

Item 1. Brochure Cover Page

Scharf Investments, LLC

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July 17, 2012

This brochure provides information about the qualifications and business practices of Scharf Investments, LLC. If you have any questions about the contents of this brochure, please contact us: Individuals should contact Michael Allard at 831-429-6513 or michael@scharfinvestments.com; Institutions should contact Eric Lynch at 831-429-6513 or eric@scharfinvestments.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Scharf Investments, LLC is a registered investment adviser. Registration of an Investment Adviser does not imply a certain level of skill or training. Scharf Investments LLC's oral and written communications are intended to provide you with information that you may use to determine to hire or retain us to provide investment advice.

Additional information about Scharf Investments, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2. Material Changes

The following is a material changes to this Brochure since its last update on March 16, 2012:

Item 4. Advisory Business

Scharf Investments, LLC ("Scharf" or the "Firm" or "Advisor" or "we") is a Delaware limited liability company which was established in 2009 when it succeeded the investment advisory business founded by Jeffrey R. Scharf in 1983. Jeffrey R. Scharf is the Manager and an owner of the Firm. Brian A. Krawez serves as President and Chairman of the Investment Committee of Scharf. He is the majority owner of the Firm.

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Item 4. Advisory Business

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The Firm provides investment advice and portfolio management for individuals, retirement accounts, trusts, family offices, corporations, endowments and foundations through managed accounts. Scharf typically tailors its services to the individual needs of each client by managing each such account according to the strategy selected by the client. We principally, but not solely, invest in equity and fixed income securities that are traded publicly in U.S. markets on behalf of clients, but are authorized to enter into any type of investment transaction that we deem appropriate, pursuant to the terms of a client’s account agreement. Scharf’s discretionary authority is limited, however, as described in Item 16.

As of December 31, 2011, Scharf had total discretionary assets under management of approximately \$1.26 billion. Scharf only manages assets on a discretionary basis.

Item 5. Fees and Compensation

As the investment adviser to multiple client accounts, Scharf typically holds a limited power of attorney to act on a discretionary basis with client funds. Client funds are deposited in either a brokerage firm or a bank custodian account. Scharf will typically deduct management fees and performance fees directly from client accounts, but may bill a client separately for such amounts.

In addition to Scharf’s management fees, each client account is responsible for its own costs and expenses, including trading costs and expenses such as brokerage commissions and clearing and settlement charges. Accounts that invest in mutual funds also pay, indirectly, investment advisory fees to the managers of those funds; except that no management fee is charged on the portion of a client’s account that is invested in the Scharf Fund, for which Scharf serves as the investment adviser. Scharf instead receives the management fee described below directly from the Fund

Scharf’s fee schedule for services provided: directly, through shared client/dual-contract relationships, and as a sub-adviser (for example, through a wrap-fee program) are described below:

Direct Clients. Direct clients sign a single investment advisory agreement with Scharf for management of the client’s individual account. Compensation provided to Scharf is negotiable and varies. For new clients, Scharf typically charges only an Asset Based Fee or a combination of an Asset Based Fee and a Performance Fee.

For clients who pay only an Asset Based Fee, the typical Asset Based Fee is an annual fee of 1.5% on the first \$1,000,000 of assets under management, plus 1.0% over \$1 million and up to \$3 million; plus 0.9% over \$3 million and up to \$5 million; plus 0.8% over \$5 million.

For clients who pay an Asset Based Fee and a Performance Fee, the typical fees include an annual fee of 0.5% on the first \$1 million; plus 0.3% over \$1 million and up to \$5 million; and no Asset Based Fee over \$5 million; plus a Performance Fee equal to 12% of net profits of the account (including both realized and unrealized gains and losses). The Performance Fee may be reduced to 10% for a client account that is greater than \$3 million at the beginning of a calendar year or other period. Performance Fees are assessed in arrears on an annual basis, and are only applied to profits that exceed the cumulative losses previously incurred by or allocated to the respective clients. Scharf complies with Rule 205-3 under the Investment Advisers Act of 1940, as amended, to the extent required by applicable law. Performance Fees may create an incentive for Scharf to make more risky and speculative investments than it would otherwise make.

The Asset Based Fees are typically payable in advance in quarterly installments at the beginning of each calendar quarter based on the net market value of the client's account on the date the fee accrues and becomes payable.

If a client contributes capital to the Account, including its initial capital, on a date other than the first day of a calendar quarter, the Account will be charged a prorated portion of the Asset Based Fee for that calendar quarter with respect to such contribution, based on the number of days remaining in that calendar quarter and based on the net market value of the contributed capital on the opening of trading on the date of such contribution. Such fees will added to and payable with the Asset Based Fee for the following quarter.

