Todd Q3 2024 Global Intrinsic Value Equity Income Review

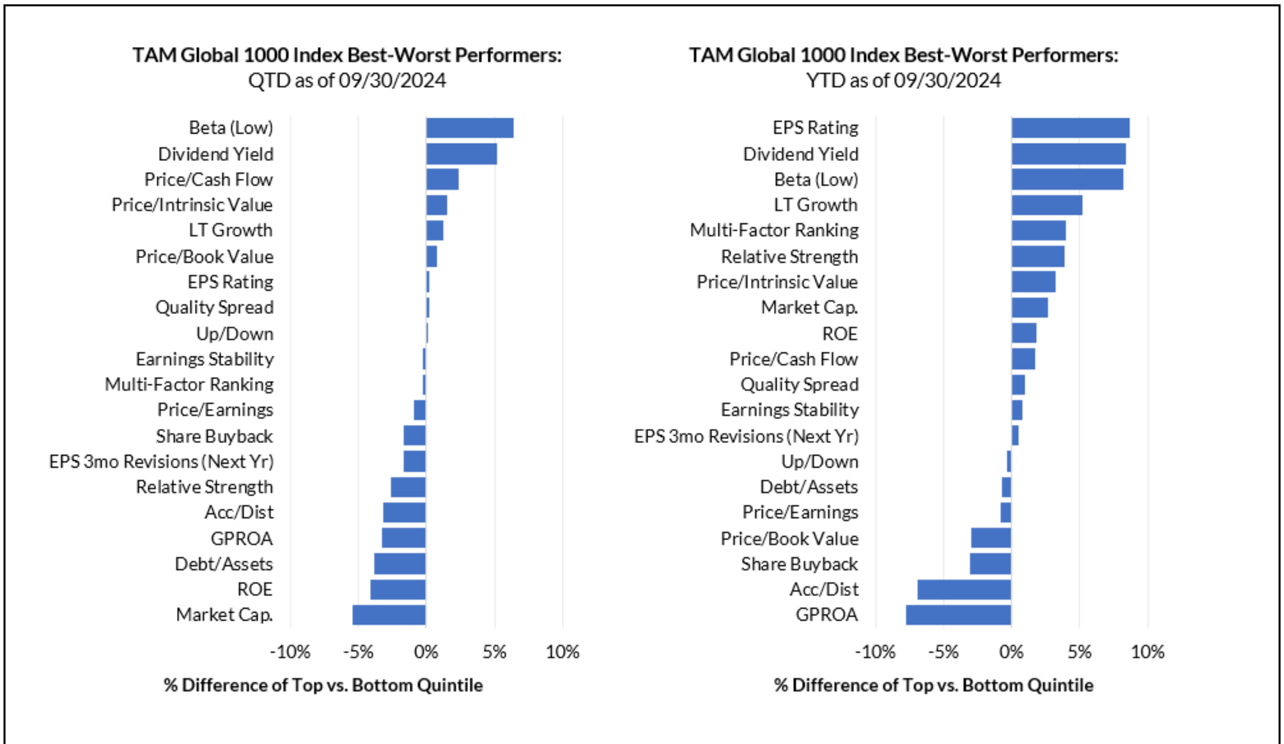
	3Q2024	YTD	1 Year	3 Years*	5 Years*	7 Years*	10 Years*
GIVEI (Gross)	12.27%	19.23%	27.80%	11.41%	9.77%	7.70%	7.20%
(Net)	12.11%	18.70%	27.05%	10.75%	9.12%	7.06%	6.57%
MSCI ACWI (Net)	6.61%	18.66%	31.75%	8.09%	12.19%	10.23%	9.39%
MSCI ACWI Value (Net)	9.42%	16.23%	26.89%	8.49%	9.04%	7.09%	6.66%

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

Our GIVEI strategy outperformed the MSCI ACWI (Net) index and the MSCI ACWI Value (Net) index for the quarter. The Global markets broadened out in the quarter as the recession call came off the table. Higher dividends outperformed as well as value factors were rewarded. The current yield at the end of the quarter was 4.9% versus the MSCI ACWI yield of 1.9%.

We are officially in a global easing cycle. Central banks are normalizing policy rates from extraordinary levels as inflationary pressures have eased. This is an important environmental change as policy makers pivot (to steal a buzz word from last year) to become more supportive of economic activity. While concerns around labor market weakness underpinned a consensus call for recession in the next few quarters, the most recent employment report in the US seems to have driven a much larger contingent that now embrace a soft landing. There have certainly been areas of weakness like autos, manufacturing, durable goods, etc. However, these are also inherently more interest rate sensitive businesses which should benefit from easing financial conditions. The path of earnings estimates, which continue to improve after contracting through the first part of 2023, also suggests that economic momentum is on much more stable footing. This is important because the historical analog for markets after Central Banks start to cut rates is quite strong in non-recessionary times (e.g. 1988, 1995, 1998 in the US) with the market up around +20% over the next 12 months. This isn't to say we shouldn't expect some volatility. We certainly had more than our fair share this past quarter from two epic margin calls with the unwind of the Yen-Carry trade in late-July/early-August and the short squeeze of Chinese stocks in late-September. We have more comments on these moves in the Market Commentary pieces, but they were both ultimately reactions to policy normalization as Japan continues to push interest rates into positive territory and China starts to get off the sidelines with more forceful monetary and fiscal support for their economy. The message we distill from this is that policy is becoming increasingly accommodative and the global economy is on a better trajectory than most investors thought. This helps to explain why most major markets indices are at or near all-time highs.

Factor Performance[1]



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

This quarter saw many of the Value metrics along with High Dividend Yields outperform. Long Term Growth and Low Beta stocks also contributed to performance. Large Cap names along with profitability measures (Return on Equity and Gross Profit Return on Assets) ranked at the bottom of the list. Year to date, High Dividend Yields were the second largest contributor to performance.

Performance Attribution

The outperformance in the third quarter was driven almost entirely by stock selection with a very small part driven by sector selection. Stock selection in Technology and Financials were big drivers of our outperformance in the quarter as was our overweight in Financials. Our stock selection in Energy and Materials were our worst performing sectors. From a regional perspective, our stock selection in the US and Canada accounted for led the way for our outperformance during the quarter. Emerging Markets and Europe detracted from performance.

We remain overweight Energy, Financials and Materials. We also remain underweight Consumer Discretionary, Industrials and Technology. Among regions, we are overweight Europe and Canada. We are underweight Emerging Markets and Japan. Given the global focus of this strategy, we are able to find income outside of traditional high yielding US sectors (i.e. Consumer Staples, Utilities, REITs, etc.).

Our top five contributors to performance during the quarter were 3M Company, Best Buy, IBM Corp, Omega Healthcare and Philip Morris. 3M is in the midst of a significant turnaround with a complete management shakeup and new direction. Best Buy reported a beat and raise for the quarter on better trends. IBM continues to benefit from increased demand for hybrid cloud and AI functionality. Omega Healthcare benefited from continued acquisitions and improved cash flow from skilled nursing facilities. Philip Morris continues to transform their business to more smokeless products with a goal of being two thirds of their business by 2030.

Our worst five detractors from performance during the quarter were Repsol, Lenovo, Chevron, Total and LyondellBasell. Repsol, Chevron and Total all experienced weakness in their refining businesses as oil went from $81 to $65 during the quarter. Lenovo suffered from increased trade tension with China as the US elections near. LyondellBasell announced significant expenditures for maintenance turnarounds which are likely to affect its profit margins.

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.

Curt Scott, CFA
Jack White, CFA
Jack Holden, CFA
Shaun Siers, CFA

10/21/2024
MSCI ACWI (Net) – 463
MSCI ACWI Value (Net) – 376

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. The TAM Global 1000 index is a combination of the 500 largest US listed international companies by market cap and the S&P 500. 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

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.

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 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, 2023. 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, 2023. 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 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.

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 (net) Index is a float-adjusted market capitalization index that is designed to measure the equity market performance of developed and emerging markets. The net index considers 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. The net index considers 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 GIVEI product is designed for long-term investors looking for dividend yield who are willing to accept short-term market price fluctuations. There are general and market risks involved in this product. There is no guarantee that the companies invested in will declare dividends in the future, or that the dividends declared will remain at current levels or increase over time. As a global product, risks of ownership in a foreign security (ADR, or similar securities) include 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. This strategy may result in a portfolio with concentration in economic sectors, as sector diversification is not part of the strategy guidelines. There are times the overall market may not favor value-style investing, and/or stocks with higher dividends, 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.