

Scharf Hedged Portfolio

Executive Summary | Q1 2023



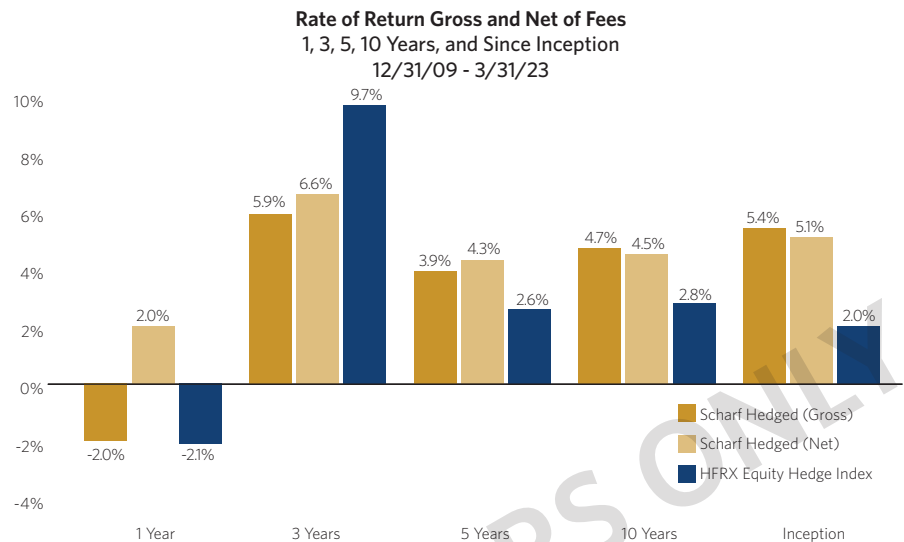
Highlights

Year Founded	1983
Location	Los Gatos, CA
Firm Assets	\$4.3 billion
Investment Style	Hedged

Top 10 Positions (%)† 3/31/23

McKesson	7.2
Berkshire Hathaway	5.8
CVS Health	5.4
Microsoft	4.9
Centene	4.6
Lockheed Martin	4.1
Markel	4.1
Advance Auto	3.7
Johnson & Johnson	3.4
Oracle	3.4

Scharf Hedged vs. Benchmark



Investment Strategy

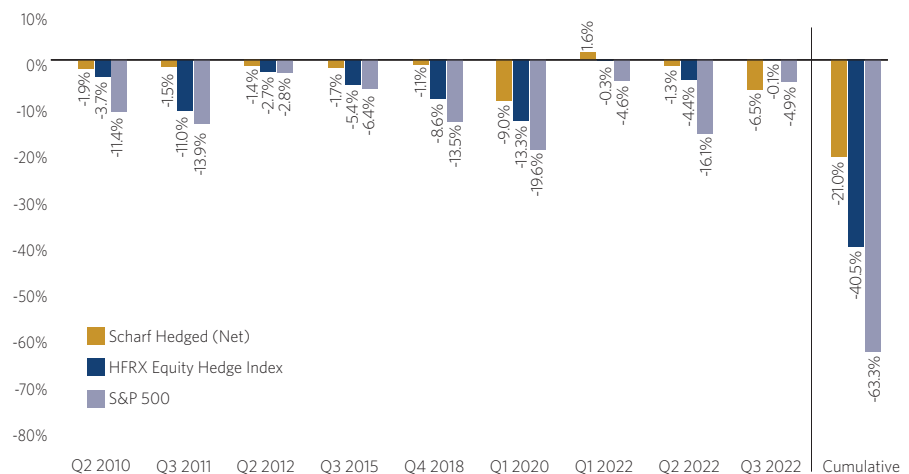
The Scharf Hedged portfolio seeks to provide returns above inflation with significantly less volatility than a typical equity portfolio. The portfolio team seeks to identify common equities with low valuations combined with growing earnings, cash flow and/or book value. In addition, Scharf seeks to mitigate portfolio volatility by shorting one or more exchange-traded funds that mimic market indexes such as the Standard & Poor's 500.

