April 20, 2015
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Partner, Senior Portfolio Manager

QE- The Changing of the Guard

Todd International Intrinsic Value Review

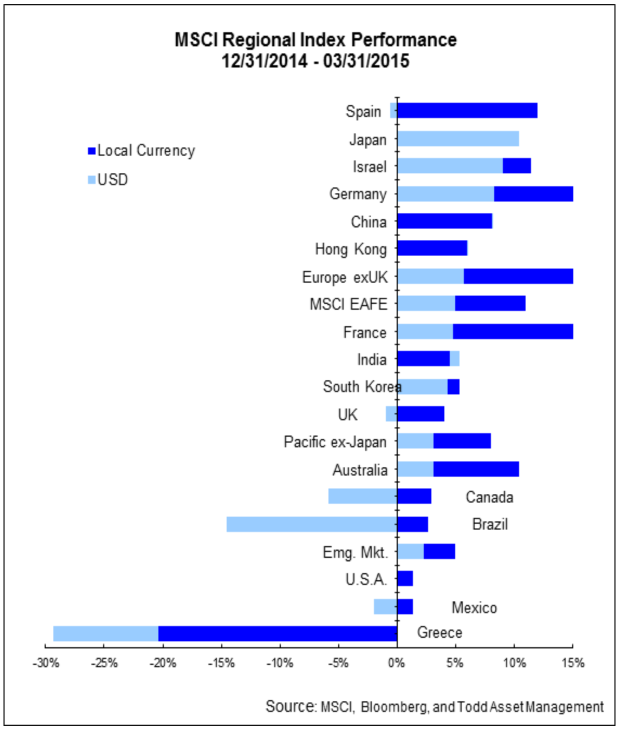
	1Q 2015	1 Year	3 Year*	5 Year*	7 Year*	Since Inception (10/01/05)
International Intrinsic Value (Gross)	4.43%	1.89%	8.99%	7.40%	4.03%	6.62%
(Net)	4.22%	1.06%	8.08%	6.50%	3.16%	5.76%
MSCI ACWI ex US	3.59%	-0.57%	6.88%	5.29%	1.71%	5.01%

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

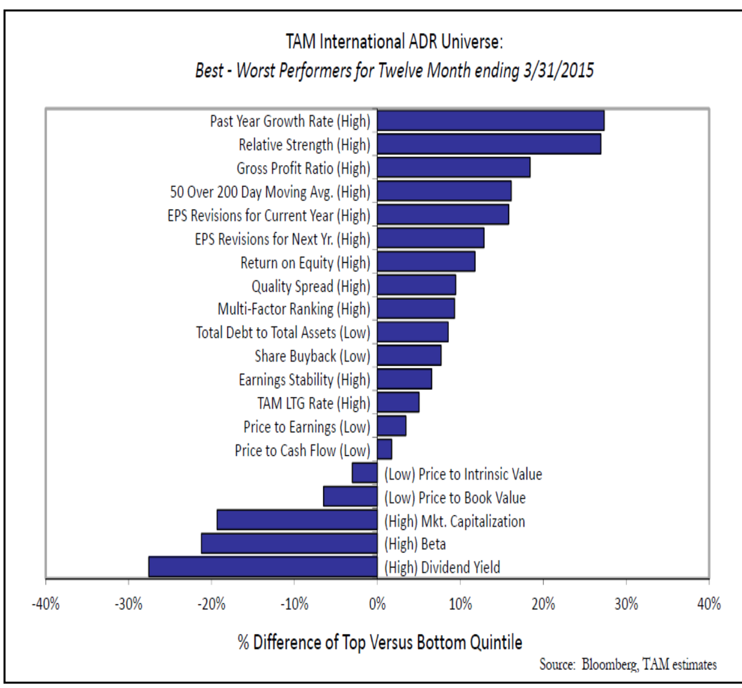
The International Intrinsic Value strategy posted a gross return of 4.43% for the quarter, compared with the MSCI ACWI ex US return of 3.59%. International stocks performed better than their US counterparts as well. US stocks have been the global leadership since the Fed initiated Quantitative Easing after the financial crisis. Our sense is that this is changing because we are heading into a period where the ECB and Bank of Japan are pursuing these policies and the US Fed is not. This changing of the guard regarding who is performing quantitative easing could lead international markets to outperform domestic markets for the next year or more. During the quarter, investors considered and reacted to the following factors:

