April 19, 2016
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Disconnected

Todd Global Intrinsic Value Equity Income Review

	1Q 2016	1 Year	3 Years	5 Years	Since Inception (01/01/11)
Global Intrinsic Value Equity Income (Gross)	2.7%	-0.2%	6.1%	8.9%	9.4%
(Net)	2.6%	-0.7%	5.5%	8.2%	8.8%
MSCI ACWI	0.4%	-3.8%	6.1%	5.8%	6.4%

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

The Global Intrinsic Value Equity Income Strategy posted a gross return of 2.7% for the quarter, compared with the ACWI return of 0.4%. Trailing 1 year returns were -0.2% vs the ACWI loss of -3.8%. During the quarter, ACWI ex-US returned -0.3% and Emerging Markets returned 5.7%. The S&P 500 index returned 1.3%.

"Disconnected" seems to be the best word to describe market performance for the quarter. After a narrowly led market dominated the scenes in the US last year (June-December), and most international markets were already well off their highs, worldwide markets went into a tailspin in January on recession fears. With oil declining dramatically as well, the global Central Banks responded. These actions drove a dramatic recovery in February and March to leave most indexes wildly unchanged for the quarter. Against a backdrop of a modest European Recovery, low US unemployment, and a reinvigorated China, stocks disconnected from fundamentals and tumbled. Skeptics will point out Japan and Latin America are in recession, however, we would suggest Europe, China and the US are still expanding, albeit more slowly than policymakers want. Beneficiaries of the volatility this quarter were the Energy and Materials stocks, which recovered with oil after February. Also, the January defensive winners, Telecoms, Utilities and Staples, maintained their outperformance for the entire quarter. Unfortunately, none of those sectors rank well on our work due to either high valuations or suspicious fundamentals, so they were significantly underweighted in our portfolios.

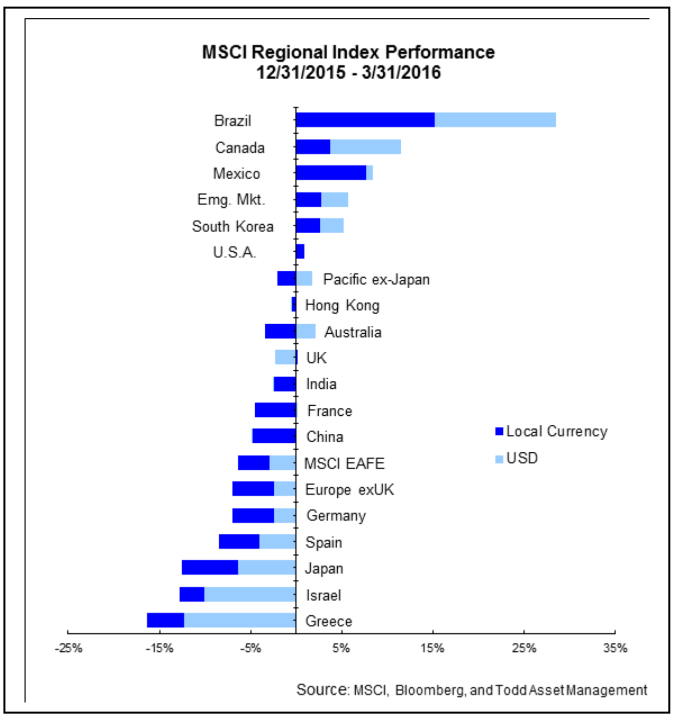
Some of the major items impacting the quarter were as follows:

- January market performance was very weak followed by just as dramatic a recovery in February and March. The US market dropped over 14% off the prior high, while the ACWI ex-US index bottomed at over 27% off its' high. Both markets rebounded approximately 13% off the lows, but sector leadership still indicates cautious attitudes among investors.
- Oil found new lows as excess supply from years of overinvestment collided with sluggish market demand. Oil declined from the $36/bbl to the $26/bbl before recovering to over $40/bbl. It appears the price of oil is bottoming, and our sense is the worst is behind us. Stay tuned.
- MSCI ACWI ex-US EPS estimates for 2016 have generally been marked down about 15% since June of last year as reported earnings tended to undershoot estimates. Estimates have started to hook upward in February and March.
- Bond yields plunged worldwide on recession fears. Europe and Japan pursued additional easing measures. GDP estimates declined dramatically for the quarter, leading to worries of a US, European and/or Chinese recession. Japan and Latin America are already in recession.
- The Euro and Yen strengthened against the Dollar despite their easing measures, as the Fed deferred rate increases and investors came to believe the pace of any rate increases will be much slower than previously anticipated.

