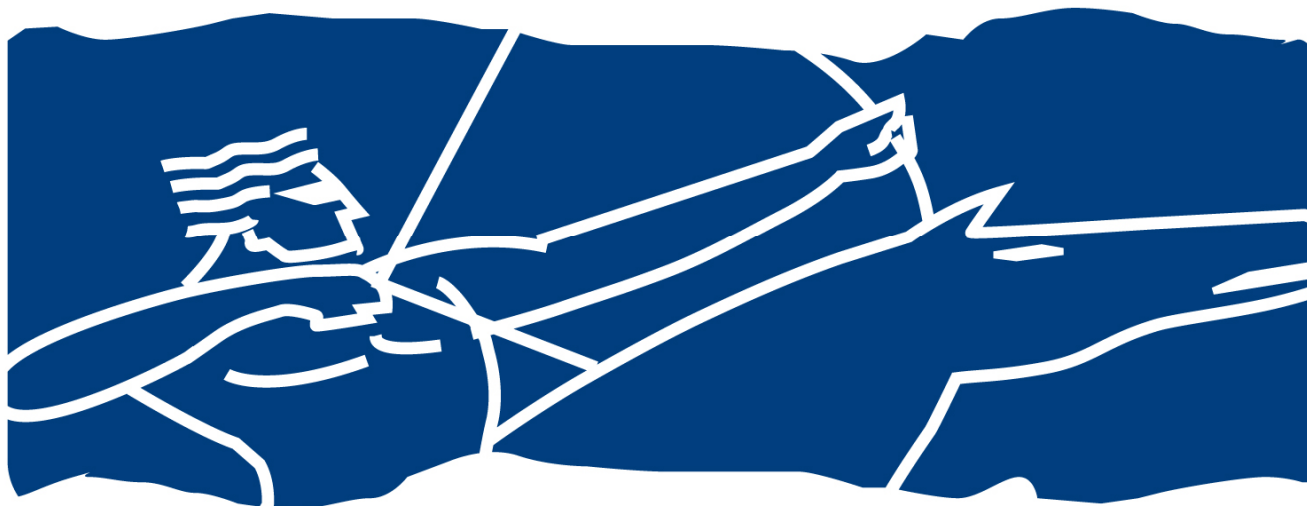


Part 2A of Form ADV: *Firm Brochure*

TODD



ASSET MANAGEMENT LLC

Todd Asset Management LLC

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This brochure provides information about the qualifications and business practices of Todd Asset Management LLC (TAM). If you have any questions about the contents of this brochure, please contact us at (502) 585-3121. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Todd Asset Management LLC is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information to help you determine to hire or retain an adviser.

Additional information about Todd Asset Management LLC also is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 109473.

Item 2 Material Changes

The following are the material changes that have been made to our Brochure since our last annual update dated March 4, 2013:

Item 5: Added a fee for the International Intrinsic Value Opportunity at 0.80% of all assets in the account. This is a new product offering.

Item 5: The Intrinsic Value Opportunity product fee increased from 0.70% to 0.80% of all assets in the account.

Item 8: Added information describing the International Intrinsic Value Opportunity product as a new product offered.

Item 8: Removed information describing the Tactical ETF Asset Allocation product as the product is no longer an available strategy.

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Item 4 Advisory Business

Todd Asset Management LLC, formerly Todd-Veredus Asset Management LLC, is a registered investment adviser, which began operations on June 1, 1998 as Veredus Asset Management LLC (VAM or Veredus). Effective May 1, 2009, VAM combined with Todd Investment Advisors, Inc. (TIA or Todd) through a series of transactions in which VAM acquired substantially all of the assets and identified liabilities of TIA in exchange for 45% of the equity units of VAM. 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. Prior to the redemption, investment operations of these products ceased. Subsequent to this redemption, TVAM changed its name to Todd Asset Management LLC (TAM). TAM continues to offer the same products and strategies managed by the same individuals and process founded under TIA.

The management team of TAM holds 84% of the total units of the firm, the remaining 16% is held by private investors. Curtiss M. Scott Jr., President and Chief Investment Officer, owns greater than 25% of the total units of the firm. See Item 10 for affiliations.

Our firm provides continuous advice to a client regarding the investment of client funds based on the product or investment objectives established by the client. Generally we manage these advisory accounts on a discretionary basis.

