January 19, 2024
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Todd Asset Management

Pivoting to a Soft Landing

TAM International Q4 2023 Review and Outlook Chartbook

	4Q 2023	YTD	1 Year	3 Year*	5 Year*	7 Year*	10 Year*
MSCI ACWI ex-US (Net)	9.75%	15.62%	15.62%	1.55%	7.08%	6.33%	3.83%
MSCI ACWI ex-US Value (Net)	8.43%	17.31%	17.31%	5.80%	6.34%	5.29%	2.93%
MSCI ACWI (Net)	11.03%	22.20%	22.20%	5.75%	11.72%	10.04%	7.92%
MSCI ACWI Value (Net)	9.17%	11.81%	11.81%	7.33%	8.25%	6.64%	5.47%

* *Annualized Total Returns as of 12/31/23*

Central banks pivoted to a pause in Q4, and markets celebrated. Despite higher geopolitical tensions with a war erupting in the Middle East, stocks surged in the fourth quarter and investors believed that a soft landing was likely. As we look forward, we continue to believe a recession is unlikely, earnings are recovering, and interest rate sensitive sector may benefit from the recent decline in long term interest rates. Other thoughts we are sharing with our clients include:

- **Central Banks pivoted in Q4, after higher rates slowed interest rate sensitive sectors and services spending held up. Markets held a party**. As investors got comfortable a soft landing was achievable and the fed indicated they are on pause, stocks worldwide rallied, and bond yields declined dramatically.
- **Markets are broadening out as investors get comfortable that a recession is not imminent.** Emerging Markets outside of China were the leaders during the quarter, a sign that economic expectations are likely improving. We think the broadening has much further to go and should benefit non-US stocks.
- **This is a big election year worldwide, with over half of global population in 60 countries holding elections. Election years are usually pretty good, especially when there is an incumbent running**. Expect leaders in power to support their economies however they can. There are still funds to distribute from the European Recovery fund as well as the US stimulus bills. China continues to stimulate as well.
- **Markets are acting more like it is early in the economic cycle than late,** with small cap indexes participating in the rally and economically sensitive groups leading in Q4. Lower rates suggest interest sensitive components of GDP should recover. **Earnings are also bottoming** and should recover. This should support our names that benefit from the new capital spending cycle and continued broadening of the market from the recent narrow leadership.

We continue to see European and Japanese companies becoming more competitive with their US counterparts and have a couple of slides to support that in the chartbook. **Tight financial conditions prompted weaker GDP from rate sensitive areas like manufacturing, Capex and housing**. These contributed to an earnings recession. Earnings and activity are now recovering. Expect markets to broaden as earnings growth spreads. Services slowed, but continued growing as consumers would not deny themselves after Covid. This should continue. Themes we continue to like include market rotation to lower multiple stocks, beneficiaries of Technology Application (like AI), Oil company capital discipline, Commodities secular recovery, Financials earnings reset being complete and a new capital spending cycle for infrastructure, energy, green initiatives, supply chains and defense.

Net Annualized Returns (%)

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All Periods Ending 12/31/2023

Inception Date: October 1, 2005

	QTD	YTD	1 Yr.	3 Yrs.	5 Yrs.	7 Yrs.	10 Yrs.
International Intrinsic Value *(Gross)*	6.92	14.89	14.89	4.71	10.20	7.80	4.48
International Intrinsic Value *(Net)*	**6.70**	**13.93**	**13.93**	**3.84**	**9.28**	**6.90**	**3.61**
MSCI ACWI ex-US	9.75	15.62	15.62	1.55	7.08	6.33	3.83
IIV Net Excess Return	-3.05	-1.69	-1.69	2.29	2.20	0.57	-0.22
MSCI ACWI ex-US Value	8.43	17.31	17.31	5.80	6.34	5.29	2.93
IIV Net Excess Return	-1.73	-3.38	-3.38	-1.96	2.94	1.61	0.68

Data Source: Todd Asset Management and MSCI Barra. QTD and YTD returns are not annualized. **Past performance does not provide any guarantee of future performance, and one should not rely on the composite as an indication of future performance.** There is no guarantee that this investment strategy will work under all market conditions. Refer to the Performance Disclosure and Additional Disclosures for more information on the performance numbers and benchmark data presented. These notes are an integral part of this chart and should not be reproduced or duplicated without these notes.

