January 17, 2014
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Todd Global Intrinsic Value Equity Income Review

	4Q 2013	1 Year	3 Year*
Global Intrinsic Value Equity Income (Gross)	7.53%	27.63%	16.21%
(Net)	7.37%	26.87%	15.52%
MSCI ACWI	7.42%	23.44%	10.33%

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

The ACWI index had a very nice quarter up 7.42%, specifically led by the developed markets in the US and Europe. For the year, a strong double digit return for the ACWI index is also being led by the developed markets, again primarily by the US market. Emerging markets have lagged significantly for the year given concerns specifically related to a slowing China growth story. We expect that both the Emerging and Developed markets offer good opportunities over the coming year.

The fourth quarter will likely be remembered as "that time they shut the government and nobody cared." It may feel like ancient history, but early October was when the shutdown debate was raging. As the quarter wore on, we found that politicians *can* compromise, and worries about debt defaults were misguided. The shutdown ended with a Congressional compromise agreement on October 16. Congress also approved a budget framework in mid-December that should lead to less contentious relations between the opposing parties for the next two years.

The US economy entered the quarter a little soggy, but showed continued progress as the quarter wore on. October non-farm payrolls (reported in early November) were much higher than expected, and followed by stronger results for November as well. We saw a disappointing number for December, but unemployment claims remain low and the unemployment rate is now well below 7%. In all, the economy feels like it is on track for a fairly durable recovery.

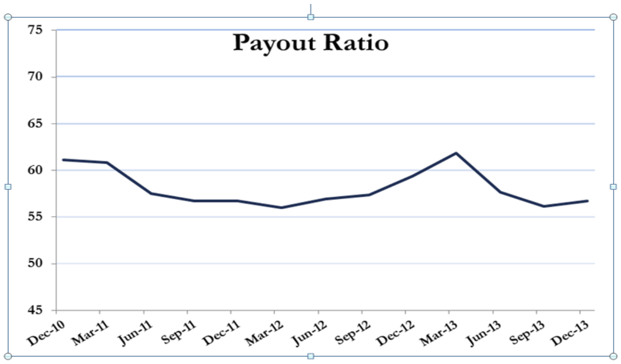
Bond rates rose as the Fed began to taper off their bond purchase program in December. This is a mixed blessing. We've found that the stock market has liked the bond purchase programs over the past couple of years, though it could successfully transition to no bond purchases if investors think we have a self-sustaining recovery. That is a key question to answer in 2014. Meanwhile, we see early signs that investors are warming up towards stock purchases as they begin selling off the bonds that were purchased over the past five years. We think this trend continues as bond rates move higher over 2014.

Internationally, many of the leaders during the quarter were the Developed Markets participating in the European, US and Japanese recoveries. Emerging Markets were laggards. Economically, the quarter began with the world focused on US politics and the potential for a debt default if Congress could not compromise. The IMF cut their forecast for worldwide growth in October on a weaker Emerging Markets outlook. Some Emerging Markets were pressured as the quarter progressed and focus shifted from the US government shutdown to the December announcement of Fed tapering of Quantitative Easing.

As the quarter progressed, some lackluster economic results prompted the European Central Bank to lower rates unexpectedly in November. The Euro has generally been stronger than most analysts would have expected, which is curtailing economic growth and crimping exports. Despite the fact that Purchasing Managers Indexes are at two year highs in Europe, inflation has come in persistently below expectations. The combination of the potential for currency pressure and deflation led the ECB to lower rates to bolster economic growth. We expect that the recovery from recession continues in Europe, albeit at a lackluster pace. As December unfolded, more rumblings were heard from various quarters about the possibility of extraordinary action from the ECB to counter these deflationary forces.

We believe the Global stock market still offers good opportunities for capital appreciation, though we acknowledge that a 23% gain last year probably recognizes some of the potential positives. We recently wrote a piece titled "The Case for S&P 2500" detailing our belief that we are now in a secular bull market that should last for some time to come. It is available by clicking the link above or on our website (www.toddasset.com). We see pent up demand, contained inflation and a general absence of economic excesses in most developed markets and an emerging market middle class driving demand growth. That leads us to expect a continued durable recovery, which translates into higher stock markets worldwide.

Strategy Highlights



Source: TAM, Bloomberg

One of our goals in this strategy is to protect the level of income paid to our investors. As can be seen by the chart to the left, this strategy has consistently paid out about 55-60% of their earnings in dividends. If companies pay out excessive levels of income to dividends, they may be forced to cut their dividend should their business model fall on hard times. This is a tool we use to protect and maintain the above average dividend level found in this strategy.

The Global Intrinsic Value Equity Income gross composite return quarter was 7.53% versus 7.42% for the MSCI ACWI index. Stock selection was the main driver of the outperformance in the quarter, accounting for the entire amount. We continue to maintain a well-diversified portfolio, with three sectors, Health Care, Energy and Financials representing approximately 15% each, and the smallest sectors being Industrials and Utilities, approximately 3% and 4% respectively.

Within the portfolio, we generally found that our stock selection in Materials, Technology and Utilities helped our returns. Stock selection in Energy and Financials negatively contributed to our performance. To a much lesser extent, our underweight in Industrials and Technology, along with an overweight in Energy detracted from our performance.

Our best five contributors within the portfolio were Raytheon, Vodafone, Computer Associates, Intel Corp, and AstraZeneca. This list contains three cyclically driven names and two stable ones. Raytheon was eliminated from the portfolio as the price rose and the yield declined below the ACWI.

The five stocks that detracted from performance were Seadrill Ltd., China Mobile, Westpac Banking, Bank of Montreal and Philip Morris International. Two of these stocks were in the financial area, while all were non-US names.

Please feel free to contact any of us if you would like additional information regarding this or any other products we manage.

Jack White, CFA Curt Scott, CFA Jack Holden, CFA
Todd Asset Management LLC
1-17-14
MSCI All Country World Index – 406

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
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 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.

Specific stocks discussed in this presentation are included solely as part of a review of the Composite's quarterly results and are not and were not recommendations for purchase or sale by investors. 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. Investors should not construe the Composite's performance or any security as predictive of future results. 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 corporate funds and high-net-worth individuals, invested primarily in large cap, high quality, attractively valued domestic and international equity securities with the objective to seek dividend income. A secondary focus is growth of income. Total return is a consideration, but not the main focus.

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, TVAM redeemed ownership units held by individuals who supported the growth products founded under VAM and changed its name to Todd Asset Management LLC. The Firm continues to offer the same products and strategies managed by the same individuals and process founded under TIA.

The Global Intrinsic Value Equity Income Composite contains fully discretionary, taxable, and tax-exempt accounts that use the MSCI ACWI (Gross) 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 verified for the period January 1, 2008 through September 30, 2013 by Ashland Partners & Company LLP and 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 by Ashland Partners & Company LLP. In addition, a performance examination was conducted on the Global Intrinsic Value Equity Income Composite for the period January 1, 2011 through September 30, 2013. To receive a complete list and description of TAM composites and/or a full disclosure presentation which complies with the GIPS® standards, please contact 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 and includes the reinvestment of all income. Net of fee performance was calculated using the highest all inclusive annual management fee of .60% applied monthly. 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 (shown with dividends reinvested):

MSCI ACWI (Gross) Index is a float-adjusted market capitalization index that is designed to measure the equity market performance of developed and emerging markets. In May 2011, the MSCI ACWI held 24 countries classified as developed markets and 21 classified as emerging markets.