TAM provides individualized investment management services for individuals and institutional investors. Clients can select from products managed according to various investment philosophies of TAM. More information on these products and investment philosophies can be found in Item 8 of this Brochure. TAM also provides discretionary investment management services following the afore mentioned products to clients as part of Separately Managed Account Programs (SMA), and non-discretionary investment management service to clients by providing a Model portfolio. Please refer to Item 5 of this Brochure for potential fee income from these SMA or Model accounts. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors. Tax considerations may also come into play as part of the management process if requested. Further information on the types of clients of the firm can be found in item 7 of this Brochure.

Types of investments which can be used as part of the products philosophy include:

- Exchange-listed securities
- Securities traded over-the-counter
- American Depositary Receipts (ADR)
- Foreign issuers
- Warrants
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Variable annuities
- Mutual fund shares
- United States governmental securities

- Options contracts on securities
- Options contracts on commodities

Because some types of investments involve certain additional degrees of risk, they will only be utilized/recommended when consistent with the client's stated investment objectives, tolerance for risk, and liquidity needs. Further information on the strategies managed according to the investment philosophies can be found in Item 8 of this Brochure.

AMOUNT OF MANAGED ASSETS

As of December 31, 2013, we were actively managing \$3,588,930,000 of clients' assets on a discretionary basis. Assets managed by others using a Model portfolio provided by TAM, which follows one of the strategies discussed in Item 8, are approximately \$231,900,000.

Item 5 Fees and Compensation

On a case-by-case basis, Todd Asset Management LLC determines an appropriate fee structure based on the size, complexity and investment objectives of the client's account. Fee arrangements typically include a management fee based on a percentage of assets under management. The terms and conditions of the fee structure are mutually agreed upon prior to entering into an advisory agreement.

The basic fee schedules and basis of computation for investment management services are given below. All fees are calculated quarterly, and are payable, either in advance based on the value of the account as of the beginning of each billing period, or in arrears based on the value of the account at the end of the billing period. Clients may elect to be billed directly for fees or to authorize TAM to directly debit fees from the client accounts. TAM may also provide services on a fixed fee basis. The Account Management Fee is prorated for periods less than a full billing cycle and adjusted to cover any additional contributions or withdrawals made during the billing cycle. To the extent that fees have been paid in advance of the date of termination, they are refunded automatically on a pro rata basis.

<u>Strategy</u>	<u>Annual Fee</u>
Large Cap Intrinsic Value	0.60% of all assets in the account
International Intrinsic Value	0.80% of all assets in the account
Intrinsic Value Opportunity	0.80% of all assets in the account
Global Intrinsic Value Equity Income	0.60% of all assets in the account
International Intrinsic Value Opportunity	0.80% of all assets in the account
Balanced	0.50% on the first \$10 million
	0.35% of all assets in excess of \$10 million
Individual Taxable (equity and balanced)	0.75% on the first \$1 million
	0.50% on all assets in excess of \$1 million
ETF Lifestyle Accounts	0.50% on the first \$10 million
	0.35% on all assets in excess of \$10 million

Prior to July 21, 2010 some of the strategies listed above had minimum annual fees as part of the standard fee schedule. These minimums are no longer part of the current standard fee schedule. The Intrinsic Value Opportunity and Individual Taxable (equity and balanced) fee schedules included a \$10,000 minimum annual fee. The Large Cap Intrinsic Value, Balanced, and ETF Lifestyle Accounts fee schedules included a \$15,000 minimum annual fee. The International Intrinsic Value fee schedule included a \$40,000 minimum annual fee.

Separately Managed Account Programs (Wrap Fee Programs)

TAM's management fee schedule for managing assets in SMA or Wrap programs varies from 0.45% to 0.60% of assets under management. The highest all inclusive (TAM and sponsoring broker) management fee to a client is 3.0%.

Sub-Advisory Services

TAM serves as Sub-Adviser to other advisers, and certain open-end mutual funds. Fees for these accounts are negotiated.

Model Portfolio

For accounts in which TAM provides a model portfolio or buy/sell lists, and is not responsible for trade execution, or any other matter in regards to the account, it charges a fee from 0.25% to 0.75% of all assets under management under the model.

TAM may utilize mutual funds for its clients to achieve certain specific investment objectives that it cannot achieve efficiently through direct investments on its own. In such cases, the client will incur a layer of fees charged by the mutual fund company in addition to the management fee charged by TAM. If TAM is the sub adviser for a mutual fund used, the mutual fund would be excluded from the account assets for fee purpose so as to not double dip on Advisory fees. In no case does the mutual fund rebate any fee to TAM.