If a client withdraws assets from the Account on any date other than the last day of a calendar quarter, the Asset Based Fee previously paid with respect to that calendar quarter shall be prorated based on the number of days elapsed in that quarter prior to the withdrawal, and the unearned portion shall be deducted from the next quarterly Asset Based Fees.

In calculating Account value (and Account profits in the case of a Performance Fee), margin debt is not deducted from the value of the Account.

Except as may be otherwise negotiated in particular cases, a client may terminate an individually managed account by giving written notice. Expenses and the pro rata portion of the annual fee through the date of termination are charged to the client. All prepaid but unearned advisory fees are refunded to the client on termination of an account.

Shared Clients/Dual Contract. Scharf provides investment advisory service for shared clients introduced to Scharf by third party investment advisers or brokers. The client signs investment agreements with both the referring third party and Scharf. Scharf is only responsible for advising and managing those assets allocated to Scharf upon the direction of either the client or the third party. The third party is responsible for obtaining and evaluating information regarding the identity, circumstances, financial condition, tax situation, regulatory status and financial needs and goals of the shared client so that the third party can evaluate whether the investment guidelines of the shared client are appropriate and suitable. The third party reviews the investment guidelines set forth in each investment management agreement between Scharf and each shared client, as they may be amended from time to time, and informs Scharf and each shared client if any such investment guidelines are not appropriate or suitable for any such shared client. Scharf periodically communicates investment performance and portfolio

commentary to the third party which employs its own discretion in forwarding such information to the client

Shared/dual contract clients, whether Balanced or Equity, typically pay Scharf an Asset Based Fee ranging from 0.65% to 1.0% of the value of the Account. Fees vary based on the type of product provided, the complexity and level of service provided, the number of different accounts and the total assets under management for that client and related clients, other services provided by the third-party adviser, other administrative services provided, or other circumstances or factors that Scharf deems relevant. Fees are charged as set forth under Direct Client relationships.

Sub-Advisory/Wrap Fee Relationships. Scharf may also be retained as a portfolio sub-advisor for an investment sponsor who contracts with the client. Scharf may act as a sub-advisor to the sponsor, or the sponsor may receive Scharf's model portfolio and, based on that model, the sponsor may exercise investment discretion. As in the Shared Clients/Dual Contract relationship described above, the sponsor (not Scharf) determines each client's investment objectives and suitability. After an account has been established, Scharf may be available to communicate from time to time with the client or the investment sponsor on matters concerning the client's investments that Scharf is sub-advising. Sub-Advisory/Wrap Fee relationships typically pay an Asset Based Fee ranging from 0.45% to 0.70% which is set forth in each sponsor's agreement with Scharf.

Mutual Fund. Scharf serves as the investment adviser to one mutual fund: the Scharf Fund. This fund is an open-end management investment company registered under the Investment Company Act of 1940, as amended. Scharf receives a monthly advisory fee from the Scharf Fund equal to 0.99% per year of the average daily assets.

Item 6. Performance-Based Fees and Side-By-Side Management

Scharf manages accounts that pay performance-based compensation as described in Item 5 and accounts that do not pay performance-based compensation. Typically, an account that does not pay performance-based compensation pays a higher asset-based fee. Regardless, Scharf has a conflict of interest if, in any time period, one fee structure would cause higher fees to Scharf than the other fee structure, because Scharf would have an incentive to favor the account that would pay the higher fees.

To address this conflict, Scharf has adopted policies designed to ensure that we treat all Clients equitably in allocating investment opportunities over time. These policies include trade allocation and aggregation policies, and Scharf's Code of Ethics which governs the behavior of all employees, review procedures designed to identify unfair or unequal treatment of accounts, and periodic performance reviews to identify potential problems. We do not consider fee structures in allocating investment opportunities.

Item 7. Types of Clients

Scharf provides portfolio management for an investment company, individuals, retirement accounts, trusts, family offices, corporations, endowments and foundations through separately managed accounts.

Item 8. Methods of Analysis, Investment Strategies and Risk Of Loss

Equity Strategy

Scharf uses a proprietary variation of low-valuation investing that Scharf describes as “growth stocks at value prices” to construct a portfolio of 25-35 stocks which, taken as a whole, have a history of relatively predictable earnings. Scharf’s preference for earning predictability and mitigation of downside risk generally results in a portfolio with a mid- large cap, U.S. domiciled bias.

