October 17, 2019
Intrinsic Value Team
Todd Asset Management

Todd Q3 2019 Global Intrinsic Value Equity Income Review

	3Q 2019	YTD	1 Year	3 Years*	5 Years*	7 Years*	Since Inception* (01/01/11)
GIVEI (Gross)	0.5%	12.4%	-2.6%	6.9%	4.7%	8.2%	8.8%
GIVEI (Net)	0.4%	11.9%	-3.2%	6.3%	4.1%	7.6%	8.2%
MSCI ACWI (Net)	-0.0%	16.2%	1.4%	9.7%	6.7%	8.8%	7.6%

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

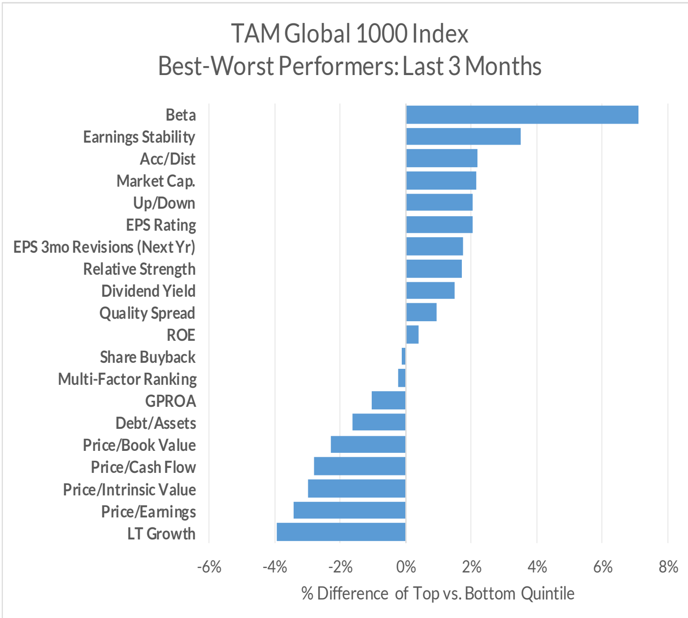
Performance Review

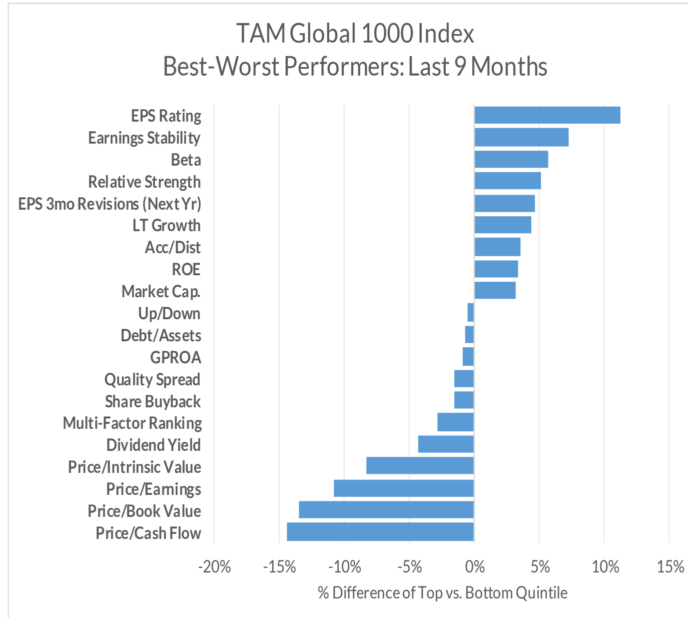
The global slowdown in manufacturing activity continued to weigh on investor sentiment. When paired with uncertainty around US/China trade, Brexit and the VAT tax in Japan, economic growth downgrades and recession scenarios became abundant. Many leading indicators have weakened and manufacturing indices are at multi-year lows. Despite these concerns, we believe we may be closer to a trough in activity as a globally coordinated response from Central Banks to lower rates, paired with policy stimulus in the US, China and Europe could serve to reaccelerate economic growth as we enter 2020. We witnessed a notable shift in sentiment in August as global interest rates bottomed at the height of Brexit uncertainty and hawkish US/China trade rhetoric. A rotation back into Value from Growth and into Cyclicals from Defensives unfolded in September and gave us an indication that these stretched trades may unwind if recession is averted. While still deeply negative European rates have also moved higher and the US dollar has moved lower in recent weeks as worst case outcomes for Brexit and trade have become less likely.

The Global IV Equity Income strategy increased +0.5% (gross) during the quarter, which was marginally ahead of the MSCI ACWI, which was basically unchanged. Year-to-date the GIVEI is up +12.4% (gross) vs. the ACWI return of +16.2%, underperforming by -3.8%. Given that the strategy's primary focus is income generation, it is important to note that the dividend yield for the GIVEI at 5.2% is more than twice that of the MSCI ACWI, which yields 2.5%.

