



# Scharf Quality Value Strategy

Q3 2023 · September 30, 2023

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## Singularly focused on maximizing investment outcomes through adverse market conditions



### Time-Tested

- Founded in 1983
- Investment Committee together since 2007
- Headquartered in Los Gatos, CA



### Prudent

- Hyper-focused on adverse markets
- “Win by not losing”
- High quality stocks at value prices



### Aligned

- Co-invested alongside our clients
- Independent and employee-controlled
- Investment focus vs. sales focus



### Boutique

- Focused on holistic client experience
- Concentrated product offering
- \$4.2 billion in assets under management (as of September 30, 2023)

# Skilled and Seasoned Investment Team



Senior Team: 100 Years Collective Industry Experience, 19 Years Average Tenure with Scharf



**Brian Krawez, CFA**  
President & Lead Portfolio  
Manager



**Eric Lynch**  
Managing Director &  
Portfolio Manager



**Gabe Houston, CFA**  
Senior Research Analyst &  
Portfolio Manager



**Jerry Beyke, CFA**  
Senior Research Analyst

Supported by Capable Research Team



**Owen Warren, CFA**  
Research Analyst



**Jordan Corey, CFA**  
Research Analyst



**Sam Kanagawa, CFA**  
Senior Research Associate



**Grace Menk, CFA**  
Senior Research Associate



**Aidan Kastenberg, CFA**  
Research Associate



**Daniel Sung**  
Research Associate

# Differentiated Approach to Quality Value Investing

Objective is to provide capital appreciation over the course of a market cycle while losing notably less than relevant benchmarks in falling markets.



1) Favorability Ratio = % Upside Return Potential / % Downside Return Potential. Scharf Investments claims compliance with the Global Investment Performance Standards (GIPS®). Scharf Investments has been independently verified for the periods January 1, 1997 through December 31, 2022.

# Scharf Quality Value Strategy

## Investment Philosophy

We believe the **Scharf Quality Value Strategy** seeks to invest in high quality, enduring franchises priced at substantial discounts to fair value.

The investment team seeks to provide capital appreciation over the course of an entire market cycle while losing notably less than relevant benchmarks in falling markets. The team seeks to identify companies with low valuations combined with consistent and sustainable earnings, cash flow and/or book value

### **Favorability Ratio**

Focus on upside potential vs. downside risk to historical trading ranges

### **Earnings Quality**

We believe companies with less EPS variability mitigates downside

### **Concentrated Portfolio**

Capturing opportunities in large and small companies in the U.S. and abroad to build a portfolio of 25-35 securities

High Active Share

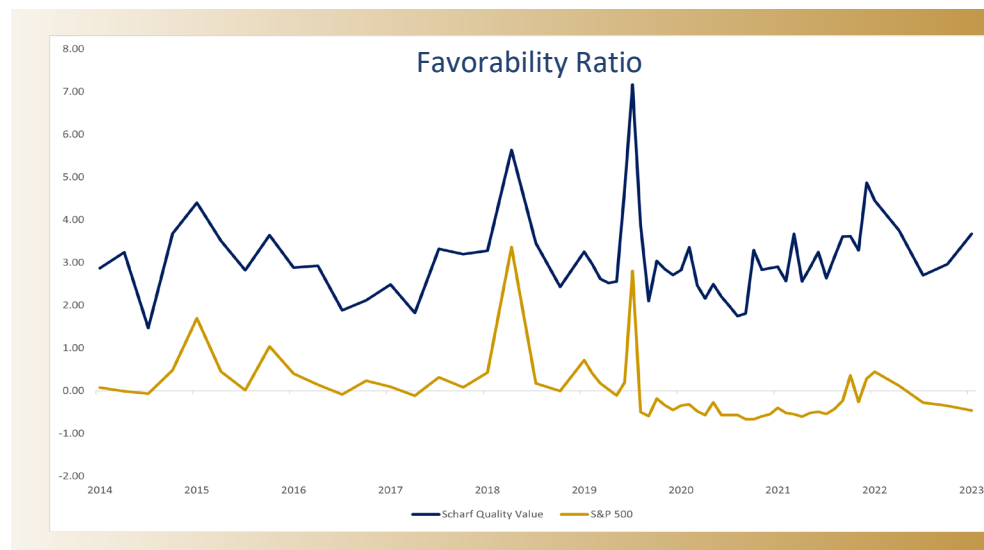
Approximately 90% Historical Average  
vs. Russell 1000 Value and S&P 500

# Scharf Quality Value Strategy

## Investment Philosophy

Favorability Ratio is the unique, central focus of the Firm and refers to the investment team's modeled % upside to price target vs. % downside to price target.

