

Firm Brochure

(Part 2A of Form ADV)

Giverny Capital Inc.

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This brochure provides information about the qualifications and business practices of Giverny Capital Inc. If you have any questions about the contents of this brochure, please contact us at: (514) 842-5589, or by email at: info@givernycapital.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.

Disclaimer: Registration as a “Registered Investment Advisor” does not necessarily imply a certain level of skill or training with regulatory authorities. Additional information about Giverny Capital Inc. is available on the SEC’s website at www.adviserinfo.sec.gov

11/30/11

Giverny Capital Inc.

Material Changes

Annual Update

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

Material Changes since the Last Update

The U.S. Securities and Exchange Commission issued a final rule in July 2010 requiring advisers to provide a Firm Brochure in narrative “plain English” format. The new final rule specifies mandatory sections and organization.

Full Brochure Available

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: (514) 842-5589 or by email at: info@givernycapital.com

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Advisory Business

Firm Description

Giverny Capital Inc., (“Giverny”, “Firm” or “We”) is an investment management firm based in Canada, providing investment management services to individuals, trusts, and other institutional entities in North America and overseas. Our firm was founded in 1998. The Firm’s investment management services are limited to the discretionary management of investment portfolios (mostly consisting of equity securities) in accordance with Giverny’s long-term investment management strategy. We do not provide financial planning, insurance planning, estate planning, or any other related or unrelated consulting services.

Giverny is strictly a fee-only investment management firm providing independent investment management services. The firm does not receive commissions for purchasing or selling annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products. The Firm is not affiliated with entities that sell financial products or securities. No commissions in any form are accepted and no finder’s fees are accepted.

Giverny does not act as a custodian of client assets and the client always maintains asset control. Giverny places trades on behalf of clients under a limited power of attorney.

Principal Owner

Francois Rochon is the controlling shareholder.

Types of Advisory Services

Giverny provides investment management services, on a continuing basis, with respect to the investment and reinvestment of all cash, securities, and other property in a client’s account. A client’s account will normally contain a relatively small number of securities positions (typically between 20 and 30 equity securities) and may not constitute a fully diversified or balanced portfolio that is suitable for investment of all of a client’s assets.

Giverny manages a client account without the obligation to consider other investment assets or accounts that the client may have or maintain away from the Firm. A client’s account will generally not contain fixed income investments but may do so based on individual client needs.

As of 11/30/11, Giverny manages approximately \$115 million US dollars in assets (majority of the assets are based in Canada).

Tailored Relationships

We have considerable flexibility in accommodating any unique client needs and constraints through our third party custodian that holds the assets of our

clients in individualized accounts. This customization may include, but is not limited to, the types of asset classes selected, the securities selected, the size of the allocation to a particular security, etc. Clients may also impose restrictions on investing in certain securities or types of securities.

Types of Agreements

The following agreements define our typical client relationship.

Investment Advisory Agreement

The scope of work and fee for a client is agreed upon in an Investment Advisory Agreement that is signed by the client prior to the start of the management of any client assets. This agreement provides detailed information concerning what services are provided, the scope and limitations of these services, how fees are paid, disclaimers around the potential risks involved with investing etc.

The Investment Advisory Agreement stipulates the annual fees related to Giverny's investment management services. The fee is based on a percentage of a client's assets under management:

.25% of assets per quarter (approximately 1% per annum)

The management fee is negotiable under certain circumstances. Current client relationships may exist where the management fees are higher or lower than the fee listed above.

Although the Investment Advisory Agreement is an ongoing agreement, the length of service to the client is at the client's discretion. A client may terminate the investment advisory relationship by written notice at any time without penalty. At termination, management fees will be billed on a pro rata basis for the portion of the quarter during which client assets were under Giverny's discretion.

Fees and Compensation

Description

Giverny bases its fees on a percentage of assets under management. Giverny may charge a lesser or greater investment advisory fee based upon mutual agreement with the client and for certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

Fee Billing

Clients engage Giverny to provide investment management services on a fee-only basis. The Firm charges an annual investment management fee based upon a percentage of the market value of the assets managed by Giverny. The annual investment management fee charged is approximately 1.00% of the market value of a client's assets under management, inclusive of cash and accrued income.

Giverny's annual investment management fee is paid in arrears on a calendar quarterly basis (i.e. January 1, April 1, July 1, and October 1) and calculated based on .25% (approximately 1% per year) of the market value of a client's assets under management on the last trading day of the prior calendar quarter. Giverny's management fee are usually paid by check by the client.

