

|  | <u>Selected<br/>American Shares</u> | <u>Selected<br/>International Fund</u> |
|--|-------------------------------------|--|
| <b>Investment Securities:</b>                        |                                     |  |
| Beginning balance                                    | \$ 45,524,675                       | \$ 6,371,621                           |
| Cost of purchases                                    | 9,942,150                           | -                                      |
| Net change in unrealized appreciation (depreciation) | 14,785,089                          | 1,352,256                              |
| <b>Ending balance</b>                                | <b><u>\$ 70,251,914</u></b>         | <b><u>\$ 7,723,877</u></b>             |

Net change in unrealized appreciation (depreciation) during the period on Level 3 securities still held at June 30, 2017 and included in the change in net assets for the period

|    |            |    |           |
|----|------------|----|-----------|
| \$ | 14,785,089 | \$ | 1,352,256 |
|----|------------|----|-----------|

There were no transfers of investments into or out of Level 3 of the fair value hierarchy during the period. The cost of purchases may include securities received through corporate actions or exchanges. Realized and unrealized gains (losses) are included in the related amounts on investments in the Statements of Operations.

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.

**Assets Table**

| <u>Fund</u>                 | <u>Investments at Value</u> | <u>Fair Value at June 30, 2017</u> | <u>Valuation Technique</u> | <u>Unobservable Input(s)</u> | <u>Amount(s)</u> | <u>Impact to Valuation from an Increase in Input</u> |
|-----------------------------|-----------------------------|------------------------------------|----------------------------|------------------------------|------------------|--|
| Selected American Shares    | Common Stock                | \$ 1,141,129                       | Discounted Cash Flow       | Annualized Yield             | 2.44%            | Decrease   |
|                             | Preferred Stock             | 69,110,785                         | Market Approach            | Transaction Price            | \$50.9321        | Increase   |
|                             |                             | <b><u>\$ 70,251,914</u></b>        |                            |                              |                  |  |
| Selected International Fund | Preferred Stock             | \$ 5,420,958                       | Market Approach            | Transaction Price            | \$50.9321        | Increase   |
|                             | Preferred Stock             | 2,302,919                          | Market Approach            | Transaction Price            | \$3.8607         | Increase   |
|                             |                             |                                    |                            | Conversion Price Adjustment  | 3.32%            | Decrease   |
|                             |                             | <b><u>\$ 7,723,877</u></b>         |                            |                              |                  |  |

The significant unobservable inputs listed in the above table are used in the fair value measurement of equity securities, and if changed, would affect the fair value of the Funds' investments. The transaction price inputs are attributable to private securities and include assumptions made from private transactions. The "Impact to Valuation" 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.



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

**Master Repurchase Agreements** - The Funds, along with other affiliated funds, may transfer uninvested cash balances into one or more master repurchase agreement accounts. These balances are invested in one or more repurchase agreements, secured by U.S. Government securities. A custodian bank holds securities pledged as collateral for repurchase agreements until the agreements mature. Each agreement requires that the market value of the collateral be sufficient to cover payments of interest and principal; however, in the event of default by the other party to the agreement, retention of the collateral may be subject to legal proceedings.

**Currency Translation** - The market values of all assets and liabilities denominated in foreign currencies are recorded in the financial statements after translation to the U.S. Dollar based upon the mean between the bid and offered quotations of the currencies against U.S. Dollars on the date of valuation. 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 Funds 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 the U.S. Dollar. Forward currency contracts are marked-to-market daily and the change in market value is recorded by the Funds as an unrealized gain or loss. When the forward currency contract is closed, the Funds record 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 Funds 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.

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 Funds’ books, and the U.S. Dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains or losses arise from changes in the value of assets and liabilities other than investments in securities at fiscal year end, resulting from changes in the exchange rate. The Funds include foreign currency gains and losses realized on the sales of investments together with market gains and losses on such investments in the Statements of Operations.

**Federal Income Taxes** - It is each 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 Funds’ tax positions taken on federal and state income tax returns for all open tax years and concluded that as of June 30, 2017, no provision for income tax is required in the Funds’ financial statements related to these tax positions. The Funds’ 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 2013.

Capital losses will be carried forward to future years if not offset by gains. At December 31, 2016, Selected International Fund had available for federal income tax purposes unused capital loss carryforwards as follows:

|            | <b>Capital Loss<br/>Carryforwards<br/>(No expiration)</b> |
|------------|---|
| Short-term | \$ 134,003  |
| Long-term  | 203,716   |
| Total      | \$ 337,719  |

Additionally, based on the Funds’ understanding of the tax rules and rates related to income, gains, and transactions for the foreign jurisdictions in which they invest, the Funds will provide for foreign taxes, and where appropriate, deferred foreign taxes.

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

**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 may differ for financial statement and tax purposes primarily due to differing treatments of wash sales, foreign currency transactions, in-kind redemptions, equalization accounting for tax purposes, corporate actions, partnership income, Directors' deferred compensation, and passive foreign investment company shares. 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 Funds. The Funds adjust 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.

**Indemnification** - Under the Funds' organizational documents, their officers and directors are indemnified against certain liabilities arising out of the performance of their duties to the Funds. In addition, some of the Funds' contracts with their service providers contain general indemnification clauses. The Funds' maximum exposure under these arrangements is unknown since the amount of any future claims that may be made against the Funds cannot be determined and the Funds have 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.