Gross Annualized Returns (%)

TODD Asset Management

All Periods Ending 12/31/2023

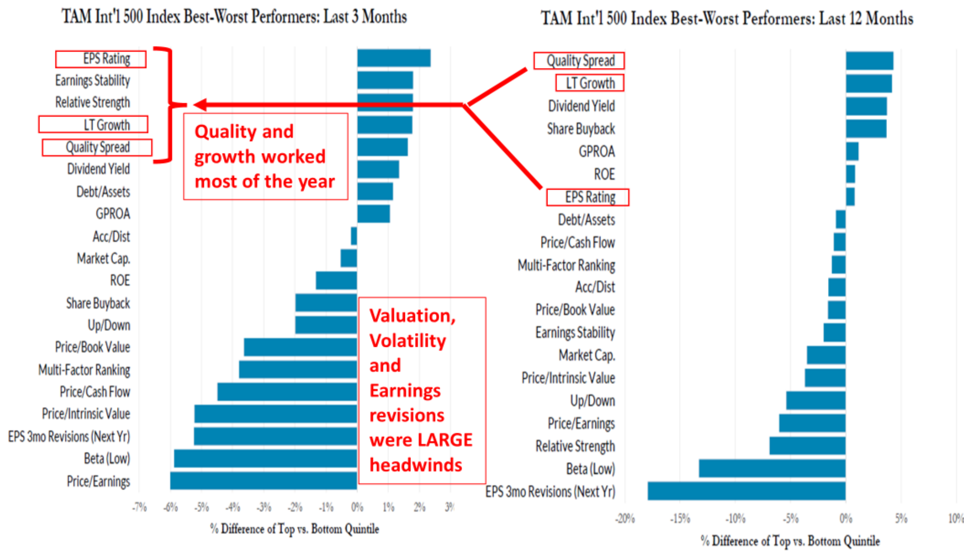
Inception Date: October 1, 2005

	QTD	YTD	1 Yr.	3 Yrs.	5 Yrs.	7 Yrs.	10 Yrs.
International Intrinsic Value *(Gross)*	**6.92**	**14.89**	**14.89**	**4.71**	**10.20**	**7.80**	**4.48**
International Intrinsic Value *(Net)*	6.70	13.93	13.93	3.84	9.28	6.90	3.61
MSCI ACWI ex-US	9.75	15.62	15.62	1.55	7.08	6.33	3.83
IIV Gross Excess Return	-2.83	-0.73	-0.73	3.16	3.12	1.47	0.65
MSCI ACWI ex-US Value	8.43	17.31	17.31	5.80	6.34	5.29	2.93
IIV Gross Excess Return	-1.51	-2.42	-2.42	-1.09	3.86	2.51	1.55

Data Source: Todd Asset Management and MSCI Barra. QTD and YTD returns are not annualized. **Past performance does not provide any guarantee of future performance, and one should not rely on the composite as an indication of future performance.** There is no guarantee that this investment strategy will work under all market conditions. Refer to the Performance Disclosure and Additional Disclosures for more information on the performance numbers and benchmark data presented. These notes are an integral part of this chart and should not be reproduced or duplicated without these notes.

