

## Todd Q1 2024 Intrinsic Value Opportunity Review

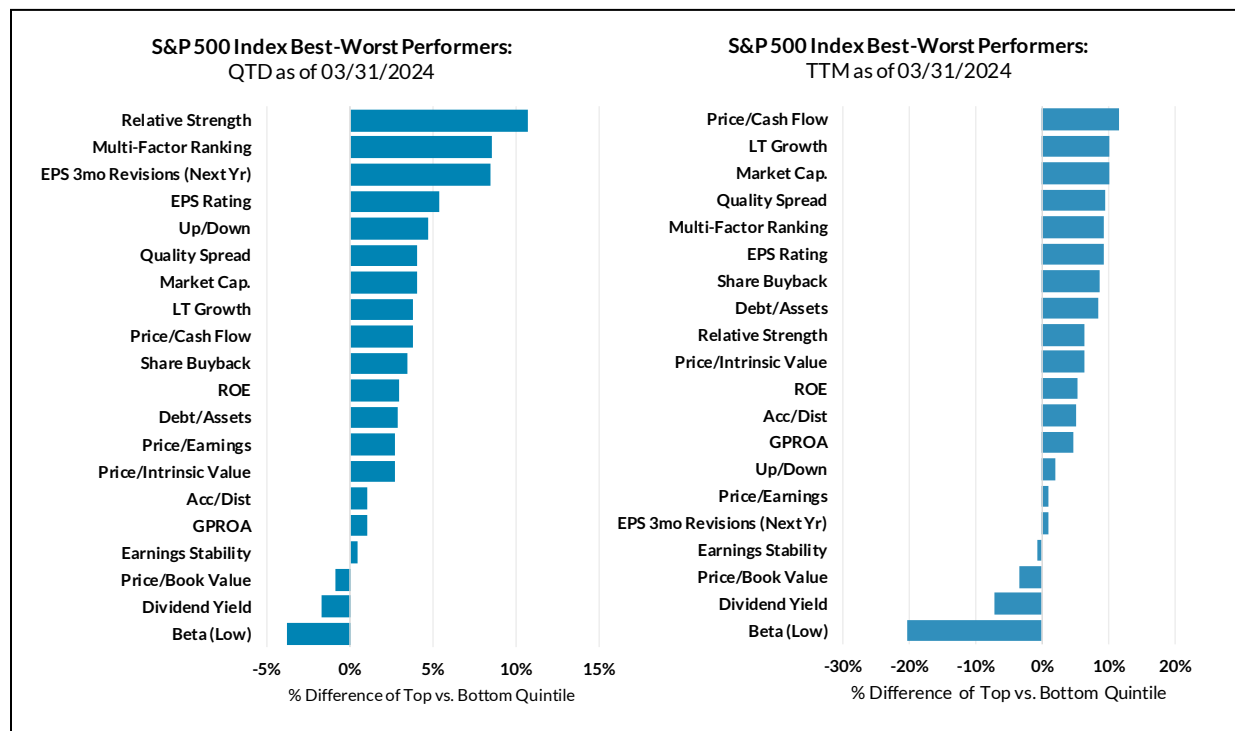
	1Q 2024	1 Year	3 Year*	5 Year*	7 Year*	10 Year*
IV Opportunity (Gross)	12.97%	24.33%	13.24%	14.71%	11.52%	9.13%
IV Opportunity (Net)	12.74%	23.31%	12.31%	13.76%	10.59%	8.23%
S&P 500	10.56%	29.87%	11.49%	15.05%	14.09%	12.96%
Russell 1000 Value	8.99%	20.27%	8.12%	10.32%	9.15%	9.01%

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

### Performance Review

Our IV Opportunity strategy finished the quarter ahead of both the S&P 500 and Russell 1000 Value as markets continued to take on a more optimistic tone. Investors have gotten a lot more comfortable with the economic backdrop as most central banks are set to pivot policy to be more accommodative and manufacturing activity continues to recover from weak levels that persisted through most of last year. Markets continued to broaden out in response, and we saw a number of economically sensitive sectors lead the way.

### Factor Performance



Source: Bloomberg, William O'Neill + Co. and Todd Asset Management

Our factor work broadened out considerably from the 4th quarter, which saw only one single metric that notably outperformed. 17 out of the 20 factors that we follow contributed positively, led by a handful of Earnings, Quality and Market Recognition metrics. This confirms the broader rotation we've witnessed out of the Magnificent 7 as the market seem to be rewarding a larger subset of names that this strategy has been highlighting. Relative Strength was the top performer followed by our Multi-Factor Ranking and two Earnings measures (Earnings Revisions and EPS Rating). The three detracting factors for the quarter were Low Beta, Dividend Yield and Price/Book Value. All of the measures we use to build the opportunity portfolio were additive in the quarter.

Our outperformance in the quarter was primarily related to stock selection in the Consumer Discretionary, Industrials, and Information Technology sectors partially offset by stock selection headwinds in the Communication Services and Energy sectors. From an allocation perspective, the IVO benefited from an under allocation to Healthcare and Real Estate and an overallocation to Energy, partially offset by our overallocation to Consumer Discretionary, and under allocation to Information Technology.

The top five contributors to performance during the quarter were Paccar, United Rentals, Kroger, Parker Hannifin, and Tractor Supply. Paccar shares rose after announcing beats on the top and bottom lines related to better-than-expected truck deliveries, pricing, and efficiencies that lifted margins. United Rentals shares ascended after posting Q4 results that highlighted broad based rentals strength and expectations for robust continued growth and share repurchases in 2024. Kroger shares outperformed, despite a tough operating environment, as its strategy to improve digital engagement and drive value via focus on private label aided traffic volume. Parker Hannifin sharply beat on earnings as its Industrial and Aerospace segments experienced robust demand which caused management to sharply raise its earnings outlook for 2024. Tractor Supply shares were lifted on optimism the company would return to revenue growth in 1Q on an improvement in weather, new product placements, and an expanded store fleet.

The five worst detractors from performance during the quarter were Charter Communications, Expedia Group, APA Corp., United Airlines, and Booking Holdings. Charter Communications continued its weakness experienced in Q4 and sold off after broadband net-adds came in lower than initially feared and management raised CAPEX guidance, which caused concern repurchases would materially slow. Expedia Group shares declined after announcing a sudden change to its CEO, which could signal future trouble at the company, and after announcing Q4 bookings that came in below expectations because of weakness in the air and car rental segments. APA Corp. fell after announcing an all-stock deal to acquire Callon, although the deal is expected to be accretive. United Airlines shares sold off during the quarter amid concerns the FAA would enhance its oversight of the company due to recent safety issues, which could disrupt plans for new routes and new planes. Booking Holdings shares fell as the company's outlook for travel reservations fell materially amid the war in Israel and currency headwinds.

We are always available via email or phone and welcome your calls. If you have any questions, please feel free to contact any of us for further information.

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04/17/2024

S&P 500 - 5,022

Russell 1000 Value -1,668

***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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**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.**

**Specific stocks discussed are included to help demonstrate the investment process or, as a review of the Composite's 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. The compilation of information contained herein may reflect the views and opinions of TAM financial professionals at the time of creation which may change at any time without prior notification. There is no guarantee that any forward-looking opinions will occur.**

Todd Asset Management LLC ("TAM") is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. 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, 2023. 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, 2023. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. To receive additional information regarding TAM, including a GIPS Composite Report for the strategy presented, contact Monica Slyter at 1-888-544-8633, or write Todd Asset Management LLC, 101 South Fifth Street, Suite 3100, Louisville, Kentucky 40202, or [mslyter@toddasasset.com](mailto:mslyter@toddasasset.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. The volatility of the index and a client account will not be the same.

**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.

**Risks** — Investments involve varying degrees of risk, and there can be no assurance that this product is suitable for your investment portfolio. The Opportunity product is designed for long-term investors who are willing to accept short-term price fluctuations. Stock market and business risks are general risks. This product generally holds 30 securities and is rebalanced every 3 months, thus it is more concentrated and may generate more investment turnover than other products. It is not required to be diversified by sector, and should be considered a more sector concentrated, aggressive application of the price to intrinsic value investment philosophy. There are times the overall market may not favor value-style investing, and it is possible the intrinsic value of the underlying stocks may never be realized.

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