Scharf’s Multi-factor Analytical Performance (MAP) screen identifies stocks that Scharf believes have appreciation potential of at least 30-40% over the next 12-24 months due to the exponential interaction or improved valuations applied to rising per share earnings, cash flow and/or book value. Integral to the strategy is risk management. Scharf builds and monitors Favorability Ratios - upside potential/downside risk - for each stock and seeks to provide diversification by limiting exposure to individual stocks and industries.

Balanced Portfolio

Balanced accounts combine the appreciation potential of equities with the capital preservation and income generation qualities of fixed income investments. A typical balanced portfolio consists of about 70% common stocks, generally the same 25-35 companies in equity accounts. The remainder is allocated to investments other than common stocks, including bonds, preferred stocks, and money market instruments.

Hedged Portfolio (Typical Account - minimum \$1 million)

The objective of the Scharf Hedged Portfolio is to provide lower, value-added returns for client accounts by hedging market exposure. Long positions are designed to track relevant benchmarks in rising markets and lose significantly less than benchmarks in falling markets. A typical portfolio consists of 25-35 stocks judged to have the best quantitative and qualitative characteristics based on Scharf’s analysis. Short positions are designed to partially hedge the portfolio against market declines.

All Strategies.

The investment strategies summarized above represent Scharf’s current intentions, are general in nature and are not exhaustive. The investment strategies may shift, depending on conditions and trends in securities markets and the economy generally.

Risk Factors

Investing in securities involves risk of loss that clients should be prepared to bear. Below are some of the risks that investors should consider before investing in any account that Scharf manages. Any or all of such risks could materially and adversely affect investment performance, the value of any account or any security held in an account, and could cause investors to lose substantial amounts of money. Potential investors should review all material from Scharf

carefully and in its entirety, and consult with their professional advisers before deciding whether to invest.

- Client accounts may not achieve their investment objectives. An account strategy may not be successful and investors may lose some or all of their investment.
- Investor sentiment on the market, an industry or an individual stock, fixed income or other security is not predictable and can adversely affect an account's investments.
- An account may hold stocks that fail to meet earnings expectations and decline, and may short stocks that beat earnings expectations and rise.
- Changes in economic conditions can adversely affect investment performance. At times, economic conditions in the U.S. and elsewhere have deteriorated significantly, resulting in volatile securities markets and large investment losses.
- Scharf may not be able to obtain complete or accurate information about an investment and may misinterpret the information that it does receive. Scharf also may receive material, non-public information about an issuer that prevents it from trading securities of that issuer for a client when the client could make a profit or avoid losses.
- An account may have higher portfolio turnover and transaction costs than a similar account managed by another investment adviser. These costs reduce investment returns and potential profit or increase loss.
- Counterparties such as brokers, dealers and custodians administrators with which Scharf does business on behalf of clients may default on their obligations. For example, a client may lose its assets on deposit with a broker if the broker, its clearing broker or an exchange clearing house becomes bankrupt.
- Scharf may cause clients to invest in securities of non-U.S., private and government issuers. The risks of these investments include political risks; adverse economic developments in the country in which the issuer is located; limitations on foreign investment in any such country; currency exchange risks; withholding taxes; limited information about the issuer; limited liquidity; and limited regulatory oversight.
- Some of an account's positions may be or become illiquid, in which case Scharf may not be able to sell such positions.
- An account's investments may not be diversified.
- If authorized by a client, Scharf may use leverage by borrowing on margin, which may increase volatility and risk.
- Scharf may take positions in securities of small, unseasoned companies that are less actively traded and more volatile than those of larger companies.

- Scharf determines the value of securities held in client accounts, typically using third-party market data. If Scharf's valuation is inaccurate, it might receive more compensation than that to which it is entitled.
- Scharf and its affiliates and agents generally are not responsible to any client or investor for losses incurred in an account unless the conduct resulting in such loss breached Scharf's fiduciary duty to the client.
- The attorneys who represent Scharf or its manager do not represent clients. Clients must hire their own counsel for legal advice and representation.
- An account custodian or any government agency may freeze assets that any of them believes a client holds in violation of anti-money laundering laws or rules or on behalf of a suspected terrorist, and may transfer such assets to a government agency. Scharf will not be liable for losses related to anti-money laundering regulation.
- Scharf's activities could cause adverse tax consequences to clients and investors, including liability for interest and penalties.

The above is only a brief summary of some of the important risks that a client or investor may encounter. Before deciding to invest with Scharf, you should consider carefully all of the risk factors and other information.