- Stock selection requires a 3:1 ratio with the operative element being an estimated 10% downside
- Favorability Ratios are constantly maintained and reviewed, and drive portfolio buy, hold and sell decisions



Source: Value Line, Scharf Investments, as of 9/30/2023.

$$\text{Favorability Ratio} = \frac{\% \text{ Upside Return Potential}}{\% \text{ Downside Return Potential}}$$

**BUYING WITH A SUFFICIENT MARGIN OF SAFETY  
BETWEEN VALUE AND PRICE DISCOUNTS VARIOUS RISKS.**

# Scharf Quality Value Strategy

## Investment Process

The investment process focuses on two key components—**Favorability Ratio** and **Earnings Quality**—to screen from thousands of securities.

The Scharf Investment Process has focused on quality since the firm's inception. It moves forward with creating portfolios of sustainable businesses with compelling Carbon and ESG Risk scores

### MAP Screen\*

- 30-40% Appreciation Potential
- Screened on Historical Valuation Metrics

### Scharf 300\*\*

- Top Earnings Predictability
- EPS Growth > 10%
- Strong Capital Returns
- Strong Balance Sheet
- Shareholder Friendly
- Long Operating History

### Rigorous Research

- Qualitative Confirmation of Quantitative Potential
- Downside Risk Assessment
- Key Investment Drivers Identified
- ESG analysis

**THE RESULT: CONCENTRATED PORTFOLIO OF 25-35  
HIGHEST CONVICTION, BEST IDEAS**

# Scharf Quality Value Strategy

## Investment Risk Controls

### Buy Discipline

- Favorability Ratios assigned to screened securities
- Quantitative and qualitative factors reviewed
- Holdings typically range from 2% to 6%
  - Security exposure maximum: 10%
  - Sector exposure maximum: 30%
  - Industry exposure maximum: 20%
- Favorability Ratio Arbitrates Portfolio Decisions

### Sell Discipline

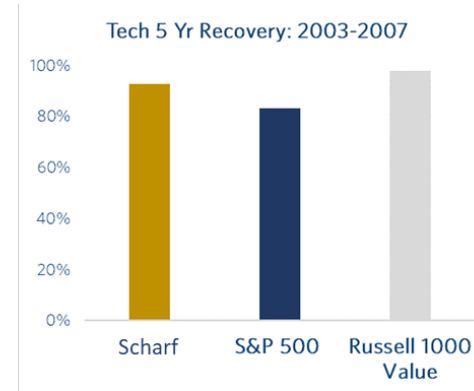
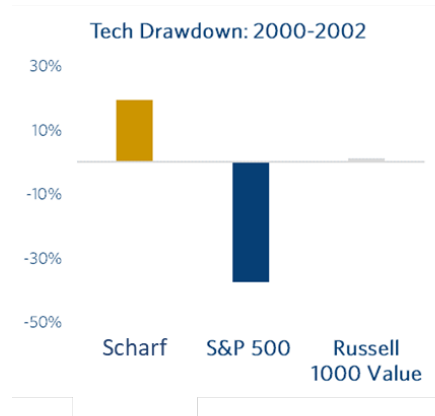
- Favorability Ratios reviewed daily
- Securities are trimmed or sold when adverse Favorability Ratios are identified
  - Price appreciation beyond historical parameters
  - Negative financial developments
  - Declining fundamentals

THE INVESTMENT TEAM TAKES AN “ASSESS AND REASSESS”  
APPROACH TO SECURITY SELECTION.

