

Independent Accountant's Verification and Performance Examination Report

Mr. Jason Marcus
Scharf Investments, LLC:

We have examined whether (1) Scharf Investments, LLC (the "Firm") has complied with all the composite construction requirements of the Global Investment Performance Standards (GIPS® standards) on a firm-wide basis for the periods from January 1, 1997, to December 31, 2015, and (2) the Firm's policies and procedures are designed to calculate and present performance results in compliance with the GIPS standards as of December 31, 2015. We have also examined the accompanying performance presentation and Composite Disclosure Presentation of the Firm's **Scharf Balanced Opportunities Composite** for the periods from January 1, 1997, to December 31, 2015. The Firm's management is responsible for compliance with the GIPS standards, the design of its policies and procedures and for the Quarterly Performance and Composite Disclosure Presentations. Our responsibility is to express an opinion based on our examination.

Scope of Work

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Firm's compliance with the previously mentioned requirements; evaluating the design of the Firm's policies and procedures previously referred to; examining, on a test basis, evidence supporting the accompanying composite compliant presentation; and performing the procedures for a verification and performance examination required by the GIPS standards and such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

Opinion

In our opinion, in all material respects,

- the Firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis for the periods from January 1, 1997, to December 31, 2015; and
- the Firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards as of December 31, 2015.

Also, in our opinion, in all material respects, the Firm has

- constructed the **Scharf Balanced Opportunities Composite** and calculated the **Scharf Balanced Opportunities Composite** performance for the periods from January 1, 1997, to December 31, 2015, in compliance with the GIPS standards; and
- prepared and presented the Composite Disclosure Presentation of the Firm's **Scharf Balanced Opportunities Composite** for the periods from January 1, 1997, to December 31, 2015, in compliance with the GIPS standards.

This report does not contain an opinion on the accuracy of any composite presentation of the Firm other than the Composite Disclosure Presentation of the Firm's **Scharf Balanced Opportunities Composite** for the periods from January 1, 1997, to December 31, 2015.



Ashland Partners & Company LLP
January 13, 2017

SCHARF INVESTMENTS, LLC
SCHARF BALANCED OPPORTUNITIES COMPOSITE
QUARTERLY PERFORMANCE PRESENTATION - PAGE 1 OF 2

Asset-Weighted Performance Gross and Net of Management Fees
Results have been calculated in U.S. Dollars

		1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Annual
2015	Gross	2.9%	(0.4%)	(3.2%)	3.3%	2.6%
	Net	2.7%	(0.6%)	(3.4%)	3.1%	1.8%
2014	Gross	2.2%	5.9%	0.1%	4.1%	12.8%
	Net	2.0%	5.7%	(0.1%)	3.9%	11.9%
2013	Gross	5.9%	1.8%	6.0%	6.9%	22.2%
	Net	5.6%	1.6%	5.8%	6.7%	21.2%
2012	Gross	7.7%	(1.5%)	5.8%	0.8%	13.1%
	Net	7.4%	(1.7%)	5.6%	0.5%	12.0%
2011	Gross	1.8%	2.7%	(4.3%)	5.6%	5.7%
	Net	1.6%	2.4%	(4.5%)	5.3%	4.6%
2010	Gross	3.5%	(4.3%)	8.9%	4.1%	12.2%
	Net	3.2%	(4.6%)	8.6%	3.9%	11.1%
2009	Gross	(7.2%)	12.3%	11.7%	5.5%	22.8%
	Net	(7.4%)	11.9%	11.4%	5.2%	21.5%
2008	Gross	(3.4%)	(2.4%)	(1.4%)	(12.7%)	(18.7%)
	Net	(3.7%)	(2.7%)	(1.7%)	(12.9%)	(19.7%)
2007	Gross	(0.4%)	6.3%	4.1%	(3.3%)	6.6%
	Net	(0.7%)	6.0%	3.8%	(3.5%)	5.4%
2006	Gross	2.0%	(1.2%)	2.5%	5.7%	9.2%
	Net	1.7%	(1.6%)	2.2%	5.4%	7.8%
2005	Gross	(1.4%)	1.6%	7.5%	1.7%	9.6%
	Net	(1.7%)	1.3%	7.2%	1.3%	8.1%

SCHARF INVESTMENTS, LLC
SCHARF BALANCED OPPORTUNITIES COMPOSITE
QUARTERLY PERFORMANCE PRESENTATION - PAGE 2 OF 2

Asset-Weighted Performance Gross and Net of Management Fees
Results have been calculated in U.S. Dollars