**Directors Fees and Expenses** - The Funds set up a Rabbi Trust to provide for the deferred compensation plan for Independent Directors 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 Director's account is based upon years of service and fees paid to each Director during the years of service. The amount paid to the Director by the Trust under the plan will be determined based upon the performance of the Selected 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 securities) during the six months ended June 30, 2017 were as follows:

|                     | <u>Selected<br/>American Shares</u> | <u>Selected<br/>International Fund</u> |
|---------------------|-------------------------------------|--|
| Cost of purchases   | \$ 94,749,691                       | \$ 7,670,012                           |
| Proceeds from sales | 340,743,071                         | 3,674,893                              |

**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 Funds. DSA-NY performs research and portfolio management services for the Funds under a Sub-Advisory Agreement with the Adviser. The Funds pay no fees directly to DSA-NY.

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

**Investment Advisory Fees and Reimbursement of Expenses** - Advisory fees are paid monthly to the Adviser. The annual rate for Selected American Shares 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 in excess of \$10 billion. Advisory fees paid during the six months ended June 30, 2017 approximated 0.55% of the average net assets for Selected American Shares. The fixed annual rate for Selected International Fund is 0.55% of the average net assets. The Adviser is contractually committed to reimburse Selected International Fund’s expenses to the extent necessary to cap total annual Fund operating expenses at 1.30% for Class S shares. During the six months ended June 30, 2017, such reimbursements for Class S shares amounted to \$7,139, and are not subject to future recoupment.

**Transfer Agent and Accounting Fees** - Boston Financial Data Services, Inc. (“BFDS”) is the Funds’ primary transfer agent. The Adviser is also paid for certain transfer agent services. The fee paid to the Adviser during the six months ended June 30, 2017 was \$76,090 and \$6,456 for Selected American Shares and Selected International Fund, respectively. State Street Bank and Trust Company (“State Street Bank”) is the Funds’ primary accounting provider. Fees for such services are included in the custodian fees as State Street Bank also serves as the Funds’ custodian.

**Distribution Service Fees** - For services under the distribution agreement, the Funds’ Class S shares pay an annual fee of 0.25% of average daily net assets. During the six months ended June 30, 2017, Selected American Shares and Selected International Fund incurred distribution service fees totaling \$1,138,899 and \$15,279, respectively.

There are no distribution service fees for the Funds’ Class D shares.

## SELECTED FUNDS

Notes to Financial Statements – (Continued)  
June 30, 2017 (Unaudited)

### NOTE 4 - CAPITAL STOCK

At June 30, 2017, there were 600 million shares of capital stock of Selected American Shares (\$1.25 par value per share) and 50 million shares of capital stock of Selected International Fund (\$0.25 par value per share) authorized. Transactions in capital stock were as follows:

|                                    |         | Six months ended June 30, 2017 (Unaudited) |                               |                  |                         |
|------------------------------------|---------|--|-------------------------------|------------------|-------------------------|
|                                    |         | Sold                                       | Reinvestment of Distributions | Redeemed*        | Net Increase (Decrease) |
| <b>Selected American Shares</b>    |         |  |                               |                  |                         |
| Shares:                            | Class S | 206,276                                    | 726,961                       | (5,170,913)      | (4,237,676)             |
|                                    | Class D | 834,382                                    | 1,101,577                     | (4,073,913)      | (2,137,954)             |
| Value:                             | Class S | \$ 7,682,678                               | \$ 27,435,509                 | \$ (191,296,252) | \$ (156,178,065)        |
|                                    | Class D | 31,254,719                                 | 41,628,358                    | (155,032,490)    | (82,149,413)            |
| <b>Selected International Fund</b> |         |  |                               |                  |                         |
| Shares:                            | Class S | 1,631,111                                  | –                             | (76,430)         | 1,554,681               |
|                                    | Class D | 284,051                                    | –                             | (290,887)        | (6,836)                 |
| Value:                             | Class S | \$ 20,812,230                              | \$ –                          | \$ (892,033)     | \$ 19,920,197           |
|                                    | Class D | 3,598,850                                  | –                             | (3,287,462)      | 311,388                 |

\* Selected International Fund: net of redemption fees amounting to \$238 and \$1,103 for Class S and Class D, respectively.

|                                    |         | Year ended December 31, 2016 |                               |                  |                  |
|------------------------------------|---------|------------------------------|-------------------------------|------------------|------------------|
|                                    |         | Sold                         | Reinvestment of Distributions | Redeemed*        | Net Decrease     |
| <b>Selected American Shares</b>    |         |                              |                               |                  |                  |
| Shares:                            | Class S | 807,510                      | 4,322,342                     | (9,328,611)      | (4,198,759)      |
|                                    | Class D | 2,123,146                    | 5,893,152                     | (26,814,523) †   | (18,798,225)     |
| Value:                             | Class S | \$ 28,327,656                | \$ 147,786,518                | \$ (329,492,749) | \$ (153,378,575) |
|                                    | Class D | 75,721,201                   | 201,653,626                   | (944,052,640) †  | (666,677,813)    |
| <b>Selected International Fund</b> |         |                              |                               |                  |                  |
| Shares:                            | Class S | 42,142                       | –                             | (103,606)        | (61,464)         |
|                                    | Class D | 699,045                      | 16,252                        | (2,802,242) †    | (2,086,945)      |
| Value:                             | Class S | \$ 439,795                   | \$ –                          | \$ (1,082,313)   | \$ (642,518)     |
|                                    | Class D | 7,043,120                    | 172,759                       | (31,213,032) †   | (23,997,153)     |

\* Selected International Fund: net of redemption fees amounting to \$2 for Class S.

† Includes redemptions as a result of in-kind transfers of securities (see Note 8 of the Notes to Financial Statements).