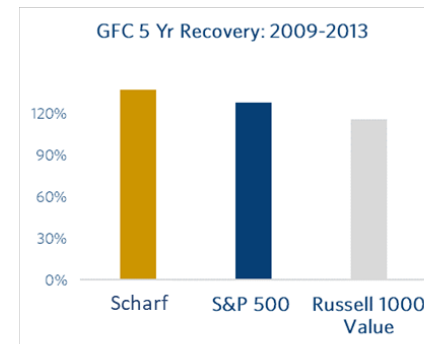
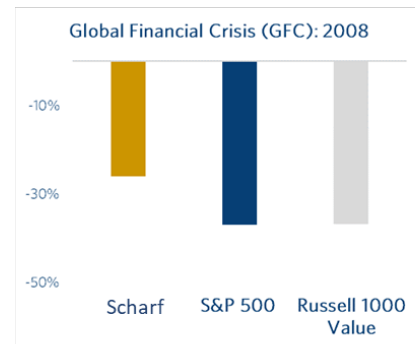


# Mitigating Losses During Adverse Markets

## Tech Bubble Era Returns



## Global Financial Crisis Era Returns



Annualized Rates of Return (%) as of September 30, 2023

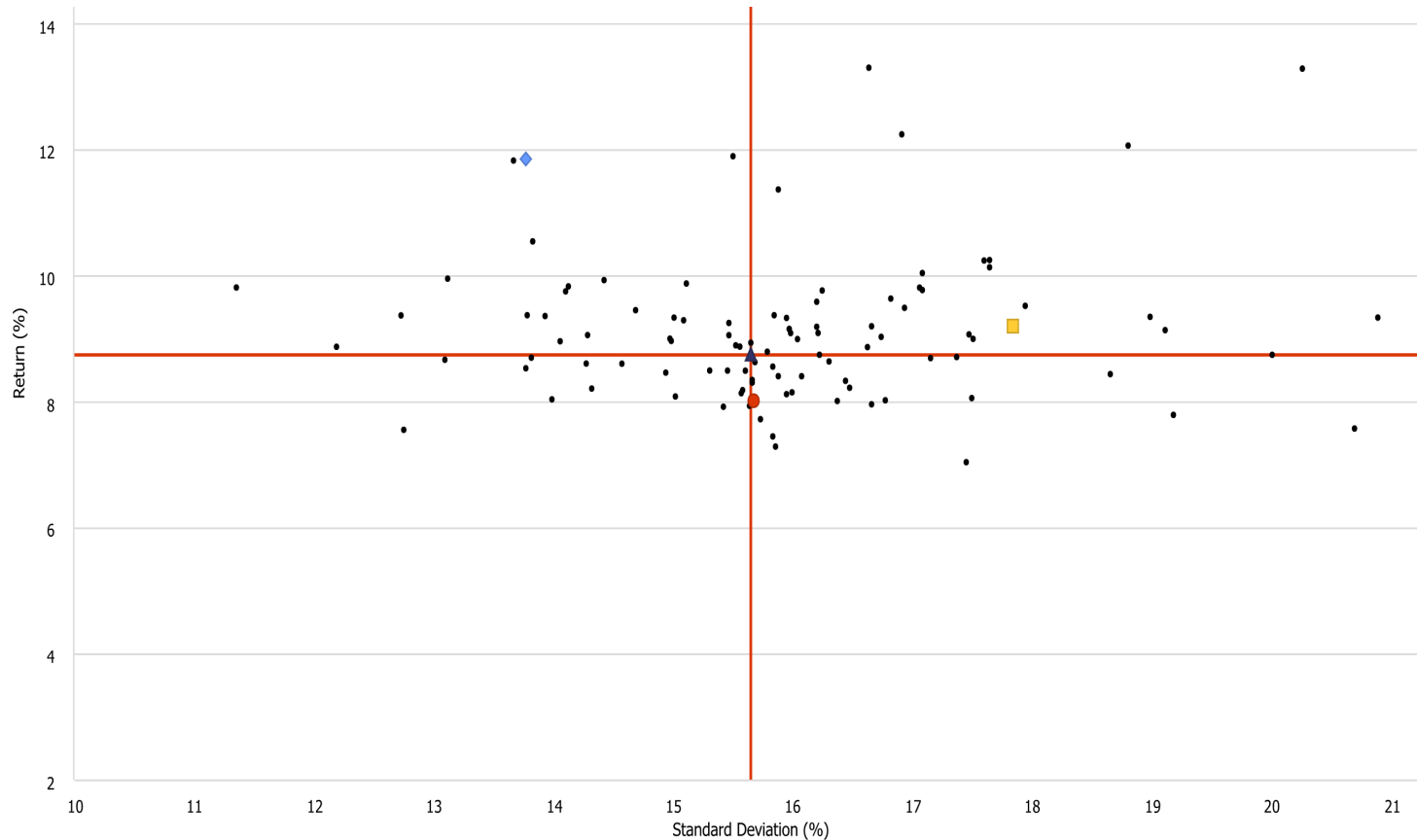
	YTD	1 Year	3 Years	5 Years	10 Years	Inception
Scharf Quality Value (Gross)	6.5%	18.6%	10.3%	9.8%	10.5%	13.6%
Scharf Quality Value (Net)	5.8%	17.6%	9.3%	8.9%	9.5%	12.3%
Russell 1000 Value Index	1.8%	14.4%	11.1%	6.2%	8.5%	9.9%
S&P 500 Index	13.1%	21.6%	10.2%	9.9%	11.9%	10.4%

