

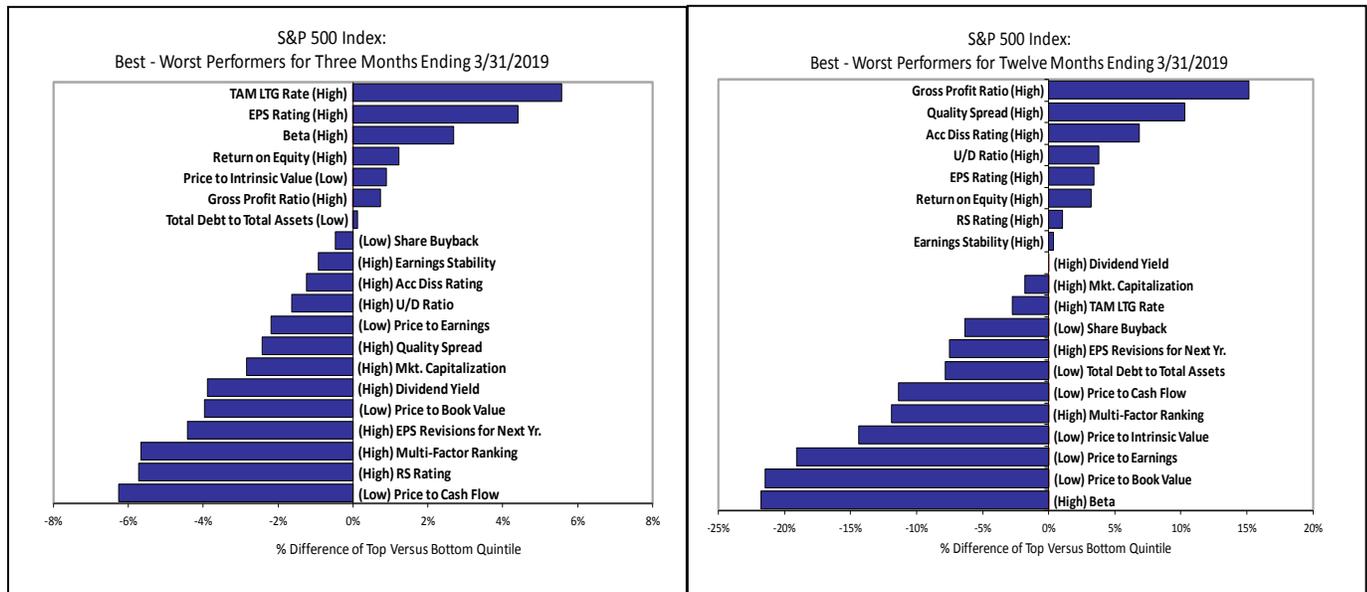
### Todd Intrinsic Value Opportunity Review

	1Q 2019	1 Year	3 Year*	5 Year*	7 Year*	10 Year*
Intrinsic Value Opportunity (Gross)	12.4%	3.8%	5.4%	3.8%	8.9%	15.5%
(Net)	12.2%	2.9%	4.6%	3.0%	8.1%	14.7%
S&P 500	13.7%	9.5%	13.5%	10.9%	12.8%	15.9%
Russell 1000 Value	11.9%	5.7%	10.5%	7.7%	11.1%	14.5%

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

### Performance Review

The IV Opportunity strategy increased +12.4% (gross) during the quarter, underperforming the S&P 500 (+13.7%) and outperforming the Russell 1000 Value (+11.9%). As a reminder, this strategy invests in the most attractive segment of the S&P 500 based on our Price to Intrinsic Value measure, and then selects the best ten in three sleeves based on excellent profitability, financial strength or technical strength. Having a deeper value bias has been a headwind for much of the past few years, though we believe the outlook is likely improving for value oriented managers as investors gain some comfort that the economy is not in the final inning of its expansion. As we get some lessening of concerns over the US/China Trade confrontation, and further clarity on other uncertainties like Brexit or Central Bank policy, we would expect this strategy to be a beneficiary of that.



