January 18, 2022
Intrinsic Value Team
Todd Asset Management

Todd Q4 2021 International Intrinsic Value Review

	4Q 2021	1 Year	3 Year*	5 Year*	7 Year*	10 Year*
International Intrinsic Value (Gross)	2.6%	12.4%	16.7%	10.6%	6.8%	8.3%
(Net)	2.4%	11.5%	15.8%	9.7%	5.9%	7.4%
MSCI ACWI ex-US (Net)	1.8%	7.8%	13.2%	9.6%	6.6%	7.3%
MSCI ACWI ex-US Value (Net)	1.2%	10.5%	8.2%	6.0%	3.9%	5.3%

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

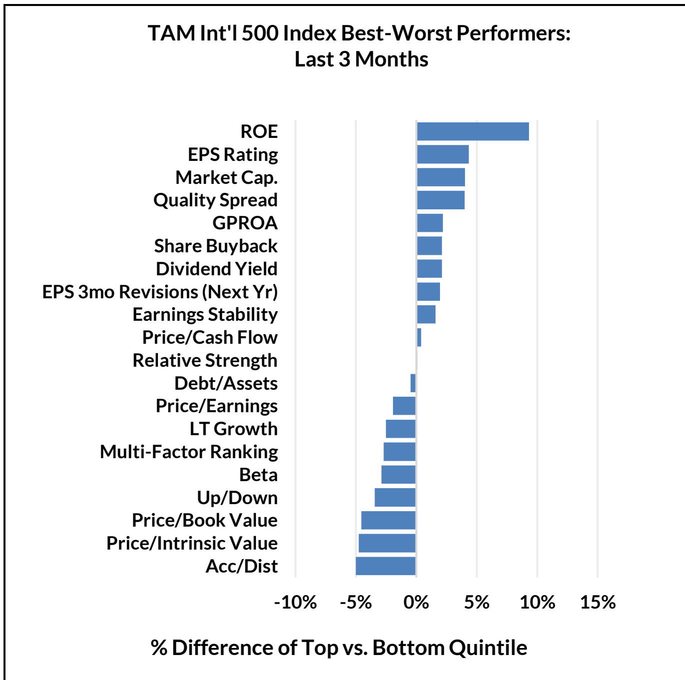
Performance Review

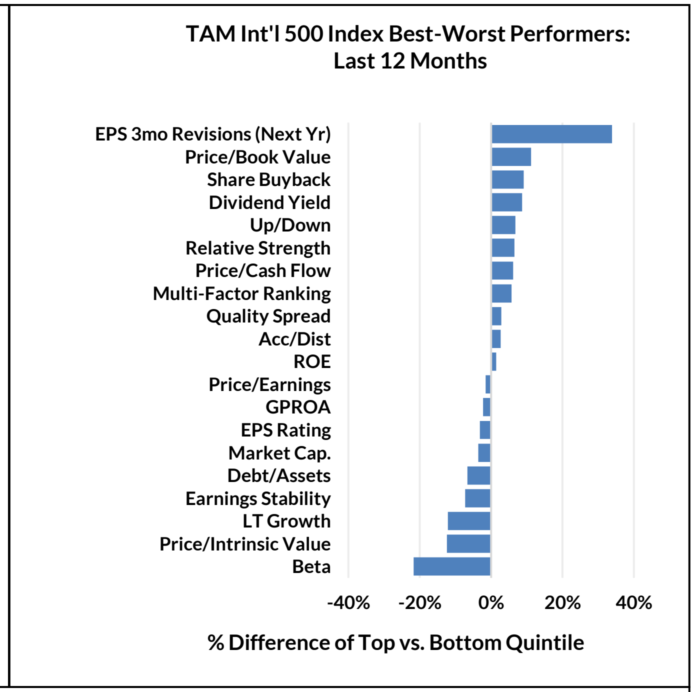
The IIV (gross) strategy outperformed the MSCI ACWI ex-US by around +0.8% during the quarter taking the strategy's full year 2021 outperformance to +4.6%. We also outperformed the ACWI ex-US Value index by +1.3% last year. Trailing returns (gross) for the strategy are ahead of the ACWI ex-US on all time frames (QTD, 1yr, 3yr, 5yr, 7yr and 10yr).

We welcome the rotation to Value being witnessed in International markets which has provided a nice tailwind to performance. This has been much more pronounced overseas than in the US where index concentration has masked a more broad-based change in style leadership that has been ongoing. The dramatic move higher in global interest rates over the past month has been driven by more persistent inflation readings and the prospects that the Fed is about to embark on a tightening cycle in the next few months. Historically, higher rates have weighed heavily on Growth names which may see a longer period of multiple compression. The largest names in the US indices all carry higher multiples and may be the most at risk of tighter Fed policy and the transition of the US economy to mid-cycle. The US Dollar also has a history of weakening once policy rates are increased. While a changing policy stance from monetary authorities may cause some choppiness this year, multiple compression and dollar weakness would certainly act as a tailwind for international markets over the US. Easing supply chain pressure should also benefit international economies. Export data out of China, delivery data from the ISM and management commentary from recent earnings calls all suggest that supply chain bottlenecks are easing. While pandemic related disruptions are still occurring, pent up demand may have a better chance of being satisfied in the coming year which would support the ongoing expansion of the global economy.

