April 17,2023
Intrinsic Value Team
Todd Asset Management

Todd Q1 2023 Global Intrinsic Value Equity Income Review

	1Q2023	1 Year	3 Years*	5 Years*	7 Years*	10 Years*
GIVEI (Gross)	-1.6%	-0.5%	19.7%	4.8%	7.1%	6.8%
(Net)	-1.7%	-1.1%	19.0%	4.2%	6.5%	6.2%
MSCI ACWI (Net)	7.3%	-7.4%	15.4%	6.9%	9.2%	8.1%
MSCI ACWI Value (Net)	1.2%	-5.5%	15.2%	4.3%	6.8%	5.9%

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

Performance Review

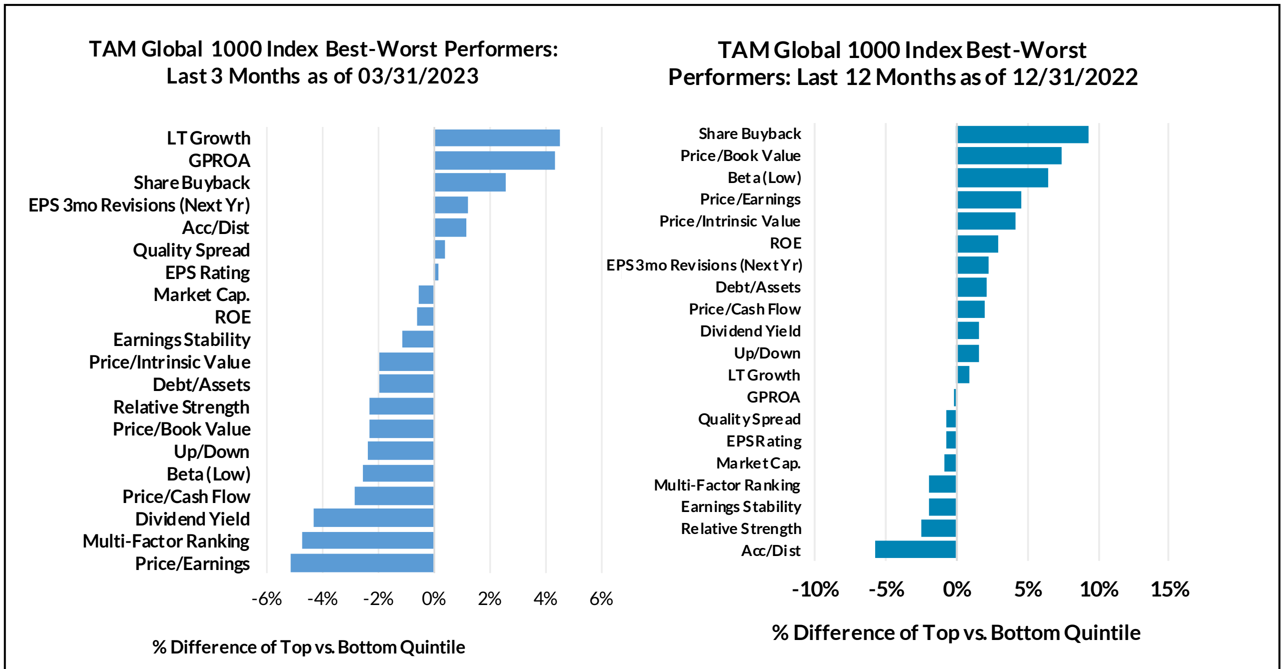
Our GIVEI strategy underperformed both indexes in the quarter and remained significantly ahead on a one year basis. The primary reason for this is the underperformance of Higher Yielding Stocks (see the factor analysis below) versus Lower Yielding stocks for the first quarter. The current yield at the end of the quarter was 5.1% versus the ACWI yield of 2.3%.