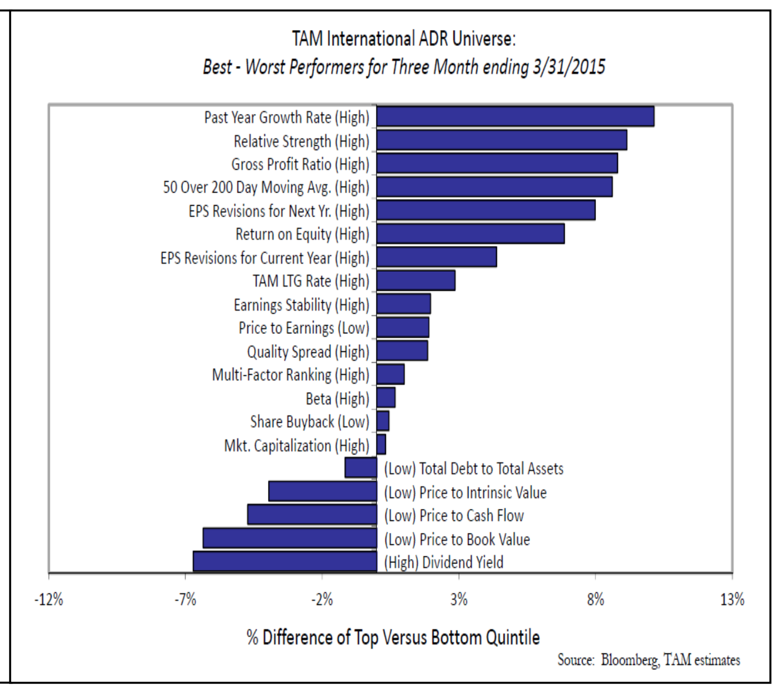
- The ECB finally embarked on a quantitative easing program. They plan to buy up to 60B Euros of assets per month. They and the Japanese are the largest central banks pursuing QE now. As a result of this the Euro has declined in value against the dollar. We expect a cyclical upswing in Europe.
- European volatility increased as the Swiss dropped their currency peg, Greek “game theory” negotiations led to surprises and the Russians quieted down in the Ukraine.
- Global growth slowdown fears led to several surprise easing moves. China, India, Australia, Denmark and Switzerland lowered their rates. The Bank of England is on hold and the Bank of Japan extended their QE program. Most Northern European bonds out to roughly eight years in maturity are at negative rates.
- Emerging markets have bifurcated into commodity producers and commodity consumers. The consumers are faring better.
- China saw better equity performance as their markets opened to outside investors through the Shanghai-Hong Kong stock connect system.
- Oil prices remained pressured, as a supply glut meets sluggish demand. Inflation has declined dramatically, further pressuring interest rates to the downside.

We believe as long as QE programs remain in place driving rates lower in developed markets, investors will be pressured into buying other asset classes, like stocks. Many markets are at new or multi-year highs for this and other reasons. We believe European, Chinese and Japanese growth should be firmer, while some commodity producing economies will probably see weaker growth.



To the left, we present the regional performances of several stock markets. In general, performance favored the European, Japanese and Chinese markets. All of these are areas enjoying easier monetary policies than the US, which was a laggard. Shown below are our customary charts describing which factors have been helping or hindering performance for our international stocks. The chart on the left shows the trailing twelve month performance while the chart on the right illustrates the most recent quarter. Over the trailing quarter and year, the market has preferred visibility over valuation. Specific drivers during the quarter favored stocks showing evidence of good market performance or fundamental strength. The best factors during the quarter were relative strength measures, earnings revisions measures and profitability measures. Valuation and dividend measures lagged badly during the quarter. This was evident within sectors as well as between benchmarks. Investors treated the cheaper stocks as damaged goods throughout the market. These characteristics lead us to think investors are worried about the economy. If this is the case, we anticipate the worldwide economies strengthen through year end, and some of these valuation measures could see a rebound in performance.





The IIV posted a gross return of 4.43% compared to the MSCI ACWI ex US return of 3.59%. The biggest detractors from performance during the quarter were our Industrial and Telecommunications stock selections. In the telecommunications sector, all of our stocks declined more than the benchmark sector. America Movil, the Mexican wireless provider, had weaker results than expected. Telus, the Canadian telecom company, posted good results but may be seeing pressure due to Canada's concentration in the energy business. Orange, the French telecom company, weakened as the French economy remained lackluster and rumors of them wanting to buy Telecom Italia cropped up. Within the Industrial sector, our Canadian stocks, Stantec, Canadian Pacific Railway and Canadian National Railway all came under pressure due to concerns about energy activity subsiding.

On the positive side, both our overweighting and selections in Health Care stocks contributed positively to our outperformance. Our overweighting in Technology also contributed to our outperformance. The best performers within the Health Care sector were Valeant Pharmaceuticals, Icon PLC, and Novo Nordisk were all standout performers during the quarter. Valeant, the Canadian drug maker, soared after winning the bidding for Salix Pharmaceuticals, a deal that investors liked. Icon, the Irish contract research services company, posted earnings that beat expectations and displayed excellent cost management in their results. Novo Nordisk, the Danish pharmaceutical company, performed well as they resubmitted several new products to the FDA for approval.

The top five contributors to returns this quarter were NXP Semiconductors, Avago Technologies, Icon PLC, Valeant Pharmaceuticals and Amdocs. Both NXP and Avago are benefitting from the demand for new iPhones. NXP provides the near field communications chips that Apple Pay relies on. Avago provides a number of components that allow the phone to connect to wireless systems. Amdocs posted good results and noted several contract wins in their quarterly release.

