July 23, 2015
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The Quiet Revolution

Todd International Intrinsic Value Review

	2Q 2015	YTD	1 Year	3 Year*	5 Year*	7 Year*	Since Inception (10/01/05)
International Intrinsic Value (Gross)	2.1%	6.7%	-1.5%	11.9%	11.2%	4.7%	6.7%
(Net)	1.9%	6.2%	-2.3%	11.0%	10.3%	3.8%	5.8%
MSCI ACWI ex US	0.7%	4.4%	-4.8%	9.9%	8.2%	1.9%	5.0%

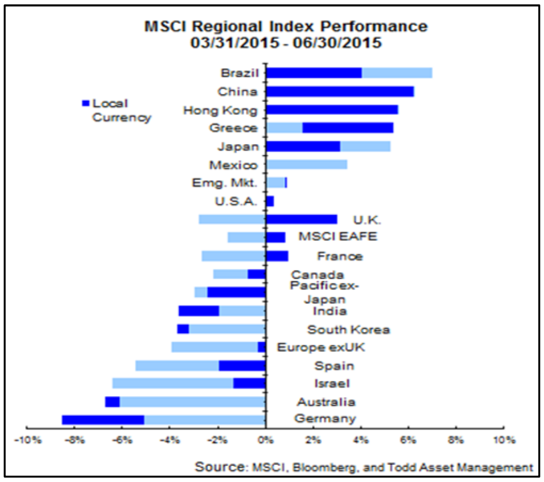
* *Annualized Total Returns. Please refer to the attached Performance Disclosure for further information.*

The International Intrinsic Value strategy posted a gross return of 2.1% for the quarter, compared with the MSCI ACWI ex US return of 0.7%. We remain ahead of the ACWI ex US for the year to date and all other time frames as well. International stocks performed better than their US counterparts during the quarter and year to date period, a trend we think will persist. Greek concerns dominated the discussion this quarter, but we believe too much attention has been paid to that crisis. We believe a "Quiet Revolution" has been occurring in Europe where the former problem economies that actually followed the International Monetary Fund's bailout advice have become the growth leaders of the continent. This would explain the surge in most European markets we have seen this year. As U.S/EU economic growth continues, concerns about Greece and Iran abate, and perhaps Chinese/Japanese reflation efforts are successful, pension fund managers may feel good enough to add to their stock holdings.

During the quarter, investors considered and reacted to the following factors:

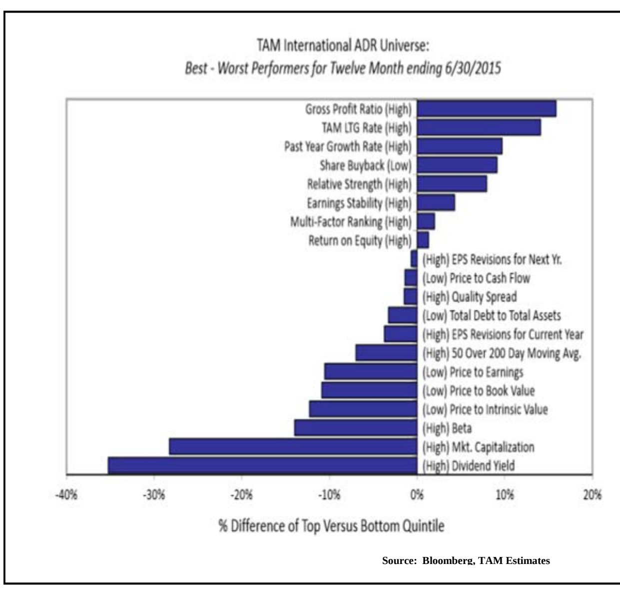
- EAFE, Emerging Markets and ACWI Ex US outperformed US Core and Value indexes for the quarter and year to date periods. Investors shifted assets to international stocks. Bonds suffered as rates generally backed up, probably in recognition that bond rates are too low if developed (EU and US) economies are recovering.
- Europe is entering a quiet revolution. While Greece has "hogged" the headlines, other "PIIGS" (Portugal, Ireland, Italy, Greece and Spain) are learning to fly as IMF reforms generate economic growth. Contagion is not happening.
- China is managing their markets by administrative rules, as market turbulence in a centrally planned economy is an unwelcome development. Their Central Bank is lowering rates. We still believe their consumer class is growing. Markets are dominated by State Owned Enterprises, but the economy will likely see consumer growth.
- Japan is updating the third arrow of "Abenomics." Arrow 1 was QE, Arrow 2 was Fiscal Stimulus, and Arrow 3 is the overhaul of agriculture, energy, labor market and corporate governance rules.
- In the US, "no news is good news." The economy continues to recover from the winter, and the Fed remains on hold for now. Everyone expects some normalization of rates higher.

