

Todd Q4 2024 Global Intrinsic Value Equity Income Review

	4Q2024	YTD	1 Year	3 Years*	5 Years*	7 Years*	10 Years*
GIVEI (Gross)	-3.93%	14.55%	14.55%	7.15%	7.17%	6.29%	6.88%
(Net)	-4.08%	13.86%	13.86%	6.51%	6.54%	5.66%	6.24%
MSCI ACWI (Net)	-0.99%	17.49%	17.49%	5.44%	10.06%	9.20%	9.23%
MSCI ACWI Value (Net)	-4.71%	10.76%	10.76%	4.61%	6.42%	5.64%	6.24%

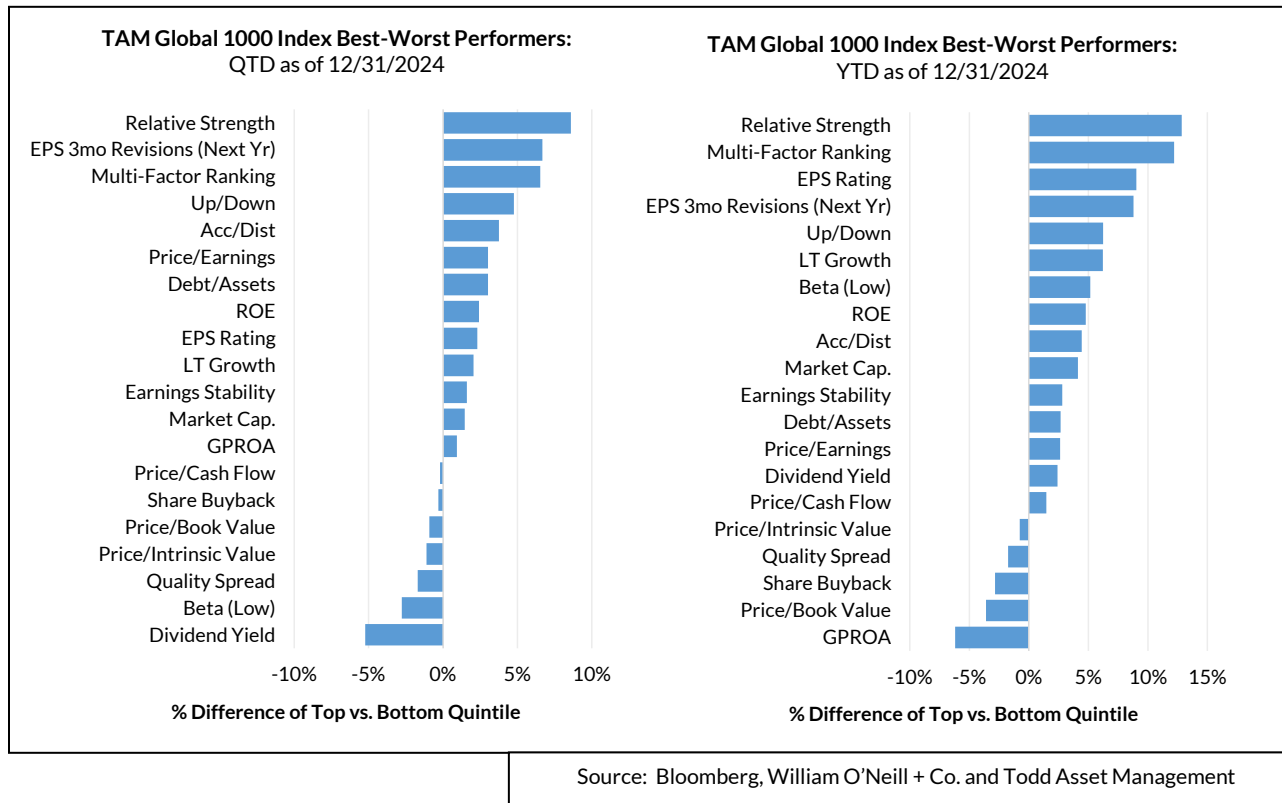
* Annualized Total Returns. Please refer to the attached Performance Disclosure for further information.

Performance Review

Our GIVEI strategy underperformed the MSCI ACWI (Net) index and outperformed the MSCI ACWI Value (Net) index for the quarter. Higher dividend yielding stocks were the worst performing factor for the quarter which is the primary reason for the underperformance. The current yield at the end of the quarter was 5.3% versus the ACWI yield of 1.8%.

Growth expectations have weakened internationally, particularly in Central Europe where the two largest economies (Germany and France) have seen a significant amount of political turmoil. This is partially feeding the diverging paths between global central banks and could play an important role in 2025 (for both stock and currency markets) as the Fed looks set to bring its brief rate cutting cycle to a close while the ECB and BOE likely have more runway to ease policy in response to slowing momentum. This has likely been one of the drivers behind the recent strength we've seen in the US Dollar. A more confrontational administration in the US that is set to take aim at global trade on day one is also having an impact on both the dollar and corporate sentiment overseas. We think it's important to make a distinction between the various tariff threats as some are likely meant to be used as a negotiating tactic on a non-trade issue (and more likely to be short lived) while others are meant to address more structural/ideological differences (and likely have more staying power i.e. China). Europe seems to have taken a larger hit since the US election and could see more of a recovery if tariff threats aren't as bad as feared and lower natural gas prices and policy rates help boost the economy. Longer-term interest rates have moved higher globally, however we would think the pockets of the market that are most susceptible to these higher rates are the higher multiple areas in the US.

