

DAVIS VALUE PORTFOLIO

(A Portfolio of Davis Variable Account Fund, Inc.)

May 1, 2009

The Securities and Exchange Commission has neither approved nor disapproved of these securities, nor has it determined whether this prospectus is accurate or complete. Anyone who tells you otherwise is committing a crime.

This prospectus contains important information. Please read it carefully before investing and keep it for future reference.

Davis Value Portfolio is sold exclusively to insurance company separate accounts for variable annuity and variable life insurance contracts.

Shares of Davis Value Portfolio 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.

TABLE OF CONTENTS

| | |
|------------|--|
| 4 | Davis Value Portfolio <i>Investment Objective and Principal Investment Strategies</i> <i>Principal Risks of Investing in Davis Value Portfolio</i> <i>Performance Information</i> <i>Fees and Expenses of Davis Value Portfolio</i> |
| 8 | Davis Management <i>Davis Advisors</i> <i>The Davis Investment Discipline</i> <i>Additional Information About Investments</i> <i>Performance History</i> <i>Compensation</i> <i>Investment Professionals</i> |
| 13 | Other Information <i>Disclosure Documents and Not a Contract</i> <i>Purchase and Redemption of Shares</i> <i>Right to Reject or Restrict Any Purchase or Exchange Order</i> <i>Excessive Trading Practices</i> <i>Pricing of Shares</i> <i>Valuation of Portfolio Securities</i> <i>Portfolio Holdings</i> <i>Mixed and Shared Funding</i> <i>Federal Income Taxes</i> <i>Dividends and Distributions</i> <i>Distribution Plans</i> <i>Fees Paid to Financial Intermediaries</i> <i>Financial Highlights</i> |
| B/C | Obtaining Additional Information |

DAVIS VALUE PORTFOLIO

Investment Objective and Principal Investment Strategies

Davis Value Portfolio's (the "Fund") investment objective is long-term growth of capital. Davis Selected Advisers, L.P., ("Davis Advisors" or the "Adviser") the Fund's investment adviser, uses the Davis Investment Discipline to invest the majority of the Fund's assets in equity securities issued by large companies with market capitalizations of at least \$10 billion. See "The Davis Investment Discipline" in this prospectus.

The Fund has the flexibility to invest in companies of any size, to invest in companies whose shares may be subject to controversy, to invest in foreign securities, and to invest in non-equity securities. See "Additional Information About Investments" in this prospectus.

Principal Risks of Investing in Davis Value Portfolio

If you buy shares of Davis Value Portfolio, you may lose some or all of the money that you invest. The investment return and principal value of an investment in the Fund will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. This section describes what we think are the most significant factors (but not the only factors) that could cause the value of your investment in the Fund to decline, and which could prevent the Fund from achieving its stated objective.

- **Market risk.** The market value of shares of common stock can change rapidly and unpredictably as a result of political or economic events having little or nothing to do with the performance of the companies in which we invest.
- **Company risk.** The market values of common stock vary with the success or failure of the company issuing the stock. Many factors can negatively affect a particular company's stock price, such as poor earnings reports, loss of major customers, major litigation against the company or changes in government regulations affecting the company or its industry. The success of the companies in which the Fund invests largely determines the Fund's long-term performance.
- **Financial services risk.** The Fund historically has invested a significant portion of its assets in the financial services sector. Risks of investing in the financial services sector include: (i) *Regulatory actions*: financial services companies may suffer setbacks if regulators change the rules under which they operate; (ii) *Changes in interest rates*: unstable and/or rising interest rates may have a disproportionate effect on companies in the financial services sector; (iii) *Non-diversified loan portfolios*: financial services companies whose securities the Fund purchases may themselves have concentrated portfolios, such as a high level of loans to real estate developers, which makes them vulnerable to economic conditions that affect that industry; (iv) *Credit*: financial services companies may have exposure to investments or agreements that under certain circumstances may lead to losses, for example sub- prime loans; and (v) *Competition*: the financial services sector has become increasingly competitive.
- **Foreign country risk.** The Fund may invest a portion of its assets in companies operating, incorporated, or principally traded in foreign countries. Investing in foreign countries involves risks that may cause the Fund's performance to be more volatile than it would be if the Fund invested solely in the United States. Foreign economies may not be as strong or as 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. In addition, foreign capital markets may not be as well

developed, so securities may be less liquid, transaction costs may be higher, and investments may be subject to more or less government regulation. Securities issued by foreign companies are frequently denominated in foreign currencies. The change in value of a foreign currency against the U.S. dollar will result in a change in the U.S. dollar value of securities denominated in that foreign currency. The Fund generally does not hedge its currency risk. When the value of a foreign currency declines against the U.S. dollar, the value of the Fund's shares will tend to decline.