Item 9. Disciplinary Information

Not applicable.

Item 10. Other Financial Industry Activities and Affiliation

As discussed in Item 5, Scharf serves as the investment adviser to a mutual fund, the Scharf Fund. Pursuant to certain provisions of the Investment Company Act, Scharf may be deemed to control, and may therefore be considered a "related person" of, this fund.

Item 11. Code of Ethics, Participation or Interest In Client Transactions And Personal Trading

Scharf has adopted a Code of Ethics in compliance with Rule 204A-1 under the Investment Advisers Act of 1940 that establishes standards of conduct for Scharf's employees. The Code of Ethics includes general requirements that Scharf's employees comply with their fiduciary obligations to clients and applicable securities laws, and specific requirements relating to, among other things, personal trading, insider trading, conflicts of interest and confidentiality of client information. It requires employees to periodically report their personal securities transactions and holdings to Scharf's Compliance Officer, and requires the Compliance Officer to review those reports. It also requires employees to report any violations of the Code of Ethics promptly to the Compliance Officer. Each employee of Scharf receives a copy of the Code of Ethics and any amendments to it and must acknowledge in writing having received those materials. Annually, each employee must certify that he or she complied with the Code of Ethics during the

preceding year. Clients and prospective clients may obtain a copy of Scharf's Code of Ethics by contacting Jason Marcus at 831-429-6513.

Under Scharf's Code of Ethics, Scharf and its managers, members and employees may personally invest in securities of the same classes as Scharf purchases for clients and may own securities of issuers whose securities Scharf subsequently purchases for clients. This practice creates a conflict of interest in that any of such person can use his or her knowledge about actual or proposed securities transactions and recommendations for a client account to profit personally by the market effect of such transactions and recommendations. To address this conflict, except as described in Item 12 regarding aggregating securities transactions, if Scharf purchases or sells a security for clients and itself or any of its employees on the same day using the same broker, either the clients and Scharf and its employees pay or receive the same price, or the clients receive the more favorable price. Scharf and its employees may also buy or sell specific securities for their own accounts based on personal investment considerations aside from company or industry fundamentals, which Scharf does not believe appropriate to buy or sell for clients.

Because Scharf manages more than one account, there may be conflicts of interest over the time devoted to managing any one account and allocating investment opportunities among all accounts that it manages. For example, Scharf selects investments for each client based solely on investment considerations for that client. Different clients may have differing investment strategies and expected levels of trading. Scharf may buy or sell a security for one type of client but not for another, or may buy (or sell) a security for one type of client while simultaneously selling (or buying) the same security for another type of client. Scharf attempts to resolve all such conflicts in a manner that is generally fair to all of its clients. Scharf may give advice to, and take action on behalf of, any of its clients that differs from the advice that it gives or the timing or nature of action that it takes on behalf of any other client so long as it is Scharf's policy, to the extent practicable, to allocate investment opportunities to its clients fairly and equitably over time. Scharf is not obligated to acquire for any account any security that Scharf or its managers, members or employees may acquire for its or their own accounts or for any other client, if in Scharf's absolute discretion, it is not practical or desirable to acquire a position in such security for that account.

Scharf may also recommend to clients that they invest in Scharf Fund, which is advised by Scharf and from which Scharf derives management fees.

Item 12. Brokerage Practices

Scharf generally has discretion in selecting the broker that it uses for client transactions and the commission rates that clients pay such brokers. In selecting a broker for any transaction or series of transactions, Scharf may consider a number of factors, including, for example, net price, clearance, settlement, reputation, financial strength and stability, efficiency of execution and error resolution, block trading and block positioning capabilities, willingness to execute related or unrelated difficult transactions in the future, special execution capabilities, order of call, offering to Scharf on-line access to computerized data regarding clients' accounts, computer trading systems and the availability of stocks to borrow for short trades.

Scharf may also purchase from a broker or allow a broker to pay for the following (each a “soft dollar” relationship): certain research services, economic and market information, portfolio strategy advice, industry and company comments, technical data, recommendations, research conferences, general reports, consultations, performance measurement data, on-line pricing, quotation services, custody, recordkeeping and similar services, computer software and the like. Scharf may also allocate the costs of certain computer equipment and software used for both research and non-research purposes between their research and non-research uses, and use soft dollars to pay only for the portion that Scharf allocates to research uses.

