April 20, 2015
Jack White, CFA
Partner, Senior Portfolio Manager

QE- The Changing of the Guard

Todd Intrinsic Value Opportunity Review

	1Q 2015	1 Year	3 Year*	5 Year*	7 Year*	Since Inception (04/01/06)
Intrinsic Value Opportunity (Gross)	-1.69%	13.17%	19.51%	16.41%	13.58%	9.50%
(Net)	-1.90%	12.24%	18.62%	15.56%	12.79%	8.75%
S&P 500	0.95%	12.74%	16.11%	14.46%	8.95%	7.60%
Russell 1000 Value	-0.72%	9.33%	16.44%	13.75%	7.73%	6.56%

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

The Intrinsic Value Opportunity lost -1.69% (gross) for the quarter, compared with the S&P return of 0.95% and the Russell 1000 Value loss of -0.72%. Bonds and Small Cap indexes did better than Large Cap US indexes. International stocks performed better than their US counterparts as well. US stocks have been the global leadership since we initiated Quantitative Easing after the financial crisis. Our sense is that this is changing because we are heading into a period where other central banks are pursuing these policies and the US is not. While US stocks should continue to do well as the economic expansion continues, this changing of the guard regarding who is performing quantitative easing, could lead international markets to outperform domestic markets for the next year or more. During the quarter, investors considered and reacted to the following factors:

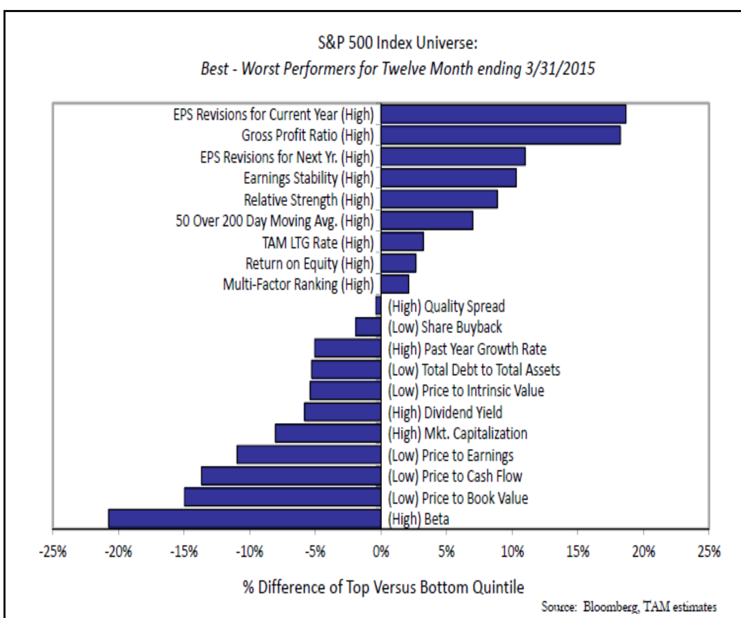
- US employment growth remained strong which should help consumer spending. Despite this, US economic growth estimates were cut during the quarter, because of harsh weather and the impact of the higher dollar. Some observers are concerned about a manufacturing and capital spending slowdown spurred by weak oil prices and a strong dollar.
- The ECB finally embarked on a quantitative easing program. They plan to buy up to 60B Euros of assets per month. They and the Japanese are the largest central banks pursuing QE now.
- The Euro has declined in value and the dollar has been much stronger. This may work as a headwind to US exporters. S&P earnings estimates have also declined in concert with the dollar strength (and oil weakness).
- Economic expectations for Europe remain low, but have been rising over the past few months. Pent up demand, coupled with QE is a powerful combination, as evidenced by the US.
- US Interest rates declined again during the quarter despite consensus expectations for a near term Fed tightening as the impact of NEGATIVE European rates rolled into US markets. Most Northern European bonds out to roughly eight years in maturity are at negative rates.
- Oil prices remained pressured, as a supply glut meets sluggish demand. Inflation has declined dramatically, and consumers should benefit from this.

