Todd Q3 2021 International Intrinsic Value Review

	3Q 2021	YTD	1 Year	3 Year*	5 Year*	7 Year*	10 Year*
International Intrinsic Value (Gross)	-2.0%	9.5%	32.2%	9.1%	9.8%	5.6%	8.8%
(Net)	-2.3%	8.9%	31.1%	8.1%	8.9%	4.7%	7.9%
MSCI ACWI ex-US (Net)	-3.0%	5.9%	23.9%	8.0%	8.9%	5.7%	7.5%
MSCI ACWI ex-US Value (Net)	-2.3%	9.1%	31.4%	3.8%	6.4%	2.9%	5.5%

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

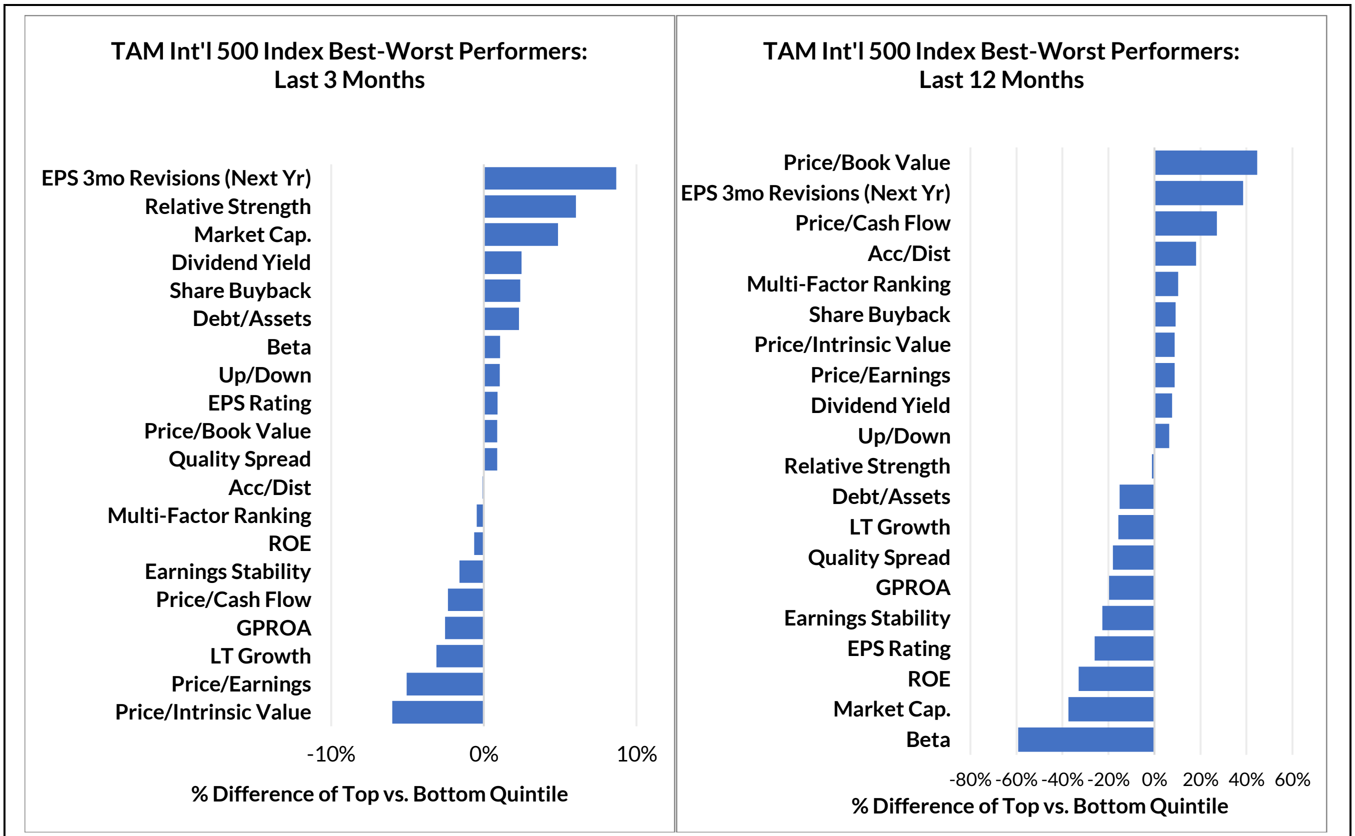
Performance Review

The IIV (gross) strategy outperformed the MSCI ACWI ex-US by +1% during the quarter taking the strategy's YTD outperformance to around +3.5%. Our performance (gross) remains ahead of the ACWI ex-US on a YTD, 1yr, 3yr, 5yr and 10yr basis.

September delivered again on it's reputation for bringing a slew of negative headlines. Concerns around supply chain issues, inflation, central banks tapering asset purchases (and some raising rates), the Chinese property market and regulatory overhaul, as well as the most recent Covid Delta wave led markets to post the first negative quarterly return since the start of the pandemic in 1Q2020. Interestingly, interest rates finished the quarter higher, reversing the decline we'd witnessed over the past few months. This rise was probably due to some combination of higher expectations for inflation, reopening or tapering. Higher rates have been a headwind for Growth stocks and as a result sector leadership as we exited the third quarter was much more biased toward Value and Cyclicals. We noted last quarter that the rotation from Growth to Value had paused and suspected that many of the concerns facing investors would prove to be transitory. Activity certainly seems to have slowed in the third quarter, but as progress against the pandemic continues (e.g. ramping vaccinations in emerging markets and new Covid therapeutics like the Merck treatment) reopening should continue and reaccelerate growth expectations in coming quarters. Supply chain constraints could very well persist for some time but given the number of large infrastructure and spending initiatives being announced, demand should remain robust for some time as well. This dynamic may actually serve to lengthen the recovery as pent-up demand takes more time to get unleashed and inventories more time to rebuild.