If the investment management relationship begins subsequent to the beginning of a calendar quarter, then the initial fee is prorated over the remaining days in the initial calendar quarter and debited on the first day of the following quarter. In the event that the client terminates the engagement prior to the end of a calendar quarter, the investment management fee is debited from the client's account on a prorated basis using the number of days in the calendar quarter that the client's account was under management and the market value of the account on the day the engagement was terminated.

Giverny's fees are not adjusted to reflect account deposits or withdrawals during a quarter. If a client has more than one account with Giverny on which investment advisory fees are charged, then the fees computed will be based on the combined market value of those accounts, and the management fee can be charged to any of the client's underlying accounts as deemed most appropriate by the Firm. In the situation where multiple accounts exist under the same household, then all accounts will be treated on a combined basis for the purpose of calculating fees and account size.

Giverny reserves the right to negotiate the management fee under certain circumstances. Giverny does not impose a per client minimum for investment management services but does have the discretion to do so if the initial account value is deemed too small to cover expenses related to the management of the account. The Firm considers accounts of less than \$250,000 as small in proportion to their associated expenses.

Other Fees

We buy and sell client securities through the client's custodian. There are commission charges assessed to these transactions which are debited directly from the client's account by the custodian. These charges depend on the custodian/broker rates.

Expense Ratios

Although Giverny typically selects individual equity securities on behalf of clients, and therefore avoids additional management fees, a portion of a client's account may be invested in money market or other types of mutual funds ("Funds"). These Funds charge investment management fees. The advisory fees paid by a client to the Firm are distinct from, and in addition to, the fees and expenses paid or allocated to a client as a shareholder of a Fund. A complete explanation of fees and expenses charged by the Funds is contained in the prospectus delivered by each Fund.

Termination of Agreement

Giverny reserves the right to terminate any client relationship for any reason. Such termination is done in writing by the Firm and the management fee would be prorated according to the number of days that a client's assets were under management by the Firm.

Performance-Based Fees

Sharing of Capital Gains

The management fee structure does not change based on a share of the capital gains or capital appreciation of managed securities.

Giverny does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for an advisor to recommend an investment that may carry a higher degree of risk to the client.

Types of Clients

Description

Giverny generally provides investment management services to individuals, trusts, and other institutional entities. Client relationships vary in scope and length of service.

Account Minimums

Giverny does not impose a strict per client minimum for investment management services but does have the discretion to do so if the initial account value is deemed too small to cover expenses related to the management of the account. The Firm considers accounts of less than \$250,000 as small in proportion to their associated expenses.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Our objective is to achieve superior risk-adjusted investment returns for our clients over the long term.

Our primary method of analyzing securities suitable for our clients is fundamental research and our investment approach is based on Value Investing. Fundamental research entails analyzing information that is pertinent to evaluating and estimating the intrinsic value of a company. This can include, among other things, a company's annual reports, regulatory filings, analyst reports, information gathered during meetings with management, financial newspapers and company press releases.

Investment Strategies

We developed an investment process founded on the core principles of Value Investing: buying shares in companies with durable competitive advantages, when the intrinsic value of these businesses is meaningfully higher than their current share prices.

Each suitable investment is then placed in a Master Portfolio, usually consisting of between 20-30 equity securities. Each security in the portfolio is allocated a certain weight in the portfolio. Each client account is then based on the Master Portfolio to determine the securities included in the client portfolio and their approximate weight within that portfolio. Each client's account is individually managed and may experience performance dispersion from the Master Portfolio depending on a number of factors, including but not limited to, the timing of the opening of a client account, specific client needs, differences in the weight of a particular security that are deemed reasonable by the Firm, etc. Our investment strategy is long-term in nature which has the added benefit of keeping portfolio turnover low and minimizing capital gain and transaction costs relative to many more active strategies.

Risk of Loss

All forms of investing have certain risks that are borne by the client. While our investment approach keeps the risk of loss in mind, clients still face the following risks, among others:

- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on

existing bonds become less attractive, causing their market values to decline.

- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Risk Acknowledgment: Giverny does not guarantee the future performance of any client account or any specific level of performance, the success of any investment that the Firm may purchase for the client, or the success of the Firm's overall management of the client's account or accounts. The client understands that the investment decisions made for his/her account by the Firm are subject to various market, currency, economic, political and business risks, and that investment decisions will not always be profitable.

