October 17, 2014
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Partner, Senior Portfolio Manager

Todd Intrinsic Value Opportunity Strategy Review

	3Q 2014	YTD	1 Year	3 Year*	5 Year*	7 Year*	Since Inception (4/1/2006)
Intrinsic Value Opportunity (Gross)	2.30%	7.62%	19.39%	25.01%	18.39%	9.61%	9.06%
(Net)	2.09%	7.00%	18.49%	24.11%	17.54%	8.86%	8.33%
S&P 500	1.13%	8.34%	19.74%	22.99%	15.70%	6.02%	7.34%
Russell 1000 Value	-0.19%	8.07%	18.89%	23.93%	15.26%	4.81%	6.44%

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

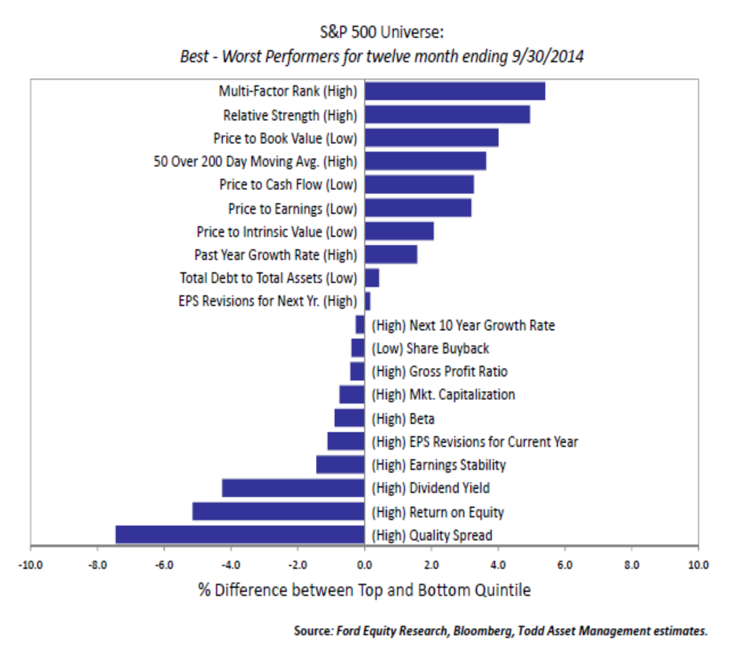
The Intrinsic Value Opportunity posted a gain of 2.3% (gross of fees) in the quarter, Exceeding the S&P 500 and the Russell 1000 Value returns of 1.1% and -0.2% respectively for the quarter. Year to date the IVO is fractionally behind both indexes. For the trailing twelve months the strategy is between the S&P 500 and Russell 1000 Value returns.

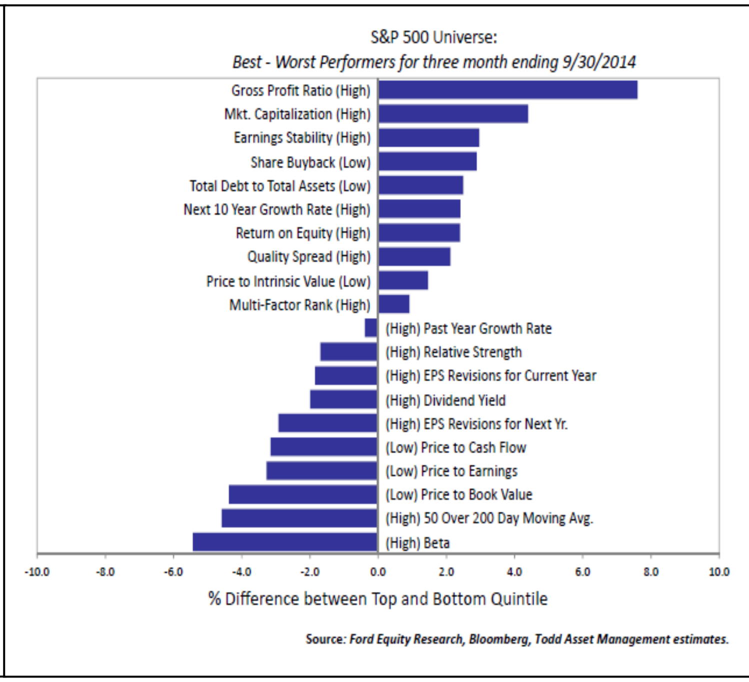
The S&P 500 is up slightly over 8% year to date through September. Some of the trends to be aware of are as follows;

