Todd Q2 2025 Intrinsic Value Opportunity Review

	2Q 2025	YTD	1 Year	3 Year*	5 Year*	7 Year*	10 Year*
IV Opportunity (Gross)	11.48%	11.05%	34.06%	23.52%	22.18%	14.68%	11.09%
IV Opportunity (Net)	11.26%	10.59%	32.97%	22.50%	21.17%	13.73%	10.16%
S&P 500	10.94%	6.20%	15.16%	19.71%	16.64%	14.39%	13.64%
Russell 1000 Value	3.79%	6.00%	13.70%	12.77%	13.93%	9.59%	9.19%

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

Performance Review

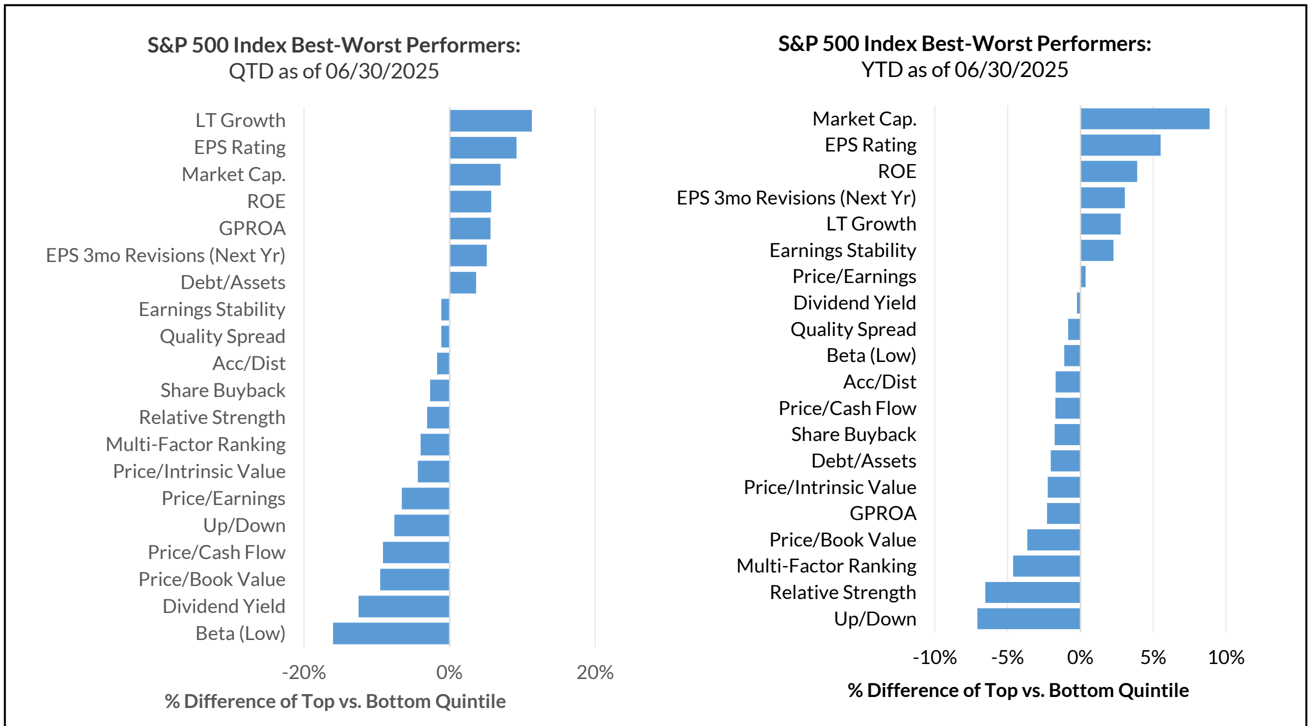
The Intrinsic Value Opportunity (IVO) posted a strong second quarter, finishing ahead of the S&P 500 and well ahead of the Russell 1000 Value. While the more defensive parts of Value were the predominant areas that worked in the first quarter, the market rotated strongly from the April lows once initial tariff announcements were paused for 90 days. Since then the market has taken on a much more cyclical tone that benefited our strategy.

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 which started more than 10 years ago in the US. The tax cut extensions and debt ceiling were both resolved much earlier in the calendar than most political analysts expected. Focus now seems to have shifted to the potential for regulatory relief for the banking sector and, irrespective of the drama surrounding the Fed, policy rates are expected to come down later this year.

While the S&P 500 is at all time highs and sentiment has clearly improved from quite depressed levels, the breadth of the market (meaning how broad based is participation from each of the companies in the market) is still somewhat constrained. The S&P 500 remains top-heavy, with Nvidia alone approaching 8% of the index with a market cap that exceeds $4 Trillion. We are constructive on the cyclical leadership that has emerged since the April lows, but would also expect participation to continue to broaden out if the market continues to trade to new highs.