Int'l Factor Analysis[1]- Quality and Growth Worked

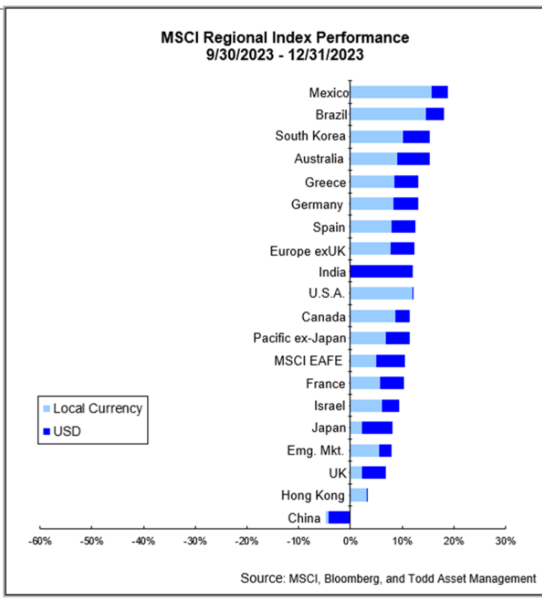
As of 12/31/2023



Data Source: Bloomberg, William O'Neill & Co. and TAM.

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.

Regional Returns- Emerging markets Led (and Lagged)



- Four of the top 5 performers were Emerging Markets (MX, BZ, SK and GR). China, Hong Kong and the EM Index ranked near the bottom though. EM performance is bifurcating.
- The dollar weakened, allowing US investors to post better returns than the local currencies showed.
- Emerging Markets can often be a harbinger of international outperformance vs the US. Seeing this leadership is encouraging.

European Financial Conditions Have Started to Ease

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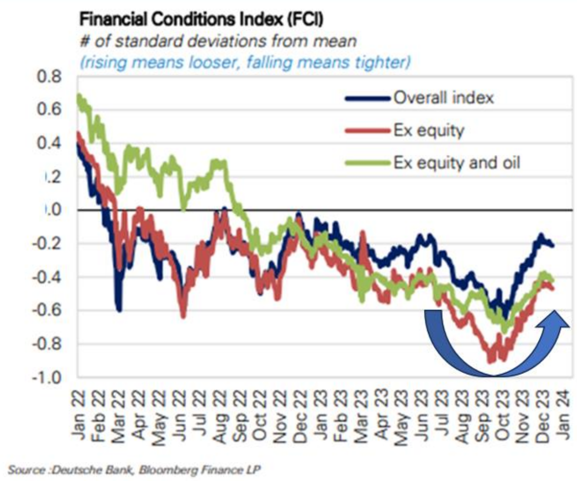

- Financial conditions index got tight in October as higher rates crimped activity.
- Better FCI should prompt a recovery in rate sensitive components.

Source: Deutsche Bank
Commentary may contain subjective judgements and assumptions subject to change without notice. Commentary is based on information as of the date of this presentation. There can be no assurance that developments will transpire as forecast.

Inflation is Rolling Over Globally

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Global inflation

Consumer Price Index year-over-year %	
Russia	7.5
India	5.6
Brazil	4.7
United Kingdom	3.9
France	3.5
South Korea	3.3
Germany	3.2
United States	3.1
Canada	3.1
Japan	2.8
Eurozone	2.4
Italy	0.7
China	-0.5

Source: Charles Schwab, Bloomberg as of 12/31/2023. Major 7 refers to the seven major countries as defined by the OECD: Canada, the U.S., Japan, France, Germany, Italy, and the U.K.
Past performance is no guarantee of future results.

Source: Charles Schwab Q1 24 Chartbook
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Inflation Comes in Waves

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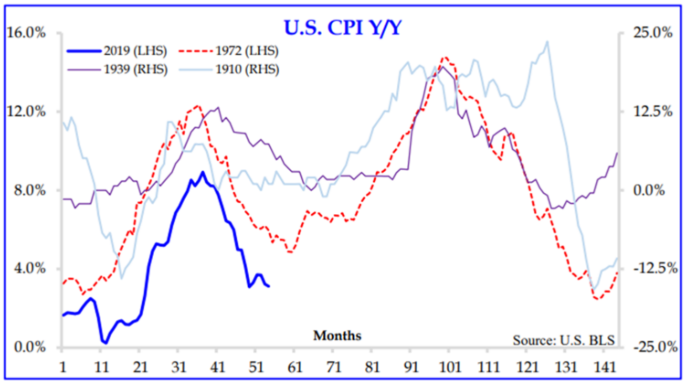
U.S. (& GLOBAL) INFL. HAS HISTORICALLY COME IN WAVES



- History shows that Inflation almost never comes as a single wave.
- If easier financial conditions cause economic reacceleration, anticipation of Fed cuts may be overblown.