- The range of YTD returns by S&P 500 sector are as follows; Healthcare +16.6%, Information Technology +14.1%, Utilities +13.7%, Materials +8.9%, Financials +7.5%, Consumer Staples +7.2%, Telecommunications +6.9%, Energy + 3.4%, Industrials +2.9% and Consumer Discretionary stocks up 0.9%.
- Range of YTD total returns by asset class are S&P 500 up 8.3%, S&P Midcap up 3.2%, S&P Smallcap down -3.7%, Russell 1000 Value up +8.0%, Russell 2000 down -4.4%, and Barclays AGG ETF up +4.0%.
- During the quarter, Health Care, Information Technology and Telecomm Services were the standout sectors in the index. Pharmaceuticals, Biotech, Semiconductor, Software and Telecommunication Services were the index subsectors showing the best returns.
- Rotation out of Energy stocks was the most striking feature of the S&P this quarter. Oil prices declined and the stocks gave up the spike they enjoyed last quarter.
- The Fed continues to taper, but bond yields are down and the dollar has surged 7.7% during the quarter.
- IPO and Merger activity has continued due to low rates and growing confidence in the US recovery.

The strategy is concentrated to 30 stocks within the S&P 500 that have a combination of very good valuation, and excellent rankings on one of three other factors we use to evaluate income statement strength or balance sheet strength or technical strength in the market. It is unconstrained and will often have large concentrations in some sectors. This concentration allowed for excellent outperformance this quarter. This strategy is appropriate as a standalone aggressive alpha generator for clients seeking above average performance. It can also be used as complementary satellite strategy for clients using indexing in the core space to add some alpha generation into their portfolios.

We present our customary charts on what factors have been helping or hindering performance for US stocks below. Our proprietary Multi-Factor rank added the most value over the past twelve months, and showed well during the prior quarter as well. Where quality was shunned over the prior twelve months, it has returned to adding value. Additionally, where traditional valuation measures added value over the prior year, over the past three months they have detracted from performance. We have found that our Intrinsic Valuation methodology has been a good tool over the past three and twelve months. Finally, where investors penalized large cap companies with good profitability and strong balance sheets, those measures have switched to adding value recently. We think this may continue for some time.





Compared to the S&P 500, stock selection provided all of the outperformance in the quarter. Compared to the Russell 1000 Value, stock selection and sector allocation provided the outperformance. Stock selection added value in eight out of ten GICS sectors. Our best sectors were the Energy and Materials sectors. We were market weighted in each of them. Our weakest sectors were the Consumer oriented sectors.

The best performing stocks were Gilead Sciences, NetApp Inc., Family Dollar Stores, CF Industries and PetSmart. Gilead performed well on the acceptance their new Hepatitis C cure has gained. Family Dollar and CF Industries gained on takeover talks. PetSmart outperformed after announcing they were looking at strategic alternatives, including the possible sale of the company. NetApp improved after good results and in anticipation of the introduction new storage products.

Our laggards included Michael Kors, Walgreens, Yum!Brands, Cognizant Technology and Fossil Group. Walgreens missed estimates and provided poor guidance for next year. We sold WAG out of the portfolio in

September and replaced it with Southwest Airlines. Other decliners were generally as a result of earnings expectations being downgraded after companies reported.

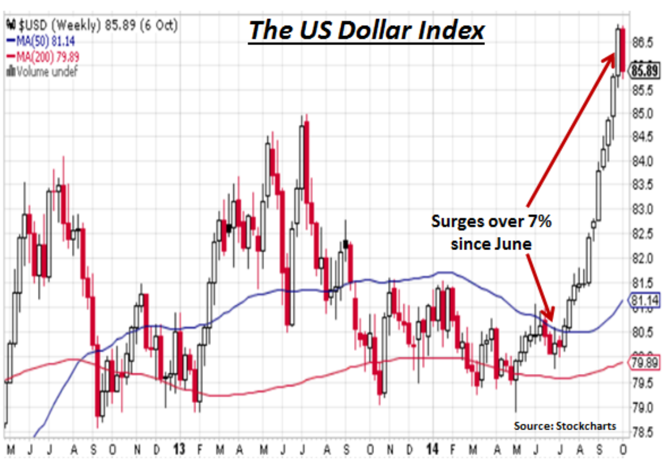
Given the nature of this portfolio, we look at the trends it identifies through clusters of similar stocks as an important contributor to its success. After passing a rigorous fundamental review of valuation, we allow our trigger factors to direct the formation of the portfolio to highlight those combining attractive valuation with strong profit generation, a strong balance sheet or exceptional technical strength. The resulting portfolio emphasizes valuable stocks that have triggers to recognize that value immediately. In other words, it tells you which trends the market should recognize and reward over the near term. The themes the strategy is emphasizing for the last quarter included

- Luxury Brand Equity- Fossil, Michael Kors, Coach and Starbucks.
- Industrial Capital Spending- Fastenal, WW Grainger, General Dynamics
- Discount Retailing- Dollar Tree, and Family Dollar.
- Expanded Health Coverage -Humana and LabCorp.
- IT upgrade cycle (hardware and software)- Netapp, Seagate, F5 Networks, Apple, IBM and Cognizant Technology

Any good strategist can highlight long term themes that are likely to work over time. Where this strategy is different is that the trends we highlight are the ones our disciplines indicate should work right now. That strategy has served us well over time. As we look to the upcoming quarter, the themes we see emphasized are Discount Retailing, Luxury Goods, Media, Airlines and a continuation of the IT upgrade cycle.

Quarterly Review

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 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 and most 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 Outlook

At this writing, two things are on our mind. First, most central banks are still pretty accommodative and bond buying is likely to pick up from here as the ECB starts their program. The central banks that have stopped buying bonds are unlikely to sell any. In our opinion, this means rates probably stay uncomfortably low for some time to come. This is the primary reason equity market have acted well for the past few years and we don't expect that to change anytime soon. The second thing we know for sure is that we just entered October after a period where the market has moved pretty significantly over the past 18 months. Some weakness was probably to be expected. We are concerned that the strength in the dollar could impact quarterly earnings.

As we look forward, our sense is the ECB has some urgency in implementing their QE programs. Japan continues to aggressively implement their easing programs. The US and UK are wrapping up bond buying programs but not positioned to raise rates immediately. China is slowing, and that makes them uncomfortable. They could take further actions to promote growth. We also know that US midterm elections are about to occur. Historically, US stocks normally get a pretty good lift during the fourth quarter after midterm elections. If the market decides to weaken early in the new quarter, we would think that is a short term phenomenon and would expect a year-end rally in equity markets.

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

10-16-2014

S&P 500 – 1862.76

Russell 1000 Value – 932.55

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
INTRINSIC VALUE OPPORTUNITY 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 or since the period reported. Accounts within this composite are rebalanced on the first trade day of each quarter. 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, retirement plans, endowments, IRAs and high net-worth individuals, invested in domestic equity securities within the S&P 500 Index with the objective to seek capital appreciation. This goal is pursued by investing in a portfolio of equity securities that are in the least expensive third of the S&P 500 Index based on price-to-intrinsic value and have high technical market strength or high balance sheet strength or high income statement strength ratings.

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 Intrinsic Value Opportunity Composite contains fully discretionary, taxable and tax-exempt accounts that use either the S&P 500 Index or the Russell 1000 Value Index as the benchmark. 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®). TAM's compliance with the GIPS® standards 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 Intrinsic Value Opportunity 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.com.

The performance information is presented on a trade date basis, both gross and net of management fees, net of transactions costs, and includes the reinvestment of all income. Net of fee performance was calculated using the applicable annual management fee schedule of .80% applied monthly. From October 2009 to March 2014 the management fee schedule applied to the composite was 0.70%. Prior to October 2009, the highest management fee 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.

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

S&P 500 Index is a widely recognized index of market activity based on the aggregate performance of a selected unmanaged portfolio of publicly traded common stocks. The performance data includes reinvested dividends and was supplied by Standard & Poor's. It is included to indicate the effect of general market conditions.

Russell 1000 Value Index is a widely recognized index of market activity based on the aggregate performance of common stocks from the Russell 1000 Index, with lower price-to-book ratios and lower forecasted growth values. The performance data was supplied by Frank Russell Trust Company.