### NOTE 5 - BANK BORROWINGS

Each Fund may borrow up to 5% of its assets from a bank to purchase portfolio securities, or for temporary and emergency purposes. The purchase of securities with borrowed funds creates leverage in the Fund. Each Fund has entered into an agreement, which enables it to participate with certain other funds managed by the Adviser in an unsecured line of credit with a bank, which permits borrowings of up to \$50 million, collectively. Interest is charged based on its borrowings, at a rate equal to the higher of the Federal Funds Rate or the one month LIBOR Rate, plus 1.25%. The Funds had no borrowings during the six months ended June 30, 2017.

### NOTE 6 - SECURITIES LOANED

The Funds have entered into a securities lending arrangement with State Street Bank. Under the terms of the agreement, the Funds receive fee income from lending transactions; in exchange for such fees, State Street Bank is authorized to loan securities on behalf of the Funds, against receipt of collateral at least equal to the value of the securities loaned. As of June 30, 2017, the Funds did not have any securities on loan. The Funds bear 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.

**SELECTED FUNDS**Notes to Financial Statements – (Continued)  
June 30, 2017 (Unaudited)**NOTE 7 - 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 Board of Directors. The aggregate value of restricted securities in Selected American Shares amounted to \$70,251,914 or 3.09% of the Fund's net assets as of June 30, 2017. The aggregate value of restricted securities in Selected International Fund amounted to \$7,723,877 or 8.31% of the Fund's net assets as of June 30, 2017. Information regarding restricted securities is as follows:

| <b>Fund</b>                 | <b>Security</b>                                | <b>Initial Acquisition Date</b> | <b>Units/ Shares</b> | <b>Cost per Unit/ Share</b> | <b>Valuation per Unit/ Share as of June 30, 2017</b> |
|-----------------------------|--|---------------------------------|----------------------|-----------------------------|--|
| Selected American Shares    | ASAC II L.P.                                   | 10/10/13                        | 1,174,606            | \$ 1.00                     | \$ 0.9715  |
|                             | Didi Chuxing Joint Co., Series A, Pfd.         | 07/27/15                        | 1,161,716            | \$ 27.7507                  | \$ 50.9321   |
|                             | Didi Chuxing Joint Co., Series B, Pfd.         | 05/16/17                        | 195,204              | \$ 50.9321                  | \$ 50.9321   |
| Selected International Fund | Didi Chuxing Joint Co., Series A, Pfd.         | 07/27/15                        | 106,435              | \$ 27.7507                  | \$ 50.9321   |
|                             | Internet Plus Holdings Ltd., Series A-10, Pfd. | 01/29/15                        | 616,958              | \$ 3.0921                   | \$ 3.7327  |

**NOTE 8 - IN-KIND REDEMPTIONS**

In accordance with guidelines described in the Funds' prospectus, the Funds may distribute portfolio securities rather than cash as payment for redemption of fund shares (in-kind redemption). For financial reporting purposes, the Funds recognize a gain on in-kind redemptions to the extent the value of the distributed securities on the date of redemption exceeds the cost of those securities. Gains and losses realized on in-kind redemptions are not recognized for tax purposes and are reclassified from accumulated net realized gains (losses) from investments to additional paid-in capital on the Statements of Assets and Liabilities.

During the year ended December 31, 2016, Selected American Shares' Class D shareholders (including related parties) redeemed 17,355,942 shares in exchange for portfolio securities valued at \$609,708,427, and Selected International Fund's Class D shareholders (including related parties) redeemed 1,722,913 shares in exchange for portfolio securities valued at \$19,451,684. The Funds realized a gain of \$234,526,620 and \$4,733,292, respectively.

**SELECTED FUNDS**

**Financial Highlights**

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

|   | Income (Loss) from Investment Operations |                                    |  | Total from Investment Operations |
|---|--|------------------------------------|--|----------------------------------|
|   | Net Asset Value, Beginning of Period     | Net Investment Income <sup>a</sup> | Net Realized and Unrealized Gains (Losses) |                                  |
| <b>Selected American Shares Class S:</b>    |  |                                    |  |                                  |
| Six months ended June 30, 2017 <sup>e</sup> | \$35.76                                  | \$0.11                             | \$3.02                                     | \$3.13                           |
| Year ended December 31, 2016                | \$36.93                                  | \$0.13                             | \$4.06                                     | \$4.19                           |
| Year ended December 31, 2015                | \$43.16                                  | \$0.20                             | \$1.37                                     | \$1.57                           |
| Year ended December 31, 2014                | \$50.29                                  | \$0.24                             | \$2.54                                     | \$2.78                           |
| Year ended December 31, 2013                | \$41.71                                  | \$0.23                             | \$13.11                                    | \$13.34                          |
| Year ended December 31, 2012                | \$39.47                                  | \$0.54                             | \$4.55                                     | \$5.09                           |
| <b>Selected American Shares Class D:</b>    |  |                                    |  |                                  |
| Six months ended June 30, 2017 <sup>e</sup> | \$35.80                                  | \$0.17                             | \$3.03                                     | \$3.20                           |
| Year ended December 31, 2016                | \$36.97                                  | \$0.25                             | \$4.06                                     | \$4.31                           |
| Year ended December 31, 2015                | \$43.13                                  | \$0.36                             | \$1.36                                     | \$1.72                           |
| Year ended December 31, 2014                | \$50.26                                  | \$0.39                             | \$2.56                                     | \$2.95                           |
| Year ended December 31, 2013                | \$41.68                                  | \$0.39                             | \$13.11                                    | \$13.50                          |
| Year ended December 31, 2012                | \$39.44                                  | \$0.70                             | \$4.54                                     | \$5.24                           |
| <b>Selected International Fund Class S:</b> |  |                                    |  |                                  |
| Six months ended June 30, 2017 <sup>e</sup> | \$10.45                                  | \$0.02                             | \$2.20                                     | \$2.22                           |
| Year ended December 31, 2016                | \$10.48                                  | \$(0.01)                           | \$(0.02)                                   | \$(0.03)                         |
| Year ended December 31, 2015                | \$11.12                                  | \$0.04                             | \$(0.11)                                   | \$(0.07)                         |
| Year ended December 31, 2014                | \$11.21                                  | \$0.03                             | \$(0.10)                                   | \$(0.07)                         |
| Year ended December 31, 2013                | \$9.24                                   | \$0.04                             | \$1.97                                     | \$2.01                           |
| Year ended December 31, 2012                | \$7.89                                   | \$0.03                             | \$1.41                                     | \$1.44                           |
| <b>Selected International Fund Class D:</b> |  |                                    |  |                                  |
| Six months ended June 30, 2017 <sup>e</sup> | \$10.50                                  | \$0.05                             | \$2.21                                     | \$2.26                           |
| Year ended December 31, 2016                | \$10.53                                  | \$0.04                             | \$(0.03)                                   | \$0.01                           |
| Year ended December 31, 2015                | \$11.17                                  | \$0.09                             | \$(0.10)                                   | \$(0.01)                         |
| Year ended December 31, 2014                | \$11.27                                  | \$0.08                             | \$(0.11)                                   | \$(0.03)                         |
| Year ended December 31, 2013                | \$9.28                                   | \$0.10                             | \$1.99                                     | \$2.09                           |
| Year ended December 31, 2012                | \$7.93                                   | \$0.09                             | \$1.41                                     | \$1.50                           |