Sources: eVestment, Scharf Investments.

Please see end of presentation for standardized performance, disclosures and definitions. Past performance is no guarantee of future results, and different periods and market conditions may result in significantly different outcomes.

# Scharf Quality Value Strategy

## Strong Risk-Adjusted Returns (1/1/1997- 9/30/2023)



Universe: eVestment US Large Cap Value Equity

◆ Scharf Quality Value

● Russell 1000 Value

▲ S&P 500

■ Russell 1000 Growth

Sources: eVestment. Scharf Quality Value SMA composite since GIPS-inception 1/1/1997-9/30/2023. Past performance is not indicative of future results. Timing of investments, cash flows and fees will have an impact on performance not indicated in the table above, and different periods and market conditions may result in significantly different outcomes.

# Scharf Quality Value Strategy



## Outperformance During All Negative Broad-Market Calendar Years Since 2000

Year	Russell 1000 Value	S&P 500	Scharf Quality Value (Gross)	Scharf Quality Value (Net)
<b>2000</b>	<b>7.4%</b>	<b>-9.1%</b>	<b>12.5%</b>	<b>11.1%</b>
<b>2001</b>	<b>-5.6%</b>	<b>-11.9%</b>	<b>19.2%</b>	<b>17.7%</b>
<b>2002</b>	<b>-15.5%</b>	<b>-22.1%</b>	<b>-11.1%</b>	<b>-12.2%</b>
<b>2008</b>	<b>-36.9%</b>	<b>-37.0%</b>	<b>-25.0%</b>	<b>-27.1%</b>
<b>2018</b>	<b>-8.3%</b>	<b>-4.4%</b>	<b>-0.6%</b>	<b>-1.8%</b>
<b>2022</b>	<b>-7.5%</b>	<b>-18.1%</b>	<b>-7.8%</b>	<b>-8.5%</b>

Annualized Rates of Return (%) as of September 30, 2023

	YTD	1 Year	3 Years	5 Years	10 Years	Inception
Scharf Quality Value (Gross)	6.5%	18.6%	10.3%	9.8%	10.5%	13.6%
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Sources: eVestment, Scharf Investments, as of 9/30/2023.

