

## Todd Q2 2025 International Intrinsic Value Opportunity Review

	2Q 2025	YTD	1 Year	3 Year*	5 Year*	7 Year*	10 Year*
International IV Opportunity (Gross)	11.17%	27.98%	29.45%	19.83%	14.70%	8.70%	6.79%
International IV Opportunity (Net)	10.95%	27.47%	28.39%	18.84%	13.76%	7.79%	5.90%
MSCI ACWI ex-US (Net)	12.03%	17.90%	17.72%	13.99%	10.13%	6.58%	6.12%
MSCI ACWI ex-US Value (Net)	10.42%	19.89%	21.42%	15.61%	13.14%	6.66%	5.70%

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

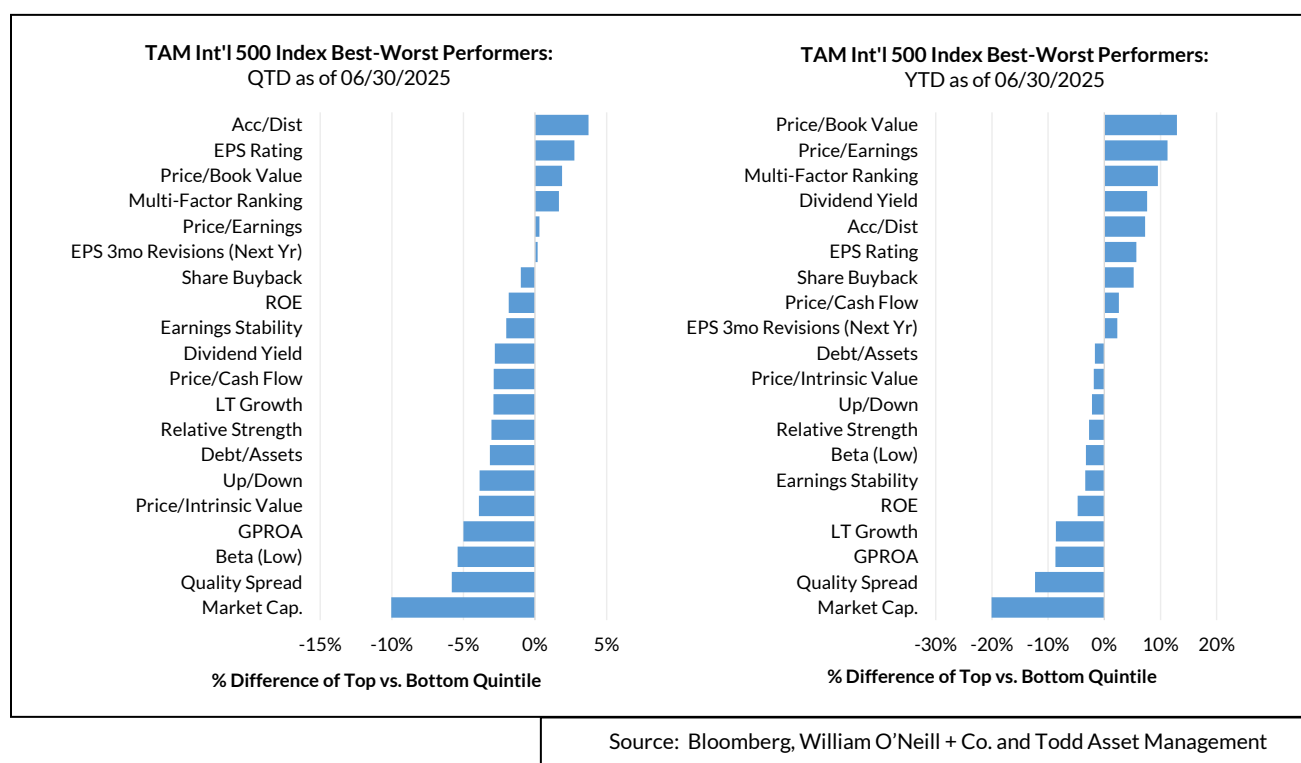
### Performance Review

The International Intrinsic Value Opportunity strategy continued to perform well in the second quarter, posting another double-digit return, outperforming the Value index and underperforming the ACWI ex-US. We will get more detailed about drivers of performance later in the commentary, however the strategy has been favoring European Financials as well as gold miners. Both of these group have performed remarkably well this year. As noted in our prior commentary, **international markets continued to outperform the U.S. in the second quarter, delivering first-half returns that were the strongest relative to the U.S. in over two decades.** We think this underscores the opportunities that exist overseas and in areas our strategy continues to highlight.