<sup>a</sup> Per share calculations were based on average shares outstanding for the period.

<sup>b</sup> 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. Total returns are not annualized for periods of less than one year.

<sup>c</sup> The ratios in this column reflect the impact, if any, of the reduction of expenses paid indirectly and of certain reimbursements.

<sup>d</sup> 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.

| Dividends and Distributions          |                                   |                   |                     | Ratios to Average Net Assets   |                           |   |                     |                                |                                    |                                 |  |
|--------------------------------------|-----------------------------------|-------------------|---------------------|--------------------------------|---------------------------|---|---------------------|--------------------------------|------------------------------------|---------------------------------|--|
| Dividends from Net Investment Income | Distributions from Realized Gains | Return of Capital | Total Distributions | Net Asset Value, End of Period | Total Return <sup>b</sup> | Net Assets, End of Period (in millions) | Gross Expense Ratio | Net Expense Ratio <sup>c</sup> | Net Investment Income (Loss) Ratio | Portfolio Turnover <sup>d</sup> |  |
| \$ (0.11)                            | \$ (1.10)                         | \$ -              | \$ (1.21)           | \$37.68                        | 8.75%                     | \$887                                   | 0.97% <sup>f</sup>  | 0.97% <sup>f</sup>             | 0.62% <sup>f</sup>                 | 4%                              |  |
| \$ (0.27)                            | \$ (5.09)                         | \$ -              | \$ (5.36)           | \$35.76                        | 12.50%                    | \$993                                   | 0.97%               | 0.97%                          | 0.39%                              | 19%                             |  |
| \$ (0.28)                            | \$ (7.52)                         | \$ -              | \$ (7.80)           | \$36.93                        | 3.59%                     | \$1,181                                 | 0.95%               | 0.95%                          | 0.50%                              | 27%                             |  |
| \$ (0.23)                            | \$ (9.68)                         | \$ -              | \$ (9.91)           | \$43.16                        | 5.60%                     | \$1,571                                 | 0.94%               | 0.94%                          | 0.47%                              | 26%                             |  |
| \$ (0.27)                            | \$ (4.49)                         | \$ -              | \$ (4.76)           | \$50.29                        | 33.16%                    | \$2,067                                 | 0.94%               | 0.94%                          | 0.49%                              | 12%                             |  |
| \$ (0.60)                            | \$ (2.25)                         | \$ -              | \$ (2.85)           | \$41.71                        | 12.82%                    | \$1,949                                 | 0.95%               | 0.95%                          | 1.28%                              | 7%                              |  |
| \$ (0.17)                            | \$ (1.10)                         | \$ -              | \$ (1.27)           | \$37.73                        | 8.94%                     | \$1,385                                 | 0.65% <sup>f</sup>  | 0.65% <sup>f</sup>             | 0.94% <sup>f</sup>                 | 4%                              |  |
| \$ (0.39)                            | \$ (5.09)                         | \$ -              | \$ (5.48)           | \$35.80                        | 12.83%                    | \$1,391                                 | 0.65%               | 0.64%                          | 0.72%                              | 19%                             |  |
| \$ (0.36)                            | \$ (7.52)                         | \$ -              | \$ (7.88)           | \$36.97                        | 3.96%                     | \$2,131                                 | 0.61%               | 0.61%                          | 0.84%                              | 27%                             |  |
| \$ (0.40)                            | \$ (9.68)                         | \$ -              | \$ (10.08)          | \$43.13                        | 5.96%                     | \$3,674                                 | 0.60%               | 0.60%                          | 0.81%                              | 26%                             |  |
| \$ (0.43)                            | \$ (4.49)                         | \$ -              | \$ (4.92)           | \$50.26                        | 33.62%                    | \$3,946                                 | 0.61%               | 0.61%                          | 0.82%                              | 12%                             |  |
| \$ (0.75)                            | \$ (2.25)                         | \$ -              | \$ (3.00)           | \$41.68                        | 13.19%                    | \$3,371                                 | 0.61%               | 0.61%                          | 1.62%                              | 7%                              |  |
| \$ -                                 | \$ -                              | \$ -              | \$ -                | \$12.67                        | 21.24%                    | \$30                                    | 1.41% <sup>f</sup>  | 1.30% <sup>f</sup>             | 0.42% <sup>f</sup>                 | 6%                              |  |
| \$ -                                 | \$ -                              | \$ -              | \$ -                | \$10.45                        | (0.29)%                   | \$8                                     | 1.51%               | 1.30%                          | (0.09)%                            | 49%                             |  |
| \$ (0.04)                            | \$ (0.53)                         | \$ -              | \$ (0.57)           | \$10.48                        | (0.70)%                   | \$9                                     | 1.41%               | 1.30%                          | 0.28%                              | 43%                             |  |
| \$ (0.02)                            | \$ -                              | \$ -              | \$ (0.02)           | \$11.12                        | (0.66)% <sup>g</sup>      | \$11                                    | 1.38%               | 1.30%                          | 0.23%                              | 49%                             |  |
| \$ (0.04)                            | \$ -                              | \$ -              | \$ (0.04)           | \$11.21                        | 21.78%                    | \$11                                    | 1.44%               | 1.40%                          | 0.39%                              | 16%                             |  |
| \$ (0.09)                            | \$ -                              | \$ -              | \$ (0.09)           | \$9.24                         | 18.29%                    | \$10                                    | 1.52%               | 1.52%                          | 0.39%                              | 6%                              |  |
| \$ -                                 | \$ -                              | \$ -              | \$ -                | \$12.76                        | 21.52%                    | \$63                                    | 0.90% <sup>f</sup>  | 0.90% <sup>f</sup>             | 0.82% <sup>f</sup>                 | 6%                              |  |
| \$ (0.04)                            | \$ -                              | \$ -              | \$ (0.04)           | \$10.50                        | 0.10%                     | \$52                                    | 0.87%               | 0.83%                          | 0.38%                              | 49%                             |  |
| \$ (0.10)                            | \$ (0.53)                         | \$ -              | \$ (0.63)           | \$10.53                        | (0.20)%                   | \$74                                    | 0.83%               | 0.83%                          | 0.75%                              | 43%                             |  |
| \$ (0.07)                            | \$ -                              | \$ -              | \$ (0.07)           | \$11.17                        | (0.26)% <sup>g</sup>      | \$89                                    | 0.83%               | 0.83%                          | 0.70%                              | 49%                             |  |
| \$ (0.10)                            | \$ -                              | \$ -              | \$ (0.10)           | \$11.27                        | 22.56%                    | \$66                                    | 0.83%               | 0.83%                          | 0.96%                              | 16%                             |  |
| \$ (0.15)                            | \$ -                              | \$ -              | \$ (0.15)           | \$9.28                         | 18.90%                    | \$56                                    | 0.88%               | 0.88%                          | 1.03%                              | 6%                              |  |