- Confidence is fragile and it appears investors are waiting for a "Black Swan" event to unfold. Potential black swans would include:
    - Britain or Greece opting to exit the Eurozone
    - Continuing populist developments in the US election, New anti-inversion rules in the US
    - China potentially devaluing their currency
    - Continued or accelerating deflation in the EU and Japan, or,
    - More experiments with negative rates by central banks.

Some positive developments occurred during February and March. The Saudis indicated willingness to speak about an oil production cap. While nothing occurred, it prompted better oil prices and helped equity prices in the process. For the first quarter, the direction of oil prices and stock prices were closely correlated. It appears investors (or high frequency traders) consider oil prices to be the best instant gauge of economic activity.

After large run-ups from 2011 to 2014, most world markets have been in trading ranges or bear markets for the past two years. Central bank policies may be less potent as easy money can only do so much to bolster economic activity. Investors may be waiting for some pro-growth fiscal policies before we start the next leg of the secular bull. This cycle could be underway now with China, Japan, Europe and the US moving away from austerity and towards fiscal stimulus, but it is painfully slow.



Examining market returns, the leaders for the quarter were generally those recovering from previous commodity related weakness. Brazil, Mexico and Canada led Emerging Markets to outperform most developed markets.

Developed markets, especially in Europe and Japan, were generally laggards. Greece was at the bottom of the list as concerns about the state of their bailout became apparent.

Currency concerns probably played a role in this as the Euro and Yen strengthened despite aggressive central bank actions designed to weaken them.

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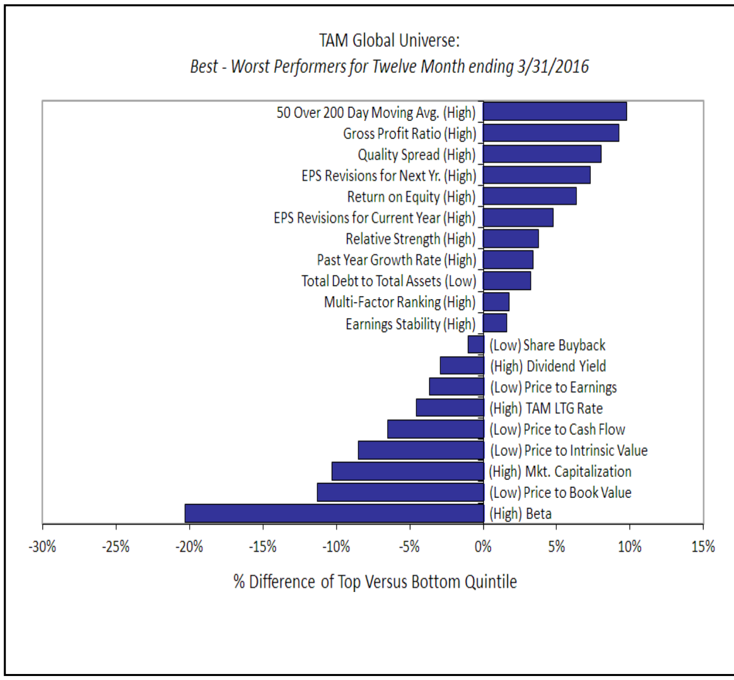

