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

QE- The Changing of the Guard

Todd Large Cap Intrinsic Value Review

	1Q 2015	1 Year	3 Year*	5 Year*	7 Year*	10 Year*
Large Cap Intrinsic Value (Gross)	0.44%	12.74%	15.79%	14.22%	9.61%	8.66%
(Net)	0.29%	12.07%	15.10%	13.54%	8.95%	8.00%
S&P 500	0.95%	12.74%	16.11%	14.46%	8.95%	8.01%
Russell 1000 Value	-0.72%	9.33%	16.44%	13.75%	7.73%	7.21%

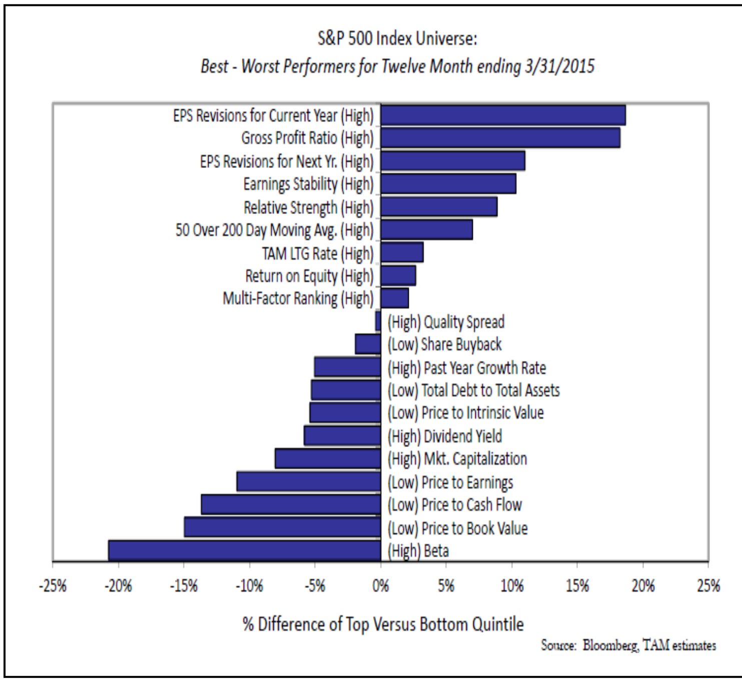
* *Annualized Total Returns. Please refer to the attached Performance Disclosure for further information.*

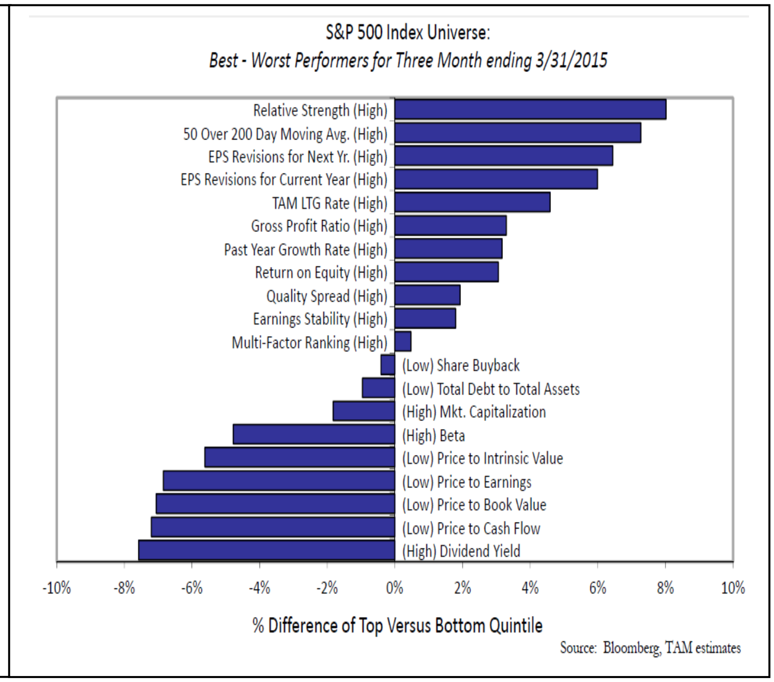
The LCIV posted a gross return of 0.44% for the quarter, compared with the S&P return of 0.95% and the Russell 1000 Value loss of -0.72%. Bonds and Small Cap indexes did better than Large Cap US indexes. International stocks performed better than their US counterparts as well. US stocks have been the 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.

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 LCIV posted a gross return of 0.44% compared to the S&P 500 return of 0.95% and Russell 1000 Value decline of -0.72%. The biggest detractor from performance during the quarter was our Tech sector selections. While several stocks performed well, our concentration in PC and Server related names hurt performance. Hewlett Packard, Intel and Seagate all declined during the quarter after guiding results to the lower end of expectations. Other issues contributing to the modest underperformance were stock selections in Industrials, where Union Pacific and United Rentals trailed the market on general economic concerns. Additionally, the stock selections in Financials hurt as Discover and American Express declined.

On the positive side, both our overweighting and selections in Consumer Discretionary stocks contributed positively to performance. The best performers within the sector were Gannett, CBS and Delphi. Delphi benefitted from improving auto sales during the quarter. Gannett continues to pursue restructuring, buying Cars.com and planning a split between publishing and broadcasting. CBS also has benefitted from better upfront ad sales and the potential for improved re-transmission fees. The Energy sector also contributed to performance benefitting from our underweighting and stock selection. We saw good results from the refiners, Marathon Petroleum and Phillips 66 in the quarter, as lower oil prices continue to lower their input costs.

The top five contributors to returns this quarter were United Health Group, Gannett, TE Connectivity, Home Depot and Apple. United Health posted good earnings for the fourth quarter and had positive news on the Medicare Advantage plan rates. TE Connectivity announced a sale of one of their divisions which raised their growth profile during the quarter. Home Depot benefitted from better sentiment surrounding the home oriented stocks. Lastly, Apple continues to see excellent results from their new product introductions.

The weakest five stocks in the portfolio were Hewlett Packard, Intel, Seagate, Discover Financial Services and Union Pacific, all of which were discussed above.

Most of our positioning changes stemmed from the decrease in oil prices, increase in the dollar, and expectations for some shifts in the capital replacement cycle. 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.

We measure our sector weights against the S&P 500. We increased our overweighting by 2.5% in Consumer Discretionary stocks this quarter, as we believe lower energy prices and still robust hiring trends should contribute to better sales and earnings in this area. We also increased our Technology weighting to a market weight, an increase of about 2.0%. We believe growth in cloud applications, consumer electronics and an upgrade cycle should help demand. We lowered our Industrial and Financial sector overweights, and took the Energy sector to an underweighted position. We trimmed Industrials as the bleed through from reduced energy capital spending may weigh on the stocks for some time. The Energy sector continues to face headwinds while oil prices languish near multi-year lows. We also reduced our exposure to Financials as headwinds from perceptions about the economy, potential for loan growth and the regulatory overhangs continue to weigh on the group.

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 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 a recovery in 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 Discretionary and Health Care stocks. Additionally, our disciplines suggest being overweighted in the Financial sector versus a core index. We are trimming our Industrial exposure as a result of the concerns noted above, although we retain a modest overweighting. The areas that are less attractive are those we consider bond substitutes; the Telecommunications, Utilities and Staples. We are also underweighted in areas being hurt by the weakness in commodities, the Energy and Materials sectors.

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
LARGE CAP 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 to help demonstrate the investment process or as 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 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, 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 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 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 Large Cap Intrinsic Value 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

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%. 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 (all 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.