

Todd Q2 2025 Global Intrinsic Value Equity Income Review

	2Q2025	YTD	1 Year	3 Years*	5 Years*	7 Years*	10 Years*
GIVEI (Gross)	1.27%	10.05%	18.70%	12.98%	15.09%	7.99%	8.18%
GIVEI (Net)	1.12%	9.73%	17.99%	12.31%	14.41%	7.35%	7.54%
MSCI ACWI (Net)	11.53%	10.05%	16.17%	17.35%	13.65%	10.78%	9.99%
MSCI ACWI Value (Net)	5.85%	10.88%	15.62%	13.14%	12.99%	7.82%	7.30%

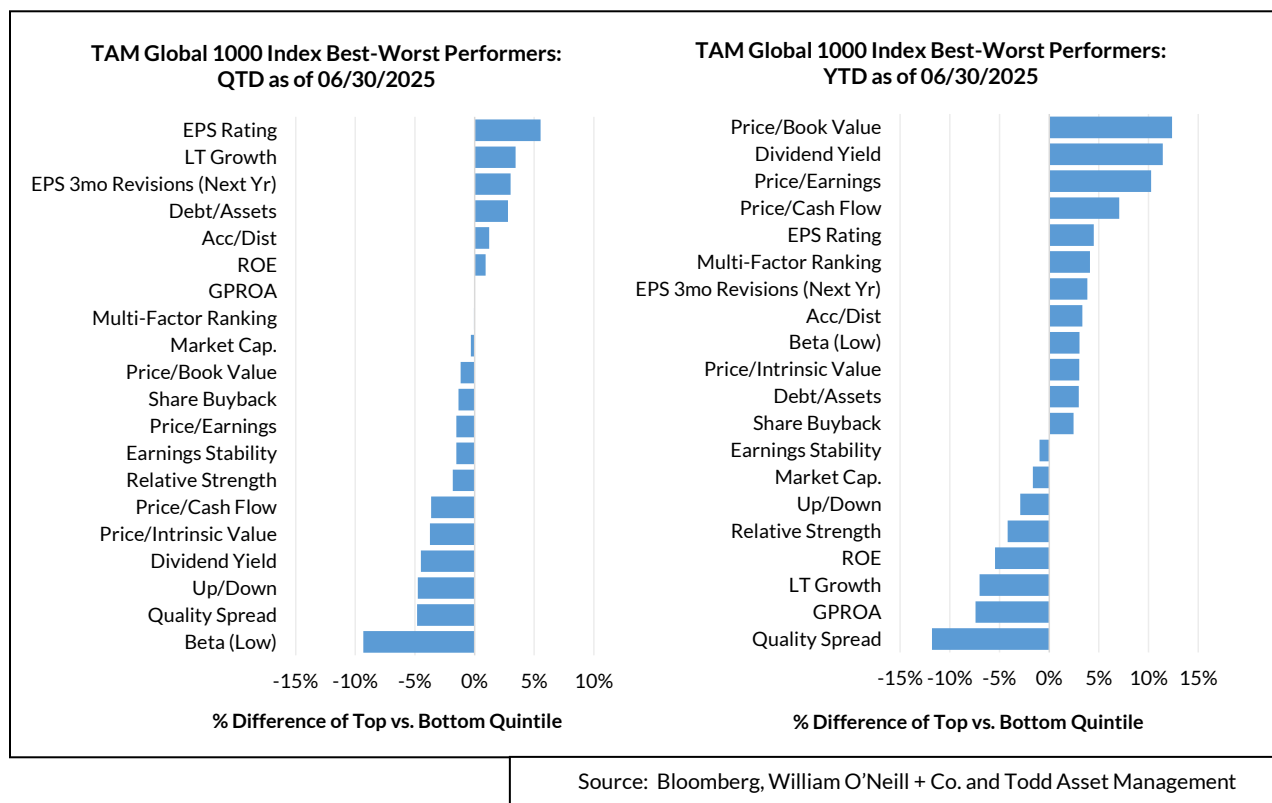
* Annualized Total Returns. Please refer to the attached Performance Disclosure for further information.

Our GIVEI strategy underperformed the MSCI ACWI (Net) index and the MSCI ACWI Value (Net) index for the quarter. The extreme underperformance was the opposite of the extreme outperformance for the first quarter of the year. This has resulted in the strategy performing roughly in line with both indexes on a YTD basis. Higher dividend yielding stocks with value characteristics were some of the worst performing factors for the quarter, which is the primary reason for the underperformance. The current yield on the strategy at the end of the quarter was 5.1% versus the ACWI yield of 1.8%

The recovery from the post-"Liberation Day" lows has been historic, with most global stock markets breaking out to new all-time highs. What's interesting is that these returns have come in the face of unprecedented policy uncertainty. It's not uncommon for stocks to climb the proverbial "wall of worry", however it's interesting when the market is reacting in ways that you don't expect. For example, when tensions between Israel and Iran climaxed with the US entering the fray by bombing several Iranian nuclear facilities, prices of brent crude oil actually FELL more than -15% from the peak and remain below \$70/bbl. Equity markets also quickly marched on to new highs over the following week. Similarly, it was interesting to see the US Dollar continue to decline in a quarter that was marked by so much volatility, which runs counter to what most investors would expect from a global safe haven. Perhaps this past quarter more than any highlights the importance of using technical analysis in your investment discipline. We incorporate technical indicators into our fundamental approach particularly because we believe there is information imbedded within the price of markets that is often hard to discern from solely interpreting financials statements.