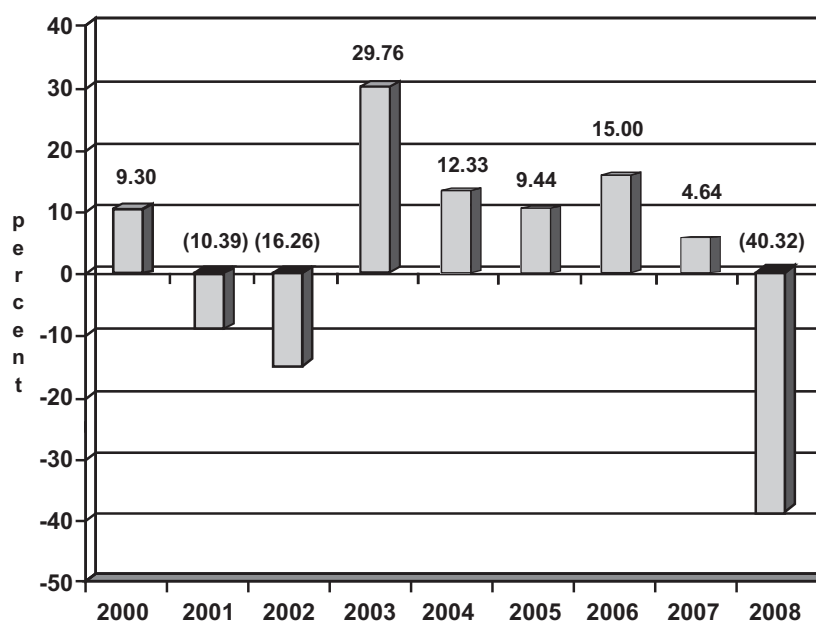
- **Headline risk.** We seek to acquire companies with durable business models that can be purchased at attractive valuations relative to what Davis Advisors believes to be the companies' intrinsic values. We may make such investments when a company becomes the center of controversy after receiving adverse media attention. The company may be involved in litigation, the company's financial reports or corporate governance may be challenged, the company's public filings may disclose a weakness in internal controls, greater government regulation may be contemplated, or other adverse events may threaten the company's future. While we research companies subject to such contingencies, we cannot be correct every time, and the company's stock may never recover.
- **Selection risk.** The securities we select for the Fund may underperform the S&P 500® Index or other funds with similar investment objectives and strategies.

The Fund's shares 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.

Performance Information

The bar chart and table that follow provide an indication of the risks of investing in Davis Value Portfolio by showing changes in the Fund's year-to-year performance and by showing how the Fund's average annual returns compare to those of the S&P 500® Index, a widely recognized unmanaged index of stock performance. The Fund is not managed to track any particular index and, consequently, the performance of the Fund may deviate significantly from the performance of the S&P 500® Index. The Fund's past performance is not necessarily an indication of how the Fund will perform in the future. The bar chart and performance table shown do not reflect charges at the separate account level. If they did, the performance shown would be lower. All performance shown assumes the reinvestment of dividends and capital gains.

Davis Value Portfolio Calendar Year Total Return



During the period shown above, the highest quarterly return was 17.16% for the 2nd quarter of 2003, and the lowest quarterly return was (25.25)% for the 4th quarter of 2008. Total return for the three months ended March 31, 2009, (not annualized) was (11.99)%.

Davis Value Portfolio Average Annual Total Returns

For the periods ended December 31, 2008

| | Past 1 Year | Past 5 Years | Life of Fund (July 1, 1999) |
|-----------------------------|-------------|--------------|--------------------------------|
| Davis Value Portfolio | (40.32)% | (2.46)% | (0.38)% |
| S&P 500® Index ¹ | (37.00)% | (2.19)% | (2.72)% |

⁽¹⁾ The Standard & Poor's 500® Index is a broad-based index of common stocks frequently used as a general measure of U.S. stock market performance. It reflects no deduction for fees or expenses.

Fees and Expenses of Davis Value Portfolio

The following table and expense example describes the fees and expenses that are incurred directly or indirectly when a variable contract owner buys, holds or redeems interests in a separate account that invests in the Fund. The following table and expense example do not reflect the effect of fees or other expenses of any variable annuity or variable life insurance product, if they did, expenses would be higher.

Shareholder Fees

Paid directly from your investment

| Maximum sales charge (load) imposed on purchases <i>as a percentage of offering price</i> | None |
|--|------|
| Maximum deferred sales charge (load) imposed on redemptions <i>as a percentage of the lesser of the net asset value of the shares redeemed or the total cost of such shares</i> | None |

Annual Operating Expenses¹

Deducted from the Fund's assets

| Management Fees | 0.75% |
|---------------------------------|-------|
| Distribution (12b-1) Fees | 0.00% |
| Other Expenses ² | 0.07% |
| Total Annual Operating Expenses | 0.82% |

⁽¹⁾ *These expenses reflect operations for the year ended December 31, 2008. Expenses may vary in future years. These fees and expenses are paid by the fund and borne indirectly by contract holders. There are additional expenses charged by insurance companies. These are described in the variable annuity and/or variable life insurance prospectus.*

⁽²⁾ *Includes custodian fees, transfer agent fees, audit fees, legal fees, director's fees and expenses, reports to shareholders, and various other expenses.*

Expense Example

This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds.

The example assumes that you invest \$10,000 in the Fund for the time periods indicated. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. This example does not reflect fees associated with the ownership of a variable annuity or variable life insurance contract and your actual costs may be higher. Your costs based on these assumptions would be:

| <i>If you sell your shares in...</i> | <i>1 Year</i> | <i>3 Years</i> | <i>5 Years</i> | <i>10 Years</i> |
|---|----------------------|-----------------------|-----------------------|------------------------|
| Davis Value Portfolio | \$84 | \$262 | \$455 | \$1,014 |

DAVIS MANAGEMENT

Davis Advisors

Davis Selected Advisers, L.P., (“Davis Advisors”) serves as the investment adviser for each of the Davis Funds, including Davis Value Portfolio. Davis Advisors’ offices are located at 2949 East Elvira Road, Suite 101, Tucson, Arizona 85756. Davis Advisors provides investment advice for the Davis Funds, manages their business affairs and provides day-to-day administrative services. Davis Advisors also serves as investment adviser for other mutual funds and institutional and individual clients.

Davis Selected Advisers-NY, Inc., (“Sub-Adviser”) serves as the sub-adviser for each of the Davis Funds, including Davis Value Portfolio. The Sub-Adviser’s offices are located at 609 Fifth Avenue, New York, New York 10017. The Sub-Adviser provides investment management and research services for the Davis Funds and other institutional clients, and is a wholly owned subsidiary of Davis Advisors. The Sub-Adviser’s fee is paid by Davis Advisors, not the Davis Funds.

Every year the Board of Directors considers whether to re-approve the advisory and sub-advisory agreements. The basis for their decision is included in the Fund’s Semi-Annual Report.

The Davis Investment Discipline

Davis Advisors manages equity funds using the Davis Investment Discipline. Davis Advisors conducts extensive research to try to identify businesses that possess characteristics which we believe foster the creation of long-term value, such as proven management, a durable franchise and business model, and sustainable competitive advantages. We aim to invest in such businesses when they are trading at discounts to their intrinsic worth. We emphasize individual stock selection and believe that the ability to evaluate management is critical. We routinely visit managers at their places of business in order to gain insight into the relative value of different businesses. Such research, however rigorous, involves predictions and forecasts that are inherently uncertain.

Over the years, Davis Advisors has developed a list of characteristics that we believe help companies to create shareholder value over the long term and manage risk. While few companies possess all of these characteristics at any given time, Davis Advisors searches for companies that demonstrate a majority or an appropriate mix of these characteristics.

First Class Management

- Proven Track Record
- Significant Alignment of Interest in Business
- Smart Application of Technology to Improve Business and Lower Costs

Strong Financial Condition and Satisfactory Profitability

- Strong Balance Sheet
- Low Cost Structure
- High Returns on Capital

Strong Competitive Positioning

- Non-obsolescent Products / Services
- Dominant or Growing Market Share
- Global Presence and Brand Names

After determining which companies we wish to own, we then turn our analysis to determining the intrinsic value of those companies' common stock. We seek common stock which can be purchased at attractive valuations relative to their intrinsic value. Our goal is to invest in companies for the long term. We consider selling a company's stock if the stock's market price exceeds Davis Advisors' estimates of intrinsic value, or if the ratio of the risks and rewards of continuing to own the company's stock is no longer attractive.

Additional Information About Investments

The Fund's principal investment strategies and main risks are described in the section entitled "Investment Objective and Principal Investment Strategies." The Fund's investment objective is not fundamental policy and may be changed by the Fund's Board of Directors without a vote of shareholders. The Fund's prospectus would be amended before any change in investment objective, and shareholders would be promptly notified of the change.

The Fund is not limited to investing in the securities and using the principal investment strategies described earlier in this Prospectus. The Fund may also purchase other kinds of securities engage in active trading (which would increase portfolio turnover and commission expenses), or employ other investment strategies that are not principal investment strategies if, in Davis Advisors' professional judgment, the securities, trading or investment strategies are appropriate. Factors that Davis Advisors considers in pursuing these other strategies include whether the strategies: (i) would be consistent with shareholders' reasonable expectations; (ii) would assist the Fund in pursuing its investment objective; (iii) are consistent with the Fund's investment strategy; (iv) would cause the Fund to violate any of its investment restrictions; or (v) would materially change the Fund's risk profile as described in the Fund's prospectus and Statement of Additional Information, as amended from time to time. The Statement of Additional Information discusses these securities and investment strategies.

Short-Term Investments. The Fund uses short-term investments, such as treasury bills and repurchase agreements, to maintain flexibility while evaluating long-term opportunities. The Fund may also use short-term investments for temporary defensive purposes. At such times, the Fund will not be pursuing its normal investment objectives or policies. In the event that our investment professionals anticipate a

decline in the market values of the companies in which the Fund invests (due to economic, political or other factors), the Fund may reduce its risk by investing in short-term securities until market conditions improve. Unlike equity securities, these investments will not appreciate in value when the market advances and will not contribute to the Fund's investment objective.

For more details concerning current investments and market outlook, please see the Fund's most recent shareholder report.

Execution of Portfolio Transactions. Davis Advisors places orders with broker-dealers for Davis Funds' portfolio transactions. Davis Advisors seeks to place portfolio transactions with brokers or dealers who will execute transactions as efficiently as possible and at the most favorable net price. In placing executions and paying brokerage commissions or dealer markups, Davis Advisors considers price, commission, timing, competent block trading coverage, capital strength and stability, research resources, and other factors. Subject to best price and execution, Davis Advisors may place orders for Davis Funds' portfolio transactions with broker-dealers who have sold shares of Davis Funds. In placing orders for Davis Funds' portfolio transactions, Davis Advisors does not commit to any specific amount of business with any particular broker-dealer. However, when Davis Advisors places orders for Davis Funds' portfolio transactions, it does not give any consideration to whether a broker-dealer has sold shares of Davis Funds.

Over the last three years the Fund paid the following brokerage commissions:

| | <i>For the Year ended December 31,</i> | | |
|--|--|-------------|-------------|
| | <u>2008</u> | <u>2007</u> | <u>2006</u> |
| <u>Davis Value Portfolio</u> | | | |
| Brokerage commissions paid: | \$201,857 | \$156,917 | \$164,357 |
| Brokerage as a percentage of average net assets: | 0.04% | 0.02% | 0.02% |

Performance History

Davis Value Portfolio was first offered to the public on July 1, 1999. However, Davis Advisors has been managing accounts in a similar style for a number of years. The performance results presented in the table that follows should not be considered predictive of the future performance of the Fund. **The Fund's performance may be either higher or lower than the following Composite.**

The performance history for Davis Large Cap Value Composite includes all accounts with investment objectives, policies and strategies substantially similar (although not necessarily identical) to those used by Davis Advisors in managing the Davis Value Portfolio. Mutual funds and private accounts may also be included in the performance history. Private accounts are not subject to certain investment limitations, diversification requirements and other restrictions imposed by the Investment Company Act of 1940 and the Internal Revenue Code, which, if applied, might adversely affect the performance results.

The performance history compares the Davis Large Cap Value Composite on an annualized, asset-weighted basis against the S&P 500® Index. Composite performance is presented net of the Fund's maximum annual operating expenses of 1%. Davis Advisors is contractually committed to waive fees and/or reimburse the Fund's expenses to the extent necessary to cap total annual fund operating expenses at 1% until May 1, 2010, after that date, there is no assurance that expenses will be capped. What the Fund's expense ratio would have been without the expense cap is discussed in the Financial Highlights table. The Composite performance is computed using an internal time-weighted rate of return for each account (including every private account and mutual fund in the composite), weighted for the relative size of each account using beginning-of-period values.

The insurance company's charges would have lowered the following Composite Returns. The calculation used to measure the performance of a composite is different from the standardized SEC method used to measure the performance of a single mutual fund.

THE FOLLOWING PERFORMANCE INFORMATION FOR DAVIS ADVISORS DOES NOT REPRESENT THE PERFORMANCE OF DAVIS VALUE PORTFOLIO.

Davis Large Cap Value Composite Returns

For the periods ended December 31, 2008

| | Past 1 Year | Past 5 Years | Past 10 Years | Since January 1, 1970 |
|--|--------------------|---------------------|----------------------|------------------------------|
| Davis Large Cap Value Composite | (40.14)% | (2.25)% | 1.09% | 11.15% |
| S&P 500® Index | (37.00)% | (2.19)% | (1.38)% | 9.48% |

As of December 31, 2008, the composite included 197 accounts with aggregate assets of approximately \$49.6 billion.

Compensation

Davis Advisors' compensation from the Fund for its services (based on average net assets) for the year ended December 31, 2008, was as follows:

Davis Value Portfolio 0.75%

Every year the Board of Directors considers whether to re-approve the advisory and sub-advisory agreements. The basis for their decision is included in the Fund's Semi-Annual Report.

Investment Professionals

Christopher C. Davis has served as Portfolio Manager of Davis Value Portfolio since the inception of the Fund on July 1, 1999, and also manages other equity funds advised by Davis Advisors. He has served as Portfolio Manager of various equity funds managed by Davis Advisors since October 1995. Mr. Davis served as Assistant Portfolio Manager and Research Analyst working with Shelby M.C. Davis from September 1989 through September 1995.

Kenneth Charles Feinberg has served as Portfolio Manager of Davis Value Portfolio since the inception of the Fund on July 1, 1999, and also manages other equity funds advised by Davis Advisors. He has served as Portfolio Manager of various equity funds managed by Davis Advisors since May 1997. Mr. Feinberg started with Davis Advisors as a Research Analyst in December 1994.

In addition, a limited portion of the Fund's assets may be managed by Davis Advisors' research analysts, subject to review by the Fund's Portfolio Managers.

The Statement of Additional Information provides additional information about the Portfolio Managers' compensation, other accounts managed by the Portfolio Managers, and the Portfolio Managers' investments in the Fund.

OTHER INFORMATION

Disclosure Documents and Not a Contract

The Fund's prospectus, Statement of Additional Information, Annual and Semi-Annual Reports, and other documents are disclosure documents and not contracts. These documents will be updated and amended from time to time to reflect changing laws, rules, and operations. An investor's rights as a shareholder in the Fund are governed by the most current documents as they are updated and amended from time to time.

Purchase and Redemption of Shares

Insurance companies offer variable annuity and variable life insurance products through separate accounts. Separate accounts, not variable product owners, are the shareholders of the Fund. Variable product owners hold interests in separate accounts. The terms of the offering of interests in separate accounts are included in the variable annuity or variable life insurance product prospectus. Only separate accounts of insurance companies that have signed the appropriate agreements with the Fund can buy or sell shares of the Fund.

Right to Reject or Restrict Any Purchases or Exchange Order

Purchases and exchanges should be made primarily for investment purposes. The Fund may reject, restrict, or cancel, without any prior notice, any purchase orders for any reason. For example, the Fund does not allow market timing because short-term trading or other excessive trading into and out of the Fund may harm performance by disrupting portfolio management strategies and by increasing expenses. As described in the next paragraph, almost all of the Fund's shareholders invest in the Fund through omnibus accounts maintained by insurance companies. We request that the insurance companies offering variable annuity and variable life insurance products discourage frequent trading by contract owners. Although we do not allow market timing there can be no guarantee that the Fund will be successful in curbing abusive short-term transactions.

Excessive Trading Practices

The Fund discourages short-term or excessive trading, often referred to as "market timing," and intends to seek to restrict or reject such trading, or take other action, if in the judgment of Davis Advisors such trading may be detrimental to the interests of the Fund and its long-term shareholders. Market timing strategies may dilute the value of Fund shares held by long-term shareholders, interfere with the efficient management of the Fund's portfolio, and increase brokerage and administrative costs.

The Board of Directors has adopted policies and procedures with respect to the frequent purchases and redemption of fund shares. Currently, four round-trip exchanges between Davis Funds are allowed during any twelve month period. To the extent reasonably feasible, the Fund's market timing procedures apply to all shareholder accounts and neither the Fund nor Davis Advisors have entered into agreements to exempt any shareholder from application of either the Fund's or a financial intermediary's market-timing procedures, as applicable.

Shareholders seeking to engage in excessive trading practices may employ a variety of strategies to avoid detection. The ability of the Fund to detect and curtail excessive trading practices may also be limited by operational systems and technological limitations. The Fund receives purchase exchange and redemption orders from insurance companies who maintain omnibus accounts with the Fund. Omnibus account arrangements permit insurance companies to aggregate their clients' transaction and ownership

positions. The Fund's ability to detect excessive trading practices is limited. The insurance company through which you purchase your variable annuity or variable life contract may impose transfer limitations and other limitations designed to curtail excessive trading. Please refer to your variable annuity or variable life contract for details.

Pricing of Shares

The Fund prices its shares based upon the total value of the Fund's investments. Your account balance may change daily because the share price may change daily. The value of one share of a Fund, also known as the net asset value, or NAV, is calculated at 4 p.m. on each day the New York Stock Exchange is open or as of the time the Exchange closes, if earlier.

Valuation of Portfolio Securities

Fund shares are purchased at the net asset value and/or sold at the net asset value next determined after Davis Funds' transfer agent receives your request to purchase or sell shares in good order.

The Fund's portfolio securities are valued primarily on the basis of market quotations. However, Davis Funds have adopted procedures for making "fair value" determinations if market quotations are not readily available. The Fund uses fair value prices any time Davis Advisors concludes that reliable market quotations for the Fund's portfolio securities are not readily available from an approved third party pricing service or from independent brokers. Examples of when fair value pricing may be used include when the Fund holds illiquid or thinly traded securities and securities whose values have been affected by a significant event occurring after the close of their primary markets. Davis Funds use an independent vendor to assist in fair value pricing of foreign securities when deemed appropriate. The use of fair value pricing by the Fund may cause the net asset value of its shares to differ significantly from the net asset value that would be calculated using last reported prices.

Some of the Fund's securities may be traded in markets that close at a different time than when the Fund's shares are priced. Events affecting portfolio values that occur after the time that such markets close, and the time the Fund's shares are priced, may result in the use of fair value pricing, as described above. Likewise, because foreign securities trade in markets and exchanges that operate on U.S. holidays and weekends, the values of some of the Fund's foreign investments might change significantly on those days when investors cannot buy or redeem shares. Davis Funds have adopted procedures designed to identify and react to significant events in foreign markets that would have a material effect on a Fund's net asset value. Notwithstanding, the net asset value of a Fund's shares may change on days when shareholders will not be able to purchase or redeem Fund shares.

Securities denominated in foreign currencies and traded in foreign markets will have their values converted into U.S. dollar equivalents at the prevailing exchange rates as computed by State Street Bank and Trust. Fluctuation in the values of foreign currencies in relation to the U.S. dollar may affect the net asset value of a Fund's shares even if there has not been any change in the foreign currency prices of that Fund's investments.

Portfolio Holdings

A description of Davis Funds' policies and procedures with respect to the disclosure of the Fund's portfolio holdings is available in the Fund's Statement of Additional Information. The Fund's portfolio holdings are published and mailed to shareholders twice a year in the Annual and Semi-Annual Reports, which are mailed approximately 60 days after the end of the Fund's second and fourth fiscal

quarters. In addition, the Fund files its portfolio holdings with the SEC four times a year, 60 days after the end of each fiscal quarter.

Mixed and Shared Funding

Shares of the Fund are offered in connection with mixed and shared funding, i.e., to separate accounts of insurance companies funding variable annuity and variable life insurance policies. Due to differences in tax treatment and other considerations the interests of various contract holders investing in separate accounts investing in the Fund may conflict. Mixed and shared funding may present certain conflicts of interest. For example, violation of the federal tax laws by one separate account investing in a Fund could cause owners of contracts and policies funded through another separate account to lose their tax-deferred status, unless remedial action were taken. The Board of Directors of the Fund will monitor for the existence of any material conflicts and determine what action, if any, should be taken. A Fund's net asset value could decrease if it had to sell investment securities to pay redemption proceeds to a separate account withdrawing because of a conflict.

Federal Income Taxes

Variable product owners seeking to understand the tax consequences of their investment should consult with their tax advisers, the insurance company that issued their variable product, or refer to their variable annuity or variable life insurance product prospectus.

Insurance company separate accounts generally do not pay tax on dividends or capital gain distributions from the Fund.

Dividends and Distributions

Davis Value Portfolio generally declares and pays dividends and short- and long-term capital gains, if any, annually. All dividends and capital gains are paid to separate accounts of participating insurance companies. At the election of these companies, dividends and distributions are automatically reinvested at net asset value in shares of the Fund.

Distribution Plans

The Fund has adopted a plan under Rule 12b-1 allowing the payment of up to 0.25% for distribution expenses. Currently the Fund does not make, and does not intend to make, any payments under this plan. If, in the future, the Fund begins making payments under the plan, then these fees would be paid out of the Fund's assets on an ongoing basis. Over time, these fees would increase the cost of your investment and may cost you more than paying other types of sales charges.

Fees Paid to Financial Intermediaries

In 2008, Davis Advisors and its affiliates were charged additional fees by the insurance companies listed below. The amount of the fee is negotiated with each insurance company. Such payments were for administrative services and investor support services, and do not constitute payment for investment advisory, distribution or other services. Payment of such fees by Davis Advisors or its affiliates does not increase the fees paid by the Fund or its shareholders. Insurance companies may be added or deleted at any time.

Allianz Life Insurance Company of New York; Allianz Life Insurance Company of North America; American Skandia Life Assurance Corporation; Annuity Investors Life Insurance Company; Great-West Life & Annuity Insurance Company; The Guardian Insurance & Annuity Company, Inc.; Horace

Mann Life Insurance Company; Merrill Lynch Life Insurance Company; Nationwide Financial Services, Inc.; New York Life Insurance and Annuity Corporation; Pruco Life Insurance Company; and Pruco Life Insurance Company of New Jersey; Standard Insurance Company; Transamerica Life Insurance Company (name change from PFL Life Insurance Company).

Investors should consult their financial intermediary regarding the details of the payments they receive in connection with the sale of Fund shares.

Financial Highlights

The following table is designed to show you the financial performance of Davis Value Portfolio for the five years ended December 31, 2008, assuming that all dividends and capital gains have been reinvested. Some of the information reflects financial results for a single Fund share. The total returns represent the rate at which an investor would have earned (or lost) money on an investment in the Fund.

The information has been audited by KPMG LLP. KPMG LLP's report, along with the Fund's financial statements, is included in the Annual Report, which is available upon request.

DAVIS VARIABLE ACCOUNT FUND, INC.
FINANCIAL HIGHLIGHTS
DAVIS VALUE PORTFOLIO

Financial Highlights for a share of capital stock outstanding throughout each period:

| | Year ended December 31, | | | | |
|--|--------------------------------|-------------|-------------|-------------|----------------|
| | 2008 | 2007 | 2006 | 2005 | 2004 |
| Net Asset Value, Beginning of Period | \$ 14.48 | \$ 14.58 | \$ 12.77 | \$ 11.78 | \$ 10.57 |
| Income (Loss) from Investment Operations: | | | | | |
| Net Investment Income | 0.13 | 0.17 | 0.11 | 0.12 | 0.09 |
| Net Realized and Unrealized Gains (Losses) | (6.00) | 0.51 | 1.81 | 0.99 | 1.21 |
| Total from Investment Operations | (5.87) | 0.68 | 1.92 | 1.11 | 1.30 |
| Dividends and Distributions: | | | | | |
| Dividends from Net Investment Income | (0.12) | (0.17) | (0.11) | (0.11) | (0.09) |
| Distributions from Realized Gains | (0.23) | (0.61) | — | — | — |
| Return of Capital | — | — | — | — | — ⁴ |
| Distributions in Excess of Net Investment Income | — | — | — | (0.01) | — |
| Total Dividends and Distributions | (0.35) | (0.78) | (0.11) | (0.12) | (0.09) |
| Net Asset Value, End of Period | \$ 8.26 | \$ 14.48 | \$ 14.58 | \$ 12.77 | \$ 11.78 |
| Total Return ¹ | (40.32)% | 4.64% | 15.00% | 9.44% | 12.33% |
| Ratios/Supplemental Data: | | | | | |
| Net Assets, End of Period (000 omitted) | \$333,152 | \$658,699 | \$771,828 | \$620,369 | \$684,723 |
| Ratio of Expenses to Average Net Assets: | | | | | |
| Gross | 0.82% | 0.81% | 0.81% | 0.81% | 0.81% |
| Net ³ | 0.82% | 0.81% | 0.81% | 0.81% | 0.81% |
| Ratio of Net Investment Income to Average | | | | | |
| Net Assets | 0.98% | 1.11% | 0.83% | 0.87% | 0.87% |
| Portfolio Turnover Rate ² | 17% | 9% | 19% | 14% | 4% |

- ¹ 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 do not reflect charges attributable to your insurance company's separate account. Inclusion of these charges would reduce the total returns shown.
- ² 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.
- ³ The Net ratio of expenses to average net assets reflects the impact, if any, of the reduction of expenses paid indirectly and of certain reimbursements from the Adviser.
- ⁴ Less than \$0.005 per share.

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OBTAINING ADDITIONAL INFORMATION

Additional information about the Fund's investments is available in the Fund's **Annual and Semi-Annual Reports** to shareholders. In the Fund's Annual Report, you will find a discussion of the market conditions and investment strategies that significantly affected the Fund's performance during its last fiscal year. The **Statement of Additional Information** provides more detailed information about the Fund and its management and operations. The Statement of Additional Information and the Fund's Annual and Semi-Annual Reports are available, without charge, upon request.

The Fund's Statement of Additional Information and Annual Report have been filed with the Securities and Exchange Commission, are incorporated by reference, and are legally a part of this prospectus.

WHERE YOU CAN GET THESE DOCUMENTS:

- **From your Insurance Company or your Account Representative.** Your insurance company or account representative can provide you with copies of these documents.
- **On the Internet.** Visit the SEC website (www.sec.gov).
- **From the SEC.** Additional copies of the registration statement can be obtained, for a duplicating fee, by writing the Public Reference Section of the SEC, Washington, DC 20549-0102, or by sending an electronic request to publicinfo@sec.gov. Reports and other information about the Fund are also available by visiting the SEC website (www.sec.gov). For more information on the operations of the Public Reference Room, call 1-202-942-8090.

