TODD
Asset Management

July 17, 2020
Intrinsic Value Team
Todd Asset Management

Todd Q2 2020 Global Intrinsic Value Equity Income Review

	2Q 2020	YTD	1 Year	3 Years*	5 Years*	7 Years*	Since Inception* (01/01/11)
GIVEI (Gross)	15.3%	-23.0%	-16.2%	-2.8%	1.7%	3.5%	6.0%
(Net)	15.2%	-23.2%	-16.7%	-3.3%	1.1%	2.9%	5.1%
MSCI ACWI (Net)	19.2%	-6.3%	2.1%	6.1%	6.5%	7.8%	7.2%
MSCI ACWI Value (Net)	12.7%	-17.8%	-11.7%	-1.0%	1.9%	3.9%	4.3%

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

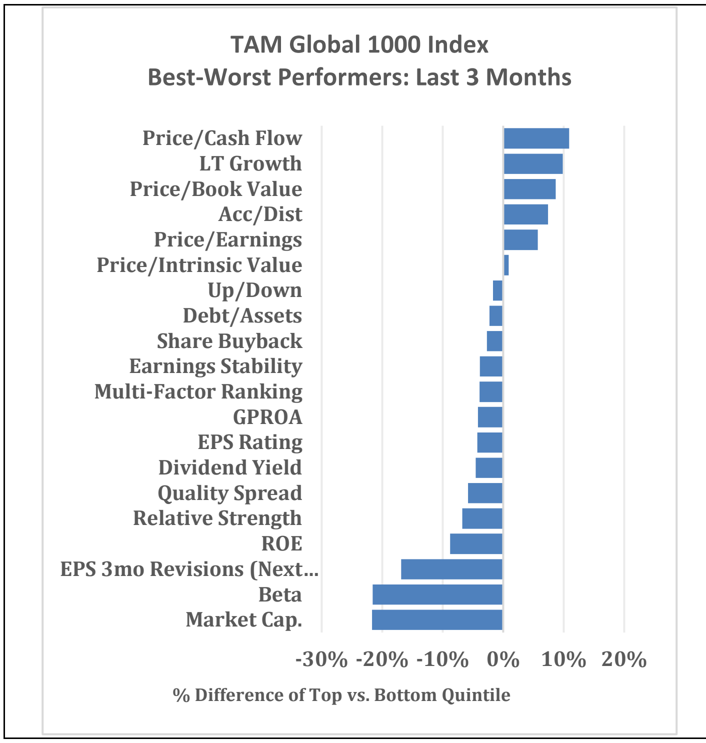
Performance Review

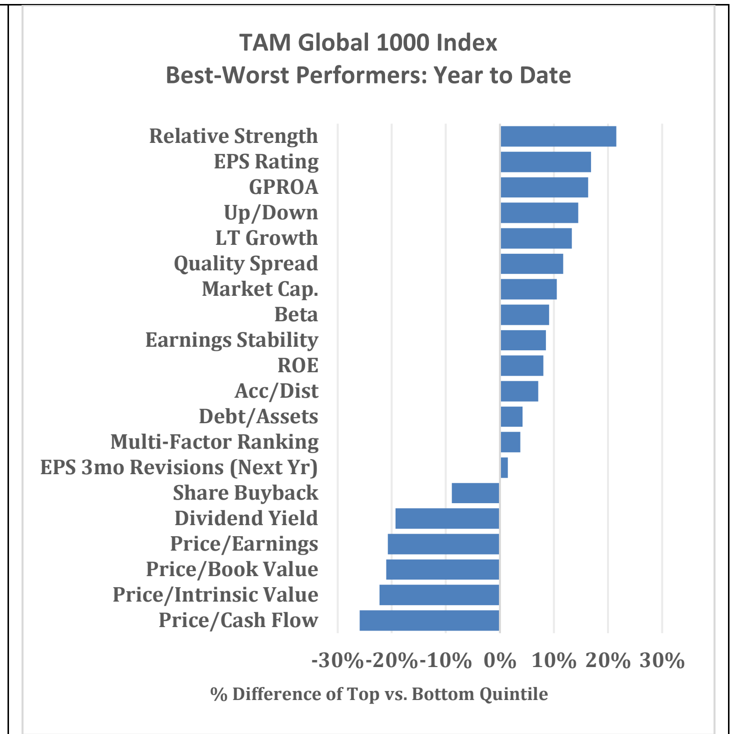
The GIVEI (gross) strategy underperformed the MSCI ACWI during the quarter by -4% and beat the MSCI ACWI Value index by +2.5%. In sharp contrast to the first quarter, which was defined by unprecedented lockdowns leading to the fastest and one of the deepest recessions on record and several dividend cuts and eliminations, the past three months have seen dramatic recoveries unfold across the world. Most of these resemble more "V" shaped rebounds, led by China. Global economic activity looks to have bottomed in April, which is confirmed by the strong cyclical bias markets had during the quarter. This would also indicate that we are starting a new expansion, and expansions tend to last years.

The important fact for this strategy is that, by actively managing the portfolio (selling stocks that cut or eliminated their dividends and finding suitable replacements) we were able to limit the decline in expected income to 5% from the beginning of the year. Expected income from the broader market saw a much larger decline. This allows investors to limit the effects of the principal declines while maintaining the majority of their expected income.

Factor Performance

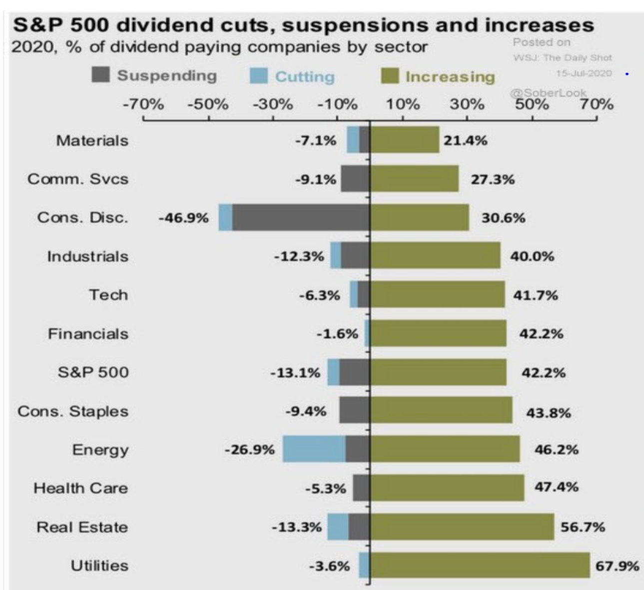
Our factor analysis (next page) continues to highlight the wide spread between Growth and Value, where Value factors broadly underperformed by around -20% YTD. There was somewhat of a rotation in to Value coming off the market lows, but that fizzled out in June as fears of a second wave of COVID-19 cases pushed Growth stocks higher. Importantly for this strategy, higher dividend yielding stocks continue to underperform lower dividend yielding stocks for the quarter. For the first 6 months of the year, that underperformance was approximately 20%, making it very hard for income oriented strategies to compete with the broader indexes.





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

The chart below shows just how many land mines were present in high dividend yield strategies. For the year to date ending July 15th, 2020, 13.1% of companies in the S&P 500 either cut or suspended their dividends. You can also see that the Consumer Discretionary and Energy sectors were hurt the worst, with 46.9% and 26.9% suspensions and cuts respectively. Stock prices declined substantially when these were announced during the quarter. Internationally, many companies were told by their governments to eliminate dividends if they were accepting government funding of any type, regardless of the size of the dividend.



Source: Evercore ISI

The underperformance in the quarter was primarily driven by our sector allocation. Our underweight in Technology and overweight in Financials contributed over 80% of our underperformance for the quarter. The Materials and Consumer Discretionary added value in the most recent quarter. Technology and Communication Services detracted from performance. From a regional perspective, U.S. and UK accounted for the majority of the underperformance, primarily due to dividend cuts. Japan and Emerging Markets were the two regions that added value.

We remain overweight Financials, Energy and Consumer Staples. We also remain underweight Technology, Industrials, and Consumer Discretionary. Among regions, we are overweight the UK and Canada. We are underweight Emerging Markets and Japan. Given the global focus of this strategy, we are able to find income outside of traditional high yielding US sectors (i.e. Consumer Staples, Utilities, REITs, etc.) leading to a much more diversified portfolio.

Our top five contributors to performance during the quarter were Magna Int'l, Broadcom, Abbvie, Lyondellbasell and Allianz. Magna was a replacement for some of the Consumer Discretionary stocks that cut their dividend, while the other four have strong yields and been in the portfolio for a while.

Our worst five detractors from performance during the quarter were HSBC Holdings, Royal Dutch, Philip Morris, Aegon and IBM. Three of these stocks, HSBC, Royal Dutch and Aegon either eliminated or suspended their dividends during the quarter at the request of their Governments. All three have been sold and replaced with new names.

We believe the global economy is entering a new expansion following one of the largest recessions in history. Leadership of the market usually changes after Bear markets and recessions end. The US has outperformed International markets for over a decade and Growth has outperformed Value. Brighter days could be ahead for International as Emerging Market growth reaccelerates and large debt loads in the US weigh on the Dollar. Higher yielding stocks have a lot of room to run from the depths of their bear market declines.

Please feel free to contact any of us for additional information.

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07/17/2020
MSCI ACWI (Net) – 277
MSCI ACWI Value (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.

TODD ASSET MANAGEMENT LLC
GLOBAL INTRINSIC VALUE EQUITY INCOME 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 in a diversified portfolio of attractively valued domestic and international equity securities with a goal to seek dividend income along with growth of that income and capital appreciation. The international securities are internationally domiciled, US traded equity securities.

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 Global Intrinsic Value Equity Income Composite contains fully discretionary, taxable, and tax-exempt accounts that use the MSCI ACWI Index as the benchmark. The Composite does not include accounts with social restrictions. 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 Global Intrinsic Value Equity Income Composite has been examined for the periods January 1, 2011 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 includes the reinvestment of all income. Net of fee performance was calculated using the applicable annual management fee schedule of 0.60% 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 12/31/17, the benchmark was changed to the MSCI ACWI (net) from MSCI ACWI (gross). The ACWI (net) is computed net of foreign tax 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 (net) Index is a float-adjusted market capitalization index that is designed to measure the equity market performance of developed and emerging markets.

MSCI ACWI Value (Net) Index is a float-adjusted index of securities exhibiting overall value style characteristics across both developed and emerging markets. 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.