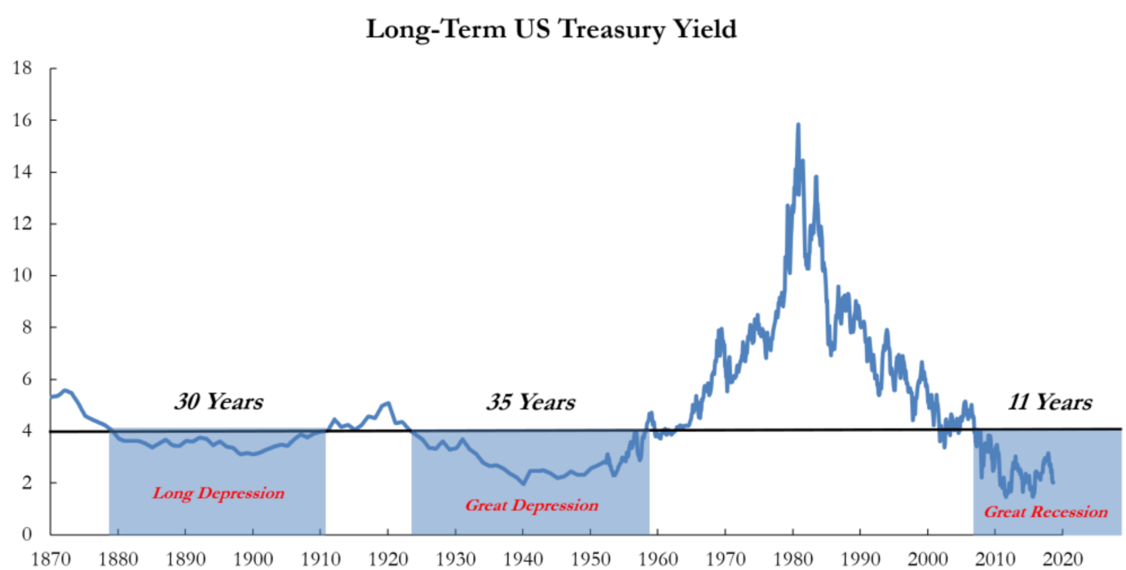
During the quarter, our factor analysis (shown below) indicated that investors are rewarding more tangible, earnings quality related metrics. Value factors have remained out of favor, despite a brief reprieve in the month of September. The lower economic growth outlook likely explains earnings growth being favored by investors. Dividend Yield was moderately positive for the quarter, but has been out of favor year-to-date like most value metrics.

Factor Analysis





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



Source: Robert Shiller, Sidney Homer, Bloomberg and Todd Asset Management as of 7/31/2019
Data before 1953 is government bond yields from Sidney Homer *"A History of Interest Rates"*. Data from 1953 through 1961 is 10-year Treasury yields from Robert Shiller *"Irrational Exuberance"*. Data after 1961 is 10-year Treasury yields from Bloomberg.

The chart above highlights long term interest rates in the US since 1870. In the past, when rates have dropped below 4%, they have tended to stay there for 30 to 35 years. We have noted the event that started these periods in red. If this historical precedent holds, long term rates may remain low for a generation. This could make investors reassess where they will get the expected returns on investments and highlights the importance of income generating strategies, like the GIVEI, to meet return assumptions going forward.

Stock selection drove all of our outperformance during the quarter, both on a sector and regional breakdown. Technology, Health Care and Communication Services were our best performing sectors. Our worst performing sectors were Consumer Discretionary, Energy and Financials. From a regional perspective Japan, Pacific ex-Japan and the United Kingdom were our best performing regions. The United States and Europe ex-UK were our worst performing regions.

Our sector and regional weights are very similar to last quarter. We are overweight Financials, Energy and Consumer Staples. We also remain underweight Technology, Industrials, Communications and Materials. Among regions, we are overweight the UK, Europe ex-UK and Canada. We are underweight Emerging Markets, United States, Japan and Pacific ex-Japan.

Our top five contributors to performance during the quarter Tokyo Electron, AT&T, Omega Healthcare, Astrazeneca and Sun Life Financial. Earnings estimates look to have found a bottom for Tokyo Electron and management raised guidance for foundry equipment sales as broad signs of stabilization started to appear. AT&T posted solid quarterly results and upgraded free cash flow guidance, improving their balance sheet quality. Shares also lifted in September after an activist investor (Elliot Associates) published suggestions to unlock value at AT&T, including divestitures of underperforming assets and improving shareholder returns. Omega Healthcare posted solid quarterly results and several newly announced facility acquisitions should help boost profits next year. Astrazeneca raised sales guidance after reporting strong quarterly results with better than expected sales from new product releases. Sun Life Financial shares rose in the quarter following speculation that they would acquire the Group Benefits insurance business from Cigna, which would be accretive to earnings next year.

Our worst five detractors from performance during the quarter were Macy's, Tapestry, Altria, Vermilion and Sberbank. Macy's reported disappointing quarterly results as margin compression due to promotional activity weighed on earnings. Management cut forward guidance on the call. Tapestry (formerly Coach) posted disappointing quarter results and lowered forward earnings guidance as recovery efforts in their Kate Spade brand are taking more time. Broad based industry pressure from wholesale channels and outlets is also weighing on retails names. Altria shares sold off on concerns that a ban on e-cigarettes would negatively impact that part of their business, which includes Juul (Altria has a 35% stake in the market leader). Global growth concerns weighed on commodity prices and weighed on Vermillion. Production and cash flow were also lighter than expected when second quarter results were released. Profit growth was slower than expected at Sberbank due to weaker fees and non-interest income for the quarter.

We believe we could be in the midst of a bottoming of global economic activity as the stimulative impacts from coordinated Central Bank policy easing and fiscal stimulus serve to boost growth. Better than expected outcomes for Brexit (talks have intensified ahead of the October 31st deadline) and US/China trade (potential de-escalation as "phase 1" announced) would also help place a bottom in activity.

Please feel free to contact any of us for additional information.

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10/16/2019
MSCI ACWI (Net) - 262

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
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.

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 in a diversified portfolio of attractively valued domestic and international equity securities with a goal to seek dividend income along with growth of that income and capital appreciation. The international securities are internationally domiciled, US traded equity securities.

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, 2018. 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, 2018. 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, 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. As of 12/31/17, the benchmark was changed to the MSCI ACWI (net) from MSCI ACWI (gross). The ACWI (net) is computed net of foreign tax withheld on dividends, this is consistent with the composite.

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 (net) Index is a float-adjusted market capitalization index that is designed to measure the equity market performance of developed and emerging markets.

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