GENERAL INFORMATION

Limited Negotiability of Advisory Fees: Although TAM has established the aforementioned fee schedules, we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets, related accounts, portfolio style, account composition, and reports, among other factors. The specific annual fee schedule is identified in the contract between the adviser and each client.

Discounts, not generally available to our advisory clients, may be offered to officers and employees, family members and friends of associated persons of our firm.

Termination of the Advisory Relationship: A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. As disclosed above, certain fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will pro rate the reimbursement according to the number of days remaining in the billing period.

Wrap Fee Programs and Separately Managed Account Fees: Clients participating in

separately managed account programs may be charged various program fees in addition to the advisory fee charged by our firm. Such fees may include the investment advisory fees of the independent advisers, which may be charged as part of a wrap fee arrangement. In a wrap fee arrangement, clients pay a single fee for advisory, brokerage and custodial services. Client's portfolio transactions may be executed without commission charge in a wrap fee arrangement. In evaluating such an arrangement, the client should also consider that, depending upon the level of the wrap fee charged by the broker-dealer, the amount of portfolio activity in the client's account, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately.

Additional Fees and Expenses: In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Brochure for additional information.

ERISA Accounts: TAM is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, TAM may only charge fees for investment advice about products for which our firm does not receive any commissions or distribution or shareholder servicing fees pursuant to rule 12b-1 under the Investment Company Act of 1940 as amended.

Advisory Fees in General: Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

Limited Prepayment of Fees: Under no circumstances do we require or solicit payment of fees in excess of \$1,200 more than six months in advance of services rendered.

Item 6 Performance-Based Fees and Side-By-Side Management

PERFORMANCE-BASED FEES

TAM does not offer nor manage accounts with performance based fee schedule.

Item 7 Types of Clients

TAM provides advisory services to individuals, high net worth individuals, investment companies (including mutual funds), pension and profit sharing plans (other than plan participants), Taft-Hartley plans, other pooled investment vehicles, charitable organizations, state or municipal government entities, banks or thrift institutions, and corporations or other businesses not listed previously.

TAM generally provides investment management services to accounts of at least \$5 million. TAM reserves the right to waive or lower the minimum account requirement on a client-by-

client basis. We may group certain related client accounts for the purposes of achieving the minimum account requirement and in determining the annualized fee.

TAM serves as an investment sub-adviser for several variable annuities, and mutual funds following the Large Cap Intrinsic Value and various ETF strategies.

TAM offers investment advisory services on a discretionary basis to clients of Separately Managed Accounts sponsors. TAM is included in a list of managers that may be recommended by the brokerage firm/SMA sponsor. Under these programs, the sponsor offers investment management, custody, brokerage, and performance monitoring for a set fee (some bundled and some unbundled). TAM is paid an advisory fee by the sponsor that is determined per agreement with the two entities. Although the sponsor is the primary contact for clients, TAM is available for discussions with the client at the client's request.

TAM, as required under contract, may also provide investment management services to clients using a Model portfolio based on an investment product of TAM. In some cases the Model will be provided to a bank, trust company, or other advisor for use in its internal management of assets. For accounts in which TAM acts as a model portfolio provider, TAM is not responsible for trade execution, timing of trade placement, brokerage selection, negotiation of commission or other fees paid by investors in the program.

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

METHODS OF ANALYSIS

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

Fundamental Analysis. We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is under priced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

Quantitative Analysis. We use mathematical models in an attempt to obtain more accurate measurements of a company's quantifiable data, such as the value of a share price or earnings per share, and predict changes to that data.

A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect.

Qualitative Analysis. We subjectively evaluate non-quantifiable factors such as quality of management, labor relations, and strength of research and development factors not readily subject to measurement, and predict changes to share price based on that data.

A risk is using qualitative analysis is that our subjective judgment may prove incorrect.

Technical Analysis. We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

Charting. In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict how long the trend may last and when that trend might reverse.

Cyclical Analysis. In this type of technical analysis, we measure the movements of a particular stock against the overall market in different market cycles in an attempt to predict the price movement of the security.

