

Todd Q1 2020 International Intrinsic Value Opportunity Review

	1Q 2020	1 Year	3 Year*	5 Year*	Since Inception* (07/01/14)
International IV Opportunity (Gross)	-27.5	-19.2	-6.4	-4.1	-4.4
(Net)	-27.7	-19.9	-7.2	-4.9	-5.2
MSCI ACWI ex-US (Net)	-23.4	-15.6	-2.0	-0.6	-1.6
MSCI ACWI ex-US Value (Gross)	-28.5	-23.1	-5.9	-2.9	-3.9

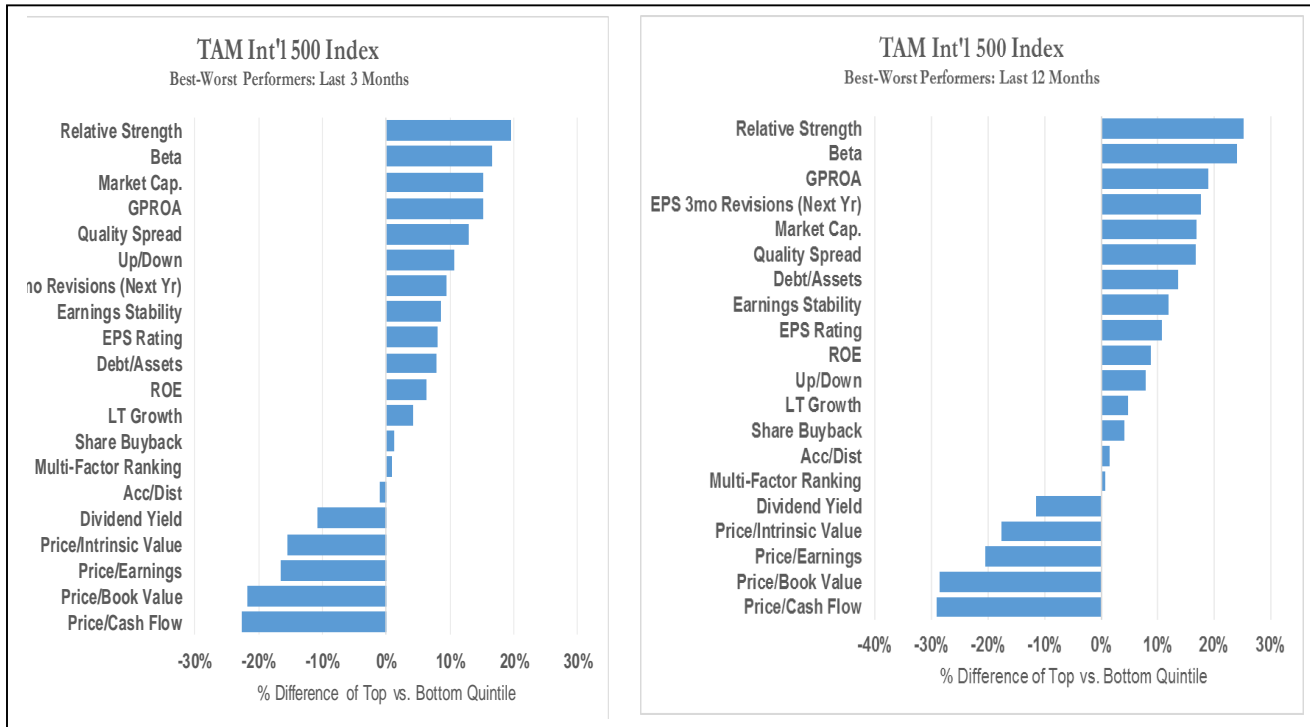
* Annualized Total Returns. Please refer to the attached Performance Disclosure for further information.

Performance Review

The IIVO strategy underperformed the ACWI ex- US performance during the quarter, while modestly outperforming the ACWI ex-US Value index. There has been a significant anti-value headwind for the past 5 years, as markets have priced in recessions twice before this instance, which never materialized. Given that this strategy focuses on names with the deepest discount to their intrinsic value, this headwind has been quite notable. The current recession was a surprise to most investors, gauging from the speed and severity of the decline. The Coronavirus lockdown is prompting the fastest bear market ever and record breaking economic decline. We anticipate it should be followed by a very sharp recovery starting over the next few months, due to the Fiscal and Monetary stimulus being applied. We believe that as the market begins to anticipate that recovery that current results probably represent the low point for our relative performance and the Strategy should be able to recover from the recent underperformance.