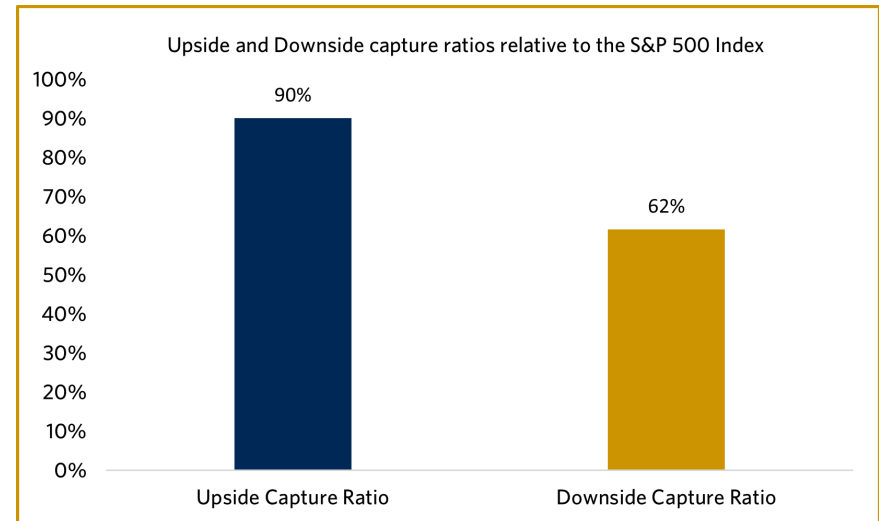
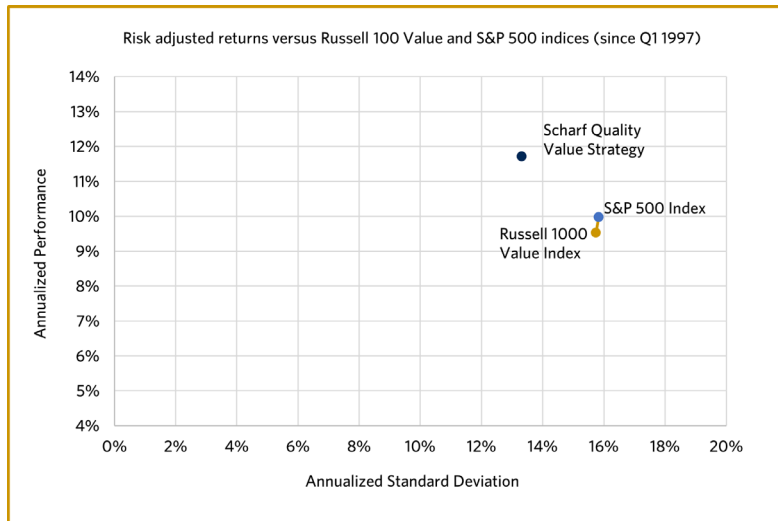
Please see end of presentation for standardized performance, disclosures and definitions. The table above shows periods since 1993, where the Russell 1000 Value Index and S&P 500 Index have had meaningful negative returns. Past performance is no guarantee of future results, and different periods and market conditions may result in significantly different outcomes.

# Scharf Quality Value Strategy

## Favorable Risk/Return Profile and Up/Down Capture

The **Scharf Quality Value Strategy** has delivered benchmark-beating returns while minimizing risk.

- Disciplined and consistent investment process has resulted in favorable capture ratios in both up and down markets.



Sources: Bloomberg, eVestment, as of 9/30/2023.

# Scharf Quality Value Strategy

Top-Ranked Strategy Within eVestment US Large Cap Value Equity Universe\*  
vs. Russell 1000 Value (1/1/1997-9/30/2023)



\*Source: eVestment. Sample size is 77 for eVestment US Large Cap Value Equity Universe (Gross) rankings. Scharf Investments did not pay to participate in this ranking.

# Scharf Quality Value Strategy



Top-Ranked Strategy Within eVestment US Large Cap Value Equity Universe\*  
vs. S&P 500 (1/1/1997- 9/30/2023)



\*Source: eVestment. Sample size is 77 for eVestment US Large Cap Value Equity Universe (Gross) rankings. Scharf Investments did not pay to participate in this ranking.

# Scharf Quality Value Strategy



## Performance

### Annualized Rates of Return (%) as of September 30, 2023

	YTD	1 Year	3 Years	5 Years	10 Years	Inception
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### Calendar-Year Total Returns (%) ending December 31, 2022

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Scharf Quality Value (Gross)	-7.70%	23.50%	13.30%	26.60%	-1.80%	13.80%	4.90%	2.90%	17.20%	33.20%	14.30%	4.60%	15.90%	28.40%	-26.10%
Scharf Quality Value (Net)	-8.50%	22.30%	12.30%	25.50%	-2.70%	12.80%	3.90%	1.90%	16.00%	31.80%	12.90%	3.40%	14.50%	26.80%	-27.10%
Russell 1000 Value Index	-7.60%	25.10%	2.80%	26.50%	-8.30%	13.60%	17.30%	-3.80%	13.50%	32.60%	17.50%	0.40%	15.50%	19.60%	-36.90%
S&P 500 Index	-18.10%	28.70%	18.40%	31.50%	-4.40%	21.80%	12.00%	1.40%	13.70%	32.40%	16.00%	2.10%	15.10%	26.50%	-37.00%

Sources: eVestment, Scharf Investments. Past performance is not indicative of future results. Net of fees performance includes the reinvestment of dividends and other income and the deduction of trading commissions and other costs.

# Scharf Quality Value Strategy



## Portfolio Characteristics (as of 9/30/2023)

	<b>Strategy</b>	<b>Russell 1000 Value</b>	<b>S&amp;P 500</b>
Strategy Assets	\$2.01 billion	--	--
Number of Holdings	30	--	--
Dividend Yield	1.5x	2.4x	1.5x
Trailing P/E	22.5x	16.6x	22.1x
Forward P/E	17.8x	14.8x	19.1x
Price to Cash Flow	18.5x	10.9x	14.9x
Return on Equity	18.88%	12.84%	17.58%
Net Debt/EBITDA	2.1x	1.9x	1.4x
Est. Next 3 Years EPS Growth	11.12%	8.60%	10.42%
Historical 5 Years EPS Growth	8.54%	6.72%	8.09%
Median Market Cap.	\$56,077	\$12,449	\$30,969
Weighted Market Cap.	\$280,394	\$137,383	\$677,691
Active Share	--	93.1%	89.3%
Average Turnover	39.4%	--	--

Sources: Bloomberg, Scharf Investments.



# Scharf Quality Value Strategy



## Portfolio Characteristics (as of 9/30/2023)

### Sector Weightings (%)

	Strategy	Russell 1000 Value	S&P 500
Communication Services	7.5	4.7	8.9
Consumer Discretionary	6.3	4.8	10.5
Consumer Staples	7.5	8.3	6.4
Energy		9.4	4.7
Financials	25.1	20.8	12.6
Health Care	22.5	15.3	13.2
Industrials	14.4	13.2	8.2
Information Technology	10.7	9.1	27.7
Materials		4.8	2.4
Real Estate	3.7	4.7	2.3
Utilities		5.0	2.4
Cash	2.4		0.6

### Top 10 Holdings (%)

Berkshire Hathaway	6.7
Comcast	6.5
McKesson	6.5
Microsoft	5.1
Markel	4.9
Centene Corp	4.4
Activision Blizzard	4.3
Brookfield Corp	4.2
CVS Health	4.2
Oracle Corp	4.2
<b>Total</b>	<b>51.0</b>

Sources: Bloomberg, Scharf Investments. 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.

