Todd Q4 2023 International Intrinsic Value Opportunity Review

	4Q 2023	YTD	1 Year	3 Year*	5 Year*	7 Year*	Since Inception* (07/01/14)
International IV Opportunity (Gross)	9.76%	17.00%	17.00%	6.10%	9.20%	5.92%	3.10%
International IV Opportunity (Net)	9.54%	16.03%	16.03%	5.22%	8.29%	5.04%	2.23%
MSCI ACWI ex-US (Net)	9.75%	15.62%	15.62%	1.55%	7.08%	6.33%	3.44%
MSCI ACWI ex-US Value (Net)	8.43%	17.31%	17.31%	5.80%	6.34%	5.29%	2.41%

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

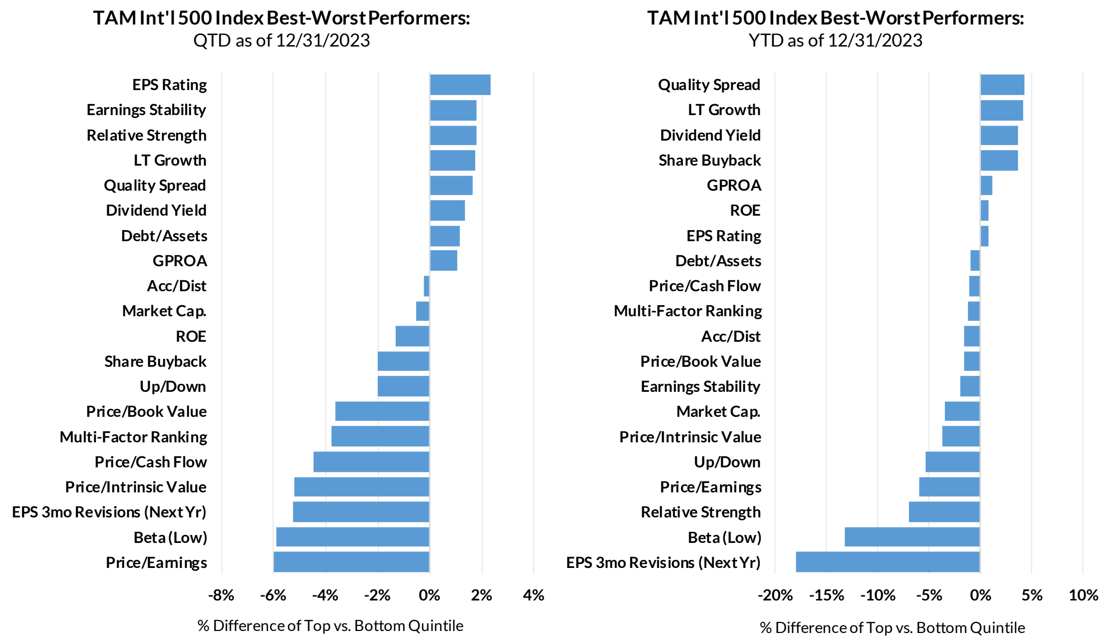
Performance Review

The strategy performed well during a quarter where Value underperformed Growth and interest rates fell sharply in anticipation of global central banks adjusting policy rates lower in 2024. This reversal in rates from the trend that persisted for most of the year drove various other reversals from the prior quarter. Factor leadership as well as Value/Growth flipped. Sector performance reversed with Energy and Technology alternating roles as top/bottom performers between the third and fourth quarters. Despite these headwinds the Value cycle continued internationally, outperforming Growth for the third consecutive year. This has benefitted the strategy's relative performance against the core index listed above over the past few years.

In the past few quarterly letters we have highlighted the fact that the economy continued to outperform consensus expectations, thus forcing investors and economists to push out their recessionary forecasts all year long. This finally came to a head in the fourth quarter as the market spent November and December getting more optimistic about the prospects for growth in 2024. The bears seem to have gone quiet at the moment as expectations for policy rate cuts and downward trending inflation readings dramatically lifted investors' spirits to end the year. Central banks seemed to fully embrace pivoting policy rates lower which drove several major indices to all time or multi-decade highs into year end (e.g. German DAX, Japan's Nikkei, France's CAC).

The move away from recessionary calls didn't benefit the Energy space. Despite the fact that there is a war in the Middle East, blockages in the Red Sea and continued sanctions imposed on Russia (the #3 oil producing country in the world), energy prices still fell sharply in the last few months of the year with prices of Brent crude trading around the same levels as they did earlier in 2023 when recession fears peaked. This seems to have been driven more by supply side dynamics and probably further fueled the soft/no landing narrative. OPEC's production cuts have been met with skepticism, especially after Angola (+1 million barrels/day of production) left the bloc to start the year. Sanctions on both Russia and Iran have largely been evaded. Russian oil production is back above pre-invasion levels and Iran quietly ramped production by more than +500k barrels/day last year. US oil production also made a new all-time high to end the year (13.2 million barrels/day), rising by more +1 million since July 2023. The move in rates was unquestionably the story of the fourth quarter as it brought back a level of optimism we haven't seen in a few years. To the extent that this suggests a better environment for growth in 2024, we would expect demand expectations to ratchet higher and balance out the narrative on the oil & gas front and support some of our Energy names that have underperformed recently. We also remain optimistic on the secular tailwinds in capital spending that should reinforce the turnaround in manufacturing activity we're seeing across the world.

