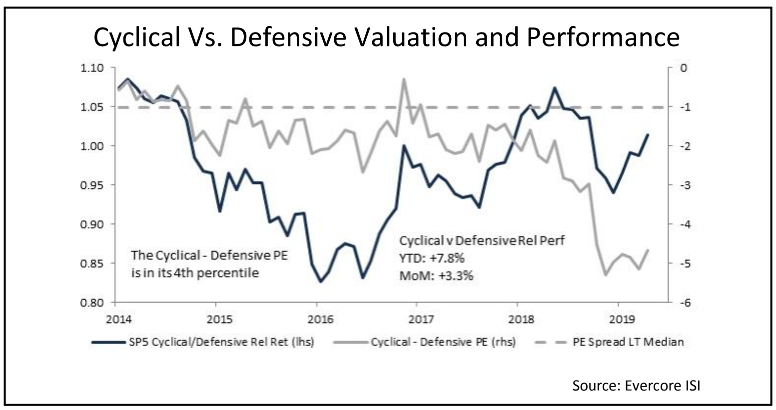
Todd Large Cap Intrinsic Value Review

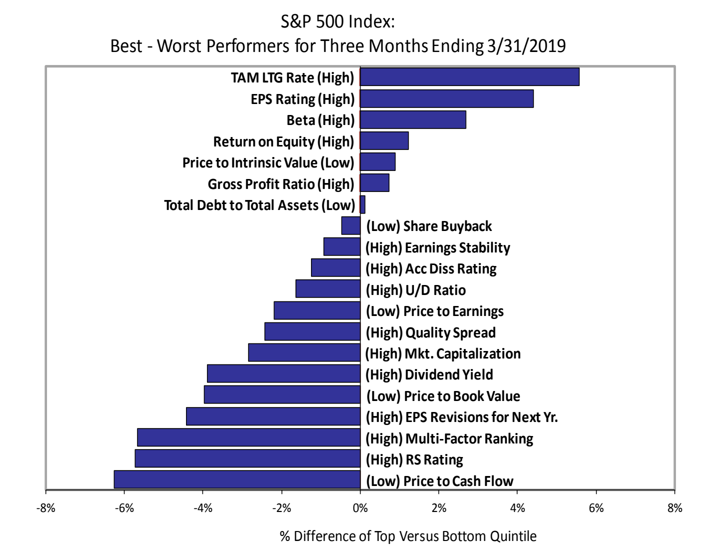
	1Q 2019	1 Year	3 Year*	5 Year*	7 Year*	10 Year*
Large Cap Intrinsic Value (Gross)	11.8%	-3.1%	11.8%	7.9%	10.5%	14.1%
(Net)	11.6%	-3.7%	11.1%	7.2%	9.8%	13.4%
S&P 500	13.7%	9.5%	13.5%	10.9%	12.8%	15.9%
Russell 1000 Value	11.9%	5.7%	10.5%	7.7%	11.1%	14.5%

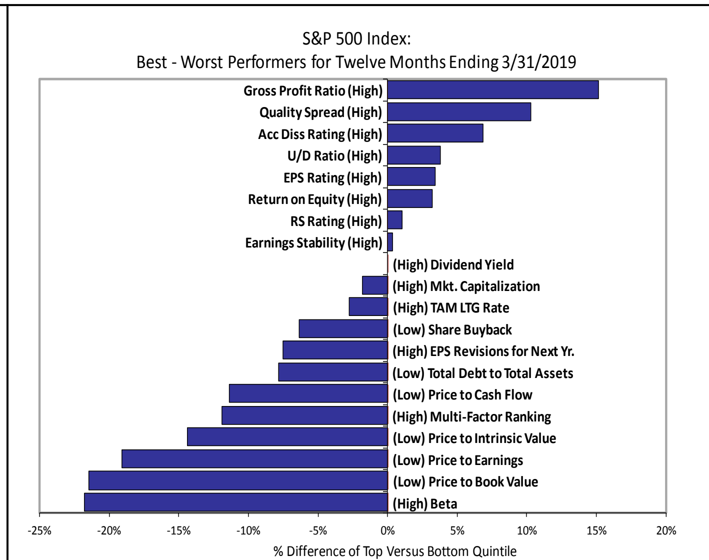
* *Annualized Total Returns. Please refer to the attached Performance Disclosure for further information.*

Performance Review

The LCIV strategy gained +11.8% (gross) during the quarter, underperforming the S&P 500 (+13.7%) and performing in-line with the Russell 1000 Value (+11.9%). Our strategy has been emphasizing the cyclical sectors for quite some time as they are inexpensive (grey line), and their earnings outlook remain firm with the continued economic recovery. The defensive areas have been expensive, which has resulted in our discipline not emphasizing them. As you can see from the chart, cyclicals underperformed through 2016 (blue line), during the last growth scare the economy endured. Between 2016 and early 2018, cyclicals recovered, and our strategy did as well. Through 2018, economic concerns grew because of the US-China trade dispute, Brexit, and general fears of a synchronized global slowdown. We lagged during this period as well, but saw a recovery early this year. We faded a bit versus the benchmarks in the last two weeks of March as interest rates fell and the yield curve inverted for a short period of time. Relative performance has recovered since quarter end as investor anxiety has faded. As investors become comfortable that a trade deal is likely to be struck, a second half economic acceleration is likely, and concern levels in general decline for the earnings/market outlook, we expect this recovery to continue and believe that our relative performance in 2019 is likely to resemble the outperformance we saw in 2016-2017.







