TODD
ASSET MANAGEMENT LLC

**October 17, 2014**
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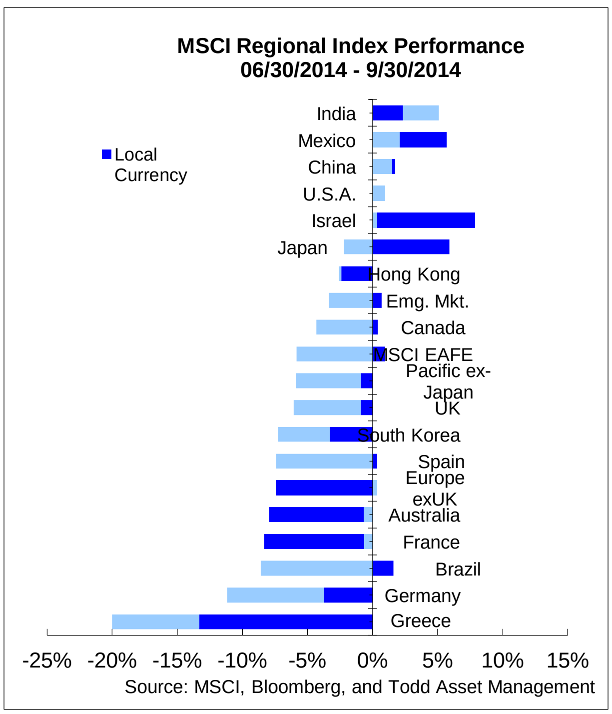
**Partner, Senior Portfolio Manager**

# Todd International Intrinsic Value Review

| | 3Q 2014 | YTD | 1 Year | 3 Year* | 5 Year* | 7 Year* | Since Inception (10/01/05) |
|---|---|---|---|---|---|---|---|
| Intl Intrinsic Value (Gross) | -2.92% | 0.98% | 9.22% | 16.74% | 9.90% | 2.79% | 7.08% |
| (Net) | -3.12% | 0.35% | 8.32% | 15.77% | 8.99% | 1.93% | 6.21% |
| MSCI ACWI ex-U.S. | -5.19% | 0.39% | 5.22% | 12.29% | 6.50% | 0.30% | 5.34% |

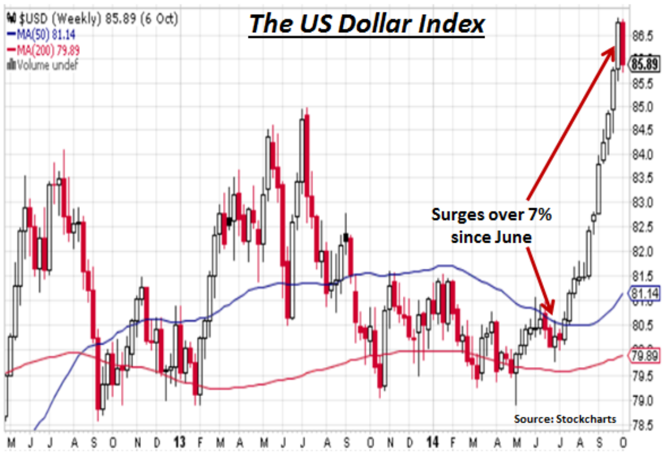
* *Annualized Total Returns. Please refer to the attached Performance Disclosure for further information*

International markets posted poor returns in the third quarter, with the ACWI ex-US index declining -5.19% and only gaining 0.39% YTD. Developed markets declined more than Emerging Markets. The International Intrinsic Value Strategy (gross of fees) outperformed the index during the quarter and year to date with a decline of -2.92% in the quarter and gain of 0.98% YTD. Our gross of fees performance over all time frames noted above is ahead of the index.