Disciplinary Information

Legal and Disciplinary

The Firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

Other Financial Industry Activities and Affiliations

Financial Industry Activities

Giverny Capital is an investment advisor registered with the SEC. The Firm and its representatives are in compliance with the current filing requirements imposed upon state registered investment advisers by those states in which the Firm maintains clients. The Firm may only transact business in those states in which it is registered, or qualifies for an exemption or exclusion from registration requirements.

Affiliations

Giverny Capital has arrangements that are material to its advisory business or its clients with a related investment advisor. Giverny Capital, Inc. owns 50% of Giverny Capital Advisors, a registered advisory firm based in Princeton, NJ.

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

The employees of Giverny have committed to a Code of Ethics that is available for review by clients and prospective clients upon request. The Code of Ethics is an integral part of the Firm's Compliance Manual.

Participation or Interest in Client Transactions

Giverny and its employees may buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades. All employees comply with the provisions of Giverny's Compliance Manual. No employee of Giverny may effect for himself or herself or for his or her immediate family (i.e. spouse, minor children) (collectively "Covered Persons") any transactions in a security which is being actively purchased or sold, or is being considered for purchase or sale, on behalf of any of the Firm's clients, unless in accordance with the following Firm Procedures. The following procedures have been put into place with respect to the Firm and its Covered Persons:

1. If the Firm is purchasing or considering for purchase any security on behalf of a Firm's client, no Covered Persons may transact in that

security prior to the client purchase having been completed by the Firm or until a decision has been made not to purchase the security on behalf of the client; and

2. If the Firm is selling or considering the sale of any security on behalf of a Firm's client, no Covered Persons may transact in that security prior to the sale on behalf of the client having been completed by the Firm or until a decision has been made not to sell the security on behalf of the client.

Exceptions:

1. This policy has been established recognizing that some securities being considered for purchase and sale on behalf of the Firm's clients trade in sufficiently broad markets to permit transactions to be completed without any appreciable impact on the markets of the securities. Under certain circumstances exceptions may be made to the policies stated above. Records of these trades, including the reasons for the exceptions, will be maintained by the Firm.
2. Open-end mutual funds and/or the investment subdivisions which may comprise a variable insurance product are purchased or redeemed at a fixed net asset value price per share specific to the date of purchase or redemption. As such, transactions in mutual funds and/or variable insurance products by Covered Persons are not likely to have an impact on the prices of the fund shares in which clients invest, and are therefore not prohibited by the Firm.
3. Some differences may exist between the Firm's accounts in the U.S. and Canada.

In accordance with Section 204A of the Investment Advisers Act of 1940, the Firm also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Firm or any person associated with the Firm. There are reporting requirements, detailed in the Firm's Compliance Manual, regarding these policies.

Personal Trading

The Chief Compliance Officer of Giverny Capital is Jean-Philippe Bouchard. François Rochon reviews all employee trades each quarter. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the Firm receive equal or preferential treatment.

Brokerage Practices

Selecting Brokerage Firms

To the extent that the client requests that the Firm recommend a broker-dealer/custodian for execution and/or custodial services, the Firm generally recommends that investment management accounts be maintained at TD AMERITRADE Inc. Member FINRA/SIPC ("TDAI"). Prior to engaging the Firm to provide investment management services, the client will be required to enter into an Investment Advisory Agreement with the Firm setting forth the terms and conditions under which the Firm shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian. The Investment Advisory Agreement between the Firm and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the Investment Advisory Agreement.

Giverny provides investment management services on a discretionary basis. Unless mitigating circumstances dictate otherwise, account positions are generally maintained over a long-term basis. Broker-dealers/custodians charge commissions and/or transaction fees for effecting certain securities transactions. In addition to the Firm's investment management fee, brokerage commissions and/or transaction fees, the client will also incur, relative to all money market mutual funds purchased by the Firm to hold account cash balances, charges imposed at the mutual fund level (e.g. fund management fees and other fund expenses).

Factors which the Firm considers in recommending a particular broker-dealer/custodian to clients (including TDA) include financial strength, reputation, execution, pricing, research, and service. In return for effecting securities transactions through a designated broker-dealer/custodian, The Firm may receive certain investment research products and/or services which assist the Firm in its investment decision-making process for the client pursuant to Section 28(e) of the Securities Exchange Act of 1934.

Best Execution

Although the commissions paid by Firm's clients shall comply with the Firm's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the Firm determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although the Firm will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commission

paid by a specific client that may be used to pay for research is exclusive of, and in addition to, the Firm's investment management fee.

