July 17, 2020
Intrinsic Value Team
Todd Asset Management

Todd Q2 2020 International Intrinsic Value Review

	2Q 2020	YTD	1 Year	3 Year*	5 Year*	7 Year*	10 Year*
International Intrinsic Value (Gross)	19.4%	-12.6%	-4.4%	0.7%	0.9%	3.5%	5.9%
(Net)	19.1%	-13.0%	-5.2%	-0.1%	0.0%	2.6%	5.0%
MSCI ACWI ex-US (Net)	16.1%	-11.0%	-4.8%	1.1%	2.3%	3.7%	5.0%
MSCI ACWI ex-US Value	13.1%	-19.1%	-14.7%	-3.3%	-0.6%	1.6%	3.5%

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

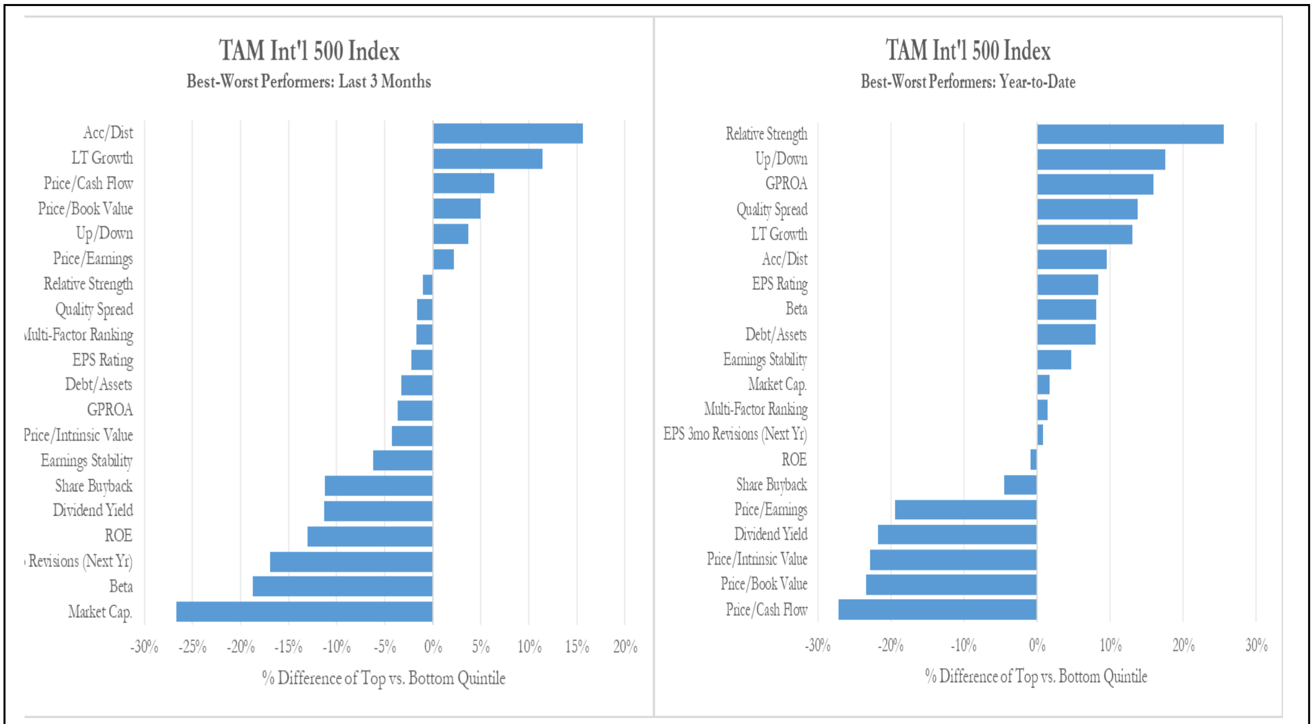
Performance Review

The IIV (gross) strategy outperformed the ACWI ex- US during the quarter by +3% and beat the ACWI ex-US Value index by +6%. 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, 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.