# GIPS® Disclosure



## Scharf Quality Value Composite Performance (1991-2022)

Year	Composite Total Return Gross of Fees	Composite Total Return Net of Fees	Composite Total Return Net of All Wrap Fees	Russell 1000 Value Return	Standard & Poor's 500 Return	Number of Composite Portfolios	Composite Assets (\$)	Total Firm Assets (\$)	Composite 3 Year St Dev (Gross of Fees)	Russell 1000 Value 3 Year St Dev	Standard & Poor's 500 3 Year St Dev
1991	42.2%	40.3%	39.2%	19.5%	30.5%	19	3,192,775	10,200,000	N/A	N/A	N/A
1992	8.1%	6.5%	5.1%	9.4%	7.6%	35	5,623,314	18,500,000	N/A	N/A	N/A
1993	9.1%	7.5%	6.1%	14.4%	10.1%	59	11,106,371	28,000,000	N/A	N/A	N/A
1994	6.9%	5.3%	3.9%	-5.5%	1.3%	86	12,901,152	40,000,000	N/A	N/A	N/A
1995	36.8%	34.9%	33.8%	38.0%	37.6%	135	30,179,155	68,000,000	N/A	N/A	N/A
1996	32.0%	30.2%	29.0%	21.6%	23.0%	188	57,835,869	98,500,000	N/A	N/A	N/A
1997	30.1%	28.4%	27.1%	35.2%	33.4%	212	84,808,260	131,797,905	N/A	N/A	N/A
1998	27.6%	25.9%	24.6%	15.6%	28.6%	278	118,412,989	166,018,376	N/A	N/A	N/A
1999	22.2%	20.7%	19.2%	7.4%	21.0%	307	147,198,870	210,491,180	16.9%	16.0%	16.5%
2000	12.5%	11.1%	9.5%	7.4%	-9.1%	348	164,086,403	218,975,246	18.2%	17.3%	17.4%
2001	19.2%	17.7%	16.2%	-5.6%	-11.9%	385	204,188,689	275,016,481	15.1%	14.7%	16.7%
2002	-11.1%	-12.2%	-14.1%	-15.5%	-22.1%	478	202,541,718	273,841,310	16.7%	17.0%	18.5%
2003	28.5%	26.9%	25.5%	30.0%	28.7%	557	295,200,382	387,100,039	14.6%	16.0%	18.1%
2004	13.3%	11.9%	10.3%	16.5%	10.9%	696	409,671,208	489,288,960	12.1%	14.8%	14.9%
2005	12.3%	11.0%	9.3%	7.0%	4.9%	781	498,459,218	568,629,995	8.8%	9.5%	9.0%
2006	11.3%	10.0%	8.3%	22.2%	15.8%	817	544,877,064	620,415,124	7.6%	6.7%	6.8%
2007	5.7%	4.4%	2.7%	-0.2%	5.5%	831	584,521,293	681,807,787	8.4%	8.1%	7.7%
2008	-26.1%	-27.1%	-29.1%	-36.9%	-37.0%	796	396,386,690	485,921,399	13.8%	15.4%	15.1%
2009	28.4%	26.8%	25.4%	19.6%	26.5%	750	447,830,002	750,025,372	18.2%	21.1%	19.6%
2010	15.9%	14.5%	12.9%	15.5%	15.1%	834	540,529,490	988,634,723	19.3%	23.2%	21.9%
2011	4.6%	3.4%	1.6%	0.4%	2.1%	957	602,673,598	1,116,241,768	15.6%	20.7%	18.7%
2012	14.3%	12.9%	11.3%	17.5%	16.0%	1,024	805,587,366	1,491,382,028	11.4%	15.5%	15.1%
2013	33.2%	31.8%	30.2%	32.6%	32.4%	1,038	1,143,735,361	2,186,337,295	9.5%	12.7%	11.9%
2014	17.2%	16.0%	14.2%	13.5%	13.7%	1,101	1,587,542,982	3,228,568,198	8.4%	9.2%	9.0%
2015	2.9%	1.9%	-0.1%	-3.8%	1.4%	1,229	2,011,766,652	3,978,556,532	9.7%	10.7%	10.5%
2016	4.9%	3.9%	1.9%	17.3%	12.0%	1,143	2,103,497,016	4,144,710,216	9.8%	10.8%	10.6%
2017	13.8%	12.8%	10.8%	13.6%	21.8%	986	2,019,183,492	3,717,157,332	9.1%	10.2%	9.9%
2018	-1.8%	-2.7%	-4.8%	-8.3%	-4.4%	602	1,182,562,415	2,326,333,399	9.7%	10.8%	10.8%
2019	26.6%	25.5%	23.6%	26.5%	31.5%	530	1,221,228,724	2,370,910,589	10.3%	11.8%	11.9%
2020	13.3%	12.3%	10.3%	2.8%	18.4%	410	1,070,307,020	2,391,697,620	14.7%	19.6%	18.5%
2021	23.5%	22.3%	20.5%	25.1%	28.7%	688	1,664,971,769	2,842,464,274	14.1%	19.1%	17.2%
2022	-7.8%	-8.5%	-10.8%	-7.6%	-18.1%	965	1,710,108,222	2,685,797,917	16.8%	21.3%	20.9%

