TODD
Asset Management

January 21, 2026
Intrinsic Value Team
Todd Asset Management

Todd Q4 2025 Intrinsic Value Opportunity Review

	4Q 2025	YTD	3 Year*	5 Year*	7 Year*	10 Year*
IV Opportunity (Gross)	2.43%	20.65%	22.34%	19.24%	18.14%	12.90%
IV Opportunity (Net)	2.22%	19.66%	21.33%	18.26%	17.17%	11.96%
S&P 500	2.66%	17.88%	23.01%	14.42%	17.29%	14.82%
Russell 1000 Value	3.81%	15.91%	13.90%	11.33%	12.10%	10.53%

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

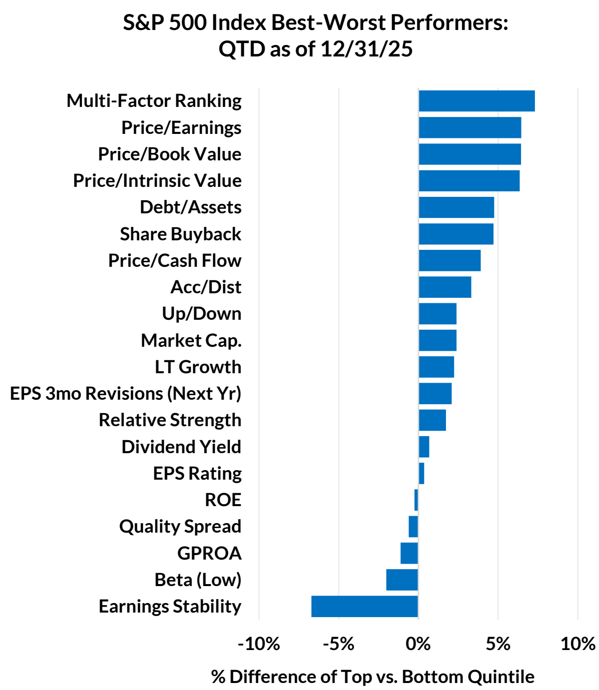
Performance Review

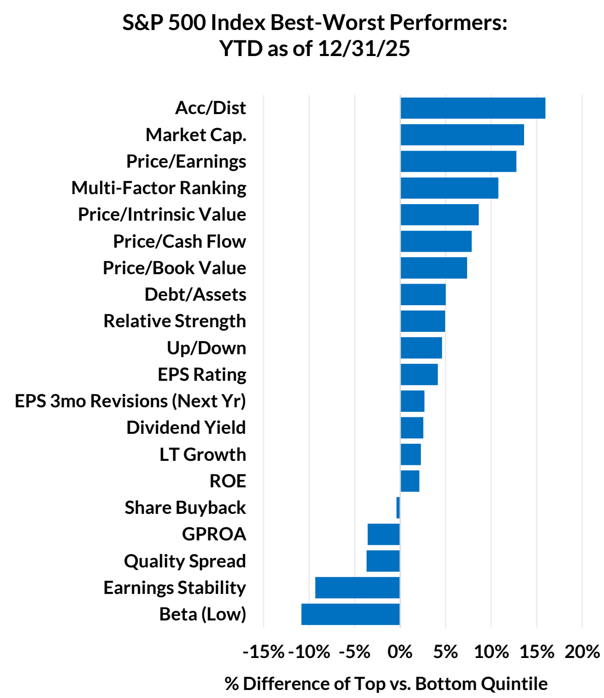
The Intrinsic Value Opportunity (IVO) strategy wrapped up a solid year, outperforming both the S&P 500 and Russell 1000 Value for full year while lagging in the fourth quarter. Despite the narrative this year being dominated by tariffs and the AI arms race, our discipline remained on solid footing. Dynamics within the mega-cap Tech space have evolved over the past few months (more on this later), however the market has maintained a more pro-cyclical leadership profile when looking at the industry groups that drove the fourth quarter. Policy support for the US consumer is expected to be robust in the first half of 2026 and we believe our strategy is well positioned for this.

