

Todd Q3 2025 Large Cap Intrinsic Value Review

	3Q 2025	YTD	1 Year	3 Year*	5 Year*	7 Year*	10 Year*
Large Cap Intrinsic Value (Gross)	8.20%	14.28%	12.12%	20.34%	16.99%	11.99%	12.93%
Large Cap Intrinsic Value (Net)	8.05%	13.79%	11.46%	19.64%	16.31%	11.34%	12.27%
S&P 500	8.12%	14.83%	17.60%	24.94%	16.47%	14.45%	15.30%
Russell 1000 Value	5.33%	11.65%	9.44%	16.96%	13.88%	9.53%	10.72%

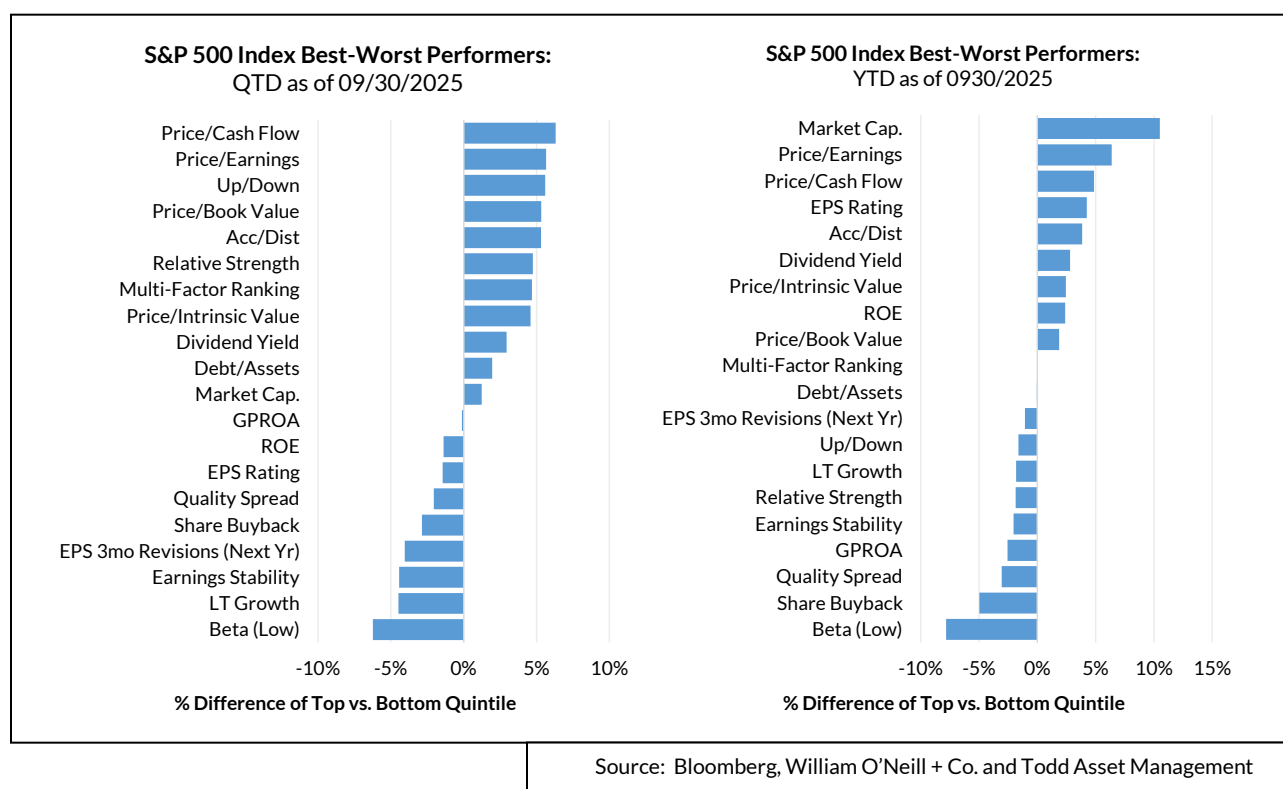
* Annualized Total Returns. Please refer to the attached Performance Disclosure for further information.