The leading markets during the quarter are noted in the graph on the left. Three of the four leaders were Emerging Markets during the quarter. Three of the four laggards are European. It was a soggy quarter for most equity markets worldwide, with the EAFE and ACWI ex-US indexes declining over 5% for the quarter in dollar terms. The US had a better experience, essentially unchanged on the value index and up about 1% for the S&P 500. Much of the differential between markets was due to a surge in the dollar versus the Euro, Yen and Pound Sterling between July and September. Dollar strength occurred as a result of several events weighing on world sentiment. Russian backed separatists in the Ukraine shot down a Malaysian Airways jet in July, heightening tensions that have surrounded that conflict. Ensuing rhetoric has led to sanctions between Europe and the US on one side and Russia on the other. This has weighed on the visibility of European growth, provoked lower inflation in Europe and weakness in the German economy. In response to this, the ECB took extraordinary actions in early September, announcing further rate cuts, targeted LTROs and plans to institute purchases of bonds in the near term.

At the same time, Japan is struggling through a weaker quarter due to the recent increase in their Value Added tax. Additionally, the Bank of England and the US continued to their progress towards normalizing (read that as raising) their short term rates since their economies have recovered from the 2009 event. Economic growth is good for the US and UK and both unemployment rates have declined. Chinese growth has been spotty, with some measures showing mixed results. Concerns about slowing growth are rising as their real estate market continues to soften. China has been unwilling to announce a wholesale stimulus program but they are implementing a number of targeted programs. We believe if growth gets any weaker, they would probably be forced to offer some broader stimulus measures.