Scharf Hedged SMA vs. Traditional Hedge Fund LP

- **Transparent:** See daily positions in your own account.
- **Fees:** Maximum fee of 1.5% of assets on non profit sharing option.
- **Liquid:** No contractual lock up periods.

Down Quarter Comparison

Scharf Hedged Net vs. Benchmark and S&P 500*



*The benchmark shown is the Hedge Fund Research Inc. ("HFR") HFRX Equity Hedge Index. The benchmark maintains positions both long and short in primarily equity and equity derivative securities.

†Top holdings are supplemental to fully compliant Global Performance Standards (GIPS) presentation found on the next page. For a list of all securities recommended for purchase or sale during the time period discussed, please contact Scharf Investments directly.

Past performance is no guarantee of future results. The securities identified and described do not represent all of the securities purchased, sold or recommended for client accounts. The reader should not assume that an investment in the securities identified was or will be profitable. Performance reflects the reinvestment of dividends and other earnings including short rebates and the deduction of trading commissions and other costs including the maximum management fee of 1.5% per year. Results were generated using an investment philosophy and methodology that is similar to that described herein and that Scharf Investments expects to continue to use, but future investments will be made under different economic conditions and in different securities. Firm Assets is as of 3/31/2023 and includes assets under advisement.

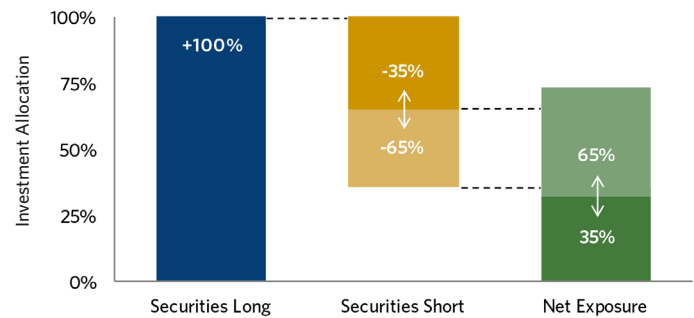
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Mechanics of a Hedged Portfolio

- Securities Long:** A typical long portfolio consists of 25-35 securities. The values of these positions move **with** the prices of the securities.
- Securities Short:** The values of securities sold short move **inversely** to the prices of the securities.
- Net Exposure:** Short securities generally have a negative correlation to the stock market and are **netted against** long securities to arrive at net market exposure.
- Rebalancing:** As short and long positions fluctuate, securities are rebalanced to maintain target net exposure.



Scharf Investments Hedged Composite Performance 2009-2022

Year	Composite Total Return Before Fees	Composite Total Return After Fees	Benchmark Return	Number of Composite Portfolios	% of Non-Fee Paying Assets	Composite Assets (\$)	Total Firm Assets (\$ (mm))	Composite 3 Year St Dev (Gross of Fees)	Benchmark 3 Year St Dev
2009*	5.1%	5.1%	1.4%	5 or fewer	100%	525,497	750	N/A	N/A
2010	8.2%	8.0%	8.9%	5 or fewer	36%	1,588,029	989	N/A	N/A
2011	3.0%	1.9%	-19.1%	5 or fewer	12%	5,046,923	1,116	N/A	N/A
2012	7.2%	6.4%	4.8%	6	0%	6,733,891	1,491	5.4%	7.4%
2013	16.7%	15.8%	11.1%	7	0%	8,369,222	2,186	4.7%	6.7%
2014	9.9%	9.0%	1.4%	8	0%	9,330,783	3,229	4.7%	4.5%
2015	2.6%	1.4%	-2.3%	9	0%	10,375,672	3,979	4.8%	5.0%
2016	-0.7%	-0.9%	0.1%	13	0%	37,667,515	4,145	5.0%	5.4%
2017	3.1%	2.8%	10.0%	13	0%	37,029,837	3,717	4.8%	5.1%
2018	1.0%	0.8%	-9.5%	8	0%	26,259,100	2,326	5.6%	5.9%
2019	9.9%	9.7%	10.7%	5 or fewer	0%	22,217,242	2,371	5.5%	5.4%
2020	-1.2%	-0.7%	4.6%	5 or fewer	0%	6,892,582	2,392	7.2%	9.2%
2021	10.0%	11.5%	12.1%	5 or fewer	100%	512,465	2,842	7.9%	8.5%
2022	2.8%	2.8%	-3.2%	5 or fewer	100%	2,525,259	2,685	9.4%	8.6%

