

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 Core Equity 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 Core Equity Composite** and calculated the **Scharf Core Equity 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 Core Equity 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 Core Equity Composite** for the periods from January 1, 1997, to December 31, 2015.



Ashland Partners & Company LLP
January 13, 2017

SCHARF INVESTMENTS, LLC
SCHARF CORE EQUITY 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	3.6%	0.0%	(4.9%)	4.3%	2.9%
	Net	3.4%	(0.2%)	(5.1%)	4.1%	1.9%
2014	Gross	2.2%	7.6%	1.4%	5.1%	17.2%
	Net	2.0%	7.3%	1.1%	4.9%	16.0%
2013	Gross	7.4%	3.6%	8.6%	10.2%	33.2%
	Net	7.1%	3.3%	8.3%	9.9%	31.8%
2012	Gross	9.6%	(2.6%)	6.5%	0.5%	14.3%
	Net	9.3%	(2.9%)	6.2%	0.2%	12.9%
2011	Gross	1.9%	2.5%	(7.0%)	7.8%	4.6%
	Net	1.6%	2.2%	(7.3%)	7.5%	3.4%
2010	Gross	4.5%	(7.0%)	11.4%	7.0%	15.9%
	Net	4.2%	(7.3%)	11.1%	6.7%	14.5%
2009	Gross	(11.7%)	17.8%	14.9%	7.4%	28.4%
	Net	(12.0%)	17.5%	14.5%	7.0%	26.8%
2008	Gross	(5.9%)	(3.1%)	(1.4%)	(17.8%)	(26.1%)
	Net	(6.2%)	(3.4%)	(1.7%)	(18.1%)	(27.1%)
2007	Gross	(1.0%)	7.8%	5.0%	(5.7%)	5.7%
	Net	(1.3%)	7.5%	4.7%	(6.0%)	4.4%
2006	Gross	2.8%	(1.2%)	2.2%	7.2%	11.3%
	Net	2.5%	(1.5%)	1.9%	6.8%	10.0%
2005	Gross	(1.2%)	1.7%	9.4%	2.2%	12.3%
	Net	(1.5%)	1.4%	9.1%	1.9%	11.0%

SCHARF INVESTMENTS, LLC
SCHARF CORE EQUITY 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	3.6%	(0.3%)	(0.2%)	10.0%	13.3%
	Net	3.3%	(0.6%)	(0.5%)	9.6%	11.9%
2003	Gross	1.5%	14.4%	0.8%	9.7%	28.5%
	Net	1.2%	14.0%	0.5%	9.4%	26.9%
2002	Gross	2.2%	(4.6%)	(13.3%)	5.2%	(11.1%)
	Net	1.9%	(4.9%)	(13.6%)	4.9%	(12.2%)
2001	Gross	3.9%	9.4%	(9.1%)	15.4%	19.2%
	Net	3.6%	9.0%	(9.4%)	15.1%	17.7%
2000	Gross	1.5%	(0.7%)	1.0%	10.5%	12.5%
	Net	1.2%	(1.0%)	0.7%	10.1%	11.1%
1999	Gross	7.8%	7.1%	(2.6%)	8.7%	22.2%
	Net	7.5%	6.7%	(2.9%)	8.3%	20.7%
1998	Gross	15.0%	3.2%	(12.4%)	22.7%	27.6%
	Net	14.7%	2.8%	(12.7%)	22.3%	25.9%
1997	Gross	3.1%	16.5%	6.1%	2.2%	30.1%
	Net	2.7%	16.1%	5.7%	1.8%	28.4%

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 CORE EQUITY COMPOSITE PERFORMANCE 1991-2016