Stock selection was quite divided as Materials and our Consumer Discretionary and Communication Services names more than offset good selection elsewhere in the portfolio. This led to a net neutral impact from stock selection and our sector allocation driving our outperformance against the ACWI ex-US for the quarter. Our overweight in Energy and Financials, as well as good selection within Healthcare and Industrials were the largest drivers of performance. Regionally, Emerging Markets was our largest detractor and offset much of positive impact that our selection had within Europe, Japan and Pacific ex-Japan. We remain tactically underweight in Emerging Markets, particularly China, as a result of the regulatory uncertainty that has arisen over the past few quarters. We continue to hold overweight positioning in cyclical areas like Financials, Energy and Materials as well as in Europe and the UK.

Factor performance



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

Much like we saw in domestic markets, the pause in Value leadership and resurgence of Growth that we highlighted last quarter continued through the middle of September before reversing. This can be seen in the 3rd quarter factor returns on the left chart above as Value metrics largely detracted. Several quality metrics were toward the bottom of the list as well. The top performing factor was Earnings Revisions. This was most pronounced in Energy and Industrial names which saw estimates revised materially higher. Large cap and shareholder returns were other metrics that worked well during the quarter. For the past 12 months (right chart) Value metrics still rank toward to high end of the list as does our Multi-Factor Ranking.

Our top five contributors to performance during the quarter were Fujifilm, Shionogi, Equinor, Sony and Icon. Fujifilm reported results in the quarter that were well ahead of consensus on strong demand for their Healthcare equipment. Investments in R&D have helped to keep the company's products at the leading edge in medical imaging in China, US and Europe. Shionogi, the Japanese drug maker of flu-treatment Xofluza, saw shares rally on hopes that a Covid therapeutic they are testing will receive approval in coming quarters. Equinor is a Norwegian oil & gas company that is benefiting from tight natural gas markets in Europe which has driven prices materially higher in recent months. Earnings estimates for Equinor haven't reflected persistently higher gas prices so investors started to price in a meaningful upgrade to estimates. Sony is expected to release a large number of new games and movies over the next few quarters, which were delayed due to the pandemic. This has lifted earnings estimates which were already on the rise due to better pricing from their Electronic Product businesses (TVs and Cameras). Icon, who runs clinical trials for pharmaceutical companies, continues to see strong new business wins as delays from the pandemic ease and non-Covid related trials begin to ramp up.

Our worst five detractors from performance during the quarter were Vale, New Oriental Education, NetEase, Vipshop and Alibaba. China has been a source of plenty of headwinds this year. Much like last quarter, each of our worst performers are tied to China in some way and were weighed down by regulatory announcements or concerns around the broader slowdown and property sector issues. Broad weakness in the Chinese real estate sector has weighed on industrial metal prices. Iron ore prices were further pressured by efforts to curb steel demand due to environmental concerns, which translated into a selloff in shares of Vale (a large iron ore miner). Chinese regulators essentially nationalized the after-school tutoring industry in July, which torpedoed shares of New Oriental Education. This took investors by surprise and we eliminated the name on this announcement. Regulatory efforts to curb time spent by minors playing video games also hit shares of NetEase. While this cohort represents a very small fraction of the company's paying user base, concerns persisted and overshadowed the robust new game rollout that should take place for the next few months. Shares of Vipshop, an online discount retailer, weakened as the company lowered expectations for online apparel sales as consumer demand has softened due to Covid outbreaks in China and broader economic uncertainty. The company continues to spend and offer promotions which may hurt margins over the near term as well. The softening demand and uncertainty just mentioned also weighed on shares of Alibaba. The regulatory overhang remains a challenge. Mgmt. remains committed to invest in strategic areas, which may pressure margins.

In summary, the economic recovery is continuing and should benefit from a Grand Re-opening v.2.0. Consumer demand remains firm, capital spending is starting to recover, and manufacturing is catching up. There are some issues slowing the recovery, notably a lack of workers, inflation concerns and supply chain breakdowns. The good news is that most of these issues are addressable and should contribute to a longer economic recovery as demand has been deferred not destroyed. There are likely to be bumps along the way as world economies begin moving towards a post pandemic world, but the new treatment announced by Merck could be a game changer that allows faster progress on that front. China has been a source of concern, making belligerent moves in the South China sea. We believe as we move through year end towards the February Olympics in Beijing, that these situations should cool. As we see the economic recovery continue, driving an earnings advance, we are close to seeing the ACWI ex-US Index break out of the trading range it has been in for 14 years. When that occurs, it will be a strong signal that those markets are in a secular bull market which should last for years. We believe that development is likely in the coming quarters.

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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10/19/21
MSCI ACWI ex-US (Net) – 349
MSCI ACWI ex-US Value – 182

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.

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. 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 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, 2020. 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 December 31, 2020. 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. 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.

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 takes into account 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.