Factor Performance



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

Growth factors as well as Large Cap stocks ranked at the top of the list in the second quarter, largely driven by the resurgence from the Hyperscalers and AI beneficiaries. The Russell 1000 Growth beat the Russell 1000 Value by around +14% in the quarter as well. This also explains why all of the Value factors, as well as Dividend Yield, ranked at the bottom of the list for the quarter. Low Beta names, similar to the International list, were the worst performers.

Performance Attribution

Our outperformance this quarter was predominantly driven by stock selection, although allocation also favorably contributed. On the stock selection front, the portfolio benefited from strong picks in the Consumer Discretionary and Utilities sectors, which were minimally offset by stock selection weakness in Industrials. From an allocation perspective, the portfolio was positively impacted by an underweight allocation to Health Care stocks, and to a lesser extent, an overweight allocation to the Information Technology sector.

The top five contributors to IVO's outperformance this quarter were NRG Energy, Jabil Inc., Royal Caribbean, Netflix, and Synchrony Financial. NRG shares rose after the company announced a $12 billion acquisition of natural gas power plants, which will more than double its generation capacity. As a result, management raised its five-year annual EPS growth target from over 10% to more than 14%, reflecting increased long-term profit expectations. Jabil also boosted performance by posting strong quarterly results that exceeded expectations on both the top and bottom lines, driven by robust growth in its Cloud, Data Center, and Capital Equipment segments. This strength led management to raise full-year guidance. Royal Caribbean, despite slightly missing revenue growth forecasts, reported an earnings beat and highlighted strong travel demand—particularly notable given softness among other travel-adjacent companies—prompting an upward revision in earnings guidance. Netflix shares were lifted by solid top- and bottom-line beats, supported by recent subscription price increases and the success of its ad-supported plan in reducing churn. Lastly, Synchrony Financial posted a strong beat on the bottom line, bolstered by better-than-expected credit conditions, and further enhanced investor sentiment with the announcement of a new $2.5 billion share repurchase authorization.

This quarter's primary detractors from performance included Fiserv, ONEOK, T-Mobile, Interpublic Group, and Masco Corporation. Fiserv underperformed following a revenue miss driven by softer-than-expected demand within its Merchant Solutions segment, with management commentary indicating that weakness is likely to persist into the second quarter. ONEOK shares declined amid heightened investor uncertainty related to tariff policy, which raised concerns about potential pressure on end-market demand. T-Mobile, despite delivering strong top- and bottom-line beats, came under pressure due to elevated churn and a decline in postpaid net additions, reflecting intensifying competitive dynamics in the wireless landscape. Interpublic Group saw a pullback after several large account losses called into question the durability of its organic growth trajectory, particularly as the firm continues to integrate its merger with Omnicom. Masco also detracted from performance, as renewed tariff headwinds compounded an already soft demand environment for housing-related products.

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

S&P 500 – 6,305.68 Russell 1000 Value – 1,926.46

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

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.

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 in equity securities within the S&P 500 Index with the objective to seek capital appreciation. This goal is pursued by investing in a portfolio of securities that are in the least expensive third of the S&P 500 Index using a rules-based process based on financial strength, profitability strength and market acceptance.

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 Intrinsic Value Opportunity Composite contains fully discretionary, taxable and tax-exempt accounts that use either the S&P 500 Index or the Russell 1000 Value 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 Intrinsic Value Opportunity 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 transactions costs, and includes the reinvestment of all income. Net of fee performance was calculated using the applicable annual management fee schedule of .80% applied monthly. From October 2009 to March 2014 the management fee schedule applied to the Composite was 0.70%. 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 benchmarks. The indexes are unmanaged, and not available for direct investment; they include reinvestment of dividends; they do not reflect management fees or transaction costs. The volatility of the index and a client account will not be the same.

S&P 500 Index is a widely recognized index of market activity based on the aggregate performance of a selected portfolio of publicly traded common stocks. The performance data was supplied by Standard & Poor's. It is included to indicate the effect of general market conditions.

Russell 1000 Value Index is a widely recognized index of market activity based on the aggregate performance of common stocks from the Russell 1000 Index, with lower price-to-book ratios and lower forecasted growth values. The performance data was supplied by Frank Russell Trust Company.

Risks – Investments involve varying degrees of risk, and there can be no assurance that this product is suitable for your investment portfolio. The Opportunity product is designed for long-term investors who are willing to accept short-term price fluctuations. Stock market and business risks are general risks. 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 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.