

DCM

DAVIS CAPITAL MANAGEMENT

Brochure Form ADV Part 2A Dated 01/30/2024

ITEM 1 - COVER PAGE



This brochure provides information about the qualifications and business practices of Davis Capital Management. If you have any questions about the contents of this brochure, please contact us at (904) 223-0510 or visit us at www.daviscapitalsite.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

The fact that Davis Capital Management is a registered investment advisor does not imply a certain level of skill or training or any endorsement by any federal or state regulatory authority.

Additional information about Davis Capital Management is also available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by using a unique identifying number known as a CRD and the CRD number for Davis Capital Management is 149014. Davis Capital Management is located at 4788 Hodges Blvd, Suite 201, Jacksonville, FL 32224.

ITEM 2 - MATERIAL CHANGES

On July 28, 2010, the US Securities and Exchange Commission (herein referred to as the "SEC") voted unanimously to adopt amendments to Part 2 of Form ADV and related rules under the Investment Advisers Act of 1940 (the "Advisers Act"). The amendments are designed to require a registered investment advisor to provide clients with a clearly written and meaningful disclosure, in plain English, about the advisor's business practices, conflicts of interest, advisory personnel and other information that will help prospective clients make informed decisions. The new Form ADV 2 is divided into two parts, Part 2A and Part 2B.

Part 2A of the new form referred to as (the "Brochure" or "Firm Brochure") provides information about a variety of topics relating to an advisor's business practices and conflicts of interest. Part 2B of the new form (the "Brochure Supplement") requires an advisor to provide information about certain advisory personnel.

Davis Capital Management believes that communication and transparency are the foundation of our relationship and continually strive to provide our clients with complete and accurate information at all times. We encourage all current and prospective investors to read this Brochure and discuss any questions you may have with us.

Consistent with the new rule, Davis Capital Management will provide clients a summary of any material changes to this and any subsequent brochures within 120 days of the close of Davis Capital Management's fiscal year, which ends December 31. Furthermore, Davis Capital Management will provide clients with other interim disclosures about material changes, as necessary. Our Brochure may be requested by calling (904) 223-0510 or by visiting our website at www.daviscapitalsite.com.

The following summarizes the material changes made to Davis Capital Management's Firm Brochure from the prior version of this brochure. Tom DaMour joined our firm as a private wealth advisor on 11/1/2023 and Troy Lerche joined as a private wealth advisor on 1/1/2024. Ronald Heymann is no longer a minority partner of the firm and his shares were purchased by the existing partner group.

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ITEM 4 - ADVISORY BUSINESS

The following are brief descriptions of our primary services. A detailed description of Davis Capital Management's services is provided in the Fees and Compensation section, so that clients and prospective clients can review the services and description of fees in a side-by-side manner.

Portfolio Management Services

We provide advisory services in the form of Portfolio Management Services. Portfolio Management Services involve providing clients with continuous and on-going supervision over client accounts. This means that Davis Capital Management will continuously monitor a client's account and make trades in client accounts when necessary. All assets are held in separately managed accounts with clients retaining full ownership.

Automated Investment Program - Charles Schwab

We previously but no longer, offered an automated investment program (the "Program") through which clients are invested in a range of investment strategies we have constructed and manage, each consisting of a portfolio of exchange traded funds ("ETFs") and a cash allocation. The client may instruct us to exclude up to three ETFs from their portfolio. The client's portfolio is held in a brokerage account opened by the client at Charles Schwab & Co., Inc. ("CS&Co"). We use the Institutional Intelligent Portfolios® platform ("Platform"), offered by Schwab Performance Technologies ("SPT"), a software provider to independent investment advisors and an affiliate of CS&Co., to operate the Program. We are independent of and not owned by, affiliated with, or sponsored or supervised by SPT, CS&Co., or their affiliates (together, "Schwab"). We are the client's investment advisor and are responsible for determining the appropriateness of the Program for the client, choosing a suitable investment strategy and portfolio for the client's investment needs and goals, and managing that portfolio on an ongoing basis. We have contracted with SPT to provide us with the Platform, which consists of technology and related trading and account management services for the Program. The Platform enables us to make the Program available to clients online and includes a system that automates certain key parts of our investment process (the "System"). The System includes an online questionnaire that helps us determine the client's investment objectives and risk tolerance and select an appropriate investment strategy and portfolio. Clients should note that we will recommend a portfolio via the System in response to the client's answers to the online questionnaire. The client may then indicate an interest in a portfolio that is one level less or more conservative or aggressive than the Davis Capital Management recommended portfolio, but we then make the final decision and select a portfolio based on all the information we have about the client. The System also includes an automated investment engine through which we manage the client's portfolio on an ongoing basis through automatic rebalancing and tax-loss harvesting (if the client is eligible and elects).