*Total return before and after fees for 2009 are partial year for the periods September 30, 2009 through December 31, 2009.

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 December 31, 2021. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. The Scharf Hedged Composite has had a performance examination for the periods September 30, 2009 through December 31, 2021. The verification and performance examination reports are available upon request. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.
- 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. A list of composite descriptions and a list of broad distribution pooled funds are available upon request.
- Scharf Investments does not manage assets against any specific benchmark. The Hedged Composite is comprised of fully discretionary accounts implementing the Scharf Equity Strategy plus continuous short positions on relevant securities including the Standard and Poor's Depository Receipts (NYSE: SPY). Some leverage may be used in composite accounts as a result of fluctuations in the prices of securities. Derivatives may be used at the firm's discretion. Investments carry the risk of loss. Because the Hedged mandate may be described as diversified, the benchmark shown is the Hedge Fund Research Inc. ("HFR") HFRX Equity Hedge Index. The benchmark maintains positions both long and short in primarily equity and equity derivative securities. HFR utilizes a UCITSIII compliant methodology to construct the HFRX Hedge Fund Indices. The methodology is based on defined and predetermined rules and objective criteria to select and rebalance components to maximize representation of the Hedge Fund Universe. The comparison of Model performance to the benchmark is inappropriate because the benchmark index is more diversified than the strategy 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 actual management fees. Net of fees returns are calculated using actual management fees, which include performance fees. These fees are accounted for on an accrual basis. Performance includes the reinvestment of dividends, other income including short rebates as well as the deduction of trading commissions and other costs. The composite also includes portfolios that pay zero trading commissions. 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, and 0.025% per quarter thereafter. 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.
- The Scharf Hedged composite contains a pooled fund following the same strategy known as the Scharf Alpha Opportunity Fund. For pooled fund clients, the highest fee schedule is 0.99% of the average daily assets per year with an expense ratio of 3.28% before fee waivers as of year ended September 30, 2020. A more comprehensive breakdown of said pooled fund's fee schedules and expense ratios are available upon request.
- Annualized return from September 30, 2009 through December 31, 2022 for the composite was 5.8% before management fees, 5.5% after management fees. Annualized return for the benchmark was 2.0%. Returns are size weighted and calculated using beginning of period values on an adjusted capital basis. Any foreign taxes paid in an account are treated as a flow and have no effect on the account's return. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.
- Dispersion 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: 2012: 0.2%; 2013: 0.4%; 2014: 0.2%; 2015: 0.2%; 2016: 0.3%; 2017: 0.1%; 2018: 0.2%. Effective January 1, 2019, the internal dispersion is not applicable because there are five or fewer portfolios in the composite for the full year.
- The Scharf Hedged Composite was created on September 30, 2009 with an inception date of September 30, 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.
- Data to calculate ex-post standard deviation for the trailing 36 months was not available for periods before 2012.
- On 3/20/2015, the benchmark used for comparison was changed to the Hedge Fund Research Inc. ("HFR") HFRX Equity Hedge Index. This change was enacted as it is a more accurate representation of the overall composition of the hedge fund industry than the previous benchmark displayed. This change was made retroactively for all periods displayed above. A report with the previous benchmark displayed was last updated through 12/31/2014 and is available upon request.

Do not use this presentation as the sole basis for investment decisions. Consider all relevant information, including investment objectives, risk tolerance, liquidity needs and investment time horizon before investing. The performance data quoted represents past performance; past performance is no guarantee of future results.