		1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Annual
2004	Gross	2.9%	(0.5%)	0.4%	8.2%	11.2%
	Net	2.6%	(0.8%)	0.1%	7.8%	9.8%
2003	Gross	1.5%	11.9%	0.8%	8.1%	23.9%
	Net	1.2%	11.5%	0.5%	7.7%	22.2%
2002	Gross	1.8%	(3.1%)	(10.4%)	4.0%	(8.0%)
	Net	1.5%	(3.4%)	(10.7%)	3.7%	(9.2%)
2001	Gross	2.8%	8.6%	(7.5%)	12.9%	16.7%
	Net	2.5%	8.3%	(7.8%)	12.6%	15.3%
2000	Gross	3.0%	(1.2%)	1.1%	7.3%	10.4%
	Net	2.7%	(1.6%)	0.8%	7.0%	9.0%
1999	Gross	7.3%	4.4%	(0.9%)	9.0%	21.0%
	Net	7.0%	4.1%	(1.2%)	8.7%	19.5%
1998	Gross	14.0%	3.9%	(7.2%)	19.2%	30.9%
	Net	13.7%	3.6%	(7.5%)	18.8%	29.3%
1997	Gross	2.8%	15.1%	6.4%	2.6%	29.1%
	Net	2.5%	14.7%	6.0%	2.3%	27.4%

Past performance is not indicative of future results. The Independent Accountant's Verification and Performance Examination Report and the Composite Disclosure Presentation are an integral part of this presentation.

SCHARF INVESTMENTS BALANCED OPPORTUNITIES COMPOSITE PERFORMANCE 1994-2016

Year	Composite Total Return Before Fees	Composite Total Return After Fees	Benchmark Return	Number of Composite Portfolios	Composite Assets (\$)	Composite Assets as % of Firm Total	Composite 3 Year St Dev	Benchmark 3 Year St Dev
1994	4.2%	2.7%	-2.5%	31	14,619,296	36.2%	N/A	N/A
1995	34.0%	32.1%	25.2%	42	19,219,762	27.5%	N/A	N/A
1996	25.0%	23.2%	13.8%	33	24,553,117	23.9%	N/A	N/A
1997	29.1%	27.4%	19.0%	33	32,665,536	24.8%	N/A	N/A
1998	30.9%	29.3%	13.5%	34	40,916,982	24.6%	N/A	N/A
1999	21.0%	19.5%	8.7%	36	46,563,871	22.1%	12.9%	N/A
2000	10.4%	9.0%	1.5%	42	43,793,350	20.0%	13.3%	N/A
2001	16.7%	15.3%	-4.4%	43	48,025,710	17.5%	11.2%	N/A
2002	-8.0%	-9.2%	-11.7%	43	39,907,979	14.6%	12.8%	N/A
2003	23.9%	22.2%	19.1%	30	41,654,943	10.8%	11.8%	N/A
2004	11.2%	9.8%	7.9%	24	41,389,362	8.5%	9.7%	N/A
2005	9.6%	8.1%	5.2%	20	34,845,994	6.1%	7.3%	N/A
2006	9.2%	7.8%	11.9%	19	34,931,889	5.6%	6.1%	N/A
2007	6.6%	5.4%	5.9%	18	33,122,306	4.9%	6.5%	5.0%
2008	-18.7%	-19.7%	-26.7%	19	25,490,815	5.2%	10.7%	11.1%
2009	22.8%	21.5%	23.4%	75	80,149,924	10.7%	13.6%	13.9%
2010	12.2%	11.1%	11.9%	112	122,784,631	12.4%	14.2%	15.1%
2011	5.7%	4.6%	0.7%	108	130,605,229	11.7%	11.1%	12.2%
2012	13.1%	12.0%	11.9%	90	136,458,288	9.2%	8.2%	9.8%
2013	22.2%	21.2%	16.4%	40	161,112,534	7.4%	7.1%	8.1%
2014	12.8%	11.9%	7.2%	49	232,511,616	7.2%	6.4%	6.0%
2015	2.6%	1.8%	-0.4%	54	239,043,073	6.0%	7.0%	6.4%
2016	4.2%	3.3%	7.2%	59	273,583,623	6.6%	7.2%	6.4%

Notes:

- Scharf Investments claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Scharf Investments has been independently verified for the period January 1, 1997 through June 30, 2015 by Ashland Partners & Company LLP. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Scharf Balanced Opportunities composite has been examined for the periods January 1, 1997 through June 30, 2015. The verification and performance examination reports are available upon request.
- The period January 1, 1994 through December 31, 1996 is not in compliance as performance for these years includes only those fee-paying, fully discretionary balanced accounts that were open for the entire calendar year.
- The composite may not be an accurate representation of any specific account, as specific account performance depends on investment timing, account specific guidelines, and other factors that vary from account to account.
- Scharf Investments is an independent investment advisory firm. The firm maintains a complete list and description of composites, which is available upon request.
- The composite includes all fee-paying, fully discretionary balanced accounts that invest in a blend of equities and fixed income. The strategy allows for different allocations between equity and fixed income, and the typical allocation to equities is approximately 60-70%. The equity portion is generally invested in a concentrated portfolio of equity securities that the Adviser believes have significantly more appreciation potential than downside risk over the long term. The fixed income portion is allocated to investments determined to have attractive capital preservation and income generating characteristics. For comparison purposes only, the composite is measured against the Lipper Balanced Mutual Fund Average for the years 1994-2004. After 2004, data for the Lipper Balanced Mutual Fund Average was not readily available, thus the Lipper Balanced Fund Index is used from 2005 forward. The Lipper Balanced Fund Index is an index of open-end mutual funds whose primary objective is to conserve principal by maintaining at all times a balanced portfolio of both equities and bonds. The typical equity allocation is around 60%. (Scharf Investments does not manage assets against any specific benchmark. Because the mandate for accounts in the composite is balanced, the benchmarks shown are Lipper Balanced Mutual Fund indicators. Lipper Balanced Fund indicators track total return performance of selected funds within the category. The comparison of composite performance to the benchmark is inappropriate because the benchmark is more diversified than the composite portfolios generating such performance. In addition, the percentage allocated to stocks, bonds and cash within the composite portfolios may differ from the percentages allocated within the benchmark. Therefore, potential investors are cautioned that no market index is directly comparable to the performance shown above.)
- Returns are presented gross and net of management fees. Prior to 1997, net of fee performance was calculated using the highest management fee of 0.375% per quarter. Beginning 1997, net of fee performance was calculated using actual management fees. Performance includes the reinvestment of dividends and other income and the deduction of trading commissions and other costs. The annual management fee schedule for new, directly managed accounts is: 0.30% of assets per quarter for the first \$1 million under management, 0.2125% per quarter for the next \$2 million, 0.20% for the next \$2 million, and 0.175% per quarter thereafter.
- Annualized 1994-2016 return for the composite was 12.4% before management fees, 11.1% after management fees. Annualized return for the benchmark was 6.5%. Returns are size-weighted and calculated using beginning of period values on an adjusted capital basis. Any foreign taxes paid in an account were treated as a flow and had no effect on the account's return. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.
- The dispersion of annual returns for 1994 through 1996 is measured by the standard deviation unweighted by the size of the account. Dispersion from 1997 forward uses a gross of fees, size-weighted calculation of standard deviation. In addition, individual accounts may have been part of a multi-account relationship. In these cases, diversification might have occurred at the relationship level rather than the individual account level. Relationship level management was discontinued in 2004 and phased out during 2004 and 2005. The factors above have an unknown effect on the dispersion statistics which follow: 1994: 2.5%; 1995: 11.2%; 1996: 5.3%; 1997: 6.7%; 1998: 7.5%; 1999: 5.4%; 2000: 4.6%; 2001: 4.0%; 2002: 3.5%; 2003: 4.2%; 2004: 2.0%; 2005: 2.6%; 2006: 1.5%; 2007: 1.3%; 2008: 3.3%; 2009: 4.4%; 2010: 1.4%; 2011: 1.5%; 2012: 1.0%; 2013: 2.7%; 2014: 1.1%; 2015: 0.4%; 2016: 0.3%.
- This composite was created in 1989. Valuations and returns are computed and stated in U.S. dollars.
- Effective December 31, 2012, a minimum value of \$2 million was enforced for all new balanced accounts and the composite's name was changed to the Scharf Balanced Opportunities composite.
- Data to calculate ex-post standard deviation for the trailing 36 months was not available for the composite for periods before 1999 and for the benchmark for periods before 2007.
- Results were generated using an investment philosophy and methodology that Scharf Investments expects to continue using. However, future investments may be made under different economic conditions and in different securities. Further, the results do not reflect performance in every type of economic cycle. Past performance is not indicative of future results.