Source: Ford Equity Research, Bloomberg, & TAM estimates.



Factor work narrowed late last year and remained narrow during the first quarter. We would have expected it to broaden out given the strong returns from markets. Apparently, markets improved without underlying confidence in fundamental factors improving much. Investors sought better long term growth rates, higher Gross Profit Returns on Assets and higher Return on Equity ratios over the past year and quarter. Uncertainty about economic outlooks is still present, and investors are comforted by higher quality growth companies. Despite that, Intrinsic Value worked better than many other factors during the most recent quarter. Most value and fundamental measures hurt performance over the past quarter and year.

This portfolio tends to have sector concentrations in areas where Intrinsic Value is complemented by one of the three other characteristics we have found add value to it. The sectors that were emphasized in the first quarter were Consumer Discretionary, Information Technology and Health Care. Specific themes that the strategy focused on included discount department stores, luxury goods, auto aftermarket sales, IT hardware, Drugs, Biotech and Managed Care. During the quarter, there was no exposure to Utilities or Real Estate Investment Trusts.

Our top five contributors to performance during the quarter were Celgene, Nvidia, Sealed Air, Tiffany and Whirlpool. Celgene received a buyout offer from Bristol Myers, driving the shares up. Nvidia shares recovered from a dismal second half of last year as technology stocks recovered and they made an acquisition that positions them well for upcoming product cycles. Sealed Air reported good earnings and upward guidance on their cost cutting initiatives. Tiffany's rose on better Christmas sales than expected, and Whirlpool benefitted from lower rates reviving optimism for housing related stocks.

Our worst five detractors from performance during the quarter were Macys, H&R Block, Hewlett Packard, Tapestry, and Citrix Systems. Macys was stopped out of the portfolio after reporting poor Christmas sales. Tapestry reported weakness in gross margins and the Kate Spade lineup, hurting their shares. H&R Block reported losing shares to other online tax preparers during the season. Hewlett Packard issued weaker guidance for their lucrative printing supplies and the shares weakened. Finally, Citrix lowered their guidance during the quarter, negatively impacting sales.

We just wrapped up the best quarter of market performance since 2009, a liftoff period after the Great Recession. Much of this is a result of a rebound from the fourth quarter, which was the worst since 2011. We do not believe a recession is likely anytime in the next couple of years, but the market was very concerned that one was occurring during the fourth quarter as synchronized slowdowns in growth between China, Europe and the US concerned investors.



These slowdowns arose from a number of different factors, but the major concerns, namely the US/Chinese trade dispute, Brexit Concerns and aggressive tightening from the US Fed are all in the process of being resolved. We believe a second half economic acceleration is likely as stimulative measures from China should bolster worldwide economies. We would not be surprised to see the S&P 500 bid some time and consolidate though until we get some formal agreement on the US/Chinese trade dispute or an economic reacceleration. We think this is still a secular bull market that should last for many years to come.

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

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Jack White, CFA  
Jack Holden CFA  
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04/18/19  
S&P 500 – 2,905  
Russell 1000 Value – 1,241

***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.***

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## **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 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.**

**Registration of an investment adviser does not imply any level of skill or training.**

**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 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. 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 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 securities that are in the least expensive third of the S&P 500 Index using a rules based process based on financial strength, profitability strength and market acceptance.

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 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®). The Firm has been independently verified for the periods January 1, 2008 through December 31, 2018. 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 Intrinsic Value Opportunity Composite has been examined for the periods January 1, 2011 through December 31, 2018. A complete list and description of TAM composites and/or the verification and performance examination reports are available upon request by contacting 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](http://www.toddasset.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 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 benchmarks. The indexes are unmanaged, and not available for direct investment; they include reinvestment of dividends; they do not reflect management fees or transaction costs:

**S&P 500 Index** is a widely recognized index of market activity based on the aggregate performance of a selected portfolio of publicly traded common stocks. The performance data 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.



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