

Todd Q2 2019 International Intrinsic Value Opportunity Review

	2Q 2019	YTD	1 Year	3 Year*	5 Year*	Since Inception* (07.01/14)
International Intrinsic Value Opportunity (Gross)	4.8%	16.2%	-1.1%	5.8%	-0.0%	-0.0%
(Net)	4.6%	15.7%	-2.0%	4.9%	-0.9%	-0.9%
MSCI ACWI ex-US (Net)	3.0%	13.6%	1.3%	9.4%	2.2%	2.2%

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

Performance Review

The International Intrinsic Value opportunity strategy is a deeper value, formulaic application of our intrinsic value process. We start by selecting the most attractive third of our International universe based on Intrinsic Value. Following that we select three sleeves of the highest ranked stocks based on profitability efficiency, technical strength and financial strength. The portfolio is rebalanced quarterly.

Our factor work broadened out for the quarter as 15 of the 20 factors we follow were additive. However value remained out of favor, including our Price/Intrinsic Value measure. Low Beta continues to lead as does Large Cap and Quality metrics.

The strategy remained fairly well diversified with the largest exposures in Consumer Discretionary, Health Care, Financials and Energy. Regionally, the strategy's largest exposure is in Japan, Emerging Markets and Europe.

Our top five contributors to performance during the quarter were Gazprom, Adidas, Ashtead, Allergan and Banco do Brasil. Gazprom raised its dividend by ~60%, which was perceived to be sustainable by investors and shares soared on the news. Adidas posted strong results on better margins and growth in China and their digital channel. Ashtead remains upbeat on strong end market demand (rev. growth = +18%) and strong margins and is still growing faster than industry. This dynamic is expected to persist for some time as they continue to develop non-construction markets (now <45% of rev.). Allergan received a takeout offer from AbbVie in late June that sent shares higher. Banco do Brasil saw shares rally on confidence from mgmt. that they would hit their profit and credit guidance for 2019.

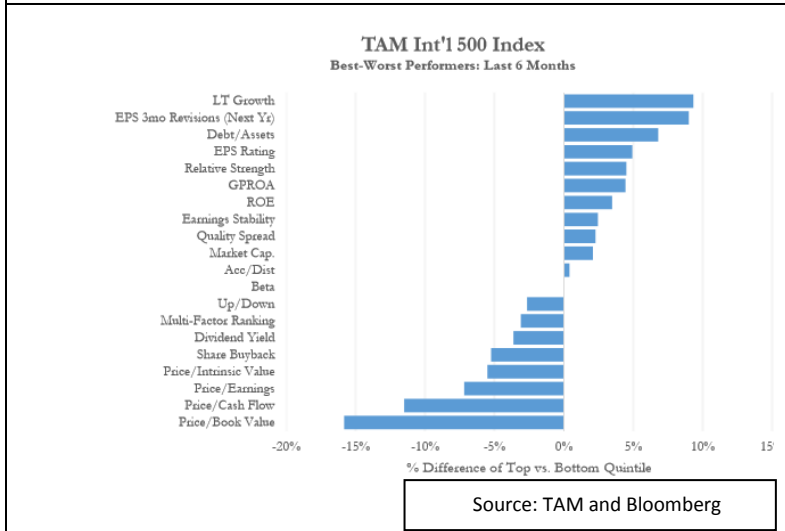
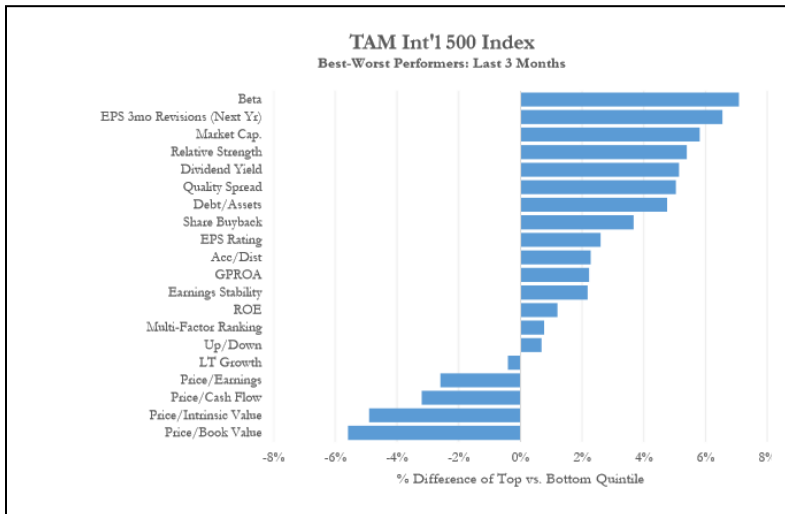
Our worst five detractors from performance during the quarter were Ahold Delhaize, Nokia, QBE Insurance, Panasonic and Nitto Denko. Ahold Delhaize issued a profit warning in April and lowered forward guidance. Nokia issued disappointing results again which brings FY2019 guidance into question as weakness in its mobile business persists. QBE Insurance shares were pressured by slowing industry wide premium growth and some internal restructuring as it exits underperforming businesses. Panasonic shares sold off on capacity concerns as the company may not be able to provide Tesla enough batteries if



they release a new Model Y SUV next year. Nitto Denko posted weaker than expected results due to pressure in their business lines linked to the smartphone market.

Factor Watch- GAAP now means “Growth at Any Price”

Our customary review of the factors that have helped and hurt performance over the past quarter (top chart) and year to date (bottom chart) periods ending 6-30-19 are presented below. As a reminder, these charts measure the difference between the highest ranking 20 percent of our TAM International universe (equal weighted) based on each of these factors versus the lowest ranking 20%.



Source: TAM and Bloomberg

Growth at any price seems to be the consistent theme we have seen when we examine both the International and Domestic markets. In an encouraging sign for fundamental investors, more factors are adding value in the most recent quarter. In both the past quarter and YTD periods, valuation measures are at the rock bottom of the rankings. This has been the case for some time now, as investors’ angst about economic growth has led them to avoid the economically sensitive cyclical sectors. Investors appear to be willing to pay any price for high assured growth stocks as High Growth has outperformed Low Growth by 10% YTD and Low Price to Book stocks have underperformed expensive ones by 15% as well. Investors seem to be suspicious of value, and consider most inexpensive names to be damaged goods. This mindset began during the early part of 2018, as investor confidence suffered when the Central banks were trying to normalize rates. This led many investors to question if the expansion can continue, so they are not willing to venture into cheaply valued stocks like the Financials or Energy stocks as they have no confidence that their economic

underpinnings will last. As some concerns are resolved, we expect a rotation back towards the value oriented stocks.

We are pleased with the outperformance of the strategy for the year to date period. Our sense is that as more fundamental factors gain traction, this strategy should be a beneficiary.



As always, if you need any additional information, please feel free to contact any of us.

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07/19/19

MSCI ACWI ex-US (Net) - 234

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, 2018. 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, 2018. 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.



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