Source: Strategas Research Partners Quarterly Review in Charts 1-3-24
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Central Banks have Become Sellers of Bonds

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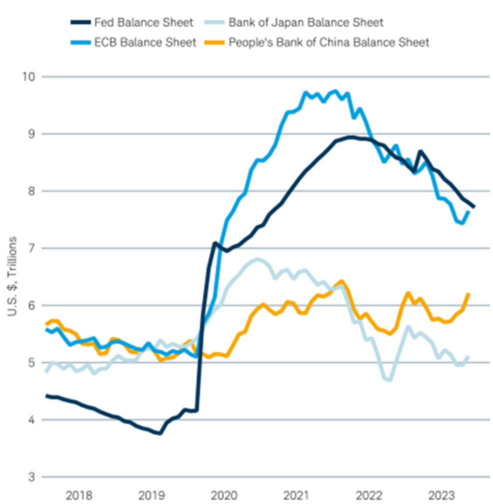
Central Banks Downsizing Balance Sheets



- **<u>Large buyers of bonds have become sellers</u>**. Central banks purchased pandemic bonds to support government spending. Now that is reversing.
- Long term interest rates are being pressured upward by a <u>lack of demand, and increased supply</u> to fund the new capital programs. Rates have dropped recently, but we view that as a cyclical downturn in a secular uptrend.

Source: Charles Schwab Q1 24 Charts
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Europe- Operating Margins Improving to Rival US

Source: JP Morgan

- Post Covid, European operating margins have improved to rival the US.
- European economic growth has been lackluster but should improve with easier financial conditions. This could aid operating margins even more.

Source: JP Morgan
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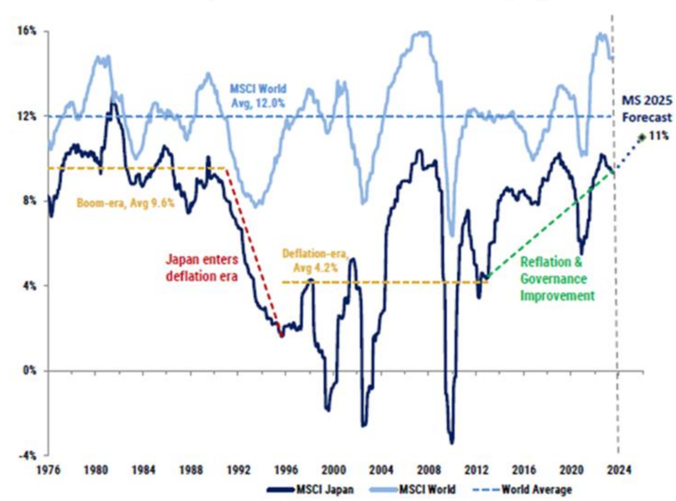
Japan- More Competitive Returns since 2012

MSCI Japan vs MSCI DM Return on Equity



Source: IBES, Datastream, RIMES, Morgan Stanley Research. Data as of August 2023

- Japanese Return on Equity measures suffered during their deflation era from the mid 1990s until early last decade.
- Corporations are adopting western governance and business practices, including share repurchase, higher dividends and restructuring to improve returns.
- We believe Japanese equities are attractive because of this.