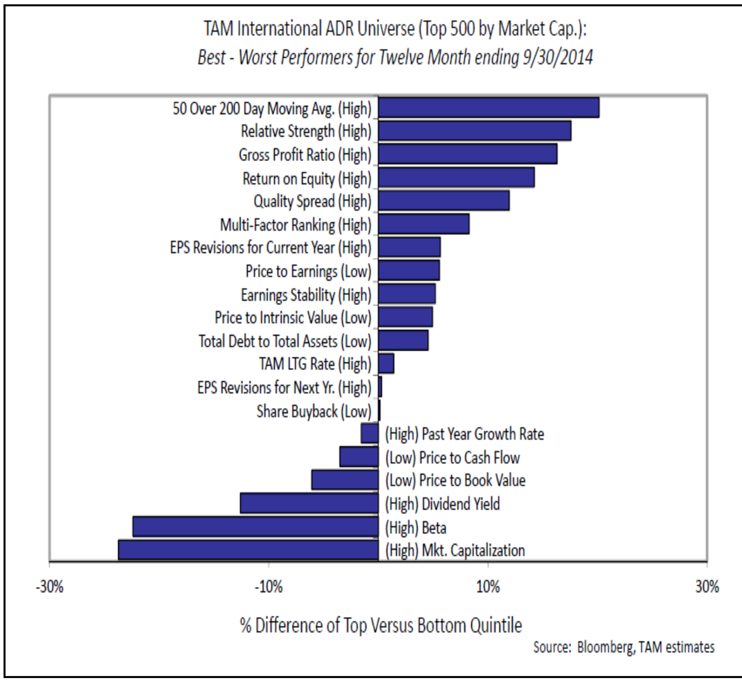


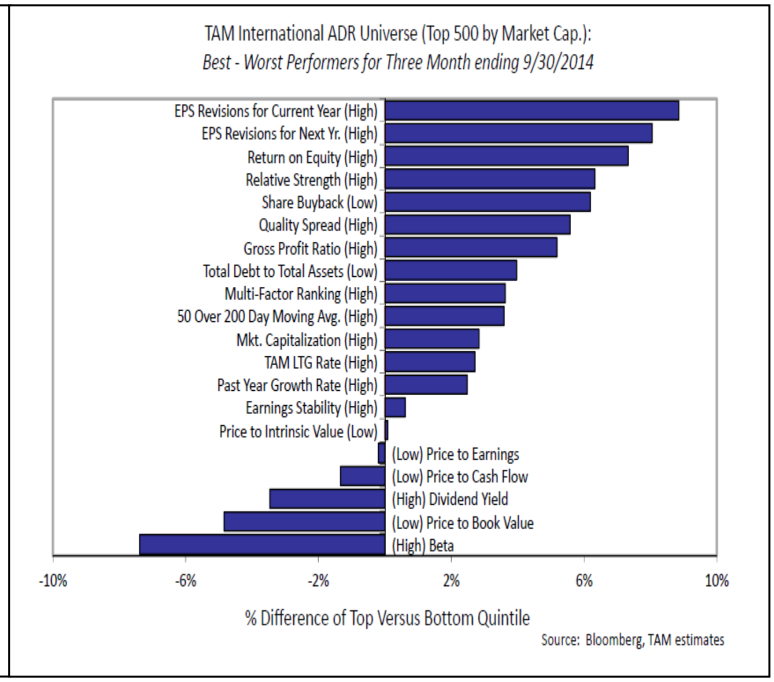

Geopolitics came to the forefront of investors' minds as they wrestled with the Russian Ukrainian conflict, Israel and the Gaza Strip, fears of Scottish secession, Ebola spreading and more recently protests in Hong Kong. Equally important, but less noted are some key elections coming up in the US and Brazil. Another emerging problem is the newly formed ISIS group, which has taken over large swaths of Syria and Iraq over the past three months. The group was relatively unknown until after they had acquired half of Iraq.

It was not all bad news in the quarter. Purchasing manager indexes were pretty good for most of the quarter, and most are still indicating some expansion in manufacturing for most parts of the world. Additionally, earnings have been good and should be supportive of equities. Numerous mergers and acquisitions have occurred, indicating improved confidence among business leaders. Also, the quarter had record breaking IPO deals completed. All of these indicate to us that sentiment for business leaders is firming up.

In all, the quarter was a tug of war between rising geopolitical tensions, and economic data in the US being firmer. As tensions wore on during the quarter, economic activity began slowing in Europe and the recognition of this by the ECB sparked weakness in the Euro and Strength in the dollar. Japanese activity never really recovered from last quarter, sparking weakness in the Yen and strength in the dollar. The IMF lowered growth estimates, and many observers are worried about Europe slipping into recession again. That is why we expect the European Central Bank to pursue more aggressive Quantitative Easing programs.

We present the factors that added and detracted from performance for the 500 largest international companies traded in the US in the quarter and most recent twelve months below.




The chart on the left shows the trailing twelve month performance while the chart on the right illustrates the most recent quarter. As we look at it, with Beta and Dividend Yield underperforming this quarter, it was an odd mix. Other quality metrics seemed to be in demand, so we think the market downdraft did bring back a flight to quality mentality in the international markets.

Our portfolio beat the indexes during a difficult quarter. In dollar terms, 9 of the 10 economic sectors in the ACWI ex-US index declined, with the only increasing sector being health care. The best performing sectors within the ACWI ex-US index were the Health Care, Telecom, Technology and Financial sectors. The worst performing were the Energy, Materials, Consumer Discretionary and Industrial sectors. Our largest sector concentrations are in the Financial, Industrial, Information Technology, Health Care and Consumer Discretionary Sectors. We are overweighted versus the index in all of those except the Financial sector.

Our outperformance was driven by stock selection, where we added value market in five of the ten GICS sectors. Our best sector contributors were Technology, Materials, Industrials and Health Care. The only sector with stock selections that significantly detracted from returns was Consumer Discretionary.

Our best five contributors to return in the quarter were Avago Technologies, Open Text, Doctor Reddy's, Icon PLC and Tata Motors. Leadership was an interesting mix of Technology and Health Care companies with a regional concentration in India. The five weakest performers in the portfolio were Copa Holdings, Orix, New Oriental Education, Grifols SA and Seadrill. We eliminated New Oriental Education during the quarter. There was no theme or overall trend in the underperformers and their reasons for underperformance are diverse. We have downsized positions in several of our underperforming names during the quarter.

We are pleased with the outperformance during the quarter, and believe it should continue as the year proceeds. Since the ECB made their recent announcements, individual stock picking has come back into favor, and this has benefitted our style. Our sense is this trend will remain in place for some time to come. We are watching the European situation closely and think that the ECB is likely to aggressively deploy quantitative easing. Unless that is coupled with pro-growth policies from the sovereign governments, it could be positive for financial markets but still result in the Eurozone economy weakening in the short term. That is probably the biggest wild card we see for the fourth quarter.

Please feel free to contact us for further information

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

Todd Asset Management LLC
October 16, 2014
MSCI ACWI ex-US- 257.52

***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 March 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 March 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.