The weakest five stocks in the portfolio were Seagate, Hollysys Automation, Stantec, Itau Unibanc and Open Text. Seagate, a hard disk drive manufacturer, suffered as PC sales slumped and sentiment around PC suppliers got worse. Hollysys, the Chinese automation and signal manufacturer, is still seeing flattish results from their rail signaling division, which has weighed on the shares. Itau, the Brazilian bank, came under pressure with the worsening economic conditions in that country. Open Text, a Canadian technology company, has seen orders come in below estimates.

Most of our positioning changes stemmed from the decrease in oil prices, weakness in the Euro, and expectations for some shifts in the capital replacement cycle. We believe the decrease in oil prices marks a decided shift in the environment where supply will not be regulated by the Saudis anymore and oil will cease to be a politically priced commodity. This means that oil prices may remain lower for quite a while. The competitive devaluation of the Euro and Yen are making their products cheaper in world markets. That's another factor that may be with us for some time to come.

We measure our sector weights against the MSCI ACWI ex US index. We increased our overweighting by 2.75% in Consumer Discretionary stocks this quarter, as we believe lower energy prices and some pickup in economic activity should contribute to better sales and earnings in this area. We decreased our Technology weighting as we took profits in some of our emerging market companies. We lowered our Industrial sector overweights in recognition that Capital Expenditures on oil could be depressed for some time. Our two major overweighted sectors within the portfolio remained Health Care and Information Technology companies. Our disciplines still point to good values and triggers to recognize those values within those sectors. The two major underweighted sectors are Consumer Staples and Financials. Staples remain expensive, and the Financials are starting to become more attractive on our work.

The Outlook

We see great potential for worldwide economic activity to improve as the effects of lower energy prices, pent up demand and quantitative easing impact equity demand. Stocks tend to follow economic activity, and we believe a recovery is likely in North America from depressed winter levels. Europe and Asia should benefit as well as they are emerging from recessions (again!). Pent up demand for consumer durables remains strong worldwide, led by a strong appetite from consumers for autos. We view the weakness in the Euro and Yen as a development that should spur demand for their products. We believe the Chinese are still working to stimulate demand and probably continue that for some time to come. Quantitative easing has forced interest rates to turn negative in many European markets. Charging investors to hold their money forces them to seek other places to put their money, like stocks.

We are concerned about several items. Dollar strength could keep pressure on the Chinese exports as their currency is still tied to the dollar. Additionally, there are financial and geopolitical pressures coming from Europe as concerns grow about a Greek exit of the EU, or Russia’s incursions into the Ukraine. The Brits are having an election on May 7, and some anti EU sentiment is cropping up. We will have to see where that leads. We are seeing many risk indicators suggest that stresses and worries are increasing in the European Markets. Other concerns could arise from China, and the slowdown they are experiencing.

We are positioned for the economic recovery to accelerate in Europe and China, albeit with more of an emphasis on the consumer sector than business capital spending. We would expect the strategy to see better performance through the rest of the year. If valuations do matter more as the year progresses, then our expectation is that we should see a recovery in performance.

When you pair attractive valuation with evidence that fundamentals are improving and the market is recognizing that improvement, we believe you can identify stocks with a probability of outperforming. That is what we do with this strategy, complementing those factors with fundamental research to uncover the best ideas. This process leads us to position for continued growth in consumer demand, especially in Discretionary and Health Care stocks. We also maintain an overweight in the Technology and Industrial sectors, though we are trimming our Industrial exposure as a result of the concerns noted above.

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

Jack White, CFA Curt Scott, CFA Jack Holden, CFA

Todd Asset Management LLC

4-17-2015
MSCI ACWI ex US – 281.24

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
INTERNATIONAL INTRINSIC VALUE COMPOSITE DISCLOSURE

Past performance does not provide any guarantee of future performance, and one should not rely on the composite 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 solely as part of 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. Investors should not construe the Composite's performance or any security as predictive of future results. 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 public funds, endowments, foundations and high net-worth individuals, invested primarily in large cap international equity securities with the objective to seek capital appreciation. This goal is pursued by investing in a diversified portfolio of equity securities that TAM believes are trading at a discount to their intrinsic value.

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, TVAM redeemed ownership units held by individuals who supported the growth products founded under VAM and changed its name to Todd Asset Management LLC. The Firm continues to offer the same products and strategies managed by the same individuals and 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 (Gross) or the MSCI EAFE Index (Gross) 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 verified for the period January 1, 2008 through December 31, 2014 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 International Intrinsic Value Composite for the period January 1, 2011 through December 31, 2014. 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, 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%. The currency used to calculate and express performance is U.S. dollars. All cash reserves and equivalents have been included in the performance. As of 6/30/2013, the primary benchmark was changed to the MSCI ACWI ex-US from the MSCI EAFE. The ACWI better reflects the strategy guidelines with emerging market and Canadian exposure. Both indexes have been presented in the past. As of the aforementioned date the EAFE has been removed.

The composite performance has been compared to the following benchmark (shown with dividends reinvested):

MSCI ACWI ex-U.S. (Gross) 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.