A client may direct the Firm to use a particular broker-dealer (subject to the Firm's right to decline and/or terminate the engagement) to execute some or all transactions for the client's account. In such event, the client will negotiate terms and arrangements for the account with that broker-dealer, and the Firm will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by the Firm. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. In the event that transactions for client accounts are effected through a broker-dealer that refers investment management clients to the Firm, the potential for conflict of interest may arise.

Soft Dollars

The Firm does not engage in soft dollar transactions.

Order Aggregation

Transactions for each client account generally will be effected independently, unless the Firm decides to purchase or sell the same securities for several clients at approximately the same time. The Firm may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Firm's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among Firm's clients in proportion to the purchase and sale orders placed for each client account on any given day. To the extent that the Firm determines to aggregate client orders for the purchase or sale of securities, including securities in which the Firm's principal(s) and/or associated person(s) may invest, the Firm shall generally do so in accordance with the parameters set forth in SEC No-Action Letter, SMC Capital, Inc. The Firm shall not receive any additional compensation or remuneration as a result of the aggregation.

Review of Accounts

Periodic Reviews

The review of accounts is conducted by the Firm on no less than a quarterly basis. The review of accounts is performed to align the client's portfolio holdings with Giverny Capital's Master Portfolio to a reasonable extent and in consideration of any special circumstances or unique needs of a client.

Review Triggers

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's own situation. Clients are advised that they are responsible to advise Giverny of any changes in their personal objectives and/or financial situation, and all clients are encouraged to contact the Firm to review their account performance on a regular basis. To the extent that Giverny relies on information provided by client consultants (accountants, attorneys, etc.), Giverny assumes that such information is accurate and reflective of the client's financial situation.

Regular Reports

Each client receives monthly reports from the Firm which include an appraisal of the account or accounts, a performance history report that includes the performance of the account relative to our benchmark (S&P 500 and Russell 2000), and a statement of management fees assessed to the account.

Client Referrals and Other Compensation

Incoming Referrals

The Firm, from time to time, compensates either directly or indirectly, third parties for client referrals. Any such referral arrangements will comply with the relevant portions of the "cash solicitation" rule (Rule 206(4)-3). In particular, third party referral arrangements will be pursuant to an agreement between Giverny and the solicitor, and all required disclosures will be made by the person providing the referral.

Referrals Out

The Firm does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

Other Compensation

The Firm reserves the right to receive compensation for services rendered to its affiliate firm, Giverny Capital Advisors a registered investment advisor based in Princeton, New Jersey.

Custody

Custody

Giverny does not have custody of separately managed client fund. Each client has their own custodian and enters into a separate agreement with a custodian of their choosing.

Investment Discretion

Discretionary Authority for Trading

The Firm has discretionary authority to manage securities accounts on behalf of its clients. The Firm has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. This is agreed upon between the Firm and the client in the Investment Advisory Agreement.

The client approves the custodian to be used and the commission rates paid to the custodian. Giverny does not receive any portion of the transaction fees or commissions paid by the client to the custodian.

Discretionary trading authority facilitates placing trades in accounts on a client's behalf so that we may promptly implement the investment management of the client's assets under the Firm's discretion.

Limited Power of Attorney

A limited power of attorney is a trading authorization for this purpose. A client signs a limited power of attorney so that we may execute trades on the account.

Voting Client Securities

Proxy Votes

Giverny generally does not vote proxies on behalf of client accounts.

Financial Information

Financial Condition

Item 18 requires Giverny to provide you with certain financial information or disclosures about our financial condition. Giverny does not have any financial commitment that impairs our ability to meet our contractual and fiduciary commitments to Clients, and we have not been the subject of a bankruptcy proceeding.

Brochure Supplement (Part 2B of Form ADV)

Education and Business Standards

Giverny requires that all individuals who give advice on behalf of the Firm must have earned a college degree and/or have substantive investment-related experience. In addition, all such individuals shall have attained all required investment-related licenses and/or designations.

Professional Certifications

Employees have earned certifications and credentials that are required to be explained in further detail.

Francois Rochon

Title: Founder & CEO, Giverny Capital, Inc.

Born: 1968

Educational Background:

Ecole Polytechnique de Montreal, 1990, MS Engineering

Business Background:

Giverny Capital, Inc., Founder & CEO

1998-Present

Other Business Activities: None

Additional Compensation: None

Supervision:

Francois Rochon is the founder of Giverny Capital, Inc. is not directly supervised by an individual at the Firm.

Other Required Information:

Criminal, Civil or Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None