January 16, 2025
Intrinsic Value Team
Todd Asset Management

Todd Q4 2024 International Intrinsic Value Opportunity Review

	4Q 2024	YTD	1 Year	3 Year*	5 Year*	7 Year*	10 Year*
International IV Opportunity (Gross)	-5.77%	6.01%	6.01%	5.54%	5.89%	3.87%	4.65%
International IV Opportunity (Net)	-5.97%	5.12%	5.12%	4.66%	5.01%	3.00%	3.77%
MSCI ACWI ex-US (Net)	-7.60%	5.53%	5.53%	0.82%	4.10%	3.53%	4.80%
MSCI ACWI ex-US Value (Net)	-7.30%	6.04%	6.04%	4.37%	4.50%	3.13%	4.07%

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

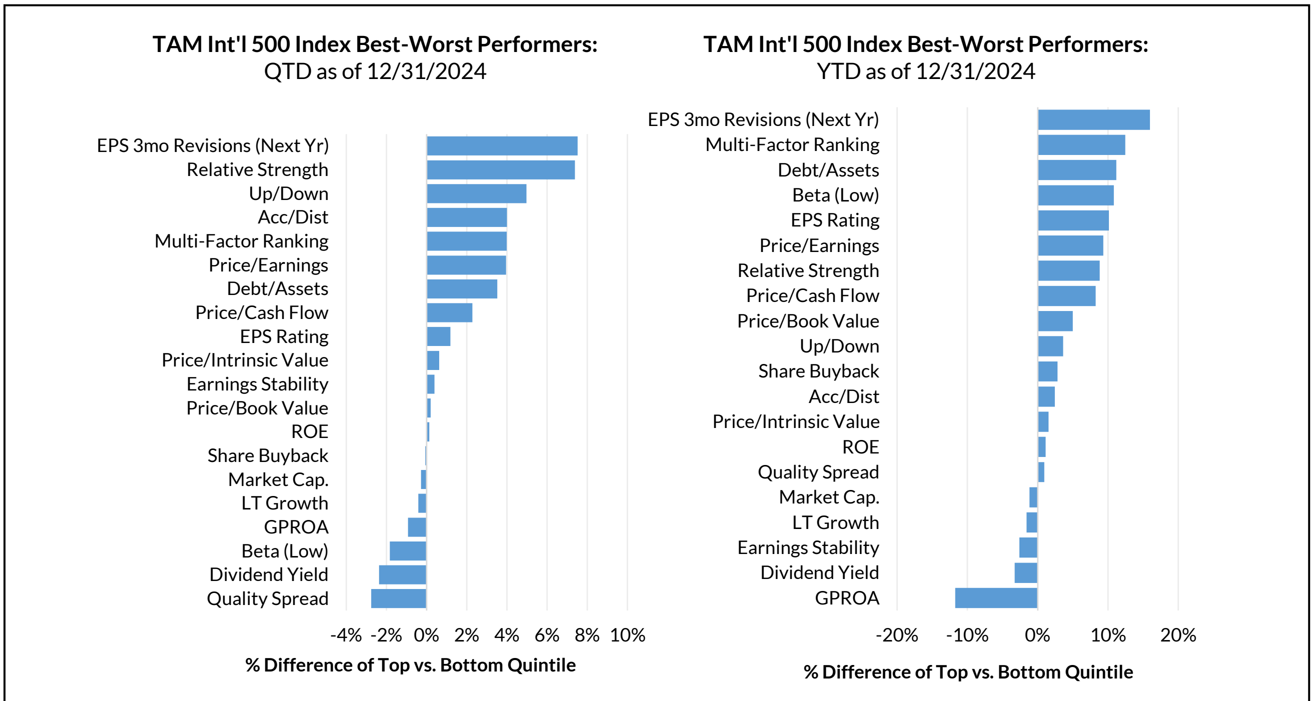
Performance Review

The International IV Opportunity strategy outperformed the ACWI ex-US in the quarter despite rising growth headwinds and a shift away from quality names, which our strategy tends to focus on. Despite softer outlooks, higher long-term interest rates and a down quarter, international market leadership interestingly remains more cyclical as Financials and Technology were the top performing groups last year. We remain constructive on markets generally and the strategy's positioning, though volatility could persist.

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.