Scharf may pay to a broker commissions and mark-ups that exceed those that another broker might charge for effecting the same transaction because of the value of the brokerage, research, other services and soft dollar relationships that such broker provides. Scharf determines in good faith that such compensation is reasonable in relation to the value of such brokerage, research, other services and soft dollar relationships, in terms of either the specific transaction or Scharf’s overall fiduciary duty to its clients. An account may, however, pay higher commissions and mark-ups than are otherwise available or may pay more commissions or mark-ups based on account trading activity. The research and other benefits resulting from Scharf’s brokerage relationships benefit Scharf’s operations as a whole and all accounts that it manages, including those that do not generate the soft dollars that pay for such research and other benefits and accounts of clients that direct Scharf to use a broker that does not provide Scharf with soft dollar services. Scharf does not allocate soft dollar benefits to client accounts proportionately to the soft dollar credits that the accounts generate.

Scharf’s relationships with brokers that provide soft dollar services influence Scharf’s judgment and create conflicts of interest in allocating brokerage business between firms that provide soft dollar services and firms that do not, and in allocating the costs of mixed-use products between their research and non-research uses. Scharf has an incentive to select or recommend a broker based on Scharf’s interest in receiving soft dollar services rather than clients’ interest in receiving the most favorable execution. These conflicts of interest are particularly influential to the extent that Scharf uses soft dollars to pay expenses it would otherwise be required to pay itself.

Scharf has addressed these conflicts of interest by annually evaluating the trade execution services that Scharf receives from the brokers that it uses to execute trades for clients. Such evaluation includes comparing those services to the services available from other brokers. Scharf considers, among other things, alternative market makers and market centers, the quality of execution services, the value of continuing with various soft dollar services and adding or removing brokers, increasing or decreasing targets for each broker and the appropriate level of commission rates.

Scharf may aggregate securities sale and purchase orders for a client with similar orders being made contemporaneously for other accounts that Scharf manages or with accounts of its affiliates. In such event, Scharf may charge or credit a client, as the case may be, the average transaction price of all securities purchased or sold in such transactions. As a result, however, the price may be less favorable to the client than it would be if Scharf were not executing similar transactions concurrently for other accounts. Scharf may also cause a client to buy or sell securities directly from or to another client, if such a cross-transaction is in the interests of both clients.

Scharf's policies and procedures generally provide that if Scharf makes an error while placing a trade for a client account (whether that error results in a gain or a loss), Scharf corrects the error as quickly as possible (which may include moving the trade to an "error account" held by Scharf) and bears all costs and retains all gains (if any) of correcting the error, unless otherwise provided in a client's agreement with Scharf.

Scharf may direct a certain amount of brokerage to a broker in return for the broker's referral of prospective clients or investors. Directing brokerage to a broker in exchange for client or investor referrals creates a conflict of interest in that Scharf has an incentive to refer its clients' brokerage business to brokers to which it might not otherwise direct its brokerage transactions. Scharf has policies and procedures to review its brokerage practices regularly, including its use of brokers from which Scharf receives client or investor introductions.

If a client directs Scharf to use a specific broker, Scharf has not negotiated the terms and conditions (including, among others, commission rates) relating to the services provided by such broker. Scharf is not responsible for obtaining from any such broker the best prices or particular commission rates. A client that directs Scharf to use a specific broker may not be able to participate in aggregate securities transactions and may trade after such aggregate transactions and receive less favorable pricing and execution. The client may pay higher commissions and mark-ups than it would pay if Scharf had discretion to select broker-dealers other than those that the client chooses.

Item 13. Review of Accounts

Scharf's portfolio accounting system is reconciled with Scharf's broker/custodian records on a daily basis. All accounts are reviewed as needed by Scharf. Global account reviews, which encompass decisions regarding initiating, maintaining, increasing or decreasing one or more securities positions across multiple accounts may be triggered by events such as changes in market evaluations and fundamental business developments. Individual account reviews may be triggered by events such as additions to or subtractions from funds under management, modifications in investment objectives, etc.

Scharf's clients receive independent trade confirmations and statements of their account(s) from the institution(s) where the account is held. These statements typically list their holdings, the value of their holdings, the estimated income from all holdings other than cash, dividends received, interest paid or charged, and debit or credit balance, if any. Scharf sends quarterly reports to direct clients which show account positions, cost basis, and unrealized gains/losses. Included with this report is a quarterly letter distributed to all clients. For full-year accounts, Scharf sends an annual performance report.

Clients through shared/dual-contracts or sub-advisory/wrap-fee relationships receive reports, if any, as set forth in the arrangement with the client's primary adviser.