## Scharf Quality Value Composite Performance (1991-2022)

1. 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, 2022. 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 Quality Value Composite has had a performance examination for the periods January 1, 1997 through December 31, 2022. The verification and performance examination reports are available upon request.
2. 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.
3. 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.
4. The Scharf Quality Value 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.
5. 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.
6. Scharf Investments does not manage assets against any specific benchmark. The Scharf Quality Value Composite includes all 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 benchmarks shown are the Russell 1000 Value Index and the Standard & Poor's 500 Index. The Russell 1000 Value Index represents a composite of large and mid-cap companies located in the United States that also exhibit a value probability. 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 benchmarks is inappropriate because the benchmarks are 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.
7. Effective January 1, 2021, the Scharf Quality Value Composite was redefined to include wrap/bundled fee accounts. Prior to this date, the composite only contained non-wrap accounts. The percentage of wrap accounts within the composite for each applicable year are: 2021: 21.9%; 2022: 24.4%.
8. Returns are presented gross and net of management fees. Pure gross returns are presented as supplemental information to the net of fee returns due to certain portfolios not paying transaction costs applicable to wrap/bundled fee accounts. 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. Depending upon the custodian, these other costs may include fees deducted directly by the broker. The composite also includes portfolios that pay zero trading commissions. The pure gross of fees returns do not reflect the deduction of transaction costs. For new, non-wrap Equity Solution clients who pay only an Asset Based Fee, the typical Asset Based Fee is an annual fee of 1.25% on the first \$3,000,000 of assets under management, plus 0.80% over \$3 million and up to \$5 million; any balance over \$5 million is subject to an institutional pricing schedule. For new, wrap/bundled fee Equity Solution clients who pay only an Asset Based Fee, the typical Asset Based Fee is an annual fee that ranges from 0.45% to 1.00% of assets. In addition to this fee schedule, wrap fees paid to the separate account manager may also apply. In some cases, wrap fees are calculated at the discretion of the institutional account advisor, which can vary and further affect net performance. The Composite Total Return Net of All Wrap Fees are the Composite Total Return Gross of Fees reduced by the highest wrap fee of 3% applied annually.
9. The Scharf Quality Value Composite contains a pooled fund following the same strategy known as the Scharf Fund. This is not an offer to sell securities. That may only be accomplished by the issuance of a private offering memorandum/subscription documents. For institutional pooled fund clients, the highest fee schedule is 0.78% of the average daily assets per year with an expense ratio of 1.00% 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.
10. Annualized 1991-2022 return for the composite was 13.7% before management fees, 12.4% after management fees. Annualized return for the benchmarks listed above were 9.5% & 10.2%, respectively. 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 investments, calculating performance, and preparing GIPS Reports are available upon request.
11. The dispersion of annual gross 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. Pure gross returns were used to calculate the three-year annualized ex post standard deviation and the internal dispersion of the composite. A pure gross return is the return on investments that is not reduced by any transaction costs incurred during the period. 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%; 2017: 0.7%; 2018: 0.3%; 2019: 0.6%; 2020: 0.6%; 2021: 0.6%; 2022: 0.5%.
12. Data to calculate ex-post standard deviation for the trailing 36 months was not available for periods before 1999.
13. The Scharf Quality Value Composite was created on December 31, 2013 with an inception date of January 1, 1984. The composite retains performance from the Scharf Core Equity Composite prior to 2021. Valuations and returns are computed and stated in U.S. dollars.
14. 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.
15. As of July 1, 2023, the Scharf Sustainable Value Composite was renamed to the Scharf Quality Value Composite.



16450 Los Gatos Boulevard, Suite 207 | Los Gatos, CA 95032 | 831.429.6513 [scharfinvestments.com](https://www.scharfinvestments.com)

Investment in securities involves significant risk of loss. An investor in any of the strategies managed by Scharf Investments must understand and be willing to accept those risks, including the loss of a substantial amount of any such investment in securities. Those risks include the risk of changes in economic and market conditions, the concentration of investments within a portfolio, and the volatility of securities. 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.

In addition, this material includes forward looking statements based on Scharf Investments' experience and expectations about the securities markets and the methods by which Scharf Investments expects to invest in those markets. Those statements are sometimes indicated by words such as "expects," "believes," "seeks," "may," "intends," "attempts," "will," and similar expressions. The forward-looking statements are not guarantees of future performance and are subject to many risks, uncertainties and assumptions that are difficult to predict. Therefore, actual investment returns could differ materially and adversely from those expressed or implied in any forward-looking statements. Scharf Investments undertakes no obligation to revise or update any forward-looking statements for any reason.