On the political front, more than 40% of the global population went to the polls last year (the most in modern history) and a quick look at the results suggest they weren't happy. Establishment parties came under fire and leadership abruptly fell in Germany, France, Canada and South Korea just to name a few. This has increased pressure on fiscal authorities to develop more pro-growth policies overseas. We have highlighted various secular themes the strategy has favored over the past few years, notably the new capital spending cycle from reshoring, supply chain reorientation, infrastructure and defense spending, etc. Many of these tie back into the regional politics of the countries mentioned above and we still believe there should be ample support for these trends going forward.

Factor Performance[1]



Source: Bloomberg, William O'Neill + Co. and Todd Asset Management

The fourth quarter and full year both saw good breadth amongst factors that worked, which is a positive dynamic from a fundamental perspective as narrow factor returns tend to signal some anxiety about the market. Shareholder return measures and Quality were generally out of favor while upward Earnings Momentum and several Technical factors ranked toward the top of the list. Value modestly beat out Growth for another consecutive year in the international space, taking the win streak to 4 straight years. This shows up on our factor work as well with most Value metrics ranking toward the top of the list.

Performance Attribution

The strategy's outperformance during the 4th quarter was driven mostly by stock selection within the Health Care and Materials sectors while an overweight in Energy detracted from performance. The regions that most negatively impacted our performance were Canada and Europe. Our overweight positions in both these markets, coupled with our exposure to underperforming Energy-related equities in Europe detracted from performance. Other regions were mixed with Energy largely underperforming while favorable stock selection within the weak Materials sector was positive.

Our top five contributors to performance for this quarter were Heidelberg Materials, Nissan Motor, Flex Ltd., Natwest Group, and Manulife Financial. Heidelberg Materials outperformed in Q4 2024, with its profit from current operations reaching €754 million, an 8.6% increase year-over-year, driven by robust growth in North American operations and effective cost management across key markets. Shares of Nissan Motor jumped in December after reports hit that they were entering merger talks with Honda Motor. The stock shot up nearly 30% when the news was announced. Flex LTD's strong performance can be attributed to its successful navigation of supply chain challenges and increased demand for its manufacturing services across various sectors, specifically within its datacenter business where AI spend is driving momentum. NatWest Group benefited from improved net interest income and effective cost management, despite facing challenges from deposit mix changes as customers moved towards interest-bearing accounts. Manulife Financials' outperformance was driven by strong growth in its Asian markets and improved investment gains, offsetting challenges in other regions.

Our top five detractors from performance for this quarter were Adecco Group, Alibaba, Randstad, Vipshop, and TotalEnergies. Adecco Group and Randstad both underperformed in Q4 2024 due to continued weakness in the global labor market, with Adecco reporting a 5.9% decline in organic revenue and Randstad experiencing a 5.9% drop in organic revenue per working day. Alibaba and Vipshop were both under pressure in the 4th quarter after big rallies in 3Q24 after Chinese officials announced stepped-up stimulus measures. The rally on the back of these stimulus measures fizzled out in the 4th quarter as the market was anticipating more follow-through than what transpired. TotalEnergies' performance was likely impacted by fluctuating oil prices and global economic uncertainties affecting energy demand.

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.

Curt Scott, CFA Jack White, CFA Jack Holden CFA Shaun Siers, CFA

01/16/2025
MSCI ACWI ex-US (Net) – 305 MSCI ACWI ex-US Value (Net) – 1,398

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.

1. TAM Int'l 500 Index is a list of the 500 largest US listed international companies by market cap. 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

INTERNATIONAL INTRINSIC VALUE OPPORTUNITY 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.

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 fully discretionary accounts invested primarily in large cap internationally domiciled, US traded equity securities using a rules-based process based on intrinsic value, financial strength, profitability strength, and market acceptance. The objective is to seek capital appreciation.

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 International Intrinsic Value Opportunity Composite contains fully discretionary accounts that use the MSCI ACWI ex-US 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®). 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 International Intrinsic Value Opportunity Composite has been examined for the periods July 1, 2014 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@toddasset.com.

The performance information is presented on a trade date basis, both gross and net of management fees, 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 0.80% 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 ex-U.S. (net) 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. 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.

Risks - Investments involve varying degrees of risk, and there can be no assurance that this product is suitable for your investment portfolio. The International Opportunity product is designed for long-term investors who are willing to accept short-term price fluctuations. This product generally holds 30 securities and is rebalanced every 3 months, thus it is more concentrated and may generate more investment turnover than other products. It is not required to be diversified by sector, and should be considered a more sector concentrated, aggressive application of the price to intrinsic value investment philosophy. There are general and market risks involved in this product, along with the risks of ownership in a foreign security (ADR, or similar securities) including 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. There are times the overall market may not favor value-style investing, 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.