<sup>e</sup> Unaudited.

<sup>f</sup> Annualized.

<sup>g</sup> Selected International Fund's performance benefited from IPO purchases in 2014, adding approximately 2% to the Fund's total return. After purchase, the IPOs rapidly increased in value. The Adviser purchases shares intending to benefit from long-term growth of the underlying company; the rapid appreciation of the IPOs were unusual occurrences. Such performance may not continue in the future.

*See Notes to Financial Statements*

**Process of Annual Review**

The Board of Directors of Selected Funds oversees the management of each Selected Fund and, as required by law, determines annually whether to approve the continuance of each Selected Fund's advisory agreement with Davis Selected Advisers, L.P. and sub-advisory agreement with Davis Selected Advisers-NY, Inc. (jointly "Davis Advisors" and "Advisory Agreements").

With the assistance of counsel to the Independent Directors, the Independent Directors undertook a comprehensive review process in anticipation of their annual contract review meeting, held in April 2017. As part of this process, Davis Advisors provided the Independent Directors with material (including recent investment performance and expense data) that was responsive to questions submitted to Davis Advisors by the Independent Directors. At this meeting, the Independent Directors reviewed and evaluated all information that they deemed reasonably necessary under the circumstances and were provided guidance by their independent counsel. In reaching their decision, the Independent Directors also took into account information furnished to them throughout the year and otherwise provided to them during their quarterly meetings or through other prior communications. The Independent Directors concluded that they had been supplied with sufficient information and data to analyze the Advisory Agreements and that their questions had been sufficiently answered by Davis Advisors. Upon completion of this review, the Independent Directors found that the terms of the Advisory Agreements were fair and reasonable and that continuation of the Advisory Agreements was in the best interest of Selected American Shares, Selected International Fund, and their shareholders.

**Reasons the Independent Directors Approved Continuation of the Advisory Agreements**

The Independent Directors' determinations were based upon a comprehensive consideration of all information provided to them, and they did not identify any single item or piece of information as the controlling factor. Each Independent Director did not necessarily attribute the same weight to each factor. The following facts and conclusions were important, but not exclusive, to the Independent Directors' recommendation to renew the Advisory Agreements.

The Independent Directors considered the investment performance of each Fund on an absolute basis, as well as relative to its benchmark and other comparable funds. The Independent Directors not only considered the investment performance of each Fund, but also the full range and quality of services provided by Davis Advisors to each Fund and its shareholders, including whether a Fund:

1. Achieves satisfactory investment results over the long term, after all costs;
2. Efficiently and effectively handles shareholder transactions, inquiries, requests, and records, provides quality accounting, legal, and compliance services, and oversees third-party service providers; and
3. Fosters healthy investor behavior.

Davis Advisors is reimbursed a portion of its costs in providing some, but not all, of these services.