Item 14. Client Referrals and Other Compensation

Scharf may engage solicitors to whom it pays cash or a portion of the advisory fees paid by clients referred to it by those solicitors. In such cases, this practice is disclosed in writing to the

client and Scharf complies with the other requirements of Rule 206(4)-3 under the Investment Advisers Act of 1940, to the extent required by applicable law.

Scharf receives client referrals from Charles Schwab & Co., Inc. (“Schwab”) through Scharf’s participation in Schwab Advisor Network (the “Service”). The Service is designed to help investors find an independent investment advisor. Schwab is a broker-dealer independent of and unaffiliated with Scharf. Schwab does not supervise the Advisor and has no responsibility for Scharf’s management of clients’ portfolios or the Advisor’s other advice or services. Scharf pays Schwab fees to receive client referrals through the Service. Scharf’s participation in the Service may raise potential conflicts of interest described below.

Scharf pays Schwab a Participation Fee on all referred clients’ accounts that are maintained in custody at Schwab and a Non-Schwab Custody Fee on all accounts that are maintained at, or transferred to, another custodian. The Participation Fee is billed to Scharf quarterly and may be increased, decreased or waived from time to time. The Participation Fee is paid by Scharf and not by the client. Scharf has agreed not to charge clients referred through the Service fees or costs greater than the fees or costs Scharf charges clients with similar portfolios who were not referred through the Service solely because these clients were referred by Schwab.

Scharf generally pays Schwab a Non-Schwab Custody Fee if custody of a referred client’s account is not maintained by, or assets in the account are transferred from Schwab and Scharf retains management. The Non-Schwab Custody Fee is a one-time payment equal to a percentage of the assets placed with a custodian other than Schwab. The Non-Schwab Custody Fee is higher than the Participation Fees the Advisor generally would pay in a single year. Thus, Scharf may have an incentive to recommend that client accounts be held in custody at Schwab. In addition, if a potential client is referred by Schwab, Scharf may not refer that potential client to any other financial services provider but must refer the potential client back to Schwab.

The Participation and Non-Schwab Custody Fees will be based on assets in accounts of Scharf’s clients who were referred by Schwab and those referred clients’ family members living in the same household who subsequently become clients of Scharf. Thus, Scharf will have incentives to encourage household members of clients referred through the Service to maintain custody of their accounts and execute transactions at Schwab and to instruct Schwab to debit Scharf’s fees directly from the accounts.

For accounts of Scharf’s clients maintained in custody at Schwab, Schwab will not charge the client separately for custody but will receive compensation from Scharf’s clients in the form of commissions or other transaction-related compensation on securities trades executed through Schwab. Schwab also will receive a fee for clearance and settlement of trades executed through broker-dealers other than Schwab. Schwab’s fees for trades executed at other broker-dealers are in addition to the other broker-dealer’s fees. Thus, Scharf may have an incentive to cause trades to be executed through Schwab rather than another broker-dealer. Trades for client accounts held in custody at Schwab may be executed through a different broker-dealer than trades for Scharf’s other clients. Thus, trades for accounts custodied at Schwab may be executed at different times and different prices than trades for other accounts that are executed at other broker-dealers.

Item 15. Custody

We do not intend to have custody of client assets; client assets will be held in brokerage accounts or with third party custodians under which Scharf's clients will grant to Scharf discretion to place trades. The custodian of each individually managed account sends account statements at least quarterly to the client. Each client should carefully review those statements and compare them with the statements that such client receives directly from Scharf as described in Item 13.

Item 16. Investment Discretion

Scharf has discretionary authority to manage investment accounts on behalf of its clients pursuant to a limited power of attorney in each client's Investment Advisory Agreement. Such discretion is limited by the requirement that each client advise Scharf of: the investment objectives of the account; any changes or modifications to those objectives; and any specific investment restrictions relating to the account. Each client should consult directly with Scharf on a periodic basis regarding the client's investment objectives and guidelines.

A client must promptly notify Scharf in writing if the client considers any investments recommended or made for the account to violate such objectives or restrictions. A client may at any time direct Scharf to sell any securities or take such other lawful actions as the client may specify to cause the account to comply with the client's investment objectives. In addition, a client may notify Scharf at any time not to invest any funds in the client's account in specific securities or specific categories of securities.

Item 17. Voting Client Securities

Most of Scharf's clients have expressly retained proxy voting authority in their Investment Management Agreements. If an Investment Management Agreement does not expressly provide for proxy voting authority, the client, not Scharf, has proxy voting authority. As a result, Scharf typically does not vote any proxies, and each client should instruct its account custodian to deliver all proxy solicitation materials to the client, not Scharf.