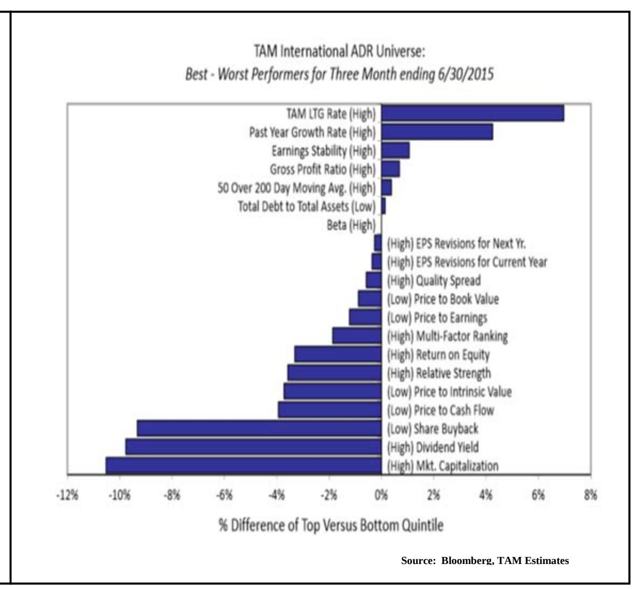
We continue to believe the S&P 500 and other US indexes are in a secular bull market. In Euro terms, some local European markets are at new highs and others are flirting with them. Given reform efforts underway, we think their economic recovery is probably real. Low bond rates and low inflation rates are combining to create an atmosphere where Pension Funds and long term investors have few alternatives to make reasonable returns on their income generating investments. This leaves few options besides stocks. We believe the international indexes like the ACWI ex-US are probably going to follow the US into a long term secular bull as well.



Performances of world stock markets in local currencies and dollars are illustrated to the left. Some of the lead market performances came from oversold bounces and not secular uptrends. With Brazil as the top market and Greece being number four, the bottom fishers had the upper hand in this environment. Brazil continues to have several economic and monetary headwinds. Our indicators do not suggest this leadership will last for them. Greece was able to avoid a worst case scenario with their recent deal, but their economy still has a fair amount of pain to endure before they get onto a sustainable path to prosperity. China and Hong Kong were still in the midst of their strong rally through most of the quarter, as it was not until mid-June that the central authorities began deflating what they considered a bubble. At the bottom end of the scale, the Europe ex UK markets lost a lot of ground, perhaps as investors anticipate they will need to make concessions in the Greek deal. Australia and Israel also experienced weakness, probably due to commodity fears and Iranian deal fears respectively. In all, it appears investors were not rewarding sound finances or economic growth during the quarter.

Our customary charts illustrating which factors helped or hindered performance for our international stocks are presented below. The chart on the left shows the trailing twelve month performance while the chart on the right illustrates the most recent quarter. As we have seen for the past several quarters, the market has preferred visibility over valuation over both time frames. Investors have favored high growth rates with good stability in earnings. They don't seem willing to trust valuation measures, implying there is some suspicion on how fundamentals are likely to hold up. They want stocks with virtually guaranteed growth that the market is recognizing. On the other end of the spectrum, investors are shunning large cap companies with dividend yield. Valuation measures tend to be out of favor as well. There seems to be a lack of belief or conviction that valuations are based on measures that will hold up. It feels like an environment where investors are distrustful of what they are seeing. These characteristics match up fairly well with what US stocks experienced as well, so it appears to be a global phenomenon.





Regional Developments:

The Quiet European Revolution

Greek woes have caused volatility in European Markets. So a natural question is why are most European Markets rallying this year if this is a concern? Greek problems are well documented, but there has been a quiet revolution in other parts of Europe that lead us to believe the EU is not in as precarious a situation as the TV commentators would have you think. Most of the former problem economies of Europe have been pursuing labor market reforms and are adopting pro-growth policies. Most European economies had a reset in expectations after 2009-2010, and started shifting policies to balance budgets, open labor markets and become more competitive. This is a long term radical revolution that may put them on the path to sustainable growth post the crisis.

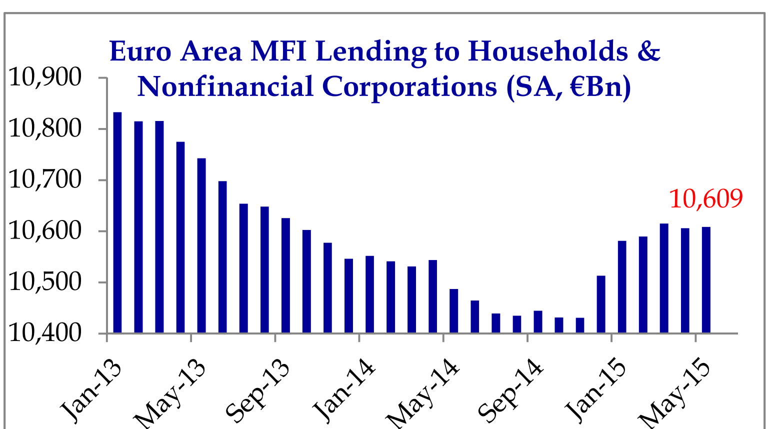
Think of the following points and ask yourself whether Europe is in a better place now than in 2010:

- Ireland had the highest growth rate in the EU for Q1, logging 4.1% GDP growth and almost 12% retail sales growth.
- Spain has the highest GDP growth rate in continental Europe, at 2.7% y/y, over twice Germanys 1.1% growth rate.
- Portugal exceeded Germany's growth rate as well, registering 1.4% growth. Italy and Greece were the laggards, at 0.2% and 0.1% respectively.
- Retail sales growth surged in the countries that undertook the most significant reforms.
- All equity markets except Greece are up significantly YTD.

Country	Nominal GDP (PPP in $B)	Current GDP Growth (YoY)	Retail Sales (YoY)	YTD Stock Market Return (in Euro)
Germany	$3,635	1.10%	1.10%	11.62%
Portugal	$230	1.40%	3.50%	18.63%
Ireland	$246	4.10%	11.90%	19.73%
Italy	$2,144	0.10%	0.00%	20.73%
Greece	$238	0.20%	-1.90%	-1.08%
Spain	$1,404	2.70%	3.90%	6.89%

Source: Trading Economics and Bloomberg

Post their bailouts, Spain, Ireland and Portugal committed to reforms as suggested by the IMF and OECD. Spain stabilized their banks and pursued labor market reforms. Portugal undertook reforms to strengthen public finances and close the current account deficit by improving export performance. Italy is somewhat behind the curve as political wrangling has left them short of their goals in labor market reform. The OECD seems optimistic that their jobs act and judicial/public administration reforms should make them more competitive. Greece has implemented some reforms, but not enough to put them on the path to sustainable growth. Additionally, they have not been able to provide much hard data illustrating if the reforms have been implemented and are effective. Without economic growth, Greece has one of the highest Government spending to GDP ratios in the Eurozone, suggesting the private sector is not thriving.

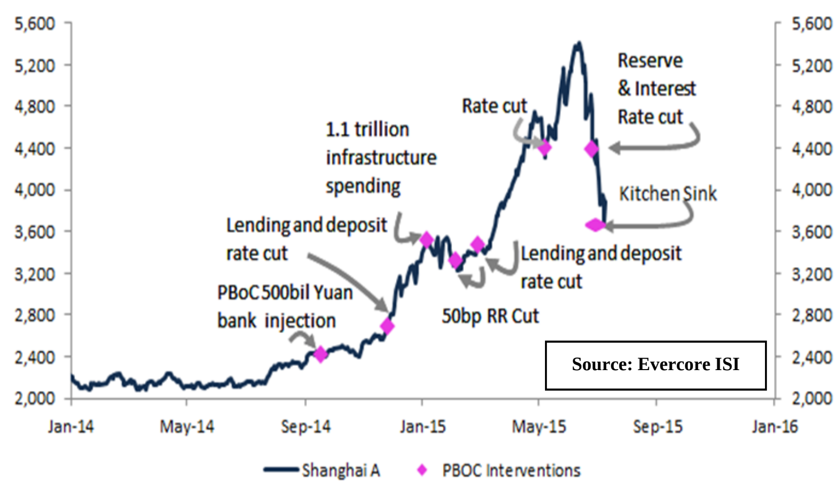


Source: Strategas

Contagion has been a concern, but investors seem to have discerned between Greece and the other Euro area economies. Contagion, i.e. the fear investors have of Greek problems expanding to other EU members, is low if you judge it by rates and access to debt financing. Most European rates remain low compared to history, and loan growth has turned positive since the Fourth Quarter as seen in the chart to the left. With rates remaining generally low, and Monetary Financial Institution loans growing, there are signs that some recovery is beginning from the European recession of the past two years. Lenders are loosening the purse strings a bit, indicating they are finding more creditworthy applicants. This also indicates that demand for loans is better, a key confidence indicator that is needed before a full blown recovery can take hold.

