October 16, 2020
Intrinsic Value Team
Todd Asset Management

Todd Q3 2020 International Intrinsic Value Review

	3Q 2020	YTD	1 Year	3 Year*	5 Year*	7 Year*	10 Year*
International Intrinsic Value (Gross)	4.5%	-8.6%	1.5%	-0.3%	4.5%	2.8%	4.8%
(Net)	4.3%	-9.2%	0.6%	-1.1%	3.6%	1.9%	3.9%
MSCI ACWI ex-US (Net)	6.3%	-5.4%	3.0%	1.2%	6.2%	3.2%	4.0%
MSCI ACWI ex-US Value	2.4%	-17.2%	-10.3%	-4.5%	2.8%	0.4%	2.2%

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

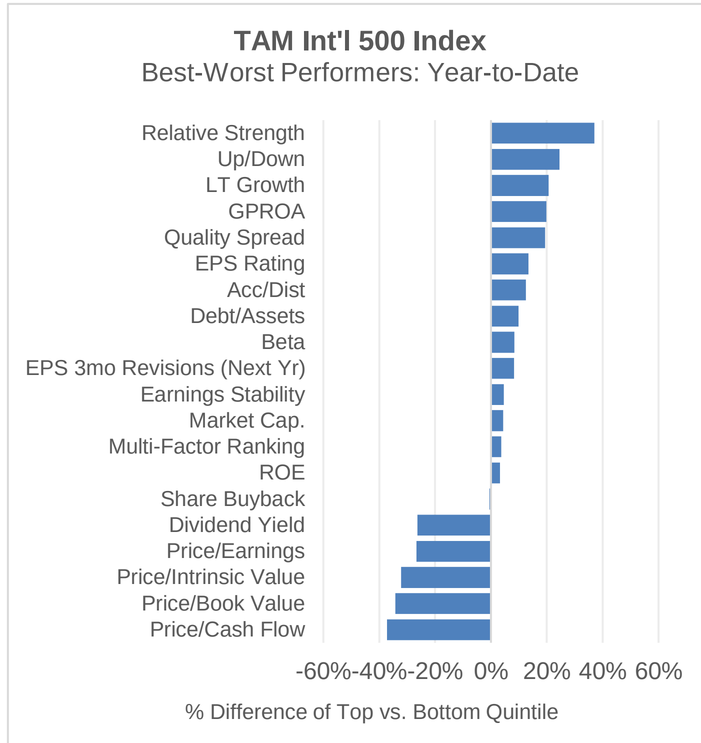
<u>Performance Review</u>

The IIV strategy lagged the MSCI ACWI ex-US for the quarter as the outperformance of Growth over Value continued. Global growth has rebounded more than expected through the 3rd quarter, led by China. Stimulus tends to work with a lag and we would expect the tremendous amount of fiscal and monetary initiatives to support this recovery in the quarters to come. The economic cycle is young and the portfolio is positioned to benefit from a continuation of reaccelerating global growth. From the market lows on March 23rd through quarter end, the IIV (gross) is still ahead of both the MSCI ACWI ex-US (+1%) and the MSCI ACWI ex-US Value (+8%).

We've seen a sharp recovery in global economic readings (i.e. LEI, PMI, Retail Sales, Confidence/Sentiment measures, etc.). China continues to lead the rest of the world in progressing through the pandemic and results there remain in expansionary territory. We continue to believe we are in the early stages of a global economic expansion. Historically, sharp recoveries in activity have coincided with a rotation in leadership where Value outperforms Growth. Investors may need to see more progress on the pandemic and improved visibility before rotating into Value. Massive global stimulus, and the lagged impact this has on economies, should help keep the global economy on sustainable footing for some time.

Stock selection was responsible for all of our underperformance against the ACWI ex-US. Our best performing sectors for the quarter were Technology and Financials. Energy, Discretionary and Industrials were our worst performing sectors. These are all more deeply cyclical and investors seem to be waiting for more confirmation that the economic cycle has indeed started anew. Regionally, stock selection was also responsible for the majority of the strategy's underperformance. Pacific ex-Japan and the United Kingdom were our best performing regions while Emerging Markets and Europe ex-UK were our worst.

Factor performance



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

As we've become accustomed to highlighting for the past few quarters, the spread between Growth and Value continues to widen. The ACWI ex-US Value underperformed the ACWI ex-US Growth by -8% for the quarter, bringing the **YTD underperformance of Value vs. Growth to -25%**. This is as dramatic as we can remember. While index concentration in a few names is exacerbating this in the US, we think a lack of conviction in the start of the new economic cycle is more broadly weighing on Value. Other factors to note were Momentum and Growth related measures as well as our Multi-Factor Ranking, which was additive this quarter.

Our top five contributors to performance during the quarter were Taiwan Semiconductor, Techtronic, Alibaba, Yandex and Aptiv. Taiwan Semiconductor is seeing strong demand from end markets like smartphones manufacturers and high-performance computing. Management boosted 2021 guidance. Techtronic's new cordless products continue to gain market share causing their results to meaningfully outperform their peers. eCommerce results have been strong for Alibaba during the pandemic and recently recovered to their pre-Covid-19 levels. Yandex continues to broaden their businesses outside of Search and into eCommerce, ride-share and FinTech, which are all rapidly growing markets. Auto production continues to rebound strongly as inventory levels get restocked, which has driven a recovery for Aptiv. They also continue to see content gains in new vehicles that are adopting more Active Safety features.

Our worst five detractors from performance during the quarter were Vipshop, Lukoil, Aercap, ZTO Express and Repsol. Vipshop is facing increased competition and investors are concerned that spending plans to acquire new users will pressure margins. Low oil prices and production levels continue to pressure results at Lukoil and Repsol. The companies' ability to maintain their dividend payments have been brought into question. Fears of a second wave of Covid-19 and continued travel restrictions have weighed on demand expectations for Aercap's end clients. ZTO Express is ramping up its efforts to gain market share by lowering pricing and boosting investments to increase scale. While volumes will likely pick up, this will negatively impact profits over the short-term.

We continue to believe the global economy is in the early stages of a new economic expansion. There are certainly risks to this thesis. Lockdown measures have been easing for the past few months, but concerns over a second wave of Covid-19 may pause this. We will also await clarity around geopolitical events (US election, Brexit, etc.) and further stimulus (EU Recovery Fund). However, the massive amounts of global stimulus to date should be felt for years to come. We would expect a more sustained rotation into Value and cyclical names as investors become more convinced the economic cycle is on solid footing.

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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Jack White, CFA,
Jack Holden, CFA
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10/16/20
MSCI ACWI ex-US (Net) – 242
MSCI ACWI ex-US Value - 143

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
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.

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 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, 2019. 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, 2019. 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, 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. Prior to January 2007, the management fee schedule applied to the composite was .60%. 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 12/31/2017, the benchmark was changed to the MSCI ACWI ex-U.S. (net) index, from the MSCI ACWI ex-U.S (gross) index. The ACWI (net) is computed net of foreign taxes withheld on dividends, this is consistent with the composite. As of 6/30/2013, the primary benchmark was changed to the MSCI ACWI ex-US (gross) from the MSCI EAFE. The ACWI better reflects the strategy guidelines with emerging market and Canadian exposure. As of the 6/30/2013 the EAFE was removed from presentations. 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 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 takes into account the impact of foreign tax withholdings on dividend income.

The MSCI ACWI ex-U.S. Value (gross) Index captures large and mid-cap securities exhibiting overall value style characteristics across 22 Developed and 26 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.