If, from time to time, Scharf has proxy voting authority over an account, Scharf will vote all proxies based on Scharf's determination of the best interests of that account. In determining whether a proposal serves the best interests of an account, Scharf will consider a number of factors, including the economic effect of the proposal on shareholder value, the threat posed by the proposal to existing rights of shareholders, the dilution of existing shares that would result from the proposal, the effect of the proposal on management or director accountability to shareholders, and, if the proposal is a shareholder initiative, whether it wastes time and resources of the company or reflects the grievance of one individual. Scharf will abstain from voting proxies when Scharf believes that it is appropriate to do so.

If a material conflict of interest over proxy voting arises between Scharf and a client, Scharf will vote all proxies in accordance with the policy described above. If Scharf determines that this policy does not adequately address the conflict of interest, Scharf will notify the client of the conflict and request that the client consent to Scharf's intended response to the proxy solicitation. If the client consents to Scharf's intended response or fails to respond to the notice within a reasonable time specified in the notice, Scharf will vote the proxy as described in the notice. If

the client objects in writing to Scharf's intended response, Scharf will vote the proxy as directed by the client.

A client can obtain a copy of Scharf's proxy voting policy and a record of votes cast by Scharf on behalf of that client by contacting Jason Marcus at 831-429-6513.

Item 18. Financial Information

Not Applicable.

Item 19. Requirements for State-Registered Advisers

Not applicable.

Privacy Policy

Scharf collects non-public personal information about its clients from the following sources:

- Information received from clients on applications or other forms;
- Information about clients' transactions with Scharf, its affiliates or others.

Scharf does not disclose any non-public personal information about its clients or former clients to anyone, except as permitted by law.

Scharf restricts access to non-public personal information about its clients to its employees and certain third parties for Scharf to provide services to clients. Scharf maintains physical, electronic and procedural safeguards that comply with federal standards to guard clients' personal information.

Scharf Investments, LLC

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This brochure supplement provides information about those supervised persons named in Item 2 below, and supplements Scharf Investments, LLC's ("Scharf" or the "Firm") Brochure. You should have received a copy of that brochure. Please contact us: Individuals should contact Michael Allard at 831-429-6513 or michael@scharfinvestments.com; Institutions should contact Eric Lynch at 831-429-6513 or eric@scharfinvestments.com if you did not receive Scharf's Brochure or if you have any questions about the contents of this supplement.

Additional information about Scharf is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 Educational Background and Experience

Jeffrey R. Scharf

Jeffrey R. Scharf is the founder and Manager of Scharf Investments. Mr. Scharf founded Scharf Investments in 1983 as a sole proprietor after years of investing privately. Mr. Scharf was born in 1953 and earned a Bachelor of Arts degree in Economics from the University of California at Santa Cruz in 1975.

Mr. Scharf has more than 30 years of experience in securities research and portfolio management. He writes a bi-weekly newspaper column entitled "Everybody's Business" for the Santa Cruz Sentinel. He has also had articles published in Barron's magazine. Mr. Scharf has been a lecturer in Economics at the University of California at Santa Cruz, and has been a featured speaker at investment symposia in New York City and Northern California.

Brian Krawez, CFA*

Brian Krawez joined Scharf Investments in 2007. He is President of Scharf Investments and Chairman of the Investment Committee. Mr. Krawez was born in 1973 and earned his Bachelor of Science degree in 1994 from the University of California at Berkeley. He later earned his Master of Business Administration from the University of California at Berkeley in 2002.

Prior to joining Scharf in 2007, Mr. Krawez was head of research for Belden and Associates Investment Counsel where he managed a successful large blend portfolio. Mr. Krawez began his career with Smith Barney where he was as a top-rated investment banking analyst focusing on health care. He left Smith Barney in 1997 and joined a hedge fund, SC Fundamental, where he helped manage a \$650 million diversified equity portfolio. Later, while attending UC Berkeley's Haas School of Business MBA program, Mr. Krawez recommended stocks at Dodge & Cox. Mr. Krawez earned his CFA designation in 2004 and is a member of the Security Analysts of San Francisco.

George R. Gallucci

George Gallucci is the Director of Client Relations and joined Scharf Investments in 1991. He was born in 1939 and earned his Bachelor of Science degree in 1961 from San Jose State University.

