

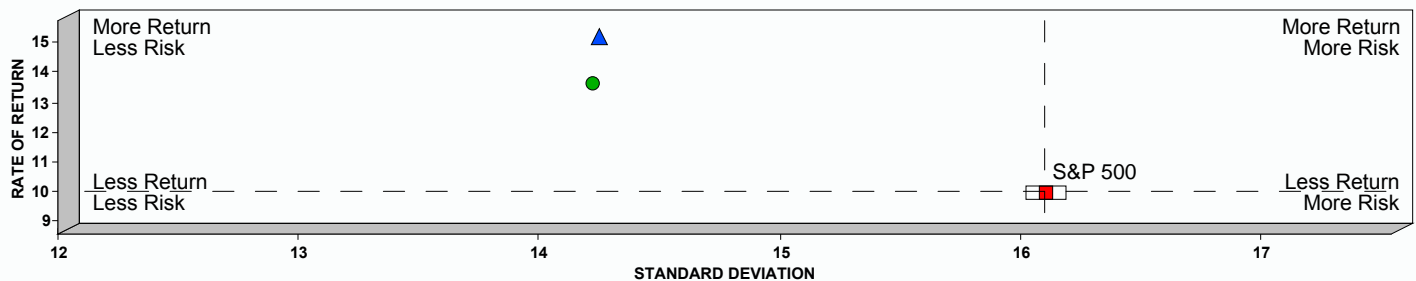
# Scharf Investments LLC - Equity

Scharf Investments, LLC is a performance-driven investment management firm with a long-term record of above-average performance and below-average risk. Founded in 1983, the approximately \$1 billion AUM firm provides portfolio management for individuals, retirement accounts, trusts, family offices, corporations, endowments and foundations through separately managed accounts (SMA). The primary focus is valuation-sensitive equity management. Scharf Investments uses a proprietary variant of low-valuation investing it describes as "growth stocks at value prices." The firm developed the Multi-factor Analytical Performance (MAP) screen to identify stocks that it believes to have an appreciation potential of at least 30-40% over the next 12 to 24 months.

The investment objective is to add measurable value to client accounts over the course of a market cycle. Scharf Investments, LLC attempts to achieve this goal by tracking the relevant benchmarks in quarters when the market is rising and losing significantly less than the benchmarks when the market is falling. Preserving capital in down periods has been the key to the firm's strong investment results. Since the beginning of 1989, Scharf Investments, LLC's Scharf Equity portfolio composite has preserved capital by capturing approximately half of the S&P 500's decline during its negative quarters.

## A Long History of Superior Performance

**Scharf Equity - Total Risk Reward\*  
Gross and Net of Fees  
December 31, 1988 to June 30, 2011**



	ROR	Alpha	Std Dev Pop	Sharpe Ratio Pop	Dnside Cap Ratio	Upside Cap Ratio
▲ Scharf Equity Gross	14.74	6.04	14.20	0.77	53.56	101.48
● Scharf Equity Net	13.22	4.62	14.17	0.67	58.01	95.56
■ Standard & Poor's 500	9.55	0.00	16.04	0.36	100.00	100.00

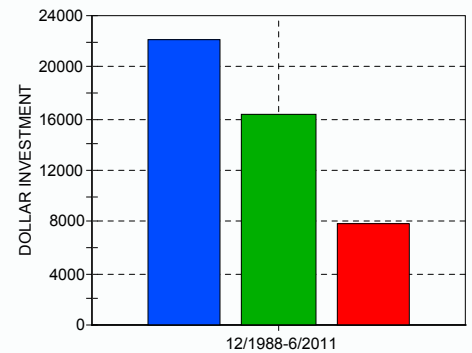
### Ten Largest Holdings: 6/2011\*\*

Company	%
CASH	8.46
NOVARTIS AG	5.38
MICROSOFT	4.39
MCDONALDS CORP	4.35
CHEVRON CORP	4.32
LOEWS CORP	4.28
INTL BUSINESS MACHINES	4.17
CVS CAREMARK CORP	4.15
TOTAL S A SPON ADR	4.14
KRAFT FOODS INC	4.13

### Differentiators

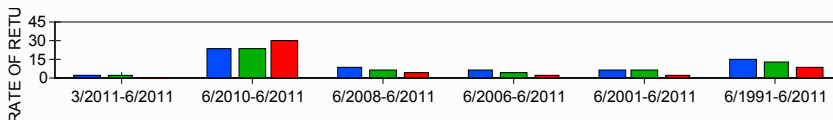
- Focus - Typically hold 25-30 stocks
- Opportunistic - Not constrained by style boxes
- Patience - Avg. holding period is 3 years
- Proprietary Process - 25 years of use
- Margin of Safety - Downside focused

**Growth of \$1,000 Investment  
Scharf Equity - Gross and Net of Fees  
December 31, 1988 to June 30, 2011**



	12/1988-6/2011
■ Scharf Equity Gross	22,078
■ Scharf Equity Net	16,356
■ Standard & Poor's 500	7,780

**Trailing Quarter, 1yr, 3yr, 5yr, 10yr, 20yr  
Scharf Equity - Gross and Net of Fees  
June 30, 1991 to June 30, 2011**



	3/2011-6/2011	6/2010-6/2011	6/2008-6/2011	6/2006-6/2011	6/2001-6/2011	6/1991-6/2011
■ Scharf Equity Gross	2.50	24.40	7.97	5.85	7.49	14.37
■ Scharf Equity Net	2.20	22.94	6.63	4.51	6.15	12.88
■ Standard & Poor's 500	0.10	30.69	3.34	2.94	2.72	8.73