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
1991	42.2%	40.3%	30.5%	19	3,192,775	N/A	N/A	N/A
1992	8.1%	6.5%	7.6%	35	5,623,314	N/A	N/A	N/A
1993	9.1%	7.5%	10.1%	59	11,106,371	N/A	N/A	N/A
1994	6.9%	5.3%	1.3%	86	12,901,152	31.9%	N/A	N/A
1995	36.8%	34.9%	37.6%	135	30,179,155	43.2%	N/A	N/A
1996	32.0%	30.2%	23.0%	188	57,835,869	56.2%	N/A	N/A
1997	30.1%	28.4%	33.4%	212	84,808,260	64.3%	N/A	N/A
1998	27.6%	25.9%	28.6%	278	118,412,989	71.3%	N/A	N/A
1999	22.2%	20.7%	21.0%	307	147,198,870	69.9%	16.9%	16.5%
2000	12.5%	11.1%	-9.1%	348	164,086,403	74.9%	18.2%	17.4%
2001	19.2%	17.7%	-11.9%	385	204,188,689	74.2%	15.1%	16.7%
2002	-11.1%	-12.2%	-22.1%	478	202,541,718	74.0%	16.7%	18.5%
2003	28.5%	26.9%	28.7%	557	295,200,382	76.3%	14.6%	18.1%
2004	13.3%	11.9%	10.9%	696	409,671,208	83.7%	12.1%	14.9%
2005	12.3%	11.0%	4.9%	781	498,459,218	87.7%	8.8%	9.0%
2006	11.3%	10.0%	15.8%	817	544,877,064	87.8%	7.6%	6.8%
2007	5.7%	4.4%	5.5%	831	584,521,293	85.7%	8.4%	7.7%
2008	-26.1%	-27.1%	-37.0%	796	396,386,690	81.6%	13.8%	15.1%
2009	28.4%	26.8%	26.5%	750	447,830,002	59.7%	18.2%	19.6%
2010	15.9%	14.5%	15.1%	834	540,529,490	54.7%	19.3%	21.9%
2011	4.6%	3.4%	2.1%	957	602,673,598	54.0%	15.6%	18.7%
2012	14.3%	12.9%	16.0%	1,024	805,587,366	54.1%	11.4%	15.1%
2013	33.2%	31.8%	32.4%	1,038	1,143,735,361	52.4%	9.5%	11.9%
2014	17.2%	16.0%	13.7%	1,101	1,587,542,982	49.2%	8.4%	9.0%
2015	2.9%	1.9%	1.4%	1,229	2,011,766,652	50.6%	9.7%	10.5%
2016	4.9%	3.9%	12.0%	1,138	2,095,335,309	50.6%	9.8%	10.6%

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 periods 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 Core Equity 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, 1991 through December 31, 1996 is not in compliance as performance for these years includes only those fee-paying, fully discretionary equity accounts that were open for the entire calendar year. Adequate documentation for calculating total assets under management was not available for the years 1991-1993.
- The Scharf Core Equity 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.
- Scharf Investments does not manage assets against any specific benchmark. The Scharf Core Equity Composite includes all non-wrap, asset-based fee-paying, fully discretionary equity accounts that invest in a concentrated portfolio of equity securities that the Adviser believes have significantly more appreciation potential than downside risk over the long term. Because the equity mandate may be described as diversified, the benchmark shown is the Standard & Poor's 500 Index. The Standard & Poor's 500 Index contains 500 industrial, transportation, utility and financial companies regarded as generally representative of the large capitalization U.S. stock market. The comparison of composite performance to the benchmark is inappropriate because the benchmark index is more diversified than the composite portfolios generating such performance and the index returns represent only unmanaged results. Due to these differences, 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: 0.375% of assets per quarter for the first \$1 million under management, 0.25% per quarter for the next \$2 million, 0.225% per quarter for the next \$2 million, and 0.20% per quarter thereafter.
- Annualized 1991-2016 return for the composite was 14.5% before management fees, 13.0% after management fees. Annualized return for the benchmark was 9.9%. 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 1991 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. There is no minimum portfolio size for the accounts in the composite. 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: 1991: 6.9%, 1992: 2.9%, 1993: 2.8%, 1994: 2.5%, 1995: 11.2%, 1996: 5.3%, 1997: 5.9%, 1998: 8.3%, 1999: 9.5%, 2000: 7.7%, 2001: 5.5%, 2002: 2.7%, 2003: 5.0%, 2004: 1.5%, 2005: 1.2%, 2006: 1.0%, 2007: 0.7%, 2008: 0.8%, 2009: 1.0%, 2010: 0.6%, 2011: 0.6%, 2012: 0.4%, 2013: 1.0%, 2014: 0.6%, 2015: 0.3%, 2016: 0.4%.
- Data to calculate ex-post standard deviation for the trailing 36 months was not available for periods before 1999.
- The Scharf Core Equity Composite was created on December 31, 2013 and retains performance from the Scharf Equity Composite prior to 2009. Valuations and returns are computed and stated in U.S. dollars.
- 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.