



# Clipper Fund

Portfolio Composition as of December 31, 2009

Portfolio Managers: Christopher C. Davis and Kenneth Charles Feinberg

ASSET ALLOCATION	MKT VALUE	PERCENT
Common Stocks	\$987,450,959	84.90%
Preferred Stocks	\$0	0.00%
Bonds	\$0	0.00%
Foreign Stocks	\$154,405,629	13.28%
Foreign Bonds	\$0	0.00%
Cash & Equivalents	\$21,221,376	1.82%
<b>Total Assets ("TA")</b>	<b>\$1,163,077,964</b>	<b>100.00%</b>

MARKET CAPITALIZATION	PERCENT
Companies over \$10 Billion	78.31%
Companies from \$3 Billion to \$10 Billion	9.73%
Companies under \$3 Billion	10.14%
Weighted Median	\$39.02 Billion
<u>Expense Ratio</u> as of most recent prospectus	0.76%
<u>Number of Securities:</u>	24 Items

TOP EQUITY HOLDINGS	PERCENT
Costco Wholesale Corp.	11.36%
Berkshire Hathaway Inc., Class A	9.48%
American Express Co.	8.68%
Canadian Natural Resources Ltd.	7.99%
Procter & Gamble Co.	6.58%
Oaktree Capital Group Private Placement	6.43%
Harley-Davidson Inc.	6.12%
Bank of New York Mellon Corp.	6.02%
Loews Corp.	5.57%
RHJ International	3.71%

TOP INDUSTRY GROUPS*	PERCENT
Diversified Financials	30.21%
Insurance	16.37%
Food & Staples Retailing	14.28%
Energy	10.48%
Technology	7.40%
Household & Personal Products	6.58%
Automobiles & Components	6.12%
Pharmaceutical & Health Care	3.54%
Food, Beverage & Tobacco	2.10%
Banks	1.10%

## PERFORMANCE – AVERAGE ANNUAL TOTAL RETURN

	1 YR	5 YR	10 YR	Since 01/01/06**
CFIMX	37.60%	(4.40%)	3.74%	(5.42%)
S&P	26.46%	0.42%	(0.95%)	(0.67%)

*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 may vary in future years. Current performance may be higher or lower than the performance data quoted. For most recent month-end returns, visit [clipperfund.com](http://clipperfund.com) or call 800-777-1241. Clipper Fund was managed from inception, February 29, 1984, until January 1, 2006 by another Adviser. Davis Selected Advisers, L.P. took over management of the Fund on January 1, 2006.*

\*The Fund generally uses Global Industry Classification Standard ("GICS") as developed by Morgan Stanley Capital International and Standard & Poor's Corporation to determine industry classification. GICS presents industry classification as a series of levels (i.e. sector, industry group, industry, and sub-industry). Allocations shown are at the Industry Group level except for the following industry groups which have been combined as indicated: Technology: Software & Services, Technology Hardware & Equipment, Semiconductors, & Semiconductor Equipment; Pharmaceutical & Health Care: Pharmaceuticals, Biotechnology & Life Sciences, Health Care Equipment & Services. The advisor may reclassify a company into an entirely different industry if it believes that the GICS classification for a specific company does not accurately describe the company. Industry Group weightings are subject to change.

\*\*Date DSA took over management

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*This material is authorized for use by existing shareholders. A current Clipper Fund 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.*

Clipper Fund's investment objective is long-term capital growth and capital preservation. There can be no assurance that the Fund will achieve its objective. Clipper Fund 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; focused portfolio risk: concentrating a fund's portfolio in a select limited number of securities can increase the volatility of the portfolio; 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. See the prospectus for a complete listing of the principal risks.

Clipper Fund has adopted a Portfolio Holdings Disclosure policy that governs the release of non-public portfolio holding information. This policy is described in detail in the prospectus. Visit [clipperfund.com](http://clipperfund.com) or call 800-432-2504 for the most current public portfolio holdings information.

The S&P 500® Index is an unmanaged index of 500 selected common stocks, most of which are listed on the New York Stock Exchange. The Index is adjusted for dividends, weighted towards stocks with large market capitalizations and represents approximately two-thirds of the total market value of all domestic common stocks. 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 material must be accompanied by a supplement containing performance data for the most recent quarter end.

**Shares of the Clipper Fund 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.**