Mutual Fund and/or ETF Analysis. We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest effectively over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

Risks for all forms of analysis. Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

INVESTMENT STRATEGIES

We may use the following strategy(ies) in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

Long-term purchases. We purchase securities with the idea of holding them in the client's account for a year or longer. Typically we employ this strategy when:

- we believe the securities to be currently undervalued or have underappreciated earnings potential, and/or
- we want exposure to a particular sector over time, regardless of the current projection for this sector.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

Short-term purchases. When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

A short-term purchase strategy poses risks should the anticipated price swing not materialize; we are then left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss.

In addition, this strategy involves more frequent trading than does a longer-term strategy, and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

Risks. Securities investments are not guaranteed and you may lose money on your investments. There can be no assurance that the investment objective of the philosophy will be achieved. When there is no willing buyer and investments cannot be readily sold at the desired time or price, an account may need to accept a lower price or may not be able to sell the security at all. This liquidity risk can adversely affect a client's account value or prevent the account from being able to take advantage of other investment opportunities.

Following is the basic investment philosophy for TAM:

We believe Price to Intrinsic Value is the most effective fundamental calculation available to determine the true worth of a stock. This calculation has been used by the Intrinsic Value team since 1986 and is used in the management of our Domestic, International, Opportunity, and the Global Equity Income products. All of our products focus on an experienced group of portfolio managers buying stocks with attractive valuations in the expectation of realizing that value because of fundamental developments and better market acceptance. Price to Intrinsic Value measures the price a private market buyer would be willing to pay for a given stock, and has been proven to work both in the stock market and in merger and acquisition valuations. Simply put, the intrinsic value of a stock is the present value of all future cash flows, and it is a calculation that has been used in financial circles since the first dividend discount model was introduced in 1938. Price to intrinsic value compares the market price to the intrinsic value, and allows skilled portfolio managers to compare companies across the full spectrum of stocks available for investment. Other valuation measures tend to have biases for or against certain groups, limiting the diversification possibilities for their portfolios.

While valuation is central to our philosophy, common sense dictates that it must be corroborated by company fundamentals and market acceptance. Valuable stocks can become value traps if a company's fundamental prospects do not support that value, or if the market chooses to ignore the valuation and fundamentals because of some other concern. We believe the combination of good valuation factors with positive fundamental prospects and market recognition of both of those elements provides the first step of a process that allows experienced portfolio managers to review a group of stocks with the potential of out performance. Combining value, fundamental and technical disciplines is what we do in all of our products because the more indicators that point in the direction of a stock being valuable and having that value recognized, the higher your potential of outperforming the market.

Experienced management sharing a common set of core beliefs and having the ability to recognize the underlying drivers for growth and value in individual stocks are the centerpiece

of our strategies. We couple this with sell disciplines based on valuation and fundamentals for all of our strategies to limit the risks inherent in stock selection. We also maintain diversification requirements in our Large Cap Intrinsic Value and International Intrinsic Value strategies to ensure it is our stock selection that is providing the most value to clients. Our Opportunity strategy is unconstrained and will allow for more sector concentration in its pursuit of value. Our Global Equity Income strategy is a diversified product focusing on equity income.

Following are various products offered by TAM

LARGE CAP INTRINSIC VALUE

The objective of the Large Cap Intrinsic Value product is to achieve competitive investment returns by purchasing equity securities of companies that are attractively priced and with positive fundamental and market acceptance characteristics. Equity securities are selected that also have a minimum market capitalization of \$1 billion and an internal quality rating of B- or better. A review of an invested security would be initiated when there is a deterioration of fundamental criteria or the target sell price is reached. Prior to March 2010, this product was known as the Relative Value Equity product. No change in the strategy was made in conjunction with the name change.

INTERNATIONAL INTRINSIC VALUE

The International Intrinsic Value strategy is a direct extension of our Price to Intrinsic Value methodology. We screen for ADRs that possess attractive valuation, positive and improving fundamentals and market acceptance of these factors. We then formulate a portfolio selecting from ADRs with a market capitalization of \$1 billion and above factors that can force recognition by the market of the intrinsic value. We tend to hold on average 75 to 85 positions balanced across multiple countries and industry sectors. Our portfolio team maintains an active database of over 800 ADRs that are subjected to this methodology and reviewed regularly for purchase or sale candidates. ADRs represent ownership of securities in foreign stock and are issued by U.S. banks and trust companies. ADRs are denominated in U.S. dollars and are traded on a U.S. Exchange. In some cases ADRs may have liquidity risk, when there is no willing buyer and investments cannot be readily sold at the desired time or price. In situations where TAM believes the volume of ADR shares is not sufficient for it to trade on the NYSE, TAM will execute the trade with any number of brokerage firms, whereby the broker will convert the trade into the local currency of the security and purchase it on the respective ordinary exchange. The broker will then convert the trade back into dollar denominated ADRs. These liquidity issues may add additional risk to this style not typically associated with investing in U.S. companies. Prior to March 2010, this product was known as the International Equity product. No change in the strategy was made in conjunction with the name change.