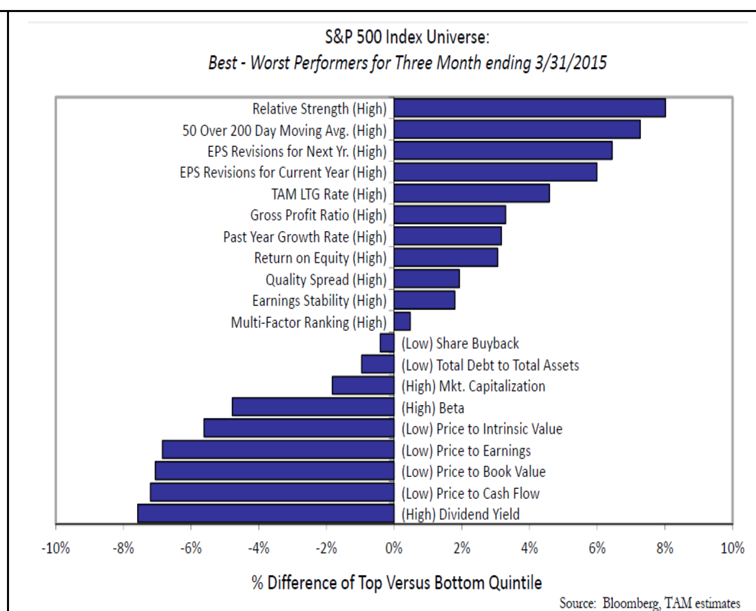
We believe as long as QE programs remain in place driving rates lower in developed markets, investors will be pressured into buying other asset classes, like stocks. We also think that US growth estimates should recover as the year progresses.

The strategy is concentrated to 30 stocks within the S&P 500 that have a combination of very good valuation, and excellent rankings based on one of three proven factors we use to evaluate income statement strength or balance sheet strength or technical strength in the market. It is unconstrained and will often have large concentrations in some sectors. This strategy is appropriate as a standalone aggressive alpha generator for clients seeking above average performance. It can also be used as complementary satellite strategy for clients using indexing in the core space to add some alpha generation into their portfolios.

The strategy lagged in the quarter, but has outperformed both the S&P 500 and Russell 1000 Value on a gross basis over the trailing twelve month, three year, five year and seven year periods. Our experience has been that when we have quarter that lag the market, they are transitory and normally followed by better performance for the strategy. We believe that is likely the case in this instance and as the economy recovers from the Q1 soft patch, our sense is the strategy should as well.

Shown below are our customary charts describing which factors have been helping or hindering performance for US stocks. The chart on the left shows the trailing twelve month performance while the chart on the right illustrates the most recent quarter. Over the trailing quarter and year, the market has preferred visibility of profits or market strength over valuation. Specific drivers during the quarter favored stocks showing evidence of good market performance or fundamental strength. The best factors during the quarter were relative strength measures, earnings revisions measures and profitability measures. Valuation and dividend measures lagged badly during the quarter. This was evident within sectors as well as between benchmarks. The Russell 1000 Value index underperformed the S&P 500 and six of the ten value sectors underperformed their core counterparts. Investors treated the cheaper stocks as damaged goods throughout the market. These characteristics lead us to think investors are worried about the economy. If this is the case, we anticipate the US economy strengthens through year end, and some of these valuation measures could see a rebound in performance.





The IVO lost -1.69% (gross) compared to the S&P 500 return of 0.95% and Russell 1000 Value decline of -0.72%. Our lag versus the Value Index came both from stock selection and sector allocation. We were significantly overweighted in the Consumer Discretionary and the Technology sectors, while we were out of Health Care, Telecommunications and Utilities stocks. Our Consumer Discretionary weighting and selection helped performance, with Urban Outfitters, Starbucks, Dollar Tree and O'Reilly Automotive posting the best gains. Our absence from the Health Care sector was a headwind, as it was the best performing sector in the index. Our significant overweighting in Technology was also a headwind as it was the worst performing sector in the index. Our stock selection in Industrials hurt as all positions except Southwest Airlines declined.

The top five contributors to returns this quarter were Urban Outfitters, Starbucks, Dollar Tree, O'Reilly Automotive and Apple. All of these companies came through with better earnings than investors had anticipated. Urban Outfitters delivered results suggesting a turnaround is at hand. Starbucks, Dollar Tree and O'Reilly all indicated stronger comps than expected. Apple showed extraordinary strength in iPhone shipments.

The weakest five stocks in the portfolio were SanDisk, Fossil Group, Hewlett Packard, Seagate and Michael Kors. SanDisk, Hewlett Packard and Seagate all saw weaker demand than investors had expected for their core businesses as technology hardware sales were below consensus. Fossil is experiencing weaker results as the dollar strengthened and investors fear competition form Apple's new watch. Michael Kors has seen their growth trajectory shift downward, but they are still posting some very good earnings results.

We believe the decrease in oil prices marks a decided shift in the environment where supply will not be regulated by the Saudis anymore and oil will cease to be a politically priced commodity. This means that oil prices may remain lower for quite a while. The competitive devaluation of the Euro and Yen are making US made products more expensive in world markets. That's another factor that may be with us for some time to come. The good news is that an increase in the value of the dollar usually results in valuations expanding too, as more foreign investors are attracted to US markets.

This strategy concentrates on various sectors and themes as they meet our investment criterion. In our recent rebalance the strategy emphasized the Consumer Discretionary, Industrial, Technology and Health Care sectors. Particular themes we are focused on for the upcoming quarter are Home and Auto retailers, Fashion, Biotech, Managed Care, Airlines, and Technology Hardware companies. Most of these suggest to us that it is positioned for the US economic recovery to continue while hiring and wages firm up.

The Outlook

We see great potential for worldwide economic activity to improve as the effects of lower energy prices, pent up demand and quantitative easing impact equity demand. Stocks tend to follow economic activity, and we believe a recovery is likely in North America from depressed winter levels. Europe and Asia should benefit as well as they are emerging from recessions (again!). Pent up demand for consumer durables and technology products in the US remains strong, and similar demands are evident overseas as well. Quantitative easing has forced interest rates to turn negative in many European markets. Charging investors to hold their money forces investors to seek other places to put their money, like stocks.

We are concerned about several items. First, dollar strength has led many companies to lower their earnings estimates. Consensus numbers call for a decline in first quarter earnings. We are watching this closely to see if any recovery in estimates is at hand. Additionally, there are financial and geopolitical pressures coming from Europe as concerns grow about a Greek exit of the EU, or Russia's incursions into the Ukraine. We are seeing many risk indicators suggest that stresses and worries are increasing in the European Markets. Other concerns could arise from China, and the slowdown they are experiencing.

We are positioned for the economic expansion in the US to continue, albeit with more of an emphasis on the consumer sector than business capital spending. We expect the strategy to see better performance through the rest of the year as valuation measures see a recovery in performance.

As always, we are here to assist you. If you need any additional information, please feel free to contact any of us.

Jack White, CFA Curt Scott, CFA Jack Holden, CFA

Todd Asset Management LLC

4-17-2015

S&P 500 – 2081.18

Russell 1000 Value – 1023.26

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
INTRINSIC VALUE OPPORTUNITY 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 or since the period reported. Accounts within this composite are rebalanced on the first trade day of each quarter. 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, retirement plans, endowments, IRAs and high net-worth individuals, invested in domestic equity securities within the S&P 500 Index with the objective to seek capital appreciation. This goal is pursued by investing in a portfolio of equity securities that are in the least expensive third of the S&P 500 Index based on price-to-intrinsic value and have high technical market strength or high balance sheet strength or high income statement strength ratings.

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 Intrinsic Value Opportunity Composite contains fully discretionary, taxable and tax-exempt accounts that use either the S&P 500 Index or the Russell 1000 Value 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®). TAM's compliance with the GIPS® standards has been verified for the period January 1, 2008 through December 31, 2014 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 Intrinsic Value Opportunity Composite for the period January 1, 2011 through December 31, 2014. 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.com.

The performance information is presented on a trade date basis, both gross and net of management fees, net of transactions costs, and includes the reinvestment of all income. Net of fee performance was calculated using the applicable annual management fee schedule of .80% applied monthly. From October 2009 to March 2014 the management fee schedule applied to the composite was 0.70%. Prior to October 2009, 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.

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

S&P 500 Index is a widely recognized index of market activity based on the aggregate performance of a selected unmanaged portfolio of publicly traded common stocks. The performance data includes reinvested dividends and 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.