The International Intrinsic Value Opportunity strategy starts with the most attractive third of the largest 500 securities in our international universe based on our Intrinsic Value calculation. From that third, we select the most attractive stocks based on measures of Financial Strength, Profitability efficiency and Relative strength in three sleeves. The account is rebalanced quarterly. It should be considered a deeper value strategy and is designed to look for valuable stocks that have reasons to recognize that value.

Factor performance



Source: Bloomberg, William O'Neill + Co. and Todd Asset Management

Similar to US markets, the rotation into Value that we witnessed in the 4th quarter of 2019 proved to be short lived as the underperformance of Value internationally in the 1st quarter was as dramatic as we can recall in such a short period of time. Names with Value or shareholder return dynamics suffered as the economy was locked down. Visible growth oriented metrics along with quality led during the quarter. Traditionally, bear markets lead to leadership changes, which we believe should result in a value cycle unfolding.

Stock selection was responsible for most of the underperformance during the quarter. Within sectors, our largest detractors came from Industrials, Energy, Healthcare and Technology. Regionally, our European companies accounted for the vast majority of our underperformance. The newly rebalance portfolio has a similar sector allocation as last quarter, though more of an emphasis on Tech and less exposure to Consumer Staples. Regional allocation is also very similar to last quarter.

Our top five contributors to performance during the quarter were Vipshop, JD.com, Ahold Delhaize, Netease and Fortescue. Three of these top 5 performers are Chinese companies, which all saw activity recover during the quarter as China re-opened much of their economy following the initial containment measure to combat the COVID-19 outbreak. The Chinese recovery started to occur just as the rest of the world began to see a sharp rise in contagion and drastic measure were taken to halt this trend. Vipshop and JD.com are both online marketplaces and while logistics were certainly disrupted early in the year, their lack of a physical presence allowed them to weather the country-



wide lockdown fairly well. Ahold Delhaize runs grocery stores in the US and Europe, where were allowed to stay open during various “shelter-in-place” directives. This supported results and shares. Netease is another company who’s online gaming business was able to see minimal disruptions and investors were able to look through to a bring new game pipeline that is set to rollout later this year. Fortescue is an Australian iron ore miner and saw shares rally in March as iron ore prices remained firm and Chinese activity began to pick up late in the quarter.

Our worst five detractors from performance during the quarter were AerCap, LyondellBasell, Magna International, Lukoil and Randstad. Each of these names found themselves at the center of the economic impact from virus containment efforts and the oil price war between Russia and Saudi Arabia. AerCap shares were hit hard as bans on air travel spread across the globe and caused liquidity/solvency issues in the airline industry. Even though AerCap has a young fleet, making it less exposed to capacity reductions, heightened credit risk from their end customers weighed on shares. Shares of LyondellBasell sold off as demand destruction from the COVID-19 outbreak weighed on forward estimates and oversupply in oil markets made product pricing less favorable. Magna International saw shares decline as the prospects for auto production deteriorated substantially. As an auto parts supplier, this caused a large hit to earnings estimates for 2020 given auto production plant closures and overall auto demand weakness that is likely to persist for the next few quarters. The price of oil was already under pressure due to slower economic growth prospects and took another leg down after Saudi Arabia and Russia failed to agree on cutting oil production in early March. This sent Brent oil prices into the low \$20’s and the prospects of a global supply glut and much lower demand caused shares of Lukoil to sell off. Randstad is a European staffing agency that saw shares weaken as economic uncertainty and rising unemployment rates greatly altered their business environment.

Even in a Coronavirus lockdown, we are here to support you. We are available via email or phone and welcome your calls. If you have any questions, please feel free to contact any of us for further information.

Curt Scott, CFA
Jack White, CFA
Jack Holden CFA
Shaun Siers, CFA

04/20/20

MSCI ACWI ex-US (Net) - 240

Refer to Performance Disclosure on the following page for more information on the performance numbers presented. These notes are an integral part of this letter and should not be reproduced or duplicated without these notes.