Performance for the first quarter was largely a 180 degree reversal from 2022 as the groups that worked through last year were among the largest laggards and vice-versa. Interest rates, which had been on an impressive move higher, took a breather in March and actually finished the quarter slightly lower than the start of the year in most developed markets. This coincided with various stresses that cropped up in the banking sector and increased the odds that rate hiking campaigns in the US and other areas would likely come to an end soon. This anticipation likely drove much of the outperformance from Technology and Consumer areas that were beaten down last year as policy got increasingly more restrictive. Bank stresses also revealed the impact that tighter policy has had on the real economy. As Warren Buffet once quipped, “only when the tide goes out do you learn who has been swimming naked.” Credit Suisse and several speculative US banks were the bad actors that were revealed this cycle. While this raised questions around systemic risk and overall credit health in the banking sector, things look to be contained. Credit default swaps, which are a good barometer of risk, have risen but are nowhere near levels we saw back in the Great Financial Crisis (2008) or European Debt Crisis (2010-11) on the banks we track. Capital positions at these banks also look to be much healthier than they were 15 years ago and offer more protection against any further stresses that may crop up. Stay tuned but the upcoming earnings season will give us all a good, timely glimpse at how sturdy the outlooks are for various parts of the market.

It is interesting that despite the anxiety the market digested in March, the ACWI ex-US finished the quarter up +7% and most developed market equity indices beat the S&P 500. That’s against a headwind from a resurgence of concentration in US markets that was largely driven by the FANG and Friends (which drove nearly 90% of the S&P 500’s return YTD). China’s reopening and improving GDP growth estimates in Europe are two meaningful offsets to various headwinds that cropped up in the quarter. Effects from the removal of “Zero Covid” restrictions in China late last year continue to show up with Non-Manufacturing PMI data rising to the highest level in more than

5 years. Chinese leadership has been reluctant to release much stimulus so this recovery is likely to be more organic and not as juiced as reopening episodes in the US. The dramatic drop in natural gas prices and Europe's successful navigation of the winter months have been big drivers of growth estimate upgrades. This improved sentiment seems to be finding its way into industrial metals and some emerging market currencies as well. Prices of copper and iron ore are both up sharply over the past 6 months. Most emerging market currencies are up vs the US Dollar over the past 6 months as well. Oil prices have been trending lower since last summer, however the OPEC production cuts of several million barrels helped to lift prices of Brent over $85/bbl.

Factor Performance[1]



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

Our customary factor work picked up on the outperformance of Growth over Value in the quarter. This is a complete reversal from 2022, which you can see in the chart above. Growth was the best performing factor for the quarter along with a few Quality measures while Value and Relative Strength ranked at the bottom. Value underperformed mostly in March as Financial and Energy stocks got hit the hardest when banking stress became elevated. The most important factor is that Higher Dividend Yielding stocks underperformed Lower Dividend stocks by over 4% for the first quarter. It is almost impossible for this strategy to outperform the indexes when this happens as every stock in this strategy has an above average yield.

The underperformance in the first quarter was equally driven by our stock and sector selection. Stock selection in Financials, Consumer Staples and Information Technology were big drivers of our underperformance in the quarter. Sector selection in Information Technology and Energy hurt performance as well. From a regional perspective, our stock selection in the US and Europe accounted for all of the underperformance while our sector selection in Emerging Markets helped offset the underperformance.

We remain overweight Energy, Consumer Staples and Financials. We also remain underweight Consumer Discretionary, Technology. Among regions, we are overweight Europe, Canada and the United Kingdom. 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 Bae Systems, Orange SA, LyondellBasell, Broadcom and National Grid. Bae Systems benefited from increased military sales from European Countries. Orange SA reported a strong fourth quarter, increased guidance for the year and raised its dividend. LyondellBasell is a beneficiary of increased commodity demand for the second half of the year. Broadcom reported a strong fourth quarter as well while raising forward guidance. Lastly, National Grid benefited from investors seeking safe havens in the first part of the year.

Our worst five detractors from performance during the quarter were Lincoln National, Citizens Financial, Pfizer, Huntington Bancshares and British American Tobacco. Lincoln National, Citizens Financial and Huntington Bancshares all were hurt from the Silicon Valley and Signature Bank failures in the beginning of the year. Pfizer was weak as the company is trying to reset its earnings after the COVID strength over the last couple of years. British American Tobacco was affected by the potential of a ban on Methanol cigarettes from regulators.

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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04/17/2023
MSCI ACWI (Net) – 345
MSCI ACWI Value (Net) –297

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. 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 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 in a diversified portfolio of attractively valued domestic and international equity securities with a goal to seek dividend income along with growth of that income and capital appreciation. The international securities are internationally domiciled, US traded equity securities.

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, 2022. 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, 2022. 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 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.