The magnitude of the fiscal impulse arriving in 2026 via the latest tax bill is hard to overstate; with several hundred billion in consumer tax refunds and business tax cuts, economists are expecting a significant growth tailwind in the first half of the year to support the US consumer and more broadly support a variety of names we own in the Financials and Discretionary (e.g. apparel, travel, autos, etc.) sectors. While "hope" is indeed a poor business model, the broadening of market leadership outside of the Mag 7 recently creates a compelling environment as we enter 2026. Growth-oriented indices, such as the NASDAQ, consolidated in late 2025 as AI competition intensified. Google's launch of Gemini—powered by its proprietary Tensor Processing Units (TPUs)—redefined the leadership landscape for AI assistants, while Meta's subsequent multi-billion dollar agreement to purchase Google TPUs signaled a strategic diversification away from Nvidia's GPU dominance. Crucially, this proves that frontier-level AI models can thrive outside the OpenAI/Nvidia ecosystem. While this challenge to the prevailing narrative led many hyperscalers to trade lower into year-end, it renewed interest in the broader hardware space within Tech.

We would be remiss not to temper our enthusiasm some as we are entering a midterm election year – a cycle which historically is a grind with elevated levels of volatility and market consolidation. The current environment contrasts sharply from the widespread pessimism this past spring. At the time, you didn't have to look far to find a bear. While sentiment today isn't stretched, only two of the 30 market strategists in Bloomberg have 2026 price targets on the S&P 500 that are below 7000. The strategy does own a number of names in Health Care, Communication Services, Staples and Utilities that should act as a defensive anchor as we navigate the year ahead.

Factor Performance





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

Value factors in general led the way in the most recent quarter and performed well for the full year, particularly our Price/Intrinsic Value measure. Shareholder returns, Market Cap and several Technical metrics were also generally additive in the quarter. Quality related metrics were generally out of favor for the quarter and full year. The markets have been unabashedly pro-cyclical since the lows we saw in early April, which would explain the more risk-on stance that left Quality metrics like Low Beta and Earnings Stability to underperform.

Performance Attribution

Our underperformance this quarter was predominantly driven by stock selection, although our allocation slightly aided. The portfolio benefited from selections in the Consumer Discretionary and Financial sectors, but these strong picks were offset by underperformers in Communication Services and Information Technology. From an allocation perspective, our overweight position in Communication Services and underweight in Consumer Stables bolstered performance.

General Motors, Expedia Group, Incyte Corp., United Airlines, and Synchrony Financial were our primary contributors towards performance during the quarter. GM boosted its earnings outlook, fueled by disciplined pricing and lighter tariff pressures from new policies that broadened domestic parts credits. Expedia surpassed forecasts with robust U.S. bookings—especially lodging and air travel—capped by a smart acquisition focused on boosting activities and experiences. United topped Q4 guidance on surging premium cabin and international demand, plus a key December credit upgrade signaling financial strength. Synchrony delivered standout earnings via excellent credit quality, and a hefty share repurchase program, while Incyte surged on Q3 beats, promising blood cancer trial data, and fresh Europe/Japan nods for lymphoma and colon cancer treatments.

Paycom Software, Lennar Corp., T-Mobile, Royal Caribbean, and DaVita dragged performance lower. Lennar stumbled with weak delivery guidance and earnings missed, as margins cratered from heavy buyer incentives amid higher rates and fading buyer confidence. Paycom fell short on revenue and profits, with customer growth stalling in a maturing market, which led to guidance being unchanged. T-Mobile battled margin erosion from fierce promos and device deals despite subscriber wins, prompting an analyst downgrade. Royal Caribbean disappointed with soft Q4 and 2026 outlooks, hit by storm disruptions and rising compliance costs, while DaVita tanked on a cyber incident that snarled billing, payments, and patient care.

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

01/20/2026
S&P 500 – 6,796.86
Russell 1000 Value – 2,124.96

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

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 in equity securities within the S&P 500 Index with the objective to seek capital appreciation. This goal is pursued by investing in a portfolio of securities that are in the least expensive third of the S&P 500 Index using a rules-based process based on financial strength, profitability strength and market acceptance.

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 Intrinsic Value Opportunity Composite contains fully discretionary, taxable and tax-exempt accounts that use either the S&P 500 Index or the Russell 1000 Value 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, 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 Intrinsic Value Opportunity 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 transactions costs, and includes the reinvestment of all income. Net of fee performance was calculated using the applicable annual management fee schedule of .80% applied monthly. From October 2009 to March 2014 the management fee schedule applied to the Composite was 0.70%. 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.

Risks – Investments involve varying degrees of risk, and there can be no assurance that this product is suitable for your investment portfolio. The Opportunity product is designed for long-term investors who are willing to accept short-term price fluctuations. Stock market and business risks are general risks. 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 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.