July 22, 2025
Intrinsic Value Team
Todd Asset Management

Todd Q2 2025 International Intrinsic Value Review

	2Q2025	YTD	1 Year	3 Year*	5 Year*	7 Year*	10 Year*
International Intrinsic Value (Gross)	10.59%	23.21%	22.32%	16.85%	13.43%	8.46%	6.97%
International Intrinsic Value (Net)	10.36%	22.71%	21.30%	15.88%	12.48%	7.55%	6.07%
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.*

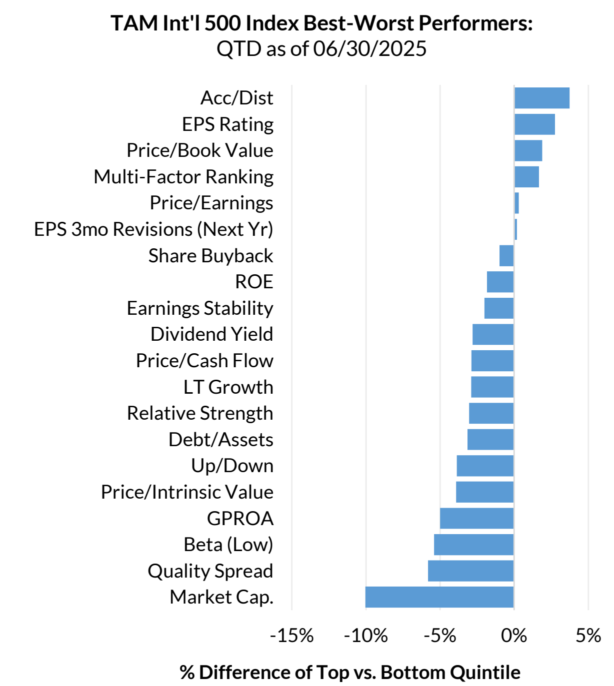
Performance Review

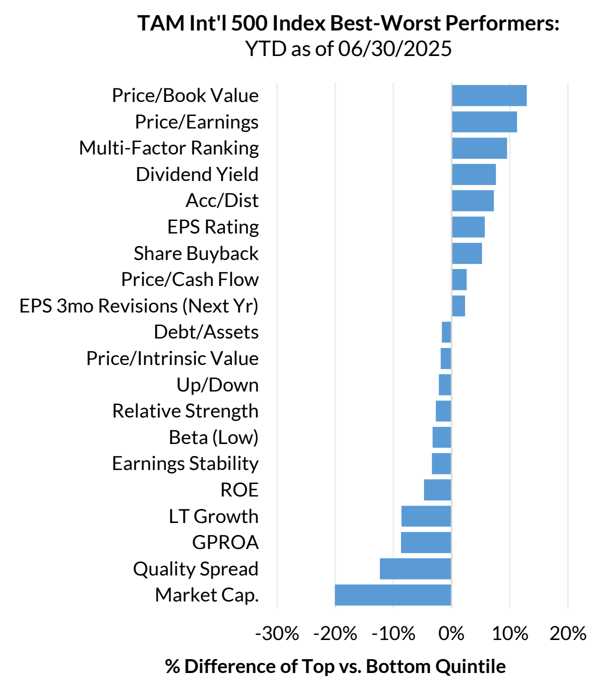
After starting the year with a very strong first quarter, the International Intrinsic Value strategy gave back some ground against the ACWI ex-US in April as tariff announcements from the US briefly agitated markets. While this led to the strategy's underperformance in the second quarter, we still remain comfortably ahead of the benchmark year-to-date and across most other longer-term time frames shown above. 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[1]





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

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, which would have posed a modest headwind against our strategy. The factors that worked best this quarter were Accumulation/Distribution (one of our preferred technical measures of fund ownership), EPS Rating, Price/Book and our Multi-Factor Ranking. 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

When looking at performance attribution, stock selection explained all of our underperformance against the ACWI ex-US during the quarter. The Energy, Technology and Consumer Discretionary sectors were responsible for most of this lag. Oil prices continued to trend lower despite rising tensions in the Middle East as excess production capacity from OPEC members remains ample. This has obviously been a headwind for shares of Energy companies. Within Technology, our IT Service holdings have seen policy uncertainty and shifting budget priorities (to encompass AI) negatively impact project activity. Our Discretionary holdings that underperformed were mostly Chinese e-Commerce companies that sold off after posting a strong run at the beginning of the year. Conversely, Consumer Staples, Healthcare and Financials were our best performing sectors.