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 Performance<sup>1</sup>



Factor work narrowed noticeably this quarter, which makes some sense given the dramatic volatility that marked the month of April. Market cap was the worst performing factor with large cap names underperforming smaller caps by a pretty wide margin over the past 3 months. Higher quality/lower volatility names were also notable laggards in the second quarter. The factors that worked best this quarter were Accumulation/Distribution (one of our preferred technical measures of fund ownership), EPS Rating and Price/Book. While Value had a resurgence in June and has continued to outperform Growth this year, the international Value index did underperform Growth in the quarter.

## Performance Attribution

The strategy's performance during the second quarter was driven mostly by stock selection within the Financials and Materials sectors while stock selection within Consumer Discretionary and underweights in Information Technology and Industrials detracted from performance. Regionally, our overweight in Europe ex-UK and stock selection within the UK contributed positively to performance, while stock selection within EM was a drag on performance.

Our top five contributors to performance this quarter were Commerzbank, Heidelberg Materials, Embraer, Societe Générale, and Barclays. Commerzbank shares surged during the 2nd quarter after a solid 1Q earnings update, driven by NII beat. The company continues to prioritize efficiency initiatives and increased share repurchases. Heidelberg Materials benefited from robust demand in the construction sector, particularly in Africa, where it reported significant growth in Q1

2025. Embraer shares benefited from impressive delivery numbers during the quarter, which were up 30% yoy, and from a record backlog, including a record 55-jet order from Scandinavian Airlines and a \$3.6 billion order from SkyWest. Société Générale and Barclays outperformed during the quarter, both driven by a robust European financial sector fueled by high interest margins and resilient earnings, with Société Générale benefiting from strong retail banking and asset sales, and Barclays capitalizing on a surge in equities trading.

Our top five detractors from performance this quarter were Alibaba, JD.com, PDD Holdings, BP, and Total Energies. Alibaba, JD, and PDD Holdings underperformed due to a combination of macroeconomic challenges in China and stock-specific headwinds. Weak consumer demand, a decelerating Chinese economy, and intensifying competition in the e-commerce sector pressured these companies. Alibaba faced challenges from losing market share to PDD's Pinduoduo and ByteDance's Douyin, alongside the cancellation of its cloud unit spin-off due to U.S. chip export restrictions. JD struggled with sluggish revenue growth and increased competition from PDD's low-price strategy, while PDD itself saw a 47% profit drop due to intense domestic price wars and U.S. tariff pressures impacting its Temu platform. Meanwhile, BP and TotalEnergies underperformed as energy stocks faced headwinds from declining oil prices driven by oversupply concerns, OPEC+ actions, and reduced global demand forecasts. BP specifically grappled with lower refining margins and weaker upstream production, while TotalEnergies faced challenges from softer European gas prices and increased regulatory scrutiny on its fossil fuel operations, contributing to their poor performance.

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

07/21/2025

MSCI ACWI ex-US (Net) – 308.77

MSCI ACWI ex-US Value (Net) – 215.17

***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. TAM Int'l 500 Index is a list of the 500 largest US listed international companies by market cap. 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

### 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.

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 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, 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 International Intrinsic Value Opportunity Composite has been examined for the periods July 1, 2014 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@toddasasset.com](mailto:mslyter@toddasasset.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.

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 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 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.

Risks - Investments involve varying degrees of risk, and there can be no assurance that this product is suitable for your investment portfolio. The International Opportunity product is designed for long-term investors who are willing to accept short-term price fluctuations. This product generally holds 30 securities and is rebalanced every 3 months, thus it is more concentrated and may generate more investment turnover than other products. It is not required to be diversified by sector, and should be considered a more sector concentrated, aggressive application of the price to intrinsic value investment philosophy. There are general and market risks involved in this product, along with the risks of ownership in a foreign security (ADR, or similar securities) including 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. There are times the overall market may not favor value-style investing, 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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