Factor Performance¹



High Dividend stocks were the worst performing factor for the fourth quarter. Since all of the stocks in this strategy have this attribute, it accounted for all the underperformance versus the benchmark.

Performance Attribution

The underperformance in the fourth quarter was driven almost entirely by sector selection with a very small part driven by stock selection. Sector selection in Technology, Materials and Consumer Discretionary were big drivers of our underperformance in the quarter. Our stock selection in Communication Services and Consumer Discretionary detracted most from our performance. From a regional perspective, our stock selection in the US and United Kingdom accounted for the majority of our underperformance during the quarter. Emerging Markets and Canada helped add to our performance.

We remain overweight Energy, Financials and Materials. We also remain underweight Consumer Discretionary, Industrials and Technology. Among regions, we are overweight Europe and Canada. We are underweight Emerging Markets and Japan. Given the global focus of this strategy, we are able to find income outside of traditional high yielding US sectors (i.e. Consumer Staples, Utilities, REITs, etc.).

Our top five contributors to performance during the quarter were Gilead Sciences, Oneok, Altria, British American Tobacco and Philip Morris. Gilead Sciences and Oneok both reported strong quarters and raised their full year forecast. All three of the tobacco companies saw strong quarterly results and improvement in their smoke free categories. Outlooks were all strong as well.

Our worst five detractors from performance during the quarter were Best Buy, Orange, Verizon, Dow Inc. and TotalEnergies. Best Buy reported lower sales and saw profit margin pressure in the most recent quarter. They also gave cautious forward guidance on the call. Orange quarterly results were weighed down by strength in the US Dollar and rising interest rates. Verizon reported disappointing sales and earnings. While there were many one time charges, competitive pressures seem to be increasing. Dow Inc's results were lackluster and saw weak demand across multiple end markets and regions. Total Energies saw lower oil and gas prices and weaker LNG demand in Europe hurt operating results.

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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01/16/25

MSCI ACWI (Net) – 451

MSCI ACWI Value (Net) –361

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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1. The TAM Global 1000 index is a combination of the 500 largest US listed international companies by market cap and the S&P 500. This list is used for factor analysis where the index is ranked/sorted by a certain factor then divided into quintiles. Returns are then calculated on a monthly basis for each quintile.

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 or any security's 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. There is no guarantee that this investment strategy will work under all market conditions.

Specific stocks discussed are included to help demonstrate the investment process or, as a review of the Composite's results; and are not intended as recommendations of said securities and carry no implications about past or future performance. 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. The compilation of information contained herein reflects the views and opinions of TAM financial professionals at the time of creation which may change at any time without prior notification. There is no guarantee that any forward-looking opinions will occur.

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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 Global Intrinsic Value Equity Income Composite contains fully discretionary, taxable, and tax-exempt accounts that use the MSCI ACWI Index as the benchmark. The Composite does not include accounts with social restrictions. 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, 2023. 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 Global Intrinsic Value Equity Income Composite has been examined for the periods January 1, 2011 through December 31, 2023. 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@toddasasset.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 0.60% 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 benchmark. The index is unmanaged, and not available for direct investment; it includes reinvestment of dividends; it does not reflect management fees or transaction costs. The volatility of the index and a client account will not be the same.

MSCI ACWI (net) Index is a float-adjusted market capitalization index that is designed to measure the equity market performance of developed and emerging markets. The net index considers the impact of tax withholdings on dividend income.

MSCI ACWI Value (net) Index is a float-adjusted index of securities exhibiting overall value style characteristics across both developed and emerging markets. The value investment style characteristics for index construction are defined using three variables: book value to price, 12-month forward earnings to price and dividend yield. The net index considers the impact of tax withholdings on dividend income.

Risks - Investments involve varying degrees of risk, and there can be no assurance that this product is suitable or profitable for your investment portfolio. The GIVEI product is designed for long-term investors looking for dividend yield who are willing to accept short-term market price fluctuations. There are general and market risks involved in this product. There is no guarantee that the companies invested in will declare dividends in the future, or that the dividends declared will remain at current levels or increase over time. As a global product, risks of ownership in a foreign security (ADR, or similar securities) include political instability, confiscation of property, reduced legal protection, market liquidity, and adverse changes in currency exchange rates. Investing in emerging market securities can magnify these risks due to their smaller economies. This strategy may result in a portfolio with concentration in economic sectors, as sector diversification is not part of the strategy guidelines. There are times the overall market may not favor value-style investing, and/or stocks with higher dividends, and it is possible the intrinsic value of the underlying stocks may never be realized.

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>.

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