Performance Review

Our Large Cap Intrinsic Value strategy performed essentially in-line with the S&P 500 and ahead of the Russell 1000 Value in the third quarter. There has been no shortage of political or geopolitical events over the past few months, however the disruptions that many feared would prevail as a result of various policy actions have simply not come to bear. As a result, US markets finished the quarter at new all-time highs.

Last quarter we wrote about the messaging from the market and that despite seemingly rising tensions on a number of fronts, global equity markets continued to march to new all time highs which affirmed that the bull market remained intact. That message continued to ring loud and clear in the third quarter, both at the index level as we traced out new highs and below the surface as leadership has a more cyclical flavor to it. The common narrative as we exited the first half seemed to center around worries that trade friction and tariffs would pressure either inflation (higher) or corporate margins (lower) and that the Fed would continue to sit on their hands. So why have these concerns not materialized? Recession odds in the US remained elevated until tax legislation (OBDD) was passed in July. According to our favorite policy strategist, Dan Clifton at Strategas, the stimulative impact from this piece of legislation essentially neutralized the negative impulse from tariffs which allowed economic forecasts and the broader market to decouple from trade policy. This further boosted an already healthy US consumer, who has benefited from higher assets prices (stock and home prices) and low fixed rate debt. Effective tariff rates (the actual tariff revenue collected as a percent of imports) have also been well below the sticker-shocking stated rates coming out of the administration. While this could mean that the full effect has yet to be felt (there is probably some truth to this), this is more likely being driven by loopholes and exemptions that have been built into trade agreements. This isn't to say that all risk has been taken off the table as trade policy, particularly with China, will likely remain in flux and the labor market numbers set to get released over the next month or so are probably going to be soft. AI spending announcements have been astonishing, but with more investors questioning the circular nature of the funding behind these plans that could lead to some indigestion for the heaviest weights in the US. However, to again echo back to last quarter, the market seems to have moved past the headwinds that arose in 2025 and is focusing more on the tailwinds that should materialize in 2026.

Factor Performance



While the Growth index (Russell 1000 Growth) outperformed the Value index (Russell 1000 Value) by more than +5% this most recent quarter, Value factors interestingly ranked at the top of the list over the past 3 months. This is explained by the historic concentration at the top of the Growth index where the weight of the top three names make up more than 35% and the top ten make up more than 60%! Under the surface, however, participation has broadened and we saw additive performance from most of the metrics that we use in our Multi-Factor Ranking. Characteristics that have not been rewarded this quarter, or this year, have been Quality, Share Buybacks and Earnings related measures like Revisions, Growth and Stability. Given the continued enthusiasm around AI and the mega-cap Tech names that are driving investment in this space, it is no surprise that Market Cap has been the top performing factor year-to-date.

Performance Attribution

Against the S&P 500, we performed in-line as relatively good stock selection was completely offset by our sector allocation (particularly our underweight positions in Communication Services and Technology). Industrials, Consumer Discretionary and Health Care were our top performing sectors this quarter. Much of the benefit to our Industrial and Discretionary holdings centered around some resolution on fiscal and trade policy, which had been an overhang. Within Health Care, a similar sign of relief was seen as details around sector specific tariffs aimed at the Pharmaceutical industry were much less onerous than feared. Technology, Financials and Energy were the sectors responsible for our largest headwinds against the S&P 500. Within Technology, our more services oriented holdings generally saw weakness as the leadership in this sector remained with the Semiconductor names as well as anyone playing in the AI theme. Our Financials holdings were pretty bifurcated as our Bank and Financial Services holdings performed very well in the quarter,

however our non-Bank holdings (PE, Insurance, Payment, etc.) saw weakness. Energy also continued to see pressure and is the sector we've reduced the most in the portfolio over the past 1-2 years.

Against the Russell 1000 Value, our outperformance was mostly driven by stock selection as sector allocation was essentially neutral. Our top performing sectors against the Russell 1000 Value were Industrials, Discretionary and Technology. Our worst performing sectors were Financials, Energy and Communication Services.

