October 17, 2014
Jack White, CFA
Partner, Senior Portfolio Manager

Todd Large Cap Intrinsic Value Review

	3Q 2014	YTD	1 Year	3 Year*	5 Year*	7 Year*	10 Year*
Large Cap Intrinsic Value (Gross)	1.10%	9.88%	22.44%	22.86%	15.49%	6.82%	8.85%
(Net)	0.95%	9.40%	21.73%	22.14%	14.80%	6.18%	8.20%
S&P 500	1.13%	8.34%	19.74%	22.99%	15.70%	6.02%	8.11%
Russell 1000 Value	-0.19%	8.07%	18.89%	23.93%	15.26%	4.81%	7.84%

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

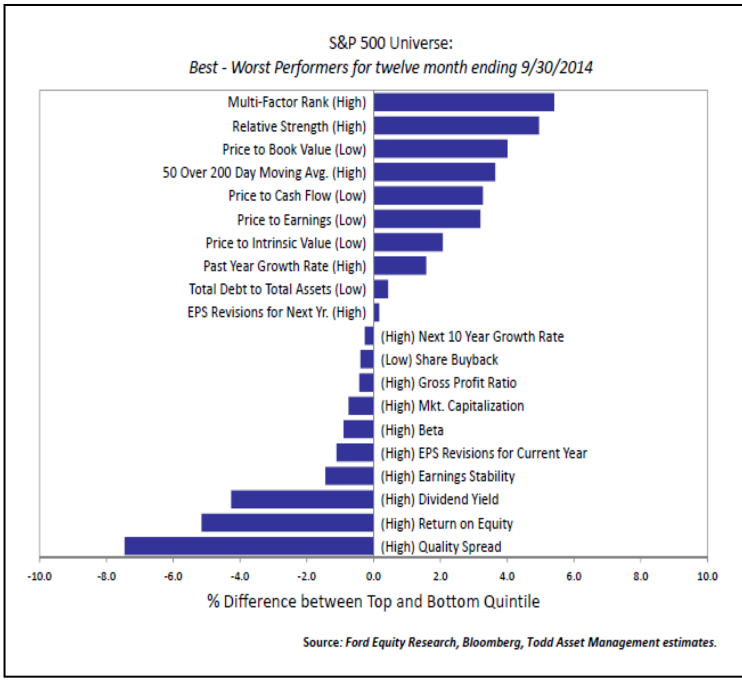
The LCIV posted a gain of 1.10% (gross of fees) in the quarter, matching the S&P 500 and exceeding the Russell 1000 Value returns of 1.13% and -0.19% respectively for the quarter. Year to date and over the trailing year the LCIV is comfortably ahead of both indexes.

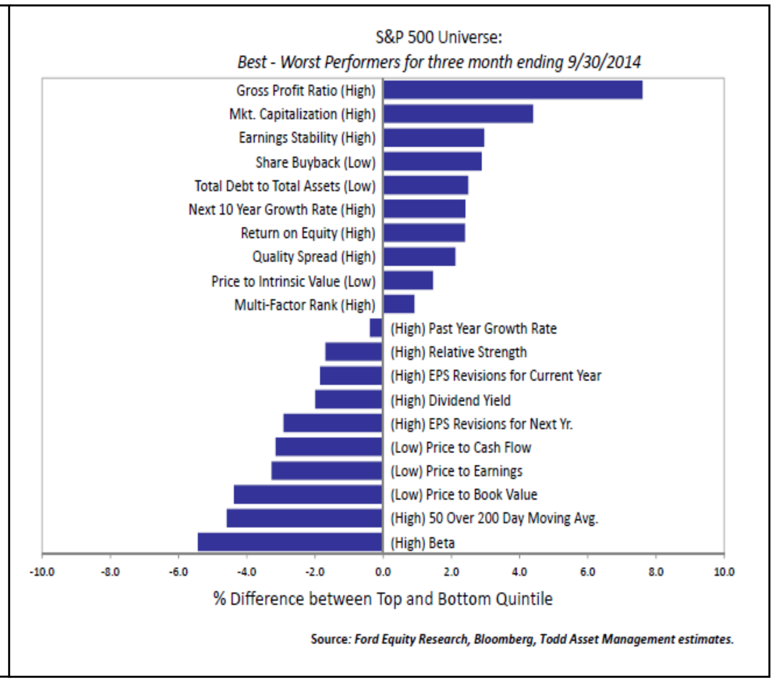
The S&P 500 is up slightly over 8% year to date through September. Some of the trends to be aware of are as follows;

- 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. Pharmaceuticals, Biotech, Semiconductor, Software and Telecommunication Services were the 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.

Our disciplines continue to add value compared to the benchmarks thus far this year. We've seen a change in markets this year, as investors have returned to investing on fundamentals. Over the course of the Fed pursuing quantitative easing, it felt like the only way to outperform was to focus on buying lower quality, higher volatility names. Our sense is that this change back to fundamentals is likely to be durable, as the Fed is exiting their asset purchasing mode, worldwide growth is a little slower and rates remain low. This combination of factors point to investors rewarding stocks that have good valuation combined with fundamental improvement and market acceptance. We emphasize that type of stock using our proprietary multi-factor model to generate our pool of investment candidates and then performing fundamental analysis from there to select the portfolio constituents

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 over the past year, those measures have switched to adding value recently. We think this probably continues.





We performed in line with the S&P 500 during the quarter, with sector allocation adding fractionally and stock selection detracting by a like amount. Consumer Staples and Information Technology cost us the most performance during the quarter, mostly from stock selection. Our underweight in Energy and stock selection in Financials helped our performance the most versus the index.

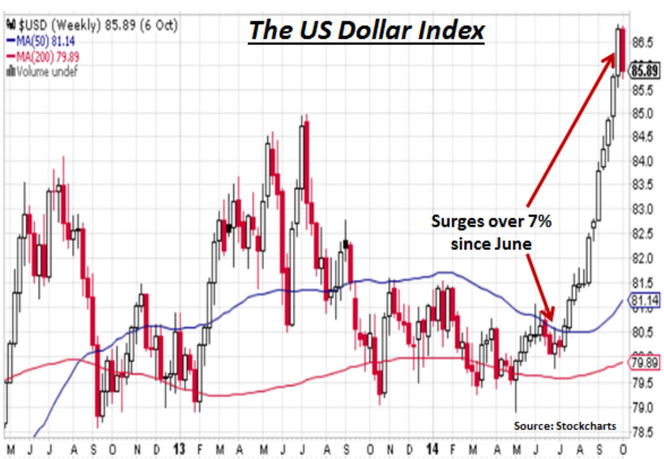
Compared to the Russell 1000 Value, we outperformed during the quarter by over a percent with both stock selection and sector allocation adding to results. Stock selections in Health Care and Industrials as well as our underweighting in Energy helped performance. Our stock selection in Consumer Staples detracted from portfolio performance. The overweight in Technology did not impact relative performance versus the value index where it was more of a detractor versus the core index.

Our best performing stocks were Gilead Sciences, Home Depot, Intel, Union Pacific and TRW Automotive holdings. It was an interesting mix of very different sectors and market cap sizes. Gilead continues to ride the wave of their new Hepatitis C cure, while Home Depot, Intel and Union Pac are each seeing improving business and profit trends. TRW received a takeover bid from a German company that helped the stock price. This was our fourth announced takeover in the portfolio this year, and there are rumors surrounding a potential fifth. Most takeovers are occurring around our calculated intrinsic value, bolstering our confidence in that valuation measure. Stocks that lagged during the quarter were Walgreens, CBS, ConocoPhillips, Delphi and Oshkosh. Walgreens trimmed guidance and we sold the stock. CBS weakened on softer advertising revenues, but we expect a recovery. ConocoPhillips weakened with other oil stocks. Delphi continues to execute well and beat earnings estimates, but investors booked some profits after the CEO announced plans to retire next year. Oshkosh weakened after posting weak demand from access and fire equipment divisions. We still believe trends in construction expenditures and municipal budgets should allow for better bookings in the future.

Our Multi-factor model has been rotating around fairly dramatically this year. The higher ranked sectors continue to be the economically sensitive and growth oriented sectors. Technology is a real standout in our recent runs, and we are actively looking at new ideas in that area. Telecoms, Utilities and Staples continue to have low rankings in our work and we remain underweighted in those sectors,

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 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
LARGE CAP 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 to help demonstrate the investment process or as 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 tax-exempt fully discretionary intrinsic value accounts, invested primarily in large cap domestic 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 Large Cap Intrinsic Value Composite contains fully discretionary, tax-exempt accounts that use either the S&P 500 Index or Russell 1000 Value Index as the benchmark. Prior to April 1, 2010, this composite was known as the Relative Value 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 Large Cap 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, both gross and net of management fees, net of transaction costs and includes the reinvestment of all income. Net of fee performance was calculated using the applicable annual management fee schedule of .60% applied monthly. Prior to September 2001, the management fee schedule applied to the composite was .50%. 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 (all 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.