Stock selection drove most of the outperformance for the quarter. This was most pronounced within Technology, Industrials and Discretionary where a number of semiconductor names and consumer brands leading the way. Our weakest sectors were Financials, Energy (overweight both) and Staples where we are underweight. The market did have a defensive flavor to it for most of the quarter which weighed on this positioning. Regionally, performance was driven by good stock selection in Japan and Pacific ex-Japan as well as our overweight position in the United Kingdom.

This was partially offset by Emerging Markets and Europe. A continued lack of clarity on regulatory initiatives in China as well as property market concerns have kept us underweight China and Emerging Markets (where we are roughly -8% underweight in EM). We continue to hold overweight positioning in cyclical areas like Financials, Energy, Materials, Industrials and Technology as well as Developed Markets.





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

The defensive tilt to the market in the 4th quarter (left chart above) can be seen in our factor work as well. Quality, visibility and shareholder returns were leadership while Value was pressured by concerns around the Omicron variant. For the full year 2021 (right chart above), Value did outperform Growth by roughly +6% and we saw several value metrics toward the top of the list. Earnings Revisions was by far the strongest metric for the year, which was driven by wide divergence in the path of earnings expectations between commodity oriented sectors and Autos (both of which saw analysts take numbers higher consistently through most of the year) and Chinese consumer names where earnings were downgraded due to regulatory concerns. Our Multi-Factor Ranking also ranked in the upper half of the list last year as our discipline benefitted from the rotation to Value from Growth.

Our top five contributors to performance during the quarter were Tokyo Electron, Capgemini, NXP Semiconductors, Sony and Aercap. Tokyo Electron, who makes manufacturing equipment for the biggest semiconductor companies around the world, continued to see strong momentum in all of their end markets as their customer base increases production capacity. The increased order growth they've seen led the company to raise their outlook for sales and profits in 2022. Capgemini continued to showcase strong growth (+20%) in their Digital and Cloud business and expects growth to accelerate in their industrial end markets as IT budgets are expanding to implement more digital/cloud products. NXP Semi's investments into increasing capacity for their Auto customers are paying off as production has ramped and is better able to meet strong demand. Management expects secular demand trends in the Auto market for semiconductors to drive content growth and margins longer term. Sony is in our top 5 for the second straight quarter as results came in ahead of consensus estimates again driven by strong content demand (games, movies and music) and an expectation that their hardware products (cameras, TVs and image-sensors for smartphones) will see solid growth. The gradual recovery in global air travel continues to benefit Aercap (an aircraft lessor) as lease rates improve on their fleet, which consists of more narrowbody, new technology (i.e. more fuel efficient) aircraft.

Our worst five detractors from performance during the quarter were Fujifilm, Sberbank, HDFC Bank, Mobile Telesystems and Alibaba. Fujifilm, our top performing holding last quarter, found itself at the opposite end of the spectrum last quarter as shares corrected after a strong run. The company's investments in their Healthcare business have been well received (including covid treatments), however expectations of antiviral pills from Merck and Pfizer coming to the market weighed on shares. Shares of Sberbank, like most other Russian equities in the quarter, sold off as a troop buildup at the Ukraine border intensified geopolitical tensions between Russian and the West. HDFC Bank reported results in October that showed a greater than expected rise in provisions for bad debts as the large Covid wave that disrupted India last summer continues to pressure asset quality. Mobile Telesystems, like Sberbank, sold off with other Russian equities in the quarter due to the geopolitical issues mentioned above. The company also reported slower revenue growth with lower margin plans weighing on their profitability. Alibaba was once again one of our largest detractors and we've continued to reduce it's weight in the portfolio. The regulatory overhang continues to be a challenge and investors have become more concerned that China's "zero-Covid" policy that utilizes targeted lockdowns may weigh on consumer sentiment and spending.

The International Value Cycle that started last year is young. The economic recovery is also young. We believe both trends should continue. There will be bumps along the way, and we would not be surprised to see market weakness surrounding the first rate hike from the Fed. We would suggest the Fed is raising rates because they believe the economic momentum is sustainable and it is likely to wring some speculation out of the markets. Once that speculation is wrung out, we believe markets will be on solid footing to improve on the back of an improving economy driven by rebuilding of inventories, capital spending, improvement in employment and rebound in services.

We would love to hear from you. If you have any questions please feel free to contact any of us for a conversation or further information. 502-585-3121.

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01/18/2022
MSCI ACWI ex-US (Net) – 301
MSCI ACWI ex-US Value (Net) – 189

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.