Our top five performers for the quarter were Tapestry, Cummins, United Rentals, Borgwarner and First Solar. It is interesting to see that none of the top performers were tied to the AI narrative. The common thread among our strategy's top performers seems to be tariff/policy relief as most of this group operates in areas that were at the center of tariff announcements. Despite a steep -15% selloff following their release of guidance for next year that saw a substantial tariff headwind, Tapestry finished the quarter up nearly +30% as strength in their underlying Coach brand remained strong. An analyst day later in the quarter helped to reset sentiment as the company laid out longer-term plans to accelerate growth by growing their addressable market. Two auto related names, Cummins and Borgwarner, both saw relief once trade policy details were released that provided exemptions for most goods (autos and auto parts included) that comply with USMCA. Cummins is also seeing additional benefits from Power Systems/Distribution businesses (driven by Datacenter demand) which is helping to offset some of the weakness in their Engine business. For Borgwarner, the management team also raised guidance on their earnings release and boosted shareholder returns with sizeable increases in both the dividend and share buyback authorization. Electric vehicle parts demand also remains strong in Europe and China. United Rentals has been a big beneficiary of the large infrastructure project activity which has ramped since the pandemic. The tax bill (OBBA) that passed earlier this year also allows for full expensing of equipment and machinery, an incentive that is expected to further drive demand for their rental fleet. Shares of First Solar saw heightened volatility this year as the tax bill made it's way through congress as several important tax credits were put on the chopping block to pay for other parts of the legislation. Ultimately the credits that mattered for First Solar remained in place and the company should benefit as the only US-based player for thin-film solar panels.

Our bottom five performers were Fiserv, Cognizant, Ameriprise Financial, Eastman Chemical and Kroger. Fiserv remained in the group of our bottom performers after extending weakness in July following an earnings release that saw weakness outside of their retail point-of-sale business (Clover). The management team continues to expect a reacceleration in their core businesses as we move into next year, however share price weakness has been sharp as investors need more clarity regarding this growth turnaround. IT service consultants, like Cognizant, have seen continued pressure over the past few years as companies redirect discretionary funds toward initial AI infrastructure building. This has weighed on project activity that Cognizant typically benefits from. Additional policies around immigration (e.g. H-1B visa fees) have further added uncertainty to their business. Ameriprise Financial, despite strong markets, saw asset flows soften in their Asset Management and Wealth Management businesses. This was a disappointment and drove shares lower. Eastman Chemical also saw weakness after reporting underwhelming results in August and significantly cutting their outlook for the second half of the year as they work off

excess inventory. Finally, Kroger saw some weakness following concerns around competitive pressure after Amazon expanded their grocery delivery service. Consumer Staples more generally were also the worst performing sector in the quarter.

We are always available via email or phone and welcome your calls. If you have any questions, please feel free to contact any of us for further information.

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10/17/25
S&P 500 – 6,664.01
Russell 1000 Value – 1,995.66

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
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Todd Asset Management LLC ("TAM") is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. 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. The minimum account size for this Composite is \$1 million.

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 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 independently verified for the periods January 1, 2008 through December 31, 2024. 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 Large Cap intrinsic Value Composite has been examined for the periods January 1, 2011 through December 31, 2024. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. To receive additional information regarding TAM, including a GIPS Composite Report for the strategy presented, contact Monica Slyter at 1-888-544-8633, or write Todd Asset Management LLC, 101 South Fifth Street, Suite 3100, Louisville, Kentucky 40202, or mslyter@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. 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.

The Composite performance has been compared to the following benchmarks. The indexes are unmanaged, and not available for direct investment; they include reinvestment of dividends; they do not reflect management fees or transaction costs. The volatility of the index and a client account will not be the same.

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

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At acceptance, TAM will provide all clients with a copy of our current Form ADV, Part 2A ("Disclosure Brochure"), Form ADV Part 2Bs, which are the Brochure Supplements for each advisory person supporting a particular client, and, if an individual investor, the Form ADV Part 3 (client Relationship Summary or Form CRS). You may also obtain a copy of these disclosures on the SEC website at <http://adviserinfo.sec.gov>.