A shareholder's ultimate return is the product of a fund's results as well as the shareholder's behavior, specifically, in selecting when to invest or redeem. The Independent Directors concluded that, through its actions and communications, Davis Advisors has attempted to have a meaningful, positive impact on investor behavior.

Davis Advisors, its affiliates, and members of the Davis family are some of the largest shareholders in the Selected Funds. The Independent Directors considered that this investment tends to align the interests of management with other shareholders, as they face the same risks, pay the same fees, and are motivated to achieve satisfactory long-term returns. In addition, the Independent Directors concluded that significant investments by Davis Advisors and the Davis family have contributed to the economies of scale that have lowered fees and expenses for Selected Funds' shareholders over time.

The Independent Directors noted the importance of reviewing quantitative measures, but recognized that qualitative factors are also important in assessing whether Selected Funds' shareholders are likely to be well served by the renewal of the Advisory Agreements. They noted both the value and shortcomings of purely quantitative measures, including the data provided by independent service providers, and concluded that, while such measures and data may be informative, the judgment of the Independent Directors must take many factors into consideration in representing the shareholders of the Selected Funds, including those listed below. In connection with reviewing comparative performance information, the Independent Directors generally give greater weight to longer-term measurements.

**Reasons the Independent Directors Approved Continuation of the Advisory Agreements – (Continued)**

The Independent Directors noted that Davis Advisors employs a disciplined, company-specific, research-driven, businesslike, long-term investment philosophy. The Independent Directors considered the quality of Davis Advisors' investment process, as well as the experience, capability, and integrity of its senior management and other personnel.

The Independent Directors recognized Davis Advisors' (i) efforts to minimize transaction costs by generally having a long-term time horizon and low portfolio turnover; (ii) focus on tax efficiency; (iii) record of generally producing satisfactory after-tax results over longer-term periods; (iv) efforts towards fostering healthy investor behavior by, among other things, providing informative and substantial educational material; and (v) efforts to promote shareholder interests by actively speaking out on corporate governance issues.

The Independent Directors assessed (i) comparative fee and expense information for other funds, as selected and analyzed by a nationally recognized independent service provider; (ii) information regarding fees charged by Davis Advisors to other advisory clients, including funds that it sub-advises, and private accounts, as well as the differences in the services provided to such other clients; and (iii) the fee schedules and breakpoints of each Fund, including an assessment of competitive fee schedules and breakpoints, if applicable.

The Independent Directors reviewed (i) the management fee schedule for each Fund; (ii) the profitability of each Fund to Davis Advisors; (iii) the extent to which economies of scale might be realized if the Fund's net assets increase; and (iv) whether the fee schedules should reflect those potential economies of scale, at this time. The Independent Directors considered the nature, quality, and extent of the services being provided to each Fund and the costs incurred by Davis Advisors in providing such services. The Independent Directors considered various potential benefits that Davis Advisors may receive in connection with the services it provides under the Advisory Agreements with the Fund, including a review of portfolio brokerage practices. The Independent Directors noted that Davis Advisors does not use client commissions to pay for publications that are available to the general public or for research reports that are created by parties other than the broker-dealers providing trade execution, clearing and/or settlement services to the Funds.

The Independent Directors compared the fees paid to Davis Advisors by the Selected Funds with those paid by Davis Advisors' sub-advised clients, private account clients, and managed money/wrap clients. To the extent sub-advised or private account fees were lower than fees paid by the Funds, the Independent Directors noted that the range of services provided to the Funds were more extensive, with greater risks associated with operating SEC registered, publicly traded mutual funds. Serving as the primary adviser for mutual funds is more work because of the complex overlay of regulatory, tax, and accounting issues, which are unique to mutual funds. In addition, the operational work required to service shareholders is more extensive because of the significantly greater number of shareholders, and managing trading is more complex because of the more frequent fund flows. With respect to risk, not only has regulation become more complex and burdensome, but the scrutiny of regulators and shareholders has become more intense. The Independent Directors concluded that reasonable justifications existed for the differences between the fee rates for the Selected Funds and Davis Advisors' other lines of business.

**Selected American Shares**

The Independent Directors noted that Selected American Shares' Class S shares outperformed its benchmark, the Standard & Poor's 500<sup>®</sup> Index ("S&P 500<sup>®</sup>"), over the one-year time period and since Davis Advisors took over the daily management of the Fund on May 1, 1993, but underperformed the S&P 500<sup>®</sup> over the three-, five-, ten-, and fifteen-year time periods, all periods ended March 31, 2017.

Broadridge, an independent service provider, presented a report to the Independent Directors that compared the Fund to all Lipper retail and institutional large-cap core funds (the "Performance Universe Average"), as well as the relevant Lipper Index. The report indicated that the Fund outperformed the Performance Universe Average and the Lipper Index over the one-, two-, and four-year time periods, all periods ended December 31, 2016. The Fund underperformed the Performance Universe Average and the Lipper Index over the five- and ten-year time periods, all periods ended December 31, 2016. During the three-year time period, the Fund outperformed the Performance Universe Average, but underperformed the Lipper Index, period ended December 31, 2016.

The Independent Directors also reviewed the Fund's performance versus both the S&P 500<sup>®</sup> and the Lipper Large-Cap Core category when measured over rolling five- and ten-year time frames. The Fund outperformed the S&P 500<sup>®</sup> in 10 out of 19 rolling five-year time periods and outperformed the Lipper Large-Cap Core category in 12 out of 19 rolling five-year time



**Selected American Shares – (Continued)**

periods, all periods ended December 31 for each year from 1998 through 2016. The Fund outperformed the S&P 500<sup>®</sup> and the Lipper Large-Cap Core category in 9 out of 14 rolling ten-year time periods, all periods ended December 31 for each year from 2003 through 2016.

The Independent Directors considered Selected American Shares' management fee and total expense ratio. They observed that the Fund's current management fee was reasonable and below the average and median of its peer group, as determined by Broadridge. The Fund's Class S shares total expense ratio was slightly higher than the average and median ratio of its expense peers due to a 25 basis point 12b-1 fee versus an average of 15.0 basis points for the peers; otherwise the total expenses were lower. The Directors noted that Class D shares do not pay any 12b-1 fees.

**Selected International Fund**

Davis Advisors became the investment adviser to Selected Special Shares on May 1, 1993. Davis Advisors oversaw a sub-adviser from 1993 to May 31, 2001, at which point, Davis Advisors began active daily management of the Fund. On May 1, 2011, the Fund changed its name from Selected Special Shares to Selected International Fund and changed its investment strategy from primarily investing in domestic equity securities to primarily investing in foreign equity securities. While the Independent Directors reviewed all time periods, these changes limit the relevance of long-term comparisons against the Fund's benchmark, the Morgan Stanley Capital International All Country World Index ex USA ("MSCI ACWI<sup>®</sup> ex USA").

The Independent Directors noted that Selected International Fund's Class S shares outperformed the MSCI ACWI<sup>®</sup> ex USA over the one-, three-, and five-year time periods, all periods ended March 31, 2017. The Independent Directors also noted that the Fund had outperformed its benchmark since 2011, when the change in investment strategy occurred.

Broadridge, an independent service provider, presented a report to the Independent Directors that compared the Fund to all Lipper retail and institutional international multi-cap growth funds (the "Performance Universe Average"), as well as the relevant Lipper Index. During the one-year time period, the Fund outperformed the Performance Universe Average, but underperformed the Lipper Index, period ended December 31, 2016. The Fund outperformed the Performance Universe Average and the Lipper Index over the two-, three-, four-, and five-year time periods, all periods ended December 31, 2016.

The Independent Directors also reviewed the Fund's performance versus both the MSCI ACWI<sup>®</sup> ex USA and the Lipper International Multi-Cap Growth category when measured over its first rolling five-year time frame since its investment strategy change in 2011. The Fund outperformed the MSCI ACWI<sup>®</sup> ex USA and the Lipper International Multi-Cap Growth category in its first rolling five-year time period, ended December 31, 2016.

The Independent Directors considered Selected International Fund's management fee and total expense ratio. They observed that the Fund's current management fee was reasonable and below the average and median of its peer group, as determined by Broadridge. The Fund's Class S shares total expense ratio was slightly lower than the average, but slightly higher than the median ratios of its expense peers. The Independent Directors also noted that the Adviser has capped expenses of Class S shares through May 1, 2018, and that Class D shares do not pay any 12b-1 fees.

**Approval of Advisory Agreements**

The Independent Directors concluded that Davis Advisors had provided Selected American Shares, Selected International Fund, and their shareholders a reasonable level of both investment and non-investment services. The Independent Directors further concluded that shareholders have received a significant benefit from Davis Advisors' shareholder-oriented approach, as well as the execution of its investment discipline.

The Independent Directors determined that the advisory fees for Selected American Shares and Selected International Fund were reasonable in light of the nature, quality, and extent of the services being provided to the Funds, the costs incurred by Davis Advisors in providing such service, and in comparison to the range of the average advisory fees of their peer groups, as determined by an independent service provider. The Independent Directors found that the terms of the Advisory Agreements were fair and reasonable and that continuation of the Advisory Agreements was in the best interest of each Fund and its shareholders. The Independent Directors and the full Board of Directors therefore voted to continue the Advisory Agreements.

**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 our Funds, 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**

To avoid sending duplicate copies of materials to households, the Funds will mail only one copy of each prospectus, Annual and Semi-Annual Report to shareholders having the same last name and address on the Funds’ records. The consolidation of these mailings, called householding, benefits the Funds through reduced mailing expense. If you do not want the mailing of these documents to be combined with those to other members of your household, please contact the Selected Funds by phone at 1-800-243-1575. Individual copies of current prospectuses and reports will be sent to you within 30 days after the Funds receive your request to stop householding.

## SELECTED FUNDS

## Directors and Officers

For the purpose of their service as directors to the Selected Funds, the business address for each of the directors is 2949 E. Elvira Road, Suite 101, Tucson, AZ 85756. Each Director serves until retirement, resignation, death, or removal. Directors must retire from the Board of Directors and cease being a Director at the close of business on the last day of the calendar year in which the Director attains age 78.

| <b>Name</b><br>(birthdate)                    | <b>Position(s)<br/>Held With<br/>Funds</b> | <b>Term of<br/>Office and<br/>Length of<br/>Time<br/>Served</b> | <b>Principal Occupation(s) During<br/>Past Five Years</b>   | <b>Number of<br/>Portfolios<br/>Overseen</b> | <b>Other Directorships</b>   |
|---|--|---|---|--|--|
| <i>Independent Directors</i>                  |  |   |   |  |  |
| <b>Francisco L. Borges</b><br>(11/17/51)      | Director                                   | Director since 2006   | Chairman and Managing Partner, Landmark Partners, LLC (private equity firm) since March 1999.                           | 3  | Trustee, John S. and James L. Knight Foundation; Trustee, Connecticut Public Broadcasting Network; Chairman/Director, Assured Guaranty Ltd. (financial guaranty insurance business); Director, Leucadia National Corporation (holding company); Trustee, Millbrook School; Trustee, Clipper Funds Trust (consisting of one portfolio). |
| <b>Lawrence E. Harris</b><br>(09/16/56)       | Director                                   | Director since 2015   | 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.; Trustee, Clipper Funds Trust (consisting of one portfolio).   |
| <b>Steven N. Kearsley</b><br>(09/29/41)       | Director                                   | Director since 2015   | Private Investor, Real Estate Development; Owner, Old Peak Tree Farm.   | 3  | Trustee, Clipper Funds Trust (consisting of one portfolio).  |
| <b>Katherine L. MacWilliams</b><br>(01/19/56) | Director                                   | Director since 1997   | Retired; Chief Financial Officer, Caridian BCT, Inc. (medical device company) 2008-2012.                                | 3  | Trustee, Clipper Funds Trust (consisting of one portfolio).  |
| <b>James J. McMonagle</b><br>(10/01/44)       | Director/<br>Chairman                      | Director since 1990/<br>Chairman since 1997                     | Of Counsel to Vorys, Sater, Seymour and Pease LLP (law firm) since 2002.  | 3  | Director, Owens Corning (producer of residential and commercial building materials); Chairman/Trustee, Clipper Funds Trust (consisting of one portfolio).  |
| <b>Richard O'Brien</b><br>(09/12/45)          | Director                                   | Director since 1996   | Retired; Corporate Economist, HP Inc.   | 3  | Trustee, Clipper Funds Trust (consisting of one portfolio).  |

**SELECTED FUNDS**

**Directors and Officers – (Continued)**

| <b>Name</b><br><b>(birthdate)</b> | <b>Position(s)</b><br><b>Held With</b><br><b>Funds</b> | <b>Term of</b><br><b>Office and</b><br><b>Length of</b><br><b>Time</b><br><b>Served</b> | <b>Principal Occupation(s) During</b><br><b>Past Five Years</b> | <b>Number of</b><br><b>Portfolios</b><br><b>Overseen</b> | <b>Other Directorships</b> |
|-----------------------------------|--|---|---|--|----------------------------|
|-----------------------------------|--|---|---|--|----------------------------|

*Interested Directors\**

|   |          |                     |  |    |   |
|---|----------|---------------------|--|----|---|
| <b>Andrew A. Davis</b><br>(06/25/63)      | Director | Director since 1998 | 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, Davis Funds (consisting of 13 portfolios); Trustee, Clipper Funds Trust (consisting of one portfolio).  |
| <b>Christopher C. Davis</b><br>(07/13/65) | Director | Director since 1998 | President or Vice President of each Selected Fund, Davis Fund, Clipper Fund, and Davis Fundamental 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, Davis Funds (consisting of 13 portfolios); Trustee, Clipper Funds Trust (consisting of one portfolio); Director, Graham Holdings Co. (educational and media company). |

\* 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*

**Christopher C. Davis (born 07/13/65, Selected Funds officer since 1998).** See description in the section on Interested Directors.

**Andrew A. Davis (born 06/25/63, Selected Funds officer since 1998).** See description in the section on Interested Directors.

**Kenneth C. Eich (born 08/14/53, Selected Funds officer since 1997).** Executive Vice President and Principal Executive Officer of Selected Funds (consisting of two portfolios), Davis Funds (consisting of 13 portfolios), and Clipper Funds Trust (consisting of one portfolio); Trustee/Chairman, Executive Vice President, and Principal Executive Officer of Davis Fundamental ETF Trust (consisting of three 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, Selected Funds officer since 2004).** Vice President, Treasurer, Chief Financial Officer, Principal Financial Officer, and Principal Accounting Officer of Selected Funds (consisting of two portfolios), Davis Funds (consisting of 13 portfolios), Clipper Funds Trust (consisting of one portfolio), and Davis Fundamental ETF Trust (consisting of three portfolios); Vice President and Director of Fund Accounting, Davis Selected Advisers, L.P.

**Sharra L. Haynes (born 09/25/66, Selected Funds officer since 1997).** Vice President and Chief Compliance Officer of Selected Funds (consisting of two portfolios), Davis Funds (consisting of 13 portfolios), Clipper Funds Trust (consisting of one portfolio), and Davis Fundamental ETF Trust (consisting of three 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.

**Ryan M. Charles (born 07/25/78, Selected Funds officer since 2014).** Vice President and Secretary of Selected Funds (consisting of two portfolios), Davis Funds (consisting of 13 portfolios), Clipper Funds Trust (consisting of one portfolio), and Davis Fundamental ETF Trust (consisting of three 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.

## **SELECTED FUNDS**

### **Investment Adviser**

Davis Selected Advisers, L.P.  
2949 East Elvira Road, Suite 101  
Tucson, Arizona 85756

### **Distributor**

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

### **Custodian**

State Street Bank and Trust Co.  
c/o The Selected Funds  
One Lincoln Street  
Boston, Massachusetts 02111

### **Transfer Agent**

Boston Financial Data Services, Inc.  
c/o The Selected Funds  
P.O. Box 8243  
Boston, Massachusetts 02266-8243

### **Overnight Address:**

30 Dan Road  
Canton, Massachusetts 02021-2809

### **Counsel**

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

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

KPMG LLP  
1225 Seventeenth Street, Suite 800  
Denver, Colorado 80202

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*For more information about the Selected Funds including management fee, charges, and expenses, see the current prospectus, which must precede or accompany this report. The Funds' Statement of Additional Information contains additional information about the Funds' Directors and is available without charge upon request by calling 1-800-243-1575 or on the Funds' website at [www.selectedfunds.com](http://www.selectedfunds.com). Quarterly Fact Sheets are available on the Funds' website at [www.selectedfunds.com](http://www.selectedfunds.com).*

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Davis Selected Advisers, L.P.  
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