**Contact: Eric Lynch, V.P. Institutions & Analyst**  
5619 Scotts Valley Drive, #140 - Scotts Valley, CA 95066  
831.429.6513 - eric.lynch@scharfinvestments.com

Based on Scharf Equity gross of fees composite returns reported to PSN for the periods identified. PSN is an investment manager database and a division of Informa Investment Solutions, Inc. PSN data is provided by Informa Investment Solutions, Inc., which is not affiliated with Scharf Investments. Scharf Equity Composite net returns prior to 1997 are net of maximum fees of 1.5% per year. Effective 1997, Scharf Equity Composite net returns are net of actual fees. The benchmark S&P 500 index is comprised of 500 leading companies in industries of the U. S. economy. Past performance is not indicative of future results. Scharf Investments claims compliance with the Global Investment Performance Standards (GIPS). The firm has been verified for the periods January 1, 1997 through December 31, 2010. See reverse for the disclosure table in our verification report. A full report is available upon request.

\* PSN uses the following definitions: Alpha - measures nonsystematic return or the return that cannot be attributed to the market. The Sharpe Ratio - Population is a measure of risk-adjusted return. It divides excess return by risk. Excess return is defined as the annualized return of the manager minus the annualized return of the risk free rate. Risk is defined by standard deviation. Downside Market Capture Ratio - measures the manager's performance in down markets relative to the performance of the market (index) itself. A down market is defined as any period (month or quarter) where the market's return is less than zero. Upside Market Capture Ratio - The Up Market Capture Ratio measures the manager's performance in up markets relative to the performance of the market (index) itself. An up market is defined as any period (month or quarter) where the market's return is greater than or equal to zero.

\*\* Holdings are subject to change. The top holdings, as well as other data, are as of the period indicated, and should not be considered a recommendation to purchase, hold, or sell any particular security. There is no assurance that any of the securities noted will remain in a portfolio at the time you receive this fact sheet. Actual holdings and percentage allocation in individual client portfolios may vary and are subject to change. It should not be assumed that any of the holdings discussed were, or will prove to be, profitable, or that the investment recommendations or decisions we make in the future will be profitable. A list of all securities held in this strategy in the prior year is available upon request. This should be considered supplemental information for Scharf Equity product. See reverse for the disclosure table in our verification report. A full report is available upon request.

## SCHARF INVESTMENTS EQUITY COMPOSITE PERFORMANCE 1991-2010

Year	Equity Composite Total Return Before Fees	Equity Composite Total Return After Fees	Benchmark Return	Number of Equity Portfolios	Equity Composite Assets (\$)	Equity Composite Assets as % of Firm Total
1991	42.2%	40.3%	30.5%	19	3,192,775	N/A
1992	8.1%	6.5%	7.6%	35	5,623,314	N/A
1993	9.1%	7.5%	10.1%	59	11,106,371	N/A
1994	6.9%	5.3%	1.3%	86	12,901,152	31.9%
1995	36.8%	34.9%	37.6%	135	30,179,155	43.2%
1996	32.0%	30.2%	23.0%	188	57,835,869	56.2%
1997	30.1%	28.4%	33.4%	212	84,808,260	64.3%
1998	27.6%	25.9%	28.6%	278	118,412,989	71.3%
1999	22.2%	20.7%	21.0%	307	147,198,870	69.9%
2000	12.5%	11.1%	-9.1%	348	164,086,403	74.9%
2001	19.2%	17.7%	-11.9%	385	204,188,689	74.2%
2002	-11.1%	-12.2%	-22.1%	478	202,541,718	74.0%
2003	28.5%	26.9%	28.7%	557	295,200,382	76.3%
2004	13.3%	11.9%	10.9%	696	409,671,208	83.7%
2005	12.3%	11.0%	4.9%	781	498,459,218	87.7%
2006	11.3%	10.0%	15.8%	817	544,877,064	87.8%
2007	5.7%	4.4%	5.5%	831	584,521,293	85.7%
2008	-26.1%	-27.1%	-37.0%	796	396,386,690	81.6%
2009	28.4%	26.8%	26.5%	782	466,835,407	62.2%
2010	15.8%	14.5%	15.1%	900	596,735,435	60.4%

**Notes:**

- Scharf Investments has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®). 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 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 composite includes fully discretionary equity accounts. 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. Some accounts in the composite are charged performance based fees. The profit - based performance fee schedule for new, directly managed accounts is: 0.125% of assets per quarter for the first \$1 million under management, 0.075% per quarter for the next \$4 million, 0.00% fee on the balance above \$5 million. For this fee schedule, accounts with a relationship between \$1 million and \$3 million pay 12% of profits, and accounts with a relationship over \$3 million pay 10% of profits.
- For periods prior to 2009 wrap fee accounts were not included in the composite. For year-end 2009 and 2010 the percentage of wrap fee accounts were 1.7% and 3.8% respectively. Wrap fee accounts pay a fee based on a percentage of assets under management. Other than brokerage commissions, this fee includes investment management, portfolio monitoring, consulting services, and in some cases, custodial services. Gross returns for wrap accounts are shown as supplemental information and are stated gross of all fees and transaction costs.
- Annualized 1991-2010 return for the composite was 15.1% before management fees, 13.6% after management fees. Annualized return for the benchmark was 9.1%. 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. Additional information regarding policies for calculating and reporting returns is 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%.
- The Composite was created in 1984 and has been known as the Equity Composite for the entire period except 2Q and 3Q 2007 when it was relabeled the All-Cap Core Equity Composite. 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.
- Scharf Investments' compliance with the GIPS standards has been verified for the period January 1, 1997 through December 31, 2010 by Ashland Partners & Company LLP.