Todd Q4 2024 International Intrinsic Value Review

	4Q2024	YTD	1 Year	3 Year*	5 Year*	7 Year*	10 Year*
International Intrinsic Value (Gross)	-7.75%	5.21%	5.21%	2.42%	5.90%	5.00%	5.43%
International Intrinsic Value (Net)	-7.95%	4.33%	4.33%	1.56%	5.01%	4.12%	4.55%
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.*

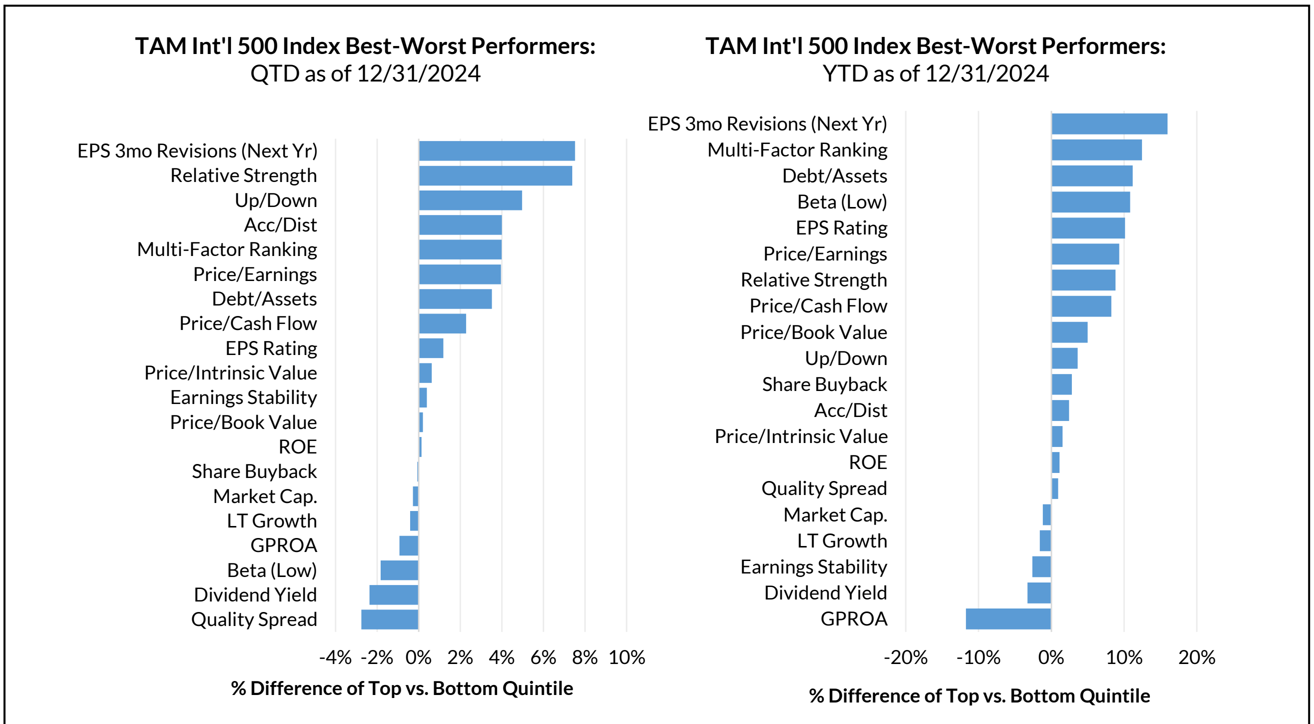
Performance Review

The International IV strategy traded most of the year ahead of the ACWI ex-US until early-December as international growth estimates were marked down. Investors also moved away from quality/lower volatility names in the last three months of the year which was a headwind to our strategy which focuses on higher quality companies. This caused the strategy to finish the quarter and full year modestly behind the index. 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. Our Multi-Factor Ranking performed quite well in the quarter and full year, another welcome dynamic that suggests we remain in a favorable environment for our discipline.