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TODD ASSET MANAGEMENT LLC

INTERNATIONAL INTRINSIC VALUE OPPORTUNITY COMPOSITE DISCLOSURE

Past performance does not provide any guarantee of future performance, and one should not rely on the composite or any security's performance as an indication of future performance. Investment return and principal value of an investment will fluctuate so that the value of the account may be worth more or less than the original invested cost. There is no guarantee that this investment strategy will work under all market conditions.

Registration of an investment adviser does not imply any level of skill or training.

Specific stocks discussed in this presentation are included to help demonstrate the investment process or, as a review of the Composite's quarterly results; and are not intended as recommendations of said securities and carry no implications about past or future performance. All or some of the specific stocks mentioned may have been purchased or sold by accounts within the Composite during the period, or since the period, and may be purchased or sold in the future. A complete listing of the holdings as of the period end is available upon request.

Todd Asset Management LLC ("TAM") is a registered investment adviser. The performance presented represents a composite of fully discretionary accounts invested primarily in large cap internationally domiciled, US traded equity securities using a rules based process based on intrinsic value, financial strength, profitability strength, and market acceptance. The objective is to seek capital appreciation.

Todd Asset Management LLC, formerly Todd-Veredus Asset Management LLC began operations on June 1, 1998 as Veredus Asset Management LLC (VAM). Effective May 1, 2009, VAM combined with Todd Investment Advisors, Inc. (TIA). TIA (and its predecessors) was founded in 1967 by Bosworth M. Todd. Upon the combination of VAM and TIA in 2009, Veredus Asset Management LLC changed its name to Todd-Veredus Asset Management LLC (TVAM). On February 28, 2013, after a change in ownership involving some VAM unitholders, TVAM changed its name to Todd Asset Management LLC. The firm continues to offer the same strategies managed by individuals using the process founded under TIA.

The International Intrinsic Value Opportunity Composite contains fully discretionary accounts that use the MSCI ACWI ex-US Index as the benchmark. All fee-paying, fully discretionary portfolios under our management are included in a composite. Accounts are eligible for inclusion in the composite at the beginning of the first calendar quarter after the month of initial funding and upon being fully invested.

TAM claims compliance with the Global Investment Performance Standards (GIPS®). The Firm has been independently verified for the periods January 1, 2008 through December 31, 2019. VAM was verified for the period July 1, 1989 through December 31, 2007 by a previous verifier. TIA's compliance with the GIPS® standards has been verified for the period January 1, 1993 through April 30, 2009. The International Intrinsic Value Opportunity Composite has been examined for the periods July 1, 2014 through December 31, 2019. A complete list and description of TAM composites and/or the verification and performance examination reports are available upon request by contacting TAM at 1-888-544-8633, or write Todd Asset Management LLC, 101 South Fifth Street, Suite 3100, Louisville, Kentucky 40202, or contact us through our Web site at www.toddasset.com.

The performance information is presented on a trade date basis, both gross and net of management fees, net of transaction costs and foreign withholding taxes, and includes the reinvestment of all income. Net of fee performance was calculated using the applicable annual management fee schedule of 0.80% applied monthly. Actual investment advisory fees incurred by clients may vary. The currency used to calculate and express performance is U.S. dollars. All cash reserves and equivalents have been included in the performance. As of 12/31/2017, the benchmark was changed to the MSCI ACWI ex-U.S. (net) index, from the MSCI ACWI ex-U.S (gross) index. The ACWI (net) is computed net of foreign taxes withheld on dividends, this is consistent with the composite.

The composite performance has been compared to the following benchmark. The index is unmanaged, and not available for direct investment; it includes reinvestment of dividends; it does not reflect management fees or transaction costs:

MSCI ACWI ex-U.S. (net) Index is a float-adjusted market capitalization index that is designed to measure the combined equity market performance of developed and emerging market countries excluding the United States. The ACWI ex-U.S. includes both developed and emerging markets. For investors who benchmark their U.S. and international stocks separately, this index provides a way to monitor international exposure apart from U.S. investments. The Net Index takes into account the impact of foreign tax withholdings on dividend income.

The MSCI ACWI ex-U.S. Value (gross) Index captures large and mid-cap securities exhibiting overall value style characteristics across 22 Developed and 26 Emerging Markets countries. The value investment style characteristics for index construction are defined using three variables: book value to price, 12-month forward earnings to price and dividend yield.



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