Source: Ford Equity Research, Bloomberg, & TAM estimates.

Stock selection drove most of our underperformance versus the S&P during the quarter. Financials, Materials and Consumer Staples were our best performing sectors. Energy, Health Care and Technology were our weakest areas. Our factor work showed a continuation of narrowly additive factors with only 7 of the 20 we track working for the quarter. Earnings and profitability related metrics worked while our Multi-Factor Ranking continued to be out of favor as 5 of the 7 inputs that go into the ranking detracted during the quarter.

We remain overweight the more economically sensitive sectors, including Financials, Energy Consumer Discretionary and Industrials. We also continue to be underweight in Communications, Consumer Staples, Utilities, Real Estate and Technology.

Our top five contributors to performance during the quarter were Celgene, Cisco Systems, First Data, Aptiv and Rio Tinto. Celgene and First Data both received takeout offers in January. Celgene received a bid from Bristol-Meyers that sent shares higher after deal approval became apparent. First Data's offer came from Fiserv at a 30% premium to market price. Cisco posted solid results and raised guidance due to strong demand for their cloud Security products, which are higher margin products. Aptiv saw revenue growth return after 4 down quarters and margins are expected to trough in the first quarter. Rio Tinto benefited from rising iron ore prices due to supply disruptions at Vale. Better Chinese manufacturing PMI is also supporting pricing.

Our worst five detractors from performance during the quarter were Biogen, AbbVie, CVS Health, F5 Networks and Fifth Third Bank. Biogen discontinued trials for their highly anticipated Alzheimer's drug (Aducanumab), removing a major pipeline catalyst. AbbVie announced lower than expected sales of Humira due to biosimilar competition in Europe. CVS Health issued disappointing guidance on lower retail pricing and pharmacy reimbursement pressure. Sales have been light at F5 Networks as service providers transition from 4G to 5G spend. The acquisition of NGINX was also not well received given the high multiple paid for the company. Falling interest rates in March and an inverted yield curve weighed on bank stocks in general as the outlook for NIM deteriorated further, which sent shares of Fifth Third Bank lower.

We just wrapped up the best quarter of market performance since 2009, a liftoff period after the Great Recession. Much of this is a result of a rebound from the fourth quarter, which was the worst since 2011. We do not believe a recession is likely anytime in the next couple of years, but the market was very concerned that one was occurring during the fourth quarter as synchronized slowdowns in growth between China, Europe and the US concerned investors. These slowdowns arose from a number of different factors, but the major concerns, namely the US/Chinese trade dispute, Brexit Concerns and aggressive tightening from the US Fed are all in the process of being resolved. We believe a second half economic acceleration is likely as stimulative measures from China should bolster worldwide economies. We would not be surprised to see the S&P 500 bide some time and consolidate though until we get some formal agreement on the US/Chinese trade dispute or an economic reacceleration. We think this is still a secular bull market that should last for many years to come.

As always, if you need any additional information, Please feel free to contact any of us.

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

04/18/19
S&P 500 – 2,905
Russell 1000 Value – 1,241

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.

TODD ASSET MANAGEMENT LLC
LARGE CAP 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 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 tax-exempt fully discretionary intrinsic value accounts, invested primarily in large cap domestic equity securities with the objective to seek capital appreciation. This goal is pursued by investing in a diversified portfolio of equity securities that TAM believes are trading at a discount to their intrinsic value.

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 Large Cap Intrinsic Value Composite contains fully discretionary, tax-exempt accounts that use either the S&P 500 Index or Russell 1000 Value Index as the benchmark. Prior to April 1, 2010, this composite was known as the Relative Value 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, 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 Large Cap Intrinsic Value 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 .60% applied monthly. Prior to September 2001, the management fee schedule applied to the composite was .50%. 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 benchmarks. The indexes are unmanaged, and not available for direct investment; they include reinvestment of dividends; they do not reflect management fees or transaction costs.
S&P 500 Index is a widely recognized index of market activity based on the aggregate performance of a selected portfolio of publicly traded common stocks. The performance data was supplied by Standard & Poor's. It is included to indicate the effect of general market conditions.
Russell 1000 Value Index is a widely recognized index of market activity based on the aggregate performance of common stocks from the Russell 1000 Index, with lower price-to-book ratios and lower forecasted growth values. The performance data was supplied by Frank Russell Trust Company.

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