Source: Morgan Stanley
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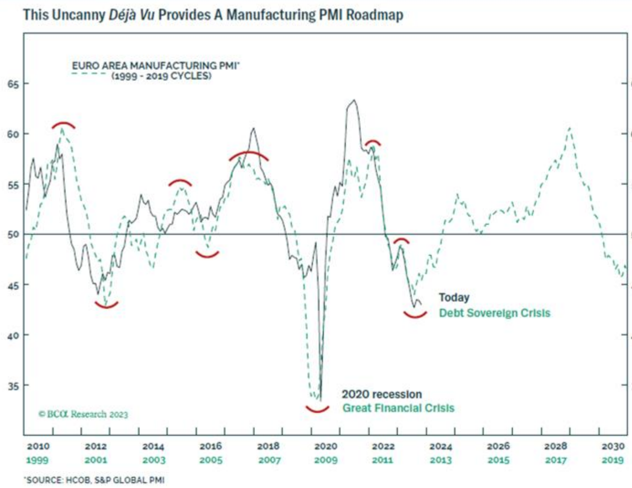
History Suggests European Manufacturing Recovery



- PMIs since 2010 have been tracking similarly to the period that started in 1999.
- If this pattern persists, expect a recovery in European manufacturing activity.

Source: BCA Research
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China's Target Markets are Changing

Source: China's General Administration of Customs

- Chinese exports to the US and EU have rolled over, with Association for Southeast Asian nations showing continued growth.
- They are also promoting internal consumption, though stimulus measures have been lackluster.

Source: Bloomberg News 1-15-24
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Earnings are Making a "EU-Turn"

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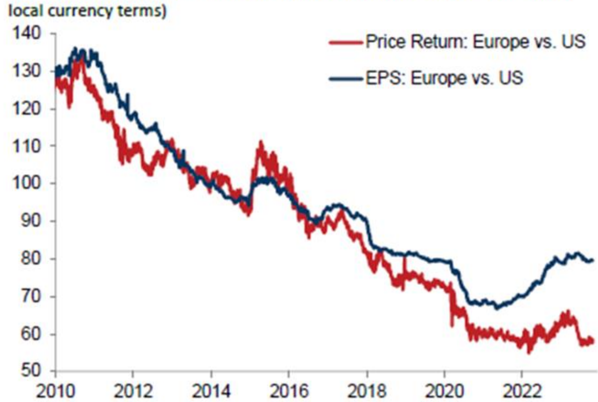
As of 10/30/2023

Europe has begun to outperform on improvement in its earnings

Price return performance and 12m forward EPS, STOXX 600 vs. S&P 500 (in local currency terms)



Source: Datastream, STOXX, Goldman Sachs GIR.

Source: Goldman Sachs
Location : Top of Mind – "US Outperformance: At A Turning Point?" 10/30/2023 pg. 13. Commentary may contain subjective judgements and assumptions subject to change without notice. Commentary is based on information as of the date of this presentation. There can be no assurance that developments will transpire as forecast.