So what is the message that is being communicated by the market? Time will ultimately tell, but in spite of the fact that geopolitical tensions have risen this year and trade deals are resulting in higher/rising tariff rates, the market seems to be broadly embracing the secular bull market. This started more than 10 years ago in the US and, with the recent breakout to new all-time highs overseas, looks like it could be just starting internationally.

Factor Performance¹



Factor work narrowed noticeably this quarter, which makes some sense given the dramatic volatility that marked the month of April. Low beta was the worst worst performing factor by a large margin for the quarter. Couple this with higher dividend yielding stocks with value characteristics also lagging and you have a recipe for large underperformance versus the index. This was the complete opposite of the last quarter. Year to date, dividend yielding stocks with value characteristics are adding value which is why this strategy has performed in line with the index.

Performance Attribution

The underperformance in the second quarter was driven by approximately two thirds sector and one third stock selection. Sector selection in Technology, Energy and Health Care were the main drivers of our underperformance in the quarter, partially offset by strength in our Consumer Staples and Utilities sectors. From a regional perspective, stock selection was all the underperformance in the quarter driven by weakness in the US and European stocks. Stock selection in UK was the only Sector to add value in the quarter.

We are overweight Financials, Energy and Consumer Staples. We also remain underweight Consumer Discretionary, Industrials and Technology. Among regions, we are overweight Europe and Canada. We are underweight Emerging Markets and Japan. Given the global focus of this strategy, we find ample opportunity for income outside of traditional high yielding US sectors (i.e. Consumer Staples, Utilities, REITs, etc.).

Our top five contributors to performance during the quarter were Orange, Sun Life, Bank of Nova Scotia, Philip Morris and British American Tobacco. Orange benefited from broad based organic growth across its portfolio of companies. Sun Life reported a strong quarter with earnings growth driven by a mix of volume gains and price increases. Bank of Nova Scotia also reported operating results with strong revenue growth and resilient capital and dividend growth. Philip Morris had excellent quarterly results driven by strong momentum in its smoke-free products, robust global pricing strategies and favorable currency movements. British American Tobacco benefited from a combination of a recovery in its US business, robust growth in its oral products and disciplined operational execution.

Our worst five detractors from performance during the quarter were Bristol Myers, Oneok, Abbvie, LyondellBasell and Dow. Bristol Myers struggled with ongoing challenges with its legacy drug portfolio and currency pressures. Oneok weakness was due to a combination of macroeconomic uncertainties and ongoing cost headwinds. Abbvie encountered significant research and development charges and experienced a continued decline in its blockbuster drug Humira. LyondellBasell struggled with persistent revenue and profit pressures driven by industry wide challenges. Dow's weakness centered on its ongoing structural challenges in its European operations along with non recurring charges related to restructuring and asset shutdowns.

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.

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07/21/25
MSCI ACWI (Net) – 929.64
MSCI ACWI Value (Net) –301.26

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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1. The TAM Global 1000 index is a combination of the 500 largest US listed international companies by market cap and the S&P 500. This list is used for factor analysis where the index is ranked/sorted by a certain factor then divided into quintiles. Returns are then calculated on a monthly basis for each quintile.

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.

Specific stocks discussed are included to help demonstrate the investment process or, as a review of the Composite's 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. The compilation of information contained herein reflects the views and opinions of TAM financial professionals at the time of creation which may change at any time without prior notification. There is no guarantee that any forward-looking opinions will occur.

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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, 2024. 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, 2024. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. To receive additional information regarding TAM, including a GIPS Composite Report for the strategy presented, contact Monica Slyter at 1-888-544-8633, or write Todd Asset Management LLC, 101 South Fifth Street, Suite 3100, Louisville, Kentucky 40202, or mslyter@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.

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. The volatility of the index and a client account will not be the same.

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. The net index considers the impact of tax withholdings on dividend income.

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. The net index considers the impact of tax withholdings on dividend income.

Risks - Investments involve varying degrees of risk, and there can be no assurance that this product is suitable or profitable for your investment portfolio. The GIVEI product is designed for long-term investors looking for dividend yield who are willing to accept short-term market price fluctuations. There are general and market risks involved in this product. There is no guarantee that the companies invested in will declare dividends in the future, or that the dividends declared will remain at current levels or increase over time. As a global product, risks of ownership in a foreign security (ADR, or similar securities) include political instability, confiscation of property, reduced legal protection, market liquidity, and adverse changes in currency exchange rates. Investing in emerging market securities can magnify these risks due to their smaller economies. This strategy may result in a portfolio with concentration in economic sectors, as sector diversification is not part of the strategy guidelines. There are times the overall market may not favor value-style investing, and/or stocks with higher dividends, and it is possible the intrinsic value of the underlying stocks may never be realized.

At acceptance, TAM will provide all clients with a copy of our current Form ADV, Part 2A ("Disclosure Brochure"), Form ADV Part 2Bs, which are the Brochure Supplements for each advisory person supporting a particular client, and, if an individual investor, the Form ADV Part 3 (client Relationship Summary or Form CRS). You may also obtain a copy of these disclosures on the SEC website at <http://adviserinfo.sec.gov>.

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