

Todd Q4 2019 Global Intrinsic Value Equity Income Review

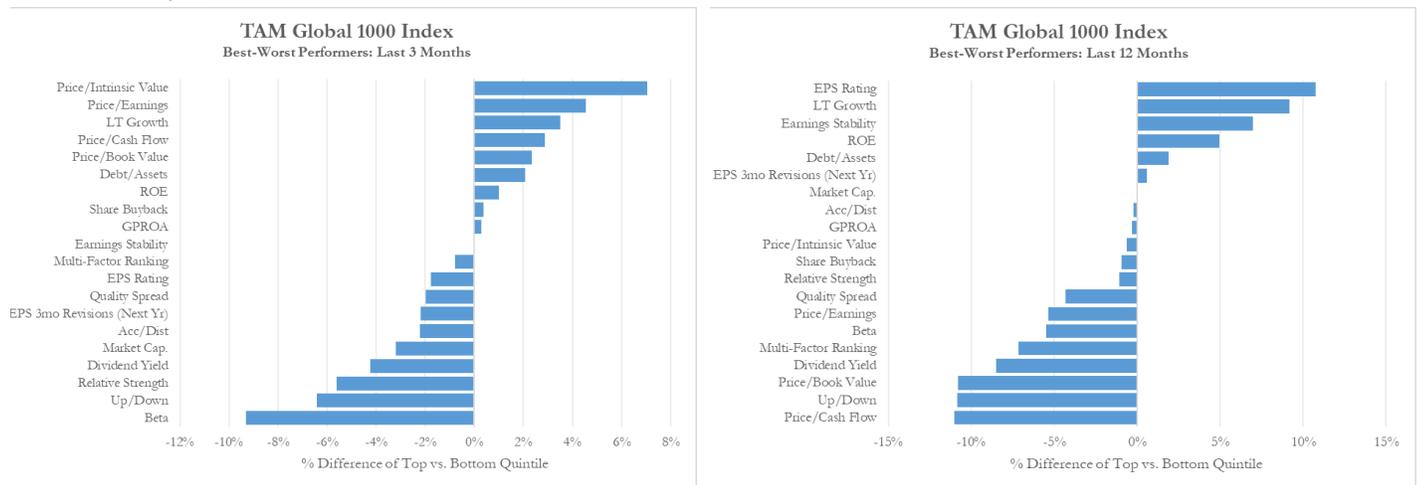
	4Q 2019	1 Year	3 Years*	5 Years*	7 Years*	Since Inception* (01/01/11)
GIVEI (Gross)	8.3%	21.7%	9.0%	6.6%	9.1%	9.5%
GIVEI (Net)	8.1%	21.0%	8.4%	6.0%	8.5%	8.9%
MSCI ACWI (Net)	9.0%	26.6%	12.4%	8.4%	9.7%	8.4%
MSCI ACWI Value (Net)	7.6%	20.6%	8.3%	6.1%	7.8%	6.8%

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

Performance Review

The GIVEI (Gross) strategy finished the 4th quarter slightly behind the MSCI ACWI index, while the full year underperformed the index by 4.9%. Most of this underperformance should have been expected as the highest dividend stocks underperformed the lowest dividend stocks by approximately 8% for the full year (See right side of chart below). With the yield on the portfolio of at year end of 5.1%, this portfolio would have a hard time outperforming the index with this type of headwind. Given the strategy's yield and value orientations we've also shown the MSCI ACWI Value above, which we did outperform by +1% for the year.

Factor Analysis



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

The TAM Global 1000 Index is a combination of the companies in the S&P 500 and a list of the 500 largest companies by market cap in our international universe.

The GIVEI (Gross) performance was slightly behind the ACWI index as stock selection helped offset most of the negative performance from our sector allocations. Consumer Staples, Utilities and Industrials were our best performing sectors. Our worst performing sectors were Financials, Technology and Energy. From a regional perspective the United Kingdom and Japan were our best performing regions. Canada and Pacific-ex Japan were our worst performing regions.



Our sector and regional weights are very similar to last quarter. We are overweight Financials, Energy and Consumer Staples. We also remain underweight Technology, Industrials, and Healthcare. Among regions, we are overweight the UK, Europe ex-UK and Canada. We are underweight Emerging Markets, United States, Japan and Pacific ex-Japan.

Our top five contributors to performance during the quarter Carnival, Abbvie, Broadcom, Eaton Corp, and Altria Group. Carnival reported a beat in their fourth quarter driven by strong pricing with favorable fuel and currency comparisons. Humira upside in the latest quarter for Abbvie along with 10% increase in its dividend drove its performance. Broadcom receive a couple of upgrades from the brokerage community on a better growth outlook. Eaton's outlook improved with an increase in the global outlook as well as a significant repurchase announcement. Lastly, Altria saw better than expected quarterly results and rebounded from a selloff in the 3rd quarter related to vaping concerns.

Our worst five detractors from performance during the quarter were Westpac Banking, General Mills, Bank of Nova Scotia, Vermillion Energy, and Chevron Corp. Westpac reported a messy quarter with a negative outlook, a 15% dividend cut, and a need to raise an additional \$2.5 billion dollars in capital. This stock was eliminated from the portfolio as a result of the dividend cut. General Mills' decline was more in line with the sector as several companies reported slowing sales. Bank of Nova Scotia was weak on some repositioning of several business segments over the last several months. Vermillion reported a quarter with a reduced capex program, but also lowered production assumptions for the remaining part of the year. Chevron weakened in the beginning of the quarter as oil fell \$10, retracing the gain it saw following the bombing of Saudi oil plants by Iran.

Summary

Most of the worries investors cited for being bearish last year have been alleviated. Trade tensions are simmering down as we get better clarity on the Brexit situation as well. Central banks have shifted to an easier policy stance as well. The markets are recognizing this and acting well. Markets have had a good run over the short term and may be due for some consolidation. We believe they should act better later this year, especially if we get to a consensus that we are back in globally synchronized growth without prompting central banks to raise rates. That's a tightrope they can walk as long as inflation stays low, so we remain optimistic for the year ahead. Please see our US and International Market Commentaries for further details on our outlook.

Please feel free to contact any of us for additional information.

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

01/21/2020
MSCI ACWI (Net) – 288
MSCI ACWI Value (Net) – 264

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.



This publication has been distributed for informational purposes only and should not be considered as investment advice or a recommendation of any particular security, strategy, or investment product. Commentary may contain subjective judgements and assumptions subject to change without notice. There can be no assurance that developments will transpire as forecast. Information contained herein has been obtained from sources believed to be reliable but not guaranteed. No part of this publication may be reproduced in any form, or referred to in any other publication, without express written permission of Todd Asset Management LLC. © 2020.



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.

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 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, 2018. 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, 2018. 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, 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. **As of 12/31/17, the benchmark was changed to the MSCI ACWI (net) from MSCI ACWI (gross). The ACWI (net) and ACWI Value (net) are computed net of foreign tax withheld on dividends, this is consistent with the composite.**

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 (net) Index is a float-adjusted market capitalization index that is designed to measure the equity market performance of developed and emerging markets.

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 MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an “as is” basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or crediting any MSCI information (collectively, the “MSCI Parties”) expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages. (www.msci.com).