We do not pay SPT fees for the Platform so long as we maintain \$100 million in client assets in accounts at CS&Co. that are not enrolled in the Program. If we do not meet this condition, then we pay SPT an annual licensing fee of .10% (10 basis points) on the value of our clients' assets in the Program. This fee arrangement gives us an incentive to recommend or require that our clients with accounts not enrolled in the Program be maintained with CS&Co.

Qualified Plan Consulting

We offer several advisory services for corporate retirement plans, separately or in combination. In performing fiduciary advisory services for participant-directed 401(k) plans, Davis Capital Management is a fiduciary and a Section 3(38) Investment Manager under ERISA. Fiduciary advisory services for 401(k) plans include:

1. Discretionary authority to select, monitor, remove, and replace the investment alternatives available to plan participants under the terms of the plan. DCM screens mutual funds using a proprietary filtering process based on generally accepted investment theories.
2. Discretionary authority to develop and amend a formal written Investment Policy Statement (IPS), which establishes the specific standards and processes for investment operations of the plan.
3. Construction and management of asset-allocation model portfolios from which participants may choose. These asset allocation model portfolios utilize the underlying investment options made available to plan participants. Models are constructed to provide a range of asset allocation models based on generally accepted investment theories.

DCM does not provide fiduciary investment advisory services to participants at a participant level, only at the plan level. However, DCM provides investment education and guidance to participants so that participants may choose an allocation strategy or portfolio from the available mutual funds that meets their needs, objectives, time horizon, and risk tolerance.

Financial Planning Services

We offer advisory services in the form of financial planning services. Financial planning services do not involve the active management of client accounts, but instead focus on a client's overall financial situation. Financial planning can be described as helping individuals determine and set their long-term financial goals, through investments, tax planning, asset allocation, risk management, retirement planning, and other areas. The role of a financial planner is to find ways to help the client understand his/her overall financial situation and help the client set financial objectives.

Limits Advice to Certain Types of Investments We provide investment advice on the following types of investments.

- Exchange-listed securities (i.e. stocks)
- Securities traded over the counter (i.e. stocks)
- Foreign Issues
- Warrants
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Variable life insurance
- Variable annuities
- Mutual fund shares
- United States government securities
- Options contracts on securities
- Interests in partnerships investing in real estate
- Options contracts
- Futures contracts
- Oil and gas interests
- Master Limited Partnerships (MLPs)
- Private Placements
- Alternative Investments

When providing Portfolio Management Services, the firm will typically construct each client's account holdings using bonds, equities, ETFs, mutual funds, and alternative investments to build diversified portfolios. It is not Davis Capital Management's typical investment strategy to attempt to time the market, but we may increase cash holdings as deemed appropriate based on your risk tolerance and short- and long-term goals. We may modify our investment strategy to accommodate special situations like: low basis stock, stock options, legacy holdings, inheritances, closely held businesses, collectibles, or special tax situations.

Tailor Advisory Services to Individual Needs of Clients

Our services are provided based on the individual needs of each client. This means, for example, that you are given the ability to impose restrictions on the accounts we manage for you, including specific investment selections and sectors. Davis Capital Management works with each client on a one-on-one basis through interviews and questionnaires to determine the client's investment objectives and suitability information.

Davis Capital Management does not participate in a wrap fee program.

Client assets managed by Davis Capital Management, LLC. The amount of client's assets managed by Davis Capital management total approximately \$179,245,000 as of January 23, 2023. \$179,245,000 is managed on a discretionary basis and none is managed on a non-discretionary basis.

ITEM 5 - FEES AND COMPENSATION

In addition to the information provide in - Advisory Business, this section provides details regarding Davis Capital management LLC's services along with descriptions of each service's fees and compensation arrangements.

Portfolio Management Services

Most clients receiving this Disclosure Brochure will be signing up for our portfolio management service which can best be defined as giving continuous investment advice to a client and making investments for the client based on the individual needs of the client. Through this service, we offer a highly customized and individualized investment program for each client. A specific investment strategy is crafted to focus on the specific client's goals and objectives.

We provide our portfolio management service through accounts maintained at a qualified custodian. Qualified custodians include, but are not limited to, registered broker/dealers, banks offering trust services and variable annuity product sponsors. We are also able to manage retirement and variable annuity accounts held at select broker/dealers and qualified custodians, conditional upon availability. As a condition of this program, Davis Capital Management will be granted discretionary trading authorization on the client's account. This enables us to move client funds among stocks, bonds, ETFs, mutual funds or other investments at our discretion.

You are always responsible for notifying us of any changes to your financial situation or investment objectives. We are always reasonably available to consult with you relative to the status of your accounts under our management. Your beneficial interest in a security does not represent an undivided interest in all the securities held by the custodian, but rather represents your direct and beneficial interest in the securities which comprise your accounts. A separate account is always maintained for every client with the broker-dealer/custodian and you retain all rights of ownership to your accounts (e. g. right to withdraw securities or cash, exercise or delegate proxy voting, and receive transaction confirmations).

As described in Advisory Business, clients do not pay fees to SPT or brokerage commissions or other fees to CS&Co.as part of the Program. Schwab does receive other revenues in connection with the Program. Brokerage arrangements are further described below in Brokerage Practices.

Administrative Services Provided by Advent Software INC. Davis Capital Management has contracted with Advent Software INC (referred to as "ADVENT") to utilize its technology platforms to support data reconciliation, performance reporting, fee calculation and billing, research, client database maintenance, monthly performance evaluations, payable reports, and other functions related to the administrative tasks of managing client accounts. Due to this arrangement, ADVENT will have access to client accounts, but ADVENT will not serve as an investment advisor to Davis Capital Management clients. Davis Capital Management and ADVENT are non-affiliated companies.

Fees for Portfolio Management Services

Davis Capital Management charges an annual percentage-based fee for portfolio management services. The annual fee is based on the fair market or agreed upon value of the client's account assets determined as of the last business day of each calendar month. Annual fees are divided by 12 and payable monthly in arrears. The following is a sample fee schedule provided for illustrative purposes.

Less than to \$499,999	1.50%
\$500,000 to \$1,000,000	1.25%
\$1,000,000 to \$5,000,000	1.00%
\$5,000,000 and above	.75%

Davis Capital Management LLC calculates its management fee against all assets in the investment account, unless specifically excluded. Therefore, fee calculations include cash balances invested in money market funds, short-term investment funds, ETFs, mutual funds, the entire market value of margined assets and short positions (if any), alternative investments (if any), and all other investment holdings. The exact services and fees will be agreed upon and disclosed in the agreement for services prior to services being provided. Fees may be negotiable based on factors such as the client's financial situation and circumstances, the amount of assets under management, and the overall complexity of the services provided.

Financial Planning Provided Under Portfolio Management Services

For some clients, we provide financial planning services under several formats at the client's specific direction. For clients that have at least \$100,000 under our management, we offer comprehensive financial planning, included as part of the annual percentage-based fee for Portfolio Management Services. We will consider waiving the \$100,000 minimum on a case-by-case basis.

The financial planning services we provide may be specific or modular in their preparation (unique to each client in their depth of preparation). Topics included as part of the financial planning services may include, but are not necessarily limited to, the following:

1. Organization and assessment
2. Retirement planning
3. Education planning
4. Long-term care
5. Insurance planning
6. Debt management
7. Investments
8. Tax planning
9. Estate planning
10. Life events

We will interview and consult with each client to determine the client's personal financial situation and objectives and to analyze the client's financial documentation. As applicable, we then review the client's assets and liabilities, investment portfolio, retirement plan, education plan, risk management plan, risk tolerance, and estate plan, as well as other areas relevant to the client's financial health. We then provide an executive summary, highlighting the plan of action.

We meet with each client to explain the financial plan and our recommendations. Furthermore, we are available to work with the client throughout the year to implement the plan. The plan is updated to consider changes in the client's financial situation as well as changes in the investment markets, tax laws, estate planning laws, and so on. The client is ultimately responsible for communicating changes in circumstances to Davis Capital management so that we can provide the most accurate advice and counsel possible. Our wealth advisors are available to assist with the implementation of the plan and to

answer any client questions, but the client is ultimately responsible for the implementation or rejection of our recommendations. This means you are never obligated or required to implement our recommendations.

To the extent that margin is employed in the management of the client's investment portfolio, the market value of the client's account will be increased. Therefore, the corresponding fee payable by the client to Davis Capital Management will be increased because Davis Capital management includes the margin balance in the client's overall management fee calculation. As a result, in addition to understanding and assuming the additional principal risks associated with the use of margin, clients authorizing margin are advised of the conflict of interest between Davis Capital Management and the client whereby Davis Capital Management may encourage the use of margin because it will increase the management fee payable to us. We control for this conflict of interest by allowing margin accounts only when requested by the client and/or when using margin would be beneficial for client's overall circumstances.

Fees are generally deducted directly from the client's account. You will need to provide the custodian with written authorization to have fees deducted from the account and paid to Davis Capital Management. The custodian will send client statements, at least quarterly, showing all disbursements for the account including the amount of the advisory fee, if deducted directly from the account.

Brokerage fees and/or transaction ticket fees charged by the custodian will be charged directly to each client's account. We do not receive any portion of such commissions or fees from the custodian or from clients. Management fees charged by Davis Capital Management are separate and distinct from the fees and expenses charged by mutual funds, exchange traded funds, annuities, private investments or investment company securities that may be recommended to clients. A description of these fees and expenses are available in each investment company security's prospectus.

Portfolio management services may be terminated by either party at any time. If services are terminated, fees due are pro-rated based on the period Davis Capital management managed the assets prior to termination. The date of termination will be used to calculate the final fee payment. Once we are notified of an account termination, we will take no further action on the account. Any fee credits granted for customer service issues or annuity surrender fees will be forfeited if you close or transfer your account before the credits have been fully applied.

Financial Planning for Fee

At our discretion, we may enter into an engagement with a client to create a one-time, customized financial plan on a fee basis. Davis Capital management rarely agrees to enter into such an arrangement. Such a plan will include topics described in the preceding section as agreed upon by Davis Capital Management and the client. Fees for such a plan are determined on a case-by-case basis, based on the level of expertise and sophistication required to deliver such a plan. However, fees are generally charged on a fixed fee basis ranging between \$3,000 and \$15,000 depending on the breadth of services provided, the complexity of the client's situation, and the advisory representative providing services to the client. Prior to commencing financial planning services, the client will be required to enter into an agreement for services.

Termination of Agreement

A Client may terminate any of the agreements at any time by notifying Davis Capital Management in writing and paying the rate for the time spent on the investment advisory engagement prior to notification of termination. Davis Capital Management may terminate any of the agreements at any time by notifying the client in writing.

Expense Ratios

Mutual funds and Exchange-Traded Funds generally charge a management fee for their services as investment managers. The fund management fee is called the expense ratio. For example, an expense ratio of 0.50 means that the mutual fund

company charges 0.5% for their services. These fees are in addition to the fees paid by you to Davis Capital Management. Performance figures quoted by mutual fund companies in various publications and websites are after their fees have been deducted, so are the net investment returns an investor receives. Because of the hidden nature of these fees DCM generally avoids the use of mutual funds as an investment.

Past Due Accounts and Termination of Agreement

Davis Capital Management reserves the right to stop work on any account that is more than 30 days overdue. In addition, Davis Capital Management reserves the right to terminate any financial planning engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in Davis Capital Management judgment, to providing proper financial advice.

Additional Fees and Expenses

Davis Capital Management's clients may incur certain fees or charges imposed by third-parties, other than Davis Capital Management, in connection with investments made on behalf of the client's account(s). The client is responsible for all custodial and securities execution fees charged by the custodian and executing broker-dealer. The investment advisory fee charged by Davis Capital Management is separate and distinct from these custodian and execution fees. Davis Capital Management will provide each client with a schedule of brokerage transaction fees. In addition, all fees paid to Davis Capital Management for investment advisory services are separate and distinct from the expenses charged by mutual funds and exchange-traded funds to their shareholders. Davis Capital Management will provide each client with a schedule of brokerage transaction fees.

Pre-Payment of Fees

At no time will Davis Capital Management require any pre-payment of fees.

Commission-Based Fees

Davis Capital Management and its Investment Advisor Representatives (IARs) do not receive any commission-based compensation while providing investment advisory services to the client. Davis Capital Management does not have or employ any employee that receives any compensation from the sale of securities or investments that are purchased or sold for client account(s) or to which Davis Capital Management provides consulting expertise or services. As a result, Davis Capital Management is a fee-only investment adviser.

Non-Supervisory Hourly Consulting Fees

Other than initial consultation fee waiver, consultation fees will be charged to the client at an hourly rate of \$250.00. Consulting fees are waived who hire Davis Capital Management for investment management.

Fee Revisions

Davis Capital Management, in its sole discretion, may waive any fee, negotiate or charge a lesser management fee, based on certain criteria (i.e., future additional assets, account composition, pre-existing client relationship and complexity of services, etc.).

Fee Authorization

Upon opening an account with the Custodian, written authorization will be provided by the client to have fees

deducted from the client brokerage account and paid to Davis Capital Management. The client shall authorize the custodian of the account to pay Davis Capital Management's management fee directly from the account(s), as invoiced by Davis Capital Management. The Custodian may rely on the invoices submitted by Davis Capital Management. A copy of all invoices will be mailed, emailed, or delivered through Black Diamond to the client for the client's records. Fees for non-supervisory hourly consulting services are due at time of service and payable by client.

ITEM 6 - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Davis Capital Management does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client) or side-by-side management fees.

ITEM 7 - TYPES OF CLIENTS

We provide our services to a number of clients including:

- Individuals, including those with high-net-worth.
- Banks or thrift institutions.
- Trusts and estates.
- Endowments, foundations, and other charitable organizations.
- Corporations and other business entities.
- Pension and profit-sharing plans.

Account Minimums

Client accounts are generally \$500,000 or greater and Davis Capital Management sets our account minimums at \$500,000. Davis Capital Management has the discretion to waive the account minimum under certain circumstances.

ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Methods of Analysis

Davis Capital Management's core investment philosophy seeks preservation of capital. Our investment process is designed to manage risk by way of portfolio diversification and disciplined active management. We utilize mostly large capital equities in an effort to supply short-term preservation of capital and long-term growth of assets.

In order to formulate sector weighting, DCM's top-down analysis uses current micro and macroeconomic reviews, Wall Street analysis, and third-party research. Once we have assigned percentages to each sector, we use bottom-up analysis for security selection. This security selection process employs an in-depth fundamental and technical analysis of specific issues being considered for purchase and compares its relative strength and risk to peers in its sector. This analysis is crucial in maintaining DCM's philosophy of capital preservation, risk management, and asset appreciation.

Portfolio Building

Before we build any client portfolios, clients are interviewed so we may ascertain each client's specific financial goals and risk tolerance. Based on a client's goals and risk tolerance, we develop a custom asset allocation that fits their situation. We offer two types of managed equity accounts to suit client's needs. Larger accounts are placed in our equity builder model which consists of individual stocks, bonds and exchange traded funds. Because it may be cost prohibitive to rebalance smaller accounts using individual stocks we would use suitable ETF's when needed.

All equity portfolios under DCM management are diversified and sector weighted. Chief considerations while building a portfolio are company growth and economic sentiment though risk reduction through diversification remains the focus. In line with this philosophy, DCM discipline mandates that no individual sector shall be greater than 25% of the total portfolio and no individual security exceed 3% of the total assets. Once fully invested, equity portfolios typically contain 35 to 45 positions to further diminish individual security risk. ETF based portfolios will generally have less than 20 equity issues due to their diversified nature. DCM constantly reviews both price target and sector performance in order to fulfill both defensive and opportunistic investment strategies.

When We Buy

We buy companies, not stocks. With such, before DCM even considers purchasing a security, we go through a rigorous due diligence process. First, we do a top-down analysis of market conditions which utilizes the following: predictions of growth for the world's major economies, commodity price forecasts, interest rates, wage pressure, job growth, PPI, CPI, GDP, and other indicators. Next, we begin the bottom-up approach to individual companies by gathering and evaluating SEC filings and disclosures, listening to conference calls, reviewing industry research and trade publications, and cross checking with third party analyst's research. Selection criteria include consistent and predictable earnings, solid fundamentals, strong management, and reasonable valuations.

When We Sell

How we exit a security is just as important as how we buy a security. We may sell all or part of a position for the following various reasons: We will exit the position if the stock reaches its intrinsic value or our set target price. If there is significant stock appreciation in a short period of time we will decrease our position in order to maintain our margin of safety and lock in gains. We will liquidate a position if our investment thesis no longer remains intact, due to business deterioration or company strategy change.

Risk Controls

DCM primarily defines risk as the loss of principal, and secondarily as underperformance relative to our benchmark (S&P 500 index). If DCM believes that the market has more downside risk than upside opportunity, then we will lower the overall beta of the portfolio and shift to sectors that historically outperform when the market declines. Our short-term focus is on capital preservation and with that in mind; we will rotate between value and growth in sectors based on the firm's overall risk/reward assessment.

Risk of Loss

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

Interest-rate Risk

Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

Market Risk

The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.

Inflation Risk

When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.

Currency Risk

International investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

Reinvestment Risk

This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.

Business Risk

These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

Liquidity Risk

Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.

Financial Risk

Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

ITEM 9 - DISCIPLINARY INFORMATION

No legal or disciplinary events exist Davis Capital Management, its management, its representatives, or its related persons. Davis Capital Management encourages clients and prospective clients to perform the requisite due diligence on any advisor or service provider in which you partner. Background information on Davis Capital Management and other advisors can be found at FINRA's Broker Check online at www.finra.org/brokercheck and/or through the SEC's Investment Adviser Public Disclosure (IAPD) website at www.adviserinfo.sec.gov. To review the firm information for Davis Capital Management, click Investment Adviser Search and enter 149014 (our firm's CRD number) in the field labeled "Firm IARD/CRD Number". This will provide access to Form ADV Parts 1 and 2.

ITEM 10 - OTHER FINANCIAL INFORMATION AND AFFILIATIONS

Financial Industry Activities

Davis Capital Management is not registered as a securities broker-dealer, or a futures commission merchant, commodity pool operator or commodity trading advisor.

Affiliations

Davis Capital Management has no arrangements that are material to its advisory or its clients with a related person who is a broker-dealer, investment company, other investment advisor, financial planning firm, commodity pool operator, commodity trading adviser or futures commission merchant, banking or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer, or an entity that creates or packages limited partnerships.

ITEM 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Code of Ethics

In accordance with Section 204A of the Advisors Act, a "Code of Ethics" contains written policies reasonably designed to prevent and detect violations of securities rules by our employees and affiliated persons including the unlawful use of material non-public information.

Davis Capital Management has committed to a Code of Ethics that is available for review by clients and prospective clients upon request. Alternatively, it may be found on the Davis Capital Management website. We are committed to being fiduciaries.

Participation in Client Transactions

Davis Capital Management employees may buy or sell securities that are also held by clients. Davis Capital Management employees may not trade their own securities ahead of client trades.

Interest in Client Transactions

Davis Capital Management has no proprietary or other interest in client transactions other than the participation described above and the personal trading described below.

Personal Trading

The Chief Compliance Officer of Davis Capital Management is Troy M. Davis. Any trades of employees that could materially affect a stock's price must be run by Troy M. Davis prior to execution to ensure our clients come first. Troy Davis' personal trading is monitored by John Murphy.

ITEM 12 - BROKERAGE PRACTICES

Research and Soft Dollars

Davis Capital Management receives no software maintenance credit from Charles Schwab & Company or any other brokerage firm, even though client assets are held with these custodians.

Selecting Brokerage Firms

Davis Capital Management currently recommends using Charles Schwab for custodianship but will work with any brokerage firm the client chooses.

Best Execution

Davis Capital Management reviews the execution of trades at each custodian each quarter. Trading fees charged by the custodians are also reviewed as they occur. Davis Capital Management does not receive any portion of the trading fees.

Trade Aggregation

Davis Capital Management has chosen to avoid all trade aggregation but may enter a block trade if we need to liquidate a security in an emergency situation. Only in this situation will we place an aggregated trade and the process below would be enforced under that specific situation.

In this event, no advisory client will be favored over any other client; each client that participates in an aggregated order will participate at the average share price for all Davis Capital Management transactions in that security on a given business day.

Davis Capital Management and/or its IA Reps may participate in block trades with clients and may also participate on a pro rata basis for partial fills, but only if clients receive the same percentage of execution.

In accordance with SEC No-Action letters, all clients would receive the same commission rate, which should reduce slightly the costs of execution. However, some broker/dealers apply an average per share commission that may result in some clients getting lower commission rates but other clients getting higher commission rates than if the trades had been placed individually. In these cases, fair treatment to the client may mean that commissions will be applied on the same basis as if the trade had been entered on an individual basis.

Davis Capital Management will analyze best execution on block trades and document the analysis to the best execution file.

If the aggregated order is filled in its entirety, it will be allocated among clients in accordance with the Allocation Statement; if the order is partially filled, it will be allocated pro rata based on the Allocation Statement, subject to rounding for odd lots, round lot holdings that would be deemed too small for an account ("de minimis allocations"), and other objective criteria.

When the total final execution amount of a trade is materially less than an amount of the requested order, certain accounts may be removed entirely from the list of participants and the amounts of the allocation can be adjusted to avoid inefficient results. Accounts that do not receive an allocation with respect to a particular security will be considered first when the next partial fill occurs.

Davis Capital Management will receive no additional compensation or remuneration of any kind as a result of the aggregation.

ITEM 13 - REVIEW OF ACCOUNTS

Periodic Reviews

Account reviews are performed at least quarterly by Davis Capital Management. Account reviews are performed more frequently when market conditions dictate.

Review Triggers

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's own financial situation.

Regular Reports

Davis Capital Management considers the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client. Investment Management Clients receive periodic communications on a monthly basis.

ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION

Incoming Referrals

Davis Capital Management has been fortunate to receive a number of client referrals over the years. The referrals come from current clients, estate planning attorneys, accountants, and other similar sources. No compensation is paid to referring parties for these referrals.

Referrals Out

Davis Capital Management does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to him.

ITEM 15 - CUSTODY

Account Statements

All assets are held at qualified custodians, which mean the custodians provide account statements directly to clients at their address of record, or digitally via the custodian's website, at least quarterly.

Performance Reports

Clients are urged to compare the account statements received directly from their custodians to the performance report statements provided by Davis Capital Management. Performance information is available online at any time through Davis Capital's client portal.

ITEM 16 - INVESTMENT DISCRETION

Discretionary Authority for Trading

Davis Capital Management accepts discretionary authority to manage securities accounts on behalf of clients. Davis Capital Management has the authority to determine without obtaining client consent, the securities to be bought or sold, when to buy or sell, and the amount of the securities to be bought or sold.

The client approves the custodian to be used and the commission rates paid to the custodian. Davis Capital Management does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades. Discretionary trading authority facilitates placing trades in client accounts on a client's behalf so that the investment policy that a client has approved in writing may be promptly implemented.

Limited Power of Attorney

A limited power of attorney is a trading authorization for this purpose. Clients generally sign a limited power of attorney so that trades may be executed on behalf of the client.

ITEM 17 - VOTING CLIENT SHARES

Proxy Votes

Davis Capital Management may vote proxies on securities. Clients can choose to vote their own proxies or allow us to do so for them. When assistance on voting proxies is requested, Davis Capital Management will provide recommendations to the Client. If a conflict of interest exists, it will be disclosed to the Client. Davis Capital Management will make best efforts to fill out proxies in a timely manner. As a general practice Davis Capital Management votes with the board of directors' recommendations 100% of the time if a client requests Davis Capital to vote their proxies.

ITEM 18 - FINANCIAL INFORMATION

Davis Capital Management does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients. A balance sheet is not required to be provided because Davis Capital Management does not serve as a custodian for client funds or securities and does not require prepayment of fees.

ITEM 19 - REQUIREMENTS FOR STATE REGISTRATION

Davis Capital Management is not required to register with the state as we are registered with the SEC. In some states where we conduct business, DCM sends the necessary written disclosures as required by law.



BROCHURE SUPPLEMENT

Dated 01/08/2024

DAVIS CAPITAL MANAGEMNT
4788 HODGES BLVD, STE 201,
JACKSONVILLE, FL 32224
(904) 223-0510
WWW.DAVISCAPITALSITE.COM

PURPOSE OF THE BROCHURE SUPPLEMENT: This brochure supplement provides information about Troy M. Davis, John C. Murphy, Thomas DaMour, and Troy Lerche that supplements the Davis Capital Management FIRM BROCHURE. You should have received a copy of that FIRM BROCHURE. Please contact your advisor if you did not receive the brochure or if you have any questions about the contents of this BROCHURE SUPPLEMENT.

NOTE: While Davis Capital Management, LLC may refer to itself as a “registered investment advisor” or “RIA” Clients should be aware that registration itself does not imply any level or skill or training. Additional information about Davis Capital Management is available on the SEC’s website at www.adviserinfo.sec.gov.

EDUCATION AND BUSINESS EXPERIENCE

TROY M. DAVIS (B.1974), PRESIDENT

Education

B.S. in Business Administration, University of Florida, 2005

Business Background

Davis Capital Management, LLC. (2008-Present): Mr. Davis serves as President, providing investment advisory services.

Fidelity Investments (2006-2007): Mr. Davis served as an Investment Representative, providing advisory services.

Merrill Lynch (2005-2006): Mr. Davis served as a retirement specialist, providing advisory services.

JOHN C. MURPHY (B.1975), INVESTMENT MANAGER

Education

B.S. in Finance, University of Florida, 1998

Business Background

Davis Capital Management, LLC. (2016-Present): Mr. Murphy serves as Investment Manager, providing investment advisory services.

B & C (2006-2016): Mr. Murphy was Chief Investment Officer, providing advisory services.

THOMAS DAMOUR (B.1993), PRIVATE WEALTH ADVISOR

Education

B.A. in Business Administration, University of Florida, 2018

Business Background

Davis Capital Management, LLC. (2023-Present): Mr. DaMour is a Private Wealth Advisor Representative providing investment advisory services.

Equitable Advisors: Mr. DaMour served as a Registered Representative.

TROY LERCHE (B.1983), PRIVATE WEALTH ADVISOR

Education

BSBA in Finance, University of Central Florida, 2006

Business Background

Davis Capital Management, LLC. (2024-Present): Mr. Lerche is a Wealth Advisor Representative providing investment advisory services.

Camarda Wealth Advisory Group. (2021-2024): Mr. Lerche served as an Investment Advisor Representative.

FirstWave Financial (2014-2021): Mr. Lerche served as an Investment Advisor Representative.

Orange County Comptroller (2013-2014): Mr. Lerche served as a Portfolio Manager for Orange County, FL.

ICC Capital Management (2006-2013): Mr. Lerche served as an investment analyst and equity trader.

DISCIPLINARY INFORMATION

No employees of Davis Capital Management have had any legal or disciplinary events in their past. Clients and prospective clients can view the CRD records (registration records) for all DCM employees through the SEC's Investment Adviser Public Disclosure (IAPD) website at www.adviserinfo.sec.gov or FINRA's Broker Check database online at www.finra.org/brokercheck. The CRD numbers for advisors are as follows:

Troy Davis: #5038006

John Murphy: #4509081

Tom DaMour: #6958311

Troy Lerche: #6561041

ADDITIONAL COMPENSATION

No employee of Davis Capital Management receives any additional compensation from

non-clients for providing advisory services. All advisory compensation is paid by clients directly on a fee-only basis.

SUPERVISION

As president of Davis Capital Management, Troy Davis is primarily responsible for supervision of all IA Reps. As we provide discretionary account management, investments are reviewed monthly by the investments council for suitability and risk. Financial plans are reviewed by Mr. Davis and the acting advisor to ensure the best possible outcome for our clients. John Murphy, Investment Manager, is responsible for supervising Mr. Davis' activities. He can be reached at (904) 223-0510.

REQUIREMENTS FOR STATE-REGISTERED ADVISERS

Davis Capital Management would be required to disclose additional information for any advisor if they had ever been the subject of a bankruptcy petition or ever been found liable in either: (a) an arbitration; or (b) a civil, self-regulatory organization, or administrative proceeding. As none of these apply to any DCM employee, there is no information to disclose in this regard.