

### Todd Global Intrinsic Value Equity Income Review

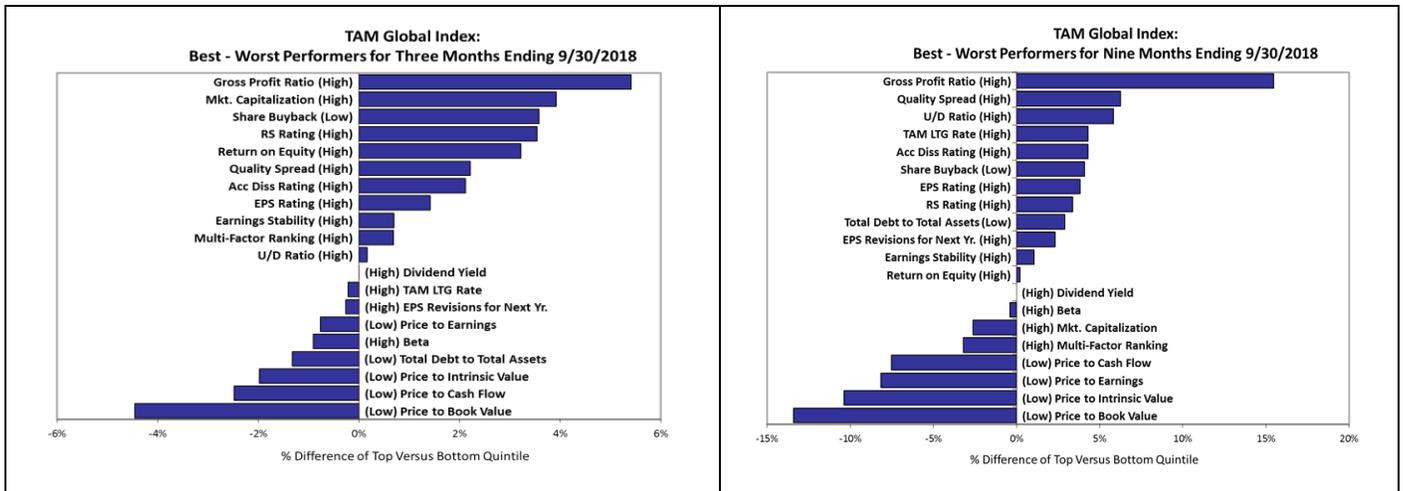
	3Q 2018	YTD	1 Year	3 Years *	5 Years *	7 Years *	Since Inception * (01/01/11)
Global Intrinsic Value Equity Income (Gross)	4.4%	2.8%	8.3%	13.2%	8.1%	12.0%	10.4%
(Net)	4.2%	2.4%	7.7%	12.5%	7.4%	11.3%	9.7%
MSCI ACWI (Net)	4.3%	3.8%	9.8%	13.4%	8.7%	11.6%	8.4%

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

### Performance Review

The Global IV Equity Income strategy was up +4.4% (gross) during the quarter and is up +2.8% (gross) year to date, slightly outperforming the MSCI ACWI index return of +4.3% for the quarter and underperforming the MSCI ACWI index return of +3.8% year-to-date. International markets continued to underperform the US as many Emerging Market countries saw their currencies slide vs. the Dollar as the US Fed indicated that it was sticking to its roadmap to continue raising rates well into next year. This brought international growth into question, which was already perceived to be fragile as a result of ongoing trade disputes.

During the quarter, our factor analysis (shown below) showed that quality metrics remained in favor globally, likely as a result of ongoing growth concerns. Valuation metrics continue to be out of favor for the same reasons. Central banks continue to step away from their extraordinary policy stances, QE, and are moving toward something more “normal”. As this unfolds, the Growth/Value bias that has persisted since the Great Recession could change. Finally, dividend yield has not been a significant differentiator of performance so far this year.



Source: Todd Asset Management, Bloomberg



Stock selection drove all of our outperformance during the quarter. Technology, Industrials and Consumer Discretionary were our best performing sectors. Our worst performing sectors were Health Care, Financials and Energy. From a regional perspective our stock selection within the Emerging Markets, Europe ex-UK and the US were our best performing regions. The United Kingdom and Canada were our worst.

We are overweight Financials, Energy and Consumer Discretionary. We also remain underweight Technology, Industrials, Health Care and Materials. Among regions, we are overweight the UK, Europe ex-UK and Canada. We are underweight Emerging Markets, Pacific ex-Japan, Japan and the US.

Our top five contributors to performance during the quarter were CA, Eaton, Garmin, Cisco and Astrazeneca. CA received a takeout bid from Broadcom that was around a +23% premium to share prices. We eliminated CA following this bid as shares largely reflected the takeout price. Eaton is benefiting from strong demand in their end markets as industrial projects and data centers are driving booking growth. Garmin is seeing strong demand for smartwatches and the acquisition of Flight Plan announced in late August should boost their aviation segment. Cisco has released several new products that have reignited growth and a longer-term shift to software and subscriptions should further improve profitability. Astrazeneca is experiencing strong growth across its product lineup and the shift to more oncology driven growth is ahead of schedule and should improve margins over time.

Our worst five detractors from performance during the quarter were ING, LyondellBasell, British American Tobacco, National Grid and Westpac Banking. ING shares sold off as sharp declines in the Turkish lira, related to a diplomatic dispute with the US in August, raised concerns over the banks operations in the country. LyondellBasell is seeing its margins being pressured by higher input costs, specifically higher ethane prices. British American Tobacco shares continued to experience weakness as expectations for new product margins deteriorates and heightened regulatory threats further weigh on sentiment. National Grid is seeing increased competition from other power projects that are pressuring margins. Westpac Banking is seeing higher paid deposit rates and increased competition on mortgage loans pressure their margins.

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

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10/19/2018  
MSCI ACWI (Net) - 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.***

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## 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 June 30, 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 June 30, 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](http://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) is 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.



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