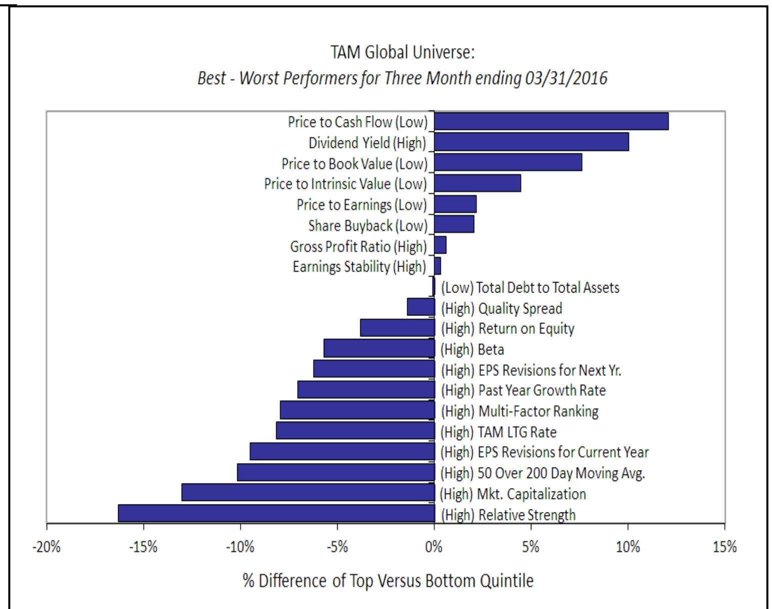

Source: Bloomberg, TAM estimates

Market preferences did a complete turnabout in the first quarter, with investors shifting favor to yield and value from last year's favorites of growth and momentum. Dividend yield and valuation measures were at the bottom of the rankings last year but were rewarded this quarter as investor anxiety grew.

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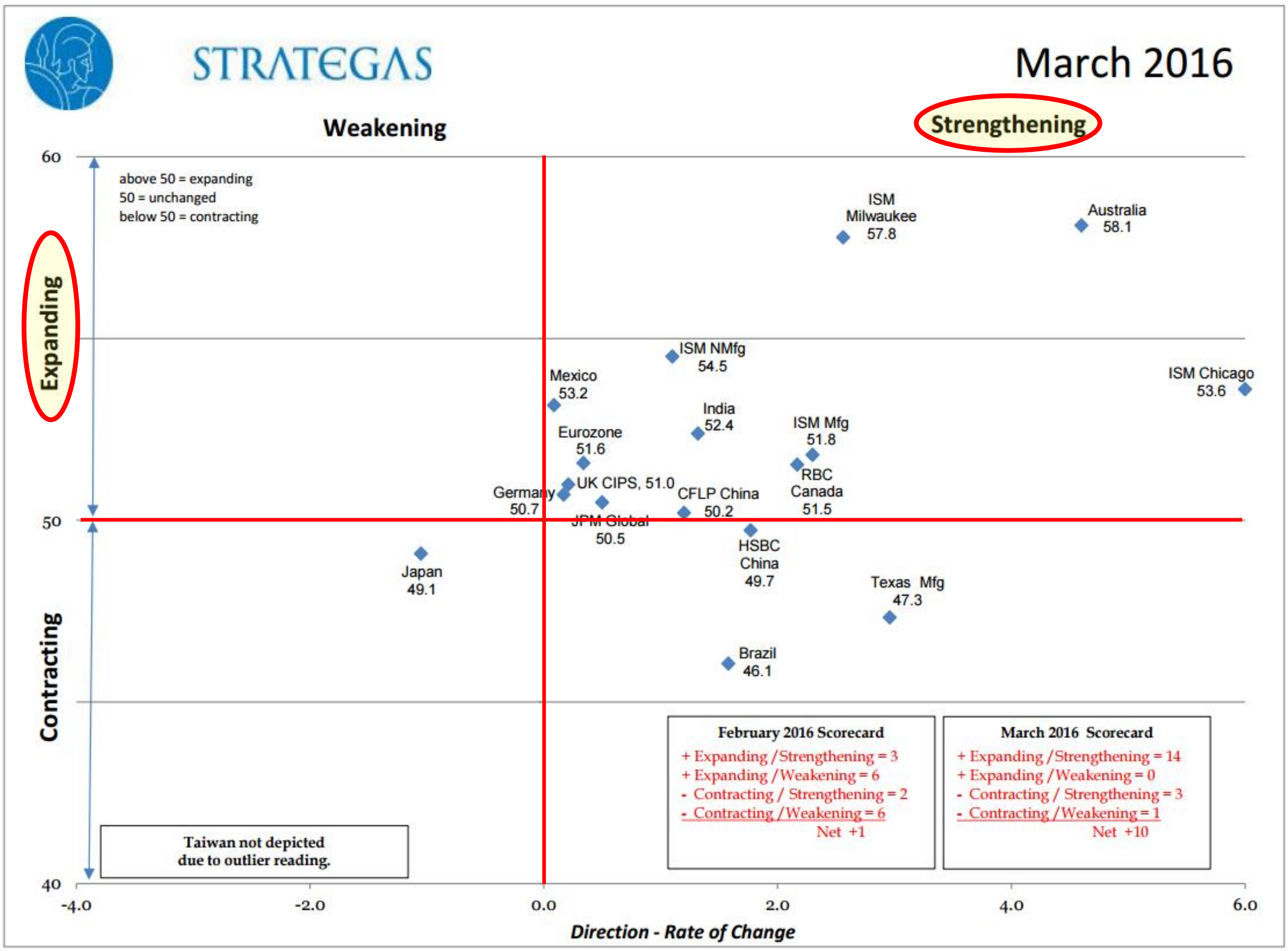
What would you call a worldwide economy where most of the constituents have growing manufacturing activity that is accelerating? Probably one poised for recovery.

The chart below depicts the Purchasing Managers Index, a system used worldwide to see if economic activity is expanding or contracting. Readings over 50 show expansion, while readings under 50 are contraction.

In March, most global readings on this measure indicated expanding activity at an accelerating pace.

Selected PMI Indexes



Performance Review

The Global Intrinsic Value Equity Income Strategy outperformed the ACWI during the quarter as Dividend Yields came back into favor with investors. Global recession fears drove investors into higher yielding sectors in the first part of the quarter. Stock selection drove the two thirds of our outperformance while sector allocation drove the other third. Our portfolio continues to generate a substantial yield advantage versus the index, while growing that yield at a high single digit rate. During this period of slowing global growth, we are confident in the ability of the companies in our portfolio to continue paying their dividends.

Within the portfolio, we generally found that our stock selection in both Consumer Discretionary and Consumer Staples contributed to performance the most. Stock selection in Materials and Energy detracted from performance. Our best five contributors within the portfolio were Coach, AT&T, Philip Morris, Bank of Nova Scotia and Eaton. This list was broad and featured companies from five different sectors. The five stocks that detracted most from the portfolio were ConocoPhillips, AXA SA, HSBC Holdings, PacWest Bancorp and AstraZeneca PLC. Three of the five names were in the financial sector, reflecting investor concern over the global economy and specifically, credit issues within global banks.

Review and Outlook

In our last letter, we said "We are in the midst of an old fashioned correction within a secular bull market." We believe this is still the case and a trading range remains in place until some uncertainties are resolved. Elections in the US, the fears of Britain, Greece or Denmark exiting the EU, concerns on Chinese growth and the effectiveness of Japanese efforts to revive a moribund economy are all concerns that could hold back markets. Against that backdrop, over the next couple of weeks the talking heads are going to begin the "Sell in May and Go Away" speeches.

Stocks have been climbing a wall of worry, and there are still many items to worry about. History suggests that US markets tend to meander in election years until there is some clarity about the outcome. Offsetting that uncertainty, there are economic recoveries continuing in the US, China and Europe. Stocks probably still outpace bonds, as any gains are better than the current negative yields for most government bonds.

As always, we are here to assist you. If you need any additional information, please feel free to contact any of us.

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Todd Asset Management LLC

4-18-2016

MSCI ACWI – 404

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
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.

Specific stocks discussed in this presentation are included to help demonstrate the investment process or as a review of the Composite's quarterly results and are not and were not recommendations for purchase or sale by investors. 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. A complete listing of the holdings as of the period end is available upon request.

Todd Asset Management LLC ("TAM") is a registered investment adviser. 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 (Gross) 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 verified for the period January 1, 2008 through December 31, 2015 by Ashland Partners & Company LLP and 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 by Ashland Partners & Company LLP. In addition, a performance examination was conducted on the Global Intrinsic Value Equity Income Composite for the period January 1, 2011 through December 31, 2015. To receive a complete list and description of TAM composites and/or a full disclosure presentation which complies with the GIPS® standards, please contact TAM at 1-888-544-8633, or write Todd Asset Management LLC, 101 South Fifth Street, Suite 3100, Louisville, Kentucky 40202, or contact us through our Web site at www.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:

MSCI ACWI (Gross) Index is a float-adjusted market capitalization index that is designed to measure the equity market performance of developed and emerging markets.