China – Slowing Pains and Growing Pains

China's central bank has cut rates four times since last November, and a bid to shore up flagging growth in the economy. Additionally, they have lowered the amount of cash the banks need to hold in reserve to spur lending. These classic easing moves have been used for some time in Western central banks, and the normal response is for a stock market rally to follow this. That has happened in China as well, with the Shanghai composite more than doubling between Last October and June of this year. Technical Analysts look at a period of sharp price appreciation after a long rally that they call the "blowoff phase". This occurred after April, when the Chinese regulators allowed individual investors to open up to 20 trading accounts, a sign that the general public took as Beijing encouraging the rally. Call it "The Beijing Put Option" if you will. On June 13, the regulators widened a crackdown on margin lending in the Chinese markets, prompting a sell-off. We are now seeing a stiff correction as shares have plummeted over 30% from the high set on June 12. Regulators are pulling out all the stops to "fix" this by allowing companies to halt trading, and effectively legislate that stock prices stabilize. Nobody knows with certainty how that will work out. What we do know is:



1) The Central Bank is very accommodative.
2) The Government is trying to spur the economy.
3) Free Markets are a relatively new concept in China and they have made some missteps in regulating their stock market. Call it a learning experience
4) The Chinese stock market is a smaller portion relative to the economy than many western markets. It is also a smaller portion of the average citizen's wealth.
5) The five year plan calls for a boost in consumption for the average Chinese citizen to rebalance the economy towards a more sustainable growth rate.

While financial volatility is to be expected, we would not bet against the emerging market consumers. Economically, we believe the continuing growth in automobile sales, technology adaptation and the continuing improvement in wealth management options should continue. Infrastructure spending should continue and likely acclerate as China continues to open rail links to their interior and pursue the "one-belt, one road"initaitve to increase trade via land or maritaime routes with Europe, Asia and Africa.

Japan- The Third Arrow

In June 2014, the Japanese Government issued "The Japan Revitalization Strategy". This publication outlined the third arrow of "Abenomics" promoting better corporate governance rules. Investors took heart from this and have driven the Nikkei 225 Index (chart left) up almost 30% in the past year. A council of experts was established by the Tokyo Stock Exchange and the Financial Services Authority of Japan to write the new code of corporate governance. The object of the code is to get companies to take better risks rather than no risks at all, and return the economy to growth. They are working on changing the corporate culture of Japan, something that will likely take time. Their focus is to make corporations more shareholder/stakeholder responsive and more transparent in their management styles. Many Japanese boards are dominated by company insiders, and have been very cautious. They have hoarded cash instead of investing in expansion. "Productivity" was a word that wasn't used in communications because it implied firing people, something that insiders are rarely fans of. We have a sense that companies are likely to embrace restructuring now that the government is promoting it.

Strategy Highlights

The International Intrinsic Value strategy performed well, beating the ACWI ex-US index during the quarter. Stock selection provided all of the upside versus the index during the quarter, while our sector weightings detracted a bit. Stock selections in the Information Technology and Financials lead our performance, while our overweighting in Health Care and Technology provided a modest headwind. The net result was outperformance during the quarter.

The top five contributors to returns this quarter were NetEase, Noah Holdings, Lyondell Basell, Stantec and AVG Technologies. NetEase and Noah both benefitted from the rally in Chinese stocks, prior to the correction. The fundamentals for NetEase are firm as they have updated many games to launch well accepted mobile versions in China. Noah is a Chinese Wealth Management company that is benefitting from emerging consumers desires to be able to invest in diversified areas. LyondellBasell, the chemical producer, has seen earnings estimates rise as two of their significant input costs (ethane and propane) have declined during the quarter. Stantec, an engineering firm, recovered after weakness earlier this year as concerns regarding energy related capital spending declines were overcome by better results from other areas they serve. AVG Technologies is a security software vendor that is seeing growth in both their subscription and purchased products.

The five largest disappointments in the quarter were Tata Motors, Open Text, Canadian National Railway, Copa Holdings and Infosys. We have removed Tata Motors, Open Text and Infosys from the portfolio as the fundamental outlook for each has deteriorated for a variety of reasons. Our disciplines indicate the probability of those stocks outperforming is low for the near term so we have redeployed the funds elsewhere. We continue to hold Canadian National Railway and Copa, the Panamanian airline. We are watching fundamentals for those companies closely. There is some concern that commodity weakness will hurt Canadian National's results, but we like their intermodal (shipping container) business. Copa has suffered as much of Latin America remains mired in economic weakness, though we believe there is still a secular growth story for this company.