Mr. Gallucci has spent over 40 years in the financial services industry. Previously, he served as President and CEO of Western Capital Management and Pacific Trust Company, both subsidiaries of Pacific Western Bank. At Western Capital, Mr. Gallucci was responsible for the development of investment strategy, portfolio management, selection of individual securities and all related trading activities. At Pacific Trust, he was responsible for all fiduciary activities, account administration and related tax, investment and legal compliance matters. Mr. Gallucci is also a graduate of the Pacific Coast Banking School at the University of Washington.

Michael Allard

Michael Allard is Vice President of Client Relations and joined Scharf Investments in 2006. He was born in 1967 and earned his Bachelor of Science degree in 1991 from California State University, Chico.

Prior to joining Scharf, he was a Vice President and Regional Sales Manager for Wells Fargo Private Client Services. At Wells Fargo, Mr. Allard introduced high net worth families to specialized services including trust and estate administration, retirement planning, charitable giving and private banking. Prior to Wells Fargo, he was employed by Charles Schwab & Co. for ten years where he held various positions, including Regional Sales Manager. During his tenure at Schwab he both established and ran the company's Soquel/Capitola branch office.

Eric Lynch

Eric Lynch is Vice President of Institutional Relations & Investment Analyst, Investment Committee Member and joined Scharf Investments in 2007. He was born in 1971 and earned his Bachelor of Arts degree in 1993 from John Carroll University. He earned his Master Business Administration from the University of North Carolina at Chapel Hill.

Prior to joining Scharf in 2007, Mr. Lynch contributed research to Scharf beginning in 2005 through his registered investment advisory firm, Lynch Capital Management. Until 2005, he was Co-Chief Operating Officer, Research Analyst and Portfolio Manager at Polen Capital Management, a top-ranked investment firm. He successfully directed the firm's institutional effort for three years. Prior to his investment career, Mr. Lynch spent several years as a management consultant with Accenture and Price Waterhouse-Japan serving Fortune 500 client companies in Consumer Services and Capital Markets.

Loren Kinczel

Loren Kinczel joined Scharf Investments in 2009. He is a Director of Client Relations for Scharf and a member of the Investment Committee. He was born in 1976 and earned his Bachelor of Arts degree in 1998 from Harvard University. He later earned his Master of Business Administration from the University of California at Berkeley in 2008.

Prior to joining Scharf, he performed equity research for Farallon Capital Management L.L.C., a leading multi-billion dollar hedge fund, and Belden and Associates Investment Counsel, a registered investment advisor based in San Francisco. Before launching his professional investment career, Mr. Kinczel worked with a venture capitalist on new enterprises serving the financial services industry.

Debbie Robinson

Ms. Robinson is a Client Relations Manager and joined Scharf Investments in 2011. She was born in 1969 and earned a Bachelor of Arts degree in Psychology and a minor in Business Administration from Sonoma State University.

Prior to joining Scharf, Ms. Robinson worked as a Portfolio Associate and Equity Trader for Mt. Eden Investment Advisors, a registered investment advisor based in San Francisco. She also worked for Telegraph Hill Investment Counsel prior to their merger with Mt. Eden. Her responsibilities in this role included trading, operations, portfolio accounting, and client administration.

*The Chartered Financial Analyst (CFA) charter is a professional designation established in 1962 and awarded by CFA Institute. To earn the CFA charter, candidates must pass three sequential, six-hour examinations over two to four years. The three levels of the CFA Program test a wide range of investment topics, including ethical and professional standards, fixed-income analysis, alternative and derivative investments, and portfolio management and wealth planning. In addition, CFA charter holders must have at least four years of acceptable professional experience in the investment decision-making process and must commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

Item 3 Disciplinary Information

Not applicable.

Item 4 Other Business Activities

Not applicable.

Item 5 Additional Compensation

Some of the supervised individuals found in Item 2 receive compensation equal to a percentage of the Management Fees paid to Scharf by clients referred by that supervised person. In addition to this compensation, Scharf may pay additional bonuses to these individuals from time to time.

Item 6 Supervision

Jason Marcus serves as Chief Compliance Officer of Scharf and can be reached at 831-429-6513. As Chief Compliance Officer, he is responsible for the supervision of the Firm's supervised persons by monitoring their compliance with Scharf's Statement of Policies and Procedures, including its Code of Ethics. Brian Krawez, the Firm's President, whose telephone number is 831-429-6513, monitors the securities transactions that each supervised person enters into on behalf of clients, generally using the review process described in Item 13 of Scharf's Brochure. Mr. Krawez is responsible for overseeing any conflicts between Mr. Marcus and the Firm.

Item 7 Requirements for State-Registered Advisers

Not Applicable.