As we've explained over the past few years, we have maintained our more economically sensitive positioning. This acted as a tailwind for the quarter and should continue to benefit the strategy if the recovery continues to unfold as lockdown measures are broadly lifted. We remain overweight Energy, Industrials, Technology, Communications and Financials. We remain underweight Consumer Staples, Utilities, Real Estate, Materials and Health Care. Regionally, we are overweight the UK and Europe ex-UK. We are underweight Japan and Pacific ex-Japan.

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. Rotations occurred elsewhere as factors that underperformed in the 1st quarter outperformed in the 2nd quarter. Beta and Market Cap had the largest reversal.



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

Stock selection was responsible for all of the outperformance during the quarter. Our largest drivers were Industrials, Consumer Discretionary and Financials. Regionally, companies in Europe and the UK drove most of this outperformance. As we mentioned earlier, the common theme amongst these drivers was the cyclical nature of their business models as most of these companies operate in markets that were most impacted by lockdowns and the global recession. As investors became more comfortable that economies would open up, a rotation began and the names that lagged in the first quarter during the bear market led in the recovery we saw in the second quarter.

Our top five contributors to performance during the quarter were Ashtead, Aptiv, Techtronic, Joyy and ZTO Express. Ashtead saw a sharp recovery from the market bottom as rental demand and volumes were more resilient than expected. They've gained market share over the past few months and the Specialty business also helped offset some volume declines. Aptiv also experienced a sharp recovery after markets bottomed as vehicle production resumed in 2Q and the long-term secular trend toward more safety/autonomous features remains intact. Techtronic, which makes power tools under popular brands like RYOBI and Milwaukee Tool, saw demand remain solid as DIY work from home during the lockdown grew. New professional product launches also continued and demand here recovered sharply. Shares of Joyy rose sharply in June as ac tive user growth was robust, particularly in their Int'l businesses (Bigo) as expansion efforts continue. Strong performance of ZTO Express continued as volumes have been strong (thanks to e-commerce demand) and they are gaining share from small competitors as they have better scale and can compete with pricing.

Our worst five detractors from performance during the quarter were Momo, Fujifilm, China Communications Constructions, Grifols and Royal Dutch Shell. Momo shares underperformed as revenues from Live stream have been weak due to increased competition from Tiktok and lower user spending. Corporate and consumer spending has been soft in some of Fujifilm's end markets, particularly for printers and cameras. This has more than offset solid demand for their Healthcare business (Pharmaceuticals and Medical Equipment). Shares of China Communications Construction have underperformed as order growth slowed and margins deteriorated over the past few years. China's infrastructure stimulus plans have failed to raise earnings expectations and we eliminated the company from the portfolio in June. Grifols shares weakened due to concerns over increased competition following several successful clinical trials from alternative therapies that were released in the quarter. Royal Dutch Shell cut their dividend for the first time since World War II as oil prices collapsed in April. Management also lowered their outlook for pricing and refining margins over the near term.

We believe the global economy is entering a new expansion following one of the largest recessions in history. Bear markets and recessions usually result in a change of leadership. 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.

We are always 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

7/17/20
MSCI ACWI ex-US (Net) – 234
MSCI ACWI ex-US Value - 144

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
INTERNATIONAL INTRINSIC VALUE 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, with the objective to seek capital appreciation. This goal is pursued by investing in a diversified portfolio of these equities which TAM believes are trading at a discount to their intrinsic value. The minimum account size for this composite is $1 million.

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 Composite contains fully discretionary, taxable, and tax-exempt accounts that use either the MSCI ACWI ex-US or the MSCI EAFE Index as the benchmark. Prior to April 1, 2010, this composite was known as the International Equity Composite; no changes in the strategy were made in conjunction with the name change. 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 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, gross and net of management fees, and 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 .80% applied monthly. Prior to January 2007, the management fee schedule applied to the composite was .60%. 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. As of 6/30/2013, the primary benchmark was changed to the MSCI ACWI ex-US (gross) from the MSCI EAFE. The ACWI better reflects the strategy guidelines with emerging market and Canadian exposure. As of the 6/30/2013 the EAFE was removed from presentations.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.