We measure our sector weights against the MSCI ACWI ex US index. The largest sector weight change was our increase in the Financial sector to almost 21% of the portfolio from the previous 18%. We are still underweighted versus the Benchmark which has over 27% in Financials. As economic prospects in Europe and Japan brighten, we expect the financials to perform better on improved loan demand and better credit quality. We also trimmed our overweighting in the Healthcare sector to a little less than 17% from the previous 18%, versus the benchmark weight of 9%. We continue to like the sector. We also increased our overweight in Industrials to slightly over 15% from 14% during the quarter, versus the benchmark of roughly 11%.

We are above index weightings in Technology, Industrials and Healthcare, while we are approximately equal to the index in Consumer Discretionary and Materials stocks. We are underweighted in Financials, Energy, and significantly underweighted in Consumer Staples, Telecom and Utilities. Our discipline continues to offer very little to select from in the significantly underweighted areas as their valuations remain elevated. Since investors tend to invest in those sectors as bond surrogates, they have benefitted from the low rate environment we are in.

The Outlook

One by one, concerns that faced the equity markets have come off the table. The market anticipates some resolution to the Greek situation, which appears to have required the Greek Government to submit to the wishes of the Northern European block. It may be painful for the Greek Citizens, but remaining in the Euro and EU is probably a better outcome than the chaos that would come from leaving. Concerns about the Chinese market overheating have now turned into concerns about the Chinese market crashing. They are still learning how free markets work, and the government has stepped in and effectively made the markets a government agency by limiting investor's ability to buy or sell securities independently. We still believe the underlying economy will see growth in their consumer class, but as far as equity markets go, it is anyone's guess how this winds up. Japan seems to be realistically looking at their government and corporate governance rules with an eye towards changing the culture there to promote a more competitive business class. Concerns that the US would slip into a lower growth mode have given way to some expectation of growth acceleration occurring into the second half of the year. As these concerns are resolved, pension funds and other investors needing growth in capital are left with few investment options other than stocks. Bond returns at 2.5% or less for developed markets cannot help investors realize actuarial or expected returns of 7%.

We are concerned about several items. Latin America's economic outlook seems rather bleak. The dollar remains elevated, which might hurt some Emerging Market economies as they have dollar denominated debts. The elevated dollar could negatively impact US competitiveness and cause that economy to weaken. The Russians have been quiet, and the Iranians just got a deal. Could some geopolitical tension ensue as the Israelis and Saudis feel like their positons were not taken into consideration? Could the Greek Deal get sidelined? Will anyone else threaten to leave the Euro area? All of these are unknowns and all are risks.

Our position remains the same as last quarter. We are positioned for the economic growth to accelerate in Europe and China, albeit with more of an emphasis on the consumer sector than business capital spending. We would expect the strategy to see better performance through the rest of the year. If valuations do matter more as the year progresses, then our expectation is that we should see continued good performance.

When you pair attractive valuation with evidence that fundamentals are improving and the market is recognizing that improvement, we believe you can identify stocks with a probability of outperforming. That is what we do with this strategy, complementing those factors with fundamental research to uncover the best ideas. This process leads us to position for continued growth in consumer demand, especially in Health Care, Industrial and Technology stocks.

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7-23- 2015
MSCI ACWI ex US – 269

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
INTERNATIONAL INTRINSIC VALUE 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 public funds, endowments, foundations and high net-worth individuals, invested primarily in large cap international 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, 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 International Intrinsic Value Composite contains fully discretionary, taxable, and tax-exempt accounts that use either the MSCI ACWI ex-US (Gross) or the MSCI EAFE Index (Gross) as the benchmark. Prior to April 1, 2010, this composite was known as the International 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 verified for the period January 1, 2008 through March 31, 2015 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 International Intrinsic Value Composite for the period January 1, 2011 through March 31, 2015. 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, gross and net of management fees, and 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 .80% applied monthly. Prior to January 2007, the management fee schedule applied to the composite was .60%. 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 6/30/2013, the primary benchmark was changed to the MSCI ACWI ex-US from the MSCI EAFE. The ACWI better reflects the strategy guidelines with emerging market and Canadian exposure. Both indexes have been presented in the past. As of the aforementioned date the EAFE has been removed.

The composite performance has been compared to the following benchmark (shown with dividends reinvested):

MSCI ACWI ex-U.S. (Gross) 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.