Regionally, Japan and the UK were our top performing areas driven by several of our Japanese Industrial trading companies as well as several UK-based banks and Industrial equipment companies. Our biggest headwinds came from Emerging Markets, Pacific ex-Japan and Europe. As we mentioned earlier, Chinese e-Commerce names sold off in the quarter which was the source of the underperformance in Emerging Markets. The headwinds in Pacific ex-Japan and Europe were broadly tied to uncertainty on the trade and energy front which cause several of our holdings in these areas to consolidate.

Our top five performing companies for the quarter were KB Financial Group, Banco Santander, Heidelberg Materials, Taiwan Semiconductor and Barclays. Shares of KB Financial responded forcefully from the April lows and have risen to new all-time highs as the spotlight returned to the company's efforts to drive shareholder returns and profitability higher. This was evidenced by the share repurchase announcement and upbeat commentary from the management team during their quarterly earnings release. Banco Santander posted an impressive set of results early in the year that led the management team to raise profit and dividend payout guidance. The earnings upgrades from this improved outlook continued through the second quarter as the company made further progress toward upgraded guidance. Heidelberg continues to benefit from increased interest following the large German infrastructure package that passed earlier this year. The company also hosted a Capital Markets Day in May that helped to layout their compelling case as a global player in low carbon cement products. After selling off amidst tariff announcements in early April, Taiwan Semiconductor recovered strongly to finish the quarter at all-time highs as investors got more clarity around tariff exemptions and the passage of price hikes on advanced chips which further supports the company's profit margin outlook for the next few years. Barclays continued their impressive run over the past few years as lower policy rates have improved the margins they make on loans. Efforts to improve efficiency over the past few years are also bearing fruit by restraining expenses and helping to boost profits.

Our bottom five included JD.com, Alibaba Group, Petroleo Brasileiro, Schlumberger (SLB) and Sanofi. A price war in China's food delivery industry is largely the culprit of the weakness seen in our two largest underperformers, JD.com and Alibaba. Both of these companies are spending heavily through subsidies and promotions to gain market share in this rapidly growing consumer segment which has weighed on profit growth estimates. As we mentioned earlier in the letter, oil prices have continued to showcase weakness in the face of elevated geopolitical tensions. As a result, our next two underperforming holdings unsurprisingly come from the Energy sector. Petrobras saw headwinds both from lower oil prices as well as tariff announcements, which have been more harsh on Brazil seemingly as a result of their closer trading relationship with China. Both are weighing on the prospect for shareholder returns. Shares of SLB have also been quite weak as oil field activity in the US has declined dramatically due to weaker oil prices. The number of oil and gas rigs in the US is at it's lowest level in nearly 4 years and falling. We eliminated SLB from the portfolio in late April as a result of these dynamics. Finally, Sanofi has seen weakness recently as investors have begun to raise questions around their pipeline after several mixed updates from late and early stage drug trials. While the launch of a drug to treat lung disease

(COPD) is progressing well, investors seem to want to see some more progress in R&D to get conviction around their drug pipeline.

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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07/21/2025
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.

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 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 may reflect 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.

Todd Asset Management LLC ("TAM") is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. 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, 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 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, 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. 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 ex-US Value (net) Index captures large and mid-cap securities exhibiting overall value style characteristics across developed and 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. The net index takes into account 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 IIV product is designed for long-term investors, who are willing to accept short-term market price fluctuations. 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