Theme- Industrial Reshoring is Growing

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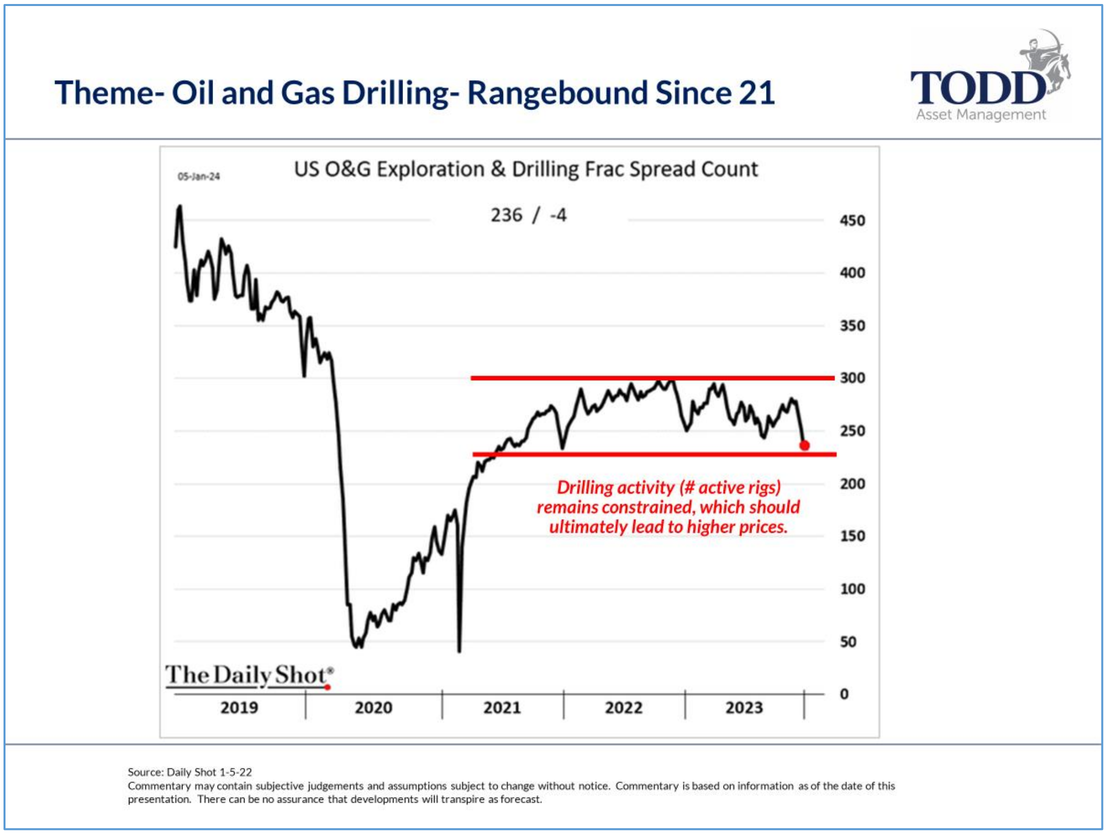
Reshoring + FDI Job Announcements by Year, 2010 - 2023 Projected

*Indicates full-year projection from 1H data

- Since the 2019 trade tariffs, reshoring and foreign direct investment job announcements have quadrupled.
- Post Covid industrial policy should continue to support this trend.

Source: Reshoring Initiative 1H 2023 Report
Commentary may contain subjective judgements and assumptions subject to change without notice. Commentary is based on information as of the date of this presentation. There can be no assurance that developments will transpire as forecast.



Last year will be remembered for how wrong most forecasters were. We never saw the much-anticipated recession, markets did not collapse, and Inflation subsided. This is not to say things were perfect. **We experienced a very narrow market** where many markets did not participate in any upside until late in the year. Geopolitics soured. Also, stimulative measures undertaken by China and several other Emerging Markets did not gain traction. Also, interest rate sensitive sectors within Developed markets experienced pressure. As we look forward, **investors may be too optimistic about how aggressively central banks cut rates** or the prospects of inflation continuing to decline. Despite this, we expect that **earnings will rebound, and economic growth should remain resilient**. While markets are starting off the year by consolidating, **we expect better performance after this consolidation**. With so many elections coming this year, parties in power globally will be seeking to improve growth to better their chances of staying in power. As earnings growth spreads more broadly through markets, we expect performance should as well. ***Don't be surprised if this leads to a resumption of the international outperformance and value style as these trends play out.***

As always, if you need any additional information, please feel free to contact any of us.

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

01/18/2024
MSCI ACWI ex-US (Net) – 278
MSCI ACWI (Net) – 380
MSCI ACWI ex-US Value (Net) – 283
MSCI ACWI Value (Net) – 314

Refer to the following page for more information on the commentary presented. This is pertinent to this letter and should not be reproduced or duplicated without this disclosure.

The indexes are unmanaged, and not available for direct investment; they include reinvestment of dividends; they do not reflect management fees or transaction costs.

TODD ASSET MANAGEMENT LLC
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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, 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 International Intrinsic Value 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, 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.

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.

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