Performance Attribution

Quarterly performance attribution showed that Staples, Materials, Health Care and Real Estates were out best performing areas, generally due to stock selection. On the flip side our largest detractors of performance were Technology, Discretionary and Industrials where stock selection again was the main contributor. Regionally, Pacific ex-Japan and Europe were our top areas while Emerging Markets and Canada both weighed on performance.

For the full year, Industrials, Staples, Financials and Materials were our top performers. Energy, Communication Services, Technology and Discretionary were our largest detractors. Regionally, top performing areas included Japan, Pacific ex-Japan and Europe. Emerging Markets, Canada and the UK were our worst performing regions. Our Japanese Tech, Industrial and Financial companies generally posted strong gains. European Industrial/Infrastructure beneficiaries as well as a number Financials also drove performance in that region. Within Emerging Markets, Chinese consumer and South American commodity names saw the most pressure in the portfolio as economic momentum continued to stall in China, weighing on both consumption and commodity prices globally.

Our top five performing companies for the quarter were Mitsubishi UFJ Financial, Teva Pharmaceutical, Taiwan Semiconductor, Barclays and DBS Group. Following a brief panic in August as the Yen Carry trade became unwound, Japanese equities broadly rebounded led by the Japanese banks as long-term interest rates continued to rise. Mitsubishi UFJ Financial also reported strong results in mid-November that was highlighted profit growth >20%, a sharp rise in guidance and new share repurchase program. Teva Pharmaceutical is a name we added to the portfolio in early December as the company had some exciting growth opportunities in the pipelines. One of those pipeline drugs, which treats bowel diseases, showed "best-in-class" potential in a phase 2 study and sent shares sharply higher. Taiwan Semiconductor continues to benefit from strong demand for cutting edge chips that enable Artificial Intelligence. Margins have impressively expanded despite several headwinds from new capacity additions and earnings are expected to move substantially higher in coming years on the back of datacenter and AI related growth. Higher interest rates have also benefited UK banks, Barclays being one of them, which showed up in solid third quarter results driven by higher net interest income. Guidance was also raised on a more favorable environment. DBS Group is the third bank in our top five performers this quarter that is benefiting from higher levels of interest rates. The company is also seeing strength in their wealth management and payments divisions.

Our bottom performing names were Capgemini, Itau, PDD, Ashtead and Novartis. Capgemini was our worst performing holding for the quarter as IT service consultants faced numerous headwinds in 2024 (policy uncertainty, lack of M&A, initial AI investments crowding out much of the IT budget, etc.). Capgemini also has more exposure to European customers as well as those in manufacturing industries, both of which have been soft. Shares of Itau Unibanco (a Brazilian bank) sold off as rising expenses related to technology spending is weighing on profit estimates. While this likely benefits the company longer-term, the short-term pressure is not seen favorably at a time when credit quality is coming into question for its customer base. PDD (a Chinese ecommerce company) reported disappointing results in late November which pressured shares as investors await tariff announcement against China from the incoming Trump administration. PDD's Temu derives a decent amount of revenue from the US and could be impacted by higher tariffs. Ashtead, which offers heavy equipment rentals through the Sunbelt rentals brand in the US, cut their earnings outlook as higher interest rates have tempered construction activity in some local markets outside of Mega-projects (which continue to see solid activity). Finally, Novartis shares weakened following their quarterly earnings release as investors question whether management will hit their newly stated +5%/yr sales growth target through the end of the decade as several large drugs come off patent.

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
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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 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 may reflect 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, with the objective to seek capital appreciation. This goal is pursued by investing in a diversified portfolio of these equities which 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 International Intrinsic Value Composite contains fully discretionary, taxable, and tax-exempt accounts that use either the MSCI ACWI ex-US or the MSCI EAFE Index as the benchmark. Prior to April 1, 2010, this Composite was known as the International 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, 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 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@toddasset.com.

The performance information is presented on a trade date basis, gross and net of management fees, and 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 .80% applied monthly. Prior to January 2007, the management fee schedule applied to the Composite was .60%. 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 ex-US Value (net) Index captures large and mid-cap securities exhibiting overall value style characteristics across developed and emerging markets countries. 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 takes into account 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 IIV product is designed for long-term investors, who are willing to accept short-term market price fluctuations. 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