Factor Performance[1]



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

Our factor work showed a pretty sizable rotation out of Value in the quarter. Broadly speaking, what worked well in the third quarter lagged in fourth quarter and visa-versa. One of the main narratives from the quarter was the changing stance of central banks that pushed longer-term interest rates lower. Most developed markets saw 10 year yields fall by more than -100bps in the quarter. This drove most of the underperformance we saw in Value metrics internationally. This also led to a rally in higher Beta names and companies with the sharpest declines in Earnings Revisions. Earnings Growth, Yield and Quality metrics led in the quarter and for the full year.

Performance Attribution

Regionally, the strategy's outperformance during the 4th quarter was driven mostly by stock selection within Emerging Markets, Europe & Middle East, and Japan. Canada, Asia Pacific and the UK all detracted from strategy performance. The regions where we saw the largest outperformance were predominantly driven higher by Consumer Discretionary linked names that benefitted from improving consumer sentiment as global central banks are expected to ease policy. Canada, the weakest regional performer during the quarter, underperformed due to a high concentration of Energy related equities. Other regions were mixed with Energy mainly underperforming while Discretionary names and Materials acted well.

Our top five performers for this quarter were Logitech, YPF, Fujitsu, Vale, and Chugai Pharmaceutical. Logitech reported Q3 earnings during the quarter and beat earnings expectations by nearly 100% while raising their full year revenue outlook. Strength was driven by demand out of Europe and Asia. YPF shares soared more than 40% during the quarter after Argentina's President-elect (at the time of the announcement) Javier Milei said he would seek to privatize the firm. Fujitsu benefitted from growing investor interest in Japanese equities along with enthusiasm around new AI powered products and services. The company also issued a very solid earnings update with operating profits coming in above expectations. Vale shares rallied as higher iron ore prices and sales volumes more than offset increased unit cash costs and weakness in nickel and copper. Chugai saw optimism around their oral GLP-1 weight loss drug, OWL833, which is currently undergoing phase 3 trials and is proving to be a lot closer to rollout compared to Pfizer's competing oral GLP-1 drug which has not reached phase 3 trials yet.

Our worst five performers for this quarter were Suncor, BP, Nutrien, Repsol, and Enerplus. The main driver of underperformance for Suncor, BP, Repsol, and Enerplus had to do with lower energy prices. Brent crude opened the 4th quarter trading hands at $95/barrel, but pricing got squeezed throughout the quarter due to resilient US oil production and weak global demand and closed the year out at $76/barrel. This weaker pricing dynamic weighed on sentiment for Suncor, BP, Repsol, and Enerplus all the same as investors priced in lower crude. Nutrien shares suffered from a decline in fertilizer prices, which is leading to reduced revenue and margin expectations. The company's nitrogen business is also expected to face pricing headwinds in the short-term.

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

01/18/2024
MSCI ACWI ex-US (Net) – 278
MSCI ACWI ex-US Value (Net) – 283

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. 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 OPPORTUNITY 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 may reflect 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 primarily in large cap internationally domiciled, US traded equity securities using a rules-based process based on intrinsic value, financial strength, profitability strength, and market acceptance. The objective is to seek capital appreciation.

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 Opportunity Composite contains fully discretionary accounts that use the MSCI ACWI ex-US Index as the benchmark. 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, 2022. 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 Opportunity Composite has been examined for the periods July 1, 2014 through December 31, 2022. 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 foreign withholding taxes, and includes the reinvestment of all income. Net of fee performance was calculated using the applicable annual management fee schedule of 0.80% 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 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 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.

Risks - Investments involve varying degrees of risk, and there can be no assurance that this product is suitable for your investment portfolio. The International Opportunity product is designed for long-term investors who are willing to accept short-term price fluctuations. This product generally holds 30 securities and is rebalanced every 3 months, thus it is more concentrated and may generate more investment turnover than other products. It is not required to be diversified by sector, and should be considered a more sector concentrated, aggressive application of the price to intrinsic value investment philosophy. There are general and market risks involved in this product, along with the risks of ownership in a foreign security (ADR, or similar securities) including 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. There are times the overall market may not favor value-style investing, and it is possible the intrinsic value of the underlying stocks may never be realized.