

# Selected American Shares: Consistency, Commitment, Results

## Boring is Beautiful

To be one of the very best over the long term does not mean you have to be number one every year. Consider Selected American Shares. As the chart below illustrates, Selected American Shares from 1993–2009 delivered an average annualized return of 9.5%—remarkably outperforming the S&P 500® Index by an average of 1.7% per year.

A hypothetical \$10,000 investment in Selected American Shares in 1993 compounded to \$45,350, while a hypothetical investment in the S&P 500® Index over that same time period compounded into only \$34,928.

We have been able to create reliable long-term investment results, despite the inevitable and expected fact that other investments may have outperformed the Fund in any particular year.<sup>1</sup> At Selected, we believe that boring can be beautiful.

### Reliable Returns Over Time

Year	Selected American Shares Class S	S&P 500® Index
1993 <sup>2</sup>	8.3	8.2
1994	-3.2	1.3
1995	38.1	37.5
1996	30.7	22.9
1997	37.3	33.4
1998	16.3	28.6
1999	20.3	21.0
2000	9.3	-9.1
2001	-11.2	-11.9
2002	-17.1	-22.1
2003	30.9	28.7
2004	12.0	10.9
2005	9.9	4.9
2006	15.2	15.8
2007	4.8	5.5
2008	-39.4	-37.0
2009	31.6	26.5
<b>Cumulative Total Return</b>	<b>354%</b>	<b>249%</b>
<b>Average Annual Rate of Return</b>	<b>9.5%</b>	<b>7.8%</b>
<b>Value of a Hypothetical \$10,000 Initial Investment</b>	<b>\$45,350</b>	<b>\$34,928</b>

Average Annual Total Return as of December 31, 2009

Selected American Shares Class S

1 Year	5 Years	10 Years	15 Years
31.64%	1.12%	2.24%	10.26%

*The performance presented represents past performance and is not a guarantee of future results. Total return assumes reinvestment of dividends and capital gain distributions. Investment return and principal value will vary so that, when redeemed, an investor's shares may be worth more or less than their original cost. The total annual operating expense ratio for Selected American Shares Class S as of the most recent prospectus was 0.92%. The total annual operating expense ratio may vary in future years. Returns and expenses for other classes of shares will vary. Current performance may be higher or lower than the performance data quoted. For most recent month-end performance, visit [selectedfunds.com](http://selectedfunds.com) or call 800-243-1575.*

<sup>1</sup>Past performance is not a guarantee of future results. Equity markets are volatile and an investor may lose money. <sup>2</sup>Inception date used is the date Davis Advisors took over management of the Fund, May 1, 1993.

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

Selected American Shares' investment objective is 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 invests primarily in equity securities issued by large companies with market capitalizations of at least \$10 billion. Some important risks of an investment in the Fund are: market risk: the market value of shares of common stock can change rapidly and unpredictably; company risk: the market value of a common stock varies with the success or failure of the company issuing the stock; financial services risk: investing a significant portion of assets in the financial services sector may cause a fund to be more volatile as securities within the financial services sector are more prone to regulatory action in the financial services industry, more sensitive to interest rate fluctuations, and are the target of increased competition; and foreign country risk: companies operating, incorporated, or principally traded in foreign countries may have more fluctuation as foreign economies may not be as strong or diversified, foreign political systems may not be as stable, and foreign financial reporting standards may not be as rigorous as they are in the United States. As of December 31, 2009, Selected American Shares had approximately 15.5% of assets invested in foreign companies. See the prospectus for a complete listing of the principal risks.

The net expense ratio for Selected American Shares for the fiscal period ended December 31, 2009 was 0.94% and 0.61% for Class S and D, respectively.

Effective July 1, 2009, Davis Advisors voluntarily and permanently reduced any management fee breakpoints ABOVE 0.55% to 0.55% for Selected American Shares.

The **S&P 500® Index** is an unmanaged index of 500 selected common stocks, most of which are listed on the New York Stock Exchange. The Index is adjusted for dividends, weighted toward stocks with large market capitalizations and represents approximately two-thirds of the total market value of all domestic common stocks. Investments cannot be made directly in an index.

Broker-dealers and other financial intermediaries may charge Davis Advisors substantial fees for selling its products and providing continuing support to clients and shareholders. For example, broker-dealers and other financial intermediaries may charge: sales commissions; distribution and service fees; and record-keeping fees. In addition, payments or reimbursements may be requested for: marketing support concerning Davis Advisors' products; placement on a list of offered products; access to sales meetings, sales representatives and management representatives; and participation in conferences or seminars, sales or training programs for invited registered representatives and other employees, client and investor events, and other dealer-sponsored events. Financial advisors should not consider Davis Advisors' payment(s) to a financial intermediary as a basis for recommending Davis Advisors.

After April 30, 2010, this piece must be accompanied by a supplement containing performance data for the most recent calendar quarter.

**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.**