INTRINSIC VALUE OPPORTUNITY

The Intrinsic Value Opportunity strategy employs our core Price to Intrinsic Value discipline to manage a portfolio using a rules based process. We use the S&P 500 as the source for our stocks in the fund, and screen for the most attractively valued names in that universe. This first screen results in a pool of about 165 stocks that we use as our base group. We then screen for those stocks that have one of three additional qualities, market acceptance (as measured by technical indicators), balance sheet strength (financial ratio oriented to

measuring return to shareholder) or income statement strength (as measured by ratio of profitability). Once we have our list of companies with these attributes, we review the inputs into each component of the screen to ensure their accuracy. Our studies have found that when you purchase attractively valued stocks with either top ranked technical strength or top ranked balance sheet strength or top ranked income statement strength that the portfolio typically outperforms the S&P 500 over time. The portfolio is rebalanced every 3 months and typically results in approximately 30 holdings. 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 discipline. A version of this strategy investing in the top 15 holdings is used by officers and employees of TAM for individual accounts. See Item 11 for more information on personal security transactions and the Code of Ethics.

INTERNATIONAL INTRINSIC VALUE OPPORTUNITY

The International Intrinsic Value Opportunity strategy employs our core Price to Intrinsic Value discipline to manage a portfolio using a rules based process. We use the largest 400 International Stocks in our Master List as the source for our stocks in the fund, and screen for the most attractively valued names in that universe. This first screen results in a pool of about 134 stocks that we use as our base group. We then screen for those stocks that have one of three additional qualities, market acceptance (as measured by technical indicators), balance sheet strength (financial ratio oriented to measuring return to shareholder) or income statement strength (as measured by ratio of profitability). Once we have our list of companies with these attributes, we review the inputs into each component of the screen to ensure their accuracy. Our studies have found that when you purchase attractively valued stocks with either top ranked technical strength or top ranked balance sheet strength or top ranked income statement strength that the portfolio typically outperforms the ACWI ex-US over time. The portfolio is rebalanced every 3 months and typically results in approximately 30 holdings. 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 discipline.

GLOBAL INTRINSIC VALUE EQUITY INCOME

The primary investment objective of this fund is to provide dividend income with a secondary objective being growth of income. Investors should expect to receive an above average portion of their total return in the form of dividend income. Total return will be a consideration, but will not be the main focus. The portfolio will be made up of both domestic and international large capitalized stocks with a quality rating of B- or better. The goal is to create a portfolio that achieves a yield that is 30% greater than Morgan Stanley's All Country World Index (ACWI) benchmark in companies with strong balance sheets and reasonable payout ratios.

BALANCED PRODUCT

The objective of the balanced product is to make active asset allocation decisions that blend equity, fixed income, and cash equivalent securities to achieve stability of principal while earning competitive rates of return. We diversify exposure among asset classes in an attempt to reduce investment risk and decrease portfolio volatility. To formulate what we think is the optimum mix of securities; we analyze present economic data, interest rate trends, and stock market levels. Our flexible approach allows us to structure a balanced portfolio to meet the specific and unique parameters defined by each of our clients.

TAXABLE PRODUCT

The objective of the taxable (typically balanced) product is to provide guidance on asset allocation decisions as well as competitive returns in both the equity and fixed income (typically municipal) markets.

CONSERVATIVE ETF LIFESTYLE

The Exchange Traded Fund portfolios (ETFs) Lifestyle portfolios use a mix of eight or nine ETFs with varying asset allocations to meet investors' differing objectives. Conservative ETF Lifestyle seeks stability and income through an overweighting in fixed income. The Conservative ETF Lifestyle portfolio is rebalanced every 12 months. For comparison purposes, this composite uses a hybrid comprised of the S&P 1500 and the Barclay Aggregate Bond indices as the benchmark.

MODERATE ETF LIFESTYLE

The Exchanged Traded Fund (ETF) Lifestyle portfolios use a mix of eight or nine ETFs with varying asset allocations to meet investors' differing objectives. Moderate ETF Lifestyle seeks capital appreciation and income through employing a more balanced asset allocation of fixed income and equities. The Moderate ETF Lifestyle portfolio is rebalanced every 12 months. For comparison purposes, this composite uses a hybrid comprised of the S&P 1500 and the Barclay Aggregate Bond indices as the benchmark.

AGGRESSIVE ETF LIFESTYLE

The Exchanged Traded Fund (ETF) Lifestyle portfolios use a mix of eight or nine ETFs with varying asset allocations to meet investors' differing objectives. Aggressive ETF Lifestyle seeks capital appreciation through an asset allocation that relies more heavily on equities than fixed income. The Aggressive ETF Lifestyle portfolio is rebalanced every 12 months. For comparison purposes, this composite uses a hybrid comprised of the S&P 1500 and the Barclay Aggregate Bond indices as the benchmark.

TAM may provide management services using a strategy with a fixed income component. A Sub-Adviser may be used to manage the fixed income allocation.

Item 9 Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

Item 10 Other Financial Industry Activities and Affiliations

Todd Asset Management LLC does not have financial industry affiliations.

TAM endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser; we take the following steps to address this conflict:

- we disclose to clients the existence of all material conflicts of interest:
- we periodically monitor outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and

- we discuss with our employees the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

TAM has adopted a Code of Ethics for the purpose of instructing all employees and officers in their ethical obligations and to provide rules for their personal securities transactions. All officers and employees owe a fiduciary duty to the Adviser's Clients. A fiduciary duty means a duty of loyalty, fairness and good faith towards Clients, and the obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code. Officers and employees shall have the duty at all times to place the interests of the investment companies and other clients for which TAM acts as investment adviser ahead of their own interests. All personal securities transactions of such individuals shall be conducted in such a manner as to avoid any actual or potential conflict of interest, or any abuse of such individual's position of trust and responsibility to TAM and its clients. All activities of personnel associated with TAM shall be conducted in accordance with the fundamental standard that they shall not take any inappropriate advantage of their positions with TAM in accordance with TAM's Code of Ethics.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's officers and employees. Our Code of Ethics also requires a covered associate to pre clear certain transactions with the Chief Compliance Officer prior to entering the transaction. These transactions include certain equity transactions as well as investments in a limited offering (e.g., private placement) or an initial public offering. The Code of Ethics contains a black out period on certain security transactions of 3 trading days on either side of the trade. If a transaction, not exempt by definition of the Code, is made in a restricted security during the blackout period an individual may be asked to either unwind the trade or disgorge any profit. This is assuming the individual's execution on the trade is better than that of a client's Account. Provided the Code of Ethics is followed, officers and employees may buy or sell securities recommend by TAM to investment clients. Officer and employee security transactions can be executed along with those of a client's Account (following trade allocation procedures discussed in Item 12), if the individual has placed investment funds with an independent custodian for the purpose of investing in one of the investment strategies discussed in Item 8.

Todd Asset Management LLC's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity. The Code of Ethics also has limits on the acceptance or provision of gifts, favors, or entertainment that could influence their decision making capacity.

These trading restrictions are disclosed in TAM's Code of Ethics covering all employees of TAM. Employees may also buy or sell securities recommended by TAM to clients, provided TAM's Code of Ethics is followed. A copy of our Code of Ethics is available to our advisory

clients and prospective clients. You may request a copy by emailing James Jenkins at jjenkins@toddasasset.com or by calling us at (502) 585-3121.

Through the Code of Ethics as well as trading review and other compliance procedures TAM has put in place, it feels it has developed adequate controls to address all conflicts on trading both for the accounts with performance and employees.

Item 12 Brokerage Practices

For clients who ask TAM to select broker-dealers for client account transactions, we require these clients to provide us with written authority to determine the broker dealer to use and the commission costs that will be charged to these clients for these transactions. This is generally part of the agreed upon Investment Management Agreement signed by TAM and the client. Clients may include any limitations on this discretionary authority either as part of the Investment Management Agreement or in a separate written statement. Clients may change/amend these limitations as required. Such amendments must be provided to us in writing.

TAM will endeavor to select those brokers or dealers which will provide the best services at the lowest commission rates possible. The reasonableness of commissions is based on the broker's stability, reputation, ability to provide professional services, competitive commission rates and prices, research, trading platform, and other services which will help TAM in providing investment management services to clients.

TAM may direct brokerage transactions for clients' portfolios to brokers who provide research and execution services to TAM and, indirectly, to TAM's clients. These services are of the type described in Section 28(e) of the Securities Exchange Act of 1934 and are designed to augment our own internal research and investment strategy capabilities. This may be done without prior agreement or understanding by the client (and done at our discretion). This act may cause the client account to pay more than the lowest available commission for executing a securities trade in return for research services. These payments above the lowest available commission are commonly referred to as "soft dollars". Research services obtained through the use of soft dollars may be developed by brokers to whom brokerage is directed or by third-parties (examples of such products are detailed later in this section) which are compensated by the broker. TAM does not attempt to put a specific dollar value on the services rendered or to allocate the relative costs or benefits of those services among clients, believing that the research we receive will help us to fulfill our overall duty to our clients. TAM may not use each particular research service, however, to service each client. As a result, a client may pay brokerage commissions that are used, in part, to purchase research services that are not used to benefit that specific client. Broker-dealers we select may be paid commissions for effecting transactions for our clients that exceed the amounts other broker-dealers would have charged for effecting these transactions if TAM determines in good faith that such amounts are reasonable in relation to the value of the brokerage and/or research services provided by those broker-dealers, viewed either in terms of a particular transaction or our overall duty to client accounts.

Certain items obtainable with soft dollars may not be used exclusively for either execution or research services. The cost of such "mixed-use" products or services will be fairly allocated and TAM makes a good faith effort to determine the percentage of such products or services which may be considered as investment research. The portions of the costs attributable to

non-research usage of such products or services are paid by our firm to the broker-dealer in accordance with the provisions of Section 28(e) of the Securities Exchange Act of 1934.

When TAM uses client brokerage commissions to obtain research or brokerage services, we receive a benefit to the extent that we do not have to produce such products internally or compensate third-parties with our own money for the delivery of such services. Therefore, such use of client brokerage commissions results in a conflict of interest, because we have an incentive to direct client brokerage to those brokers who provide research and services we utilize, even if these brokers do not offer the best price or commission rates for our clients.

Following are products and services TAM's management teams have obtained on a soft-dollar basis:

Research Provider	Description of Service
Bloomberg	Stock Research Service
NYSE/AMEX	Stock Research Service
Telemet	Stock Market Quotes
Morningstar	Stock Research Service
BCA	Stock Research Service

If TAM believes that the purchase or sale of a security is in the best interest of more than one client, consistent with TAM's duty to obtain best execution for all clients, it may (but is not obligated to) aggregate the securities to be sold or purchased to obtain favorable execution or lower brokerage commissions, to the extent permitted by applicable laws and regulations. Aggregation should, on average, reduce slightly the costs of execution. Under certain circumstances a portfolio manager may need additional time to determine restrictions on accounts, tax implications, or other client requests, when deciding if and when an investment is suitable for the particular client. These factors could lead to clients eligible for the aggregated trade, executing a trade after the initial aggregated trade. Once a portfolio manager has determined an investment idea is suitable for these clients, trading will proceed following normal trade procedures.

Where trades are aggregated, the transactions, as well as the expenses incurred in the transactions, will be allocated by TAM according to a policy designed to ensure that such allocation is equitable (no advisory client will be favored over any other client) and consistent with TAM's fiduciary duty to its clients (including its duty to obtain best execution of client trades). Pursuant to this policy, each client that participates in an aggregated order will participate at the average share price for all TAM's transactions in that security on a given business day, with transaction costs shared pro rata based on each client's participation in the transaction. The accounts aggregated may include accounts in which TAM's employees own interests. Before entering an aggregated order, TAM will prepare a written allocation statement specifying the participating client accounts and how it intends to allocate the order among such accounts. Under limited circumstances, TAM may allocate the order on a basis different from that specified in the allocation statement if all client accounts receive fair and equitable treatment.

A client may direct TAM to use a particular broker-dealer for all or a portion of its portfolio transactions. Also a client may use a particular broker-dealer as the account's custodian. In these cases the client authorizes TAM to effect all portfolio transactions at a commission rate agreed upon between the client and the broker-dealer. The client should consider whether

such a designation may result in certain costs or disadvantages to the client. The client may pay higher commissions than it would if the client had not directed brokerage and may not receive best execution. Accordingly, the client should satisfy itself that the broker-dealer can provide adequate price and execution of most transactions. A client who directs the use of a broker-dealer may also be subject to certain disadvantages regarding allocation of new issues and aggregation of orders. In some situations, TAM may be in a better position to negotiate commissions if the brokerage were not directed.

Client directed portfolio transactions may be aggregated with trades of other clients, if the broker-dealer selected by TAM to execute the transaction, allows the directed trade to be separated or 'stepped out'. In such cases, the client's directed broker-dealer will receive a pro rata share of the commission for the aggregated trade. If a directed brokerage client's trade is aggregated with other non directed accounts, it is possible the directed client's account may have increased commission costs because the trade was executed away from its designated broker. This may occur when the directed broker is also serving as the custodian.

If TAM is directed to execute transactions through a particular broker-dealer, and the trade cannot be handled through a 'step-out' from an aggregated trade, the directed trade generally will be executed after the aggregated order has been placed and completed. This could also affect the execution of the trade as the transaction price may differ from that achieved in the aggregated order. TAM will work through those trades directed by the client in a pre determined rotation if necessary.

In selecting brokers for investment company transactions, TAM will not take into account the broker's promotion or sale of shares of Funds advised by TAM and will not enter into any direct or indirect arrangement to direct portfolio securities transactions to a broker in consideration for the promotion or sale of shares of a Fund advised by TAM.

In effecting portfolio transactions for its brokerage SMA fee accounts, unless otherwise instructed by the client, TAM places all transactions with the sponsoring brokerage firm for execution and does not negotiate the commission rate, since execution charges are included in the wrap fee. In some cases, the agreement between the client and broker may include commission fees, along with custody and investment management services in the broker's overall ("SMA") fee.

The authority for TAM to provide discretionary management services under brokerage SMA programs is contained in the advisory agreement between the client and the brokerage firm.

Trades occurring in the SMA programs will be blocked where possible and when advantageous to clients. Blocking trades permits the trading of aggregate blocks of securities on behalf of multiple clients' accounts. Transaction costs will be shared equally and on a pro-rated basis between all accounts included in any such block. Block trading allows execution of equity trades in a timelier, equitable manner.

In carrying out OTC trades, TAM uses large brokerage firms to execute trades on an agency basis. It is best execution that matters and in that case, you have confidence in the integrity of the firm you are using.

Item 13 Review of Accounts

The investment team consists of:

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|---|---------------------------|-------------------------------------|
| • | Curtiss M. Scott, Jr. CFA | President, Chief Investment Officer |
| • | John J. White CFA | Senior Portfolio Manager |
| • | John C. Holden CFA | Senior Portfolio Manager |
| • | Robert Bordogna | Chairman |
| • | Bosworth M. Todd | Chairman Emeritus |
| • | Shaun C. Siers | Research Analyst |
| • | James A. Kaelin | Research Analyst |

Mr. Scott, Mr. White, Mr. Holden, Mr. Todd, and Mr. Bordogna form the domestic investment committee that meets regularly to review market and client-related issues for the large cap intrinsic value domestic strategy. Mr. Scott, Mr. White, and Mr. Holden also form the international, opportunity and global equity investment committees, which meet regularly to discuss similar issues as they relate to these strategies. On a daily basis, the portfolio managers evaluate the outlook for the stock and bond markets and make changes accordingly in their stock, bond and/or balanced accounts. Changes to Equity and Fixed Income are implemented across all accounts within each client's unique investment guidelines. New accounts may be assigned to one of the portfolio managers. While certain aspects of each account are reviewed on a daily basis, all accounts are scrutinized with an attribution analysis process on a monthly basis by the entire Investment Committee.

In addition to monthly reviews, reviews are also made when requested by a client or when otherwise deemed appropriate by the Investment Committee or portfolio manager. Factors that may trigger a review include changes in general market or economic conditions, consideration as to the purchase or sale of a security for an account, changes in a client's personal situation, changes in the approved list, tax considerations, and other similar factors. Matters reviewed depend in large part on the reason for the review. A general review usually involves a review of a client's investment objectives, individual securities owned, income being earned by the account, concentration of the portfolio, and similar matters. The sequence in which accounts are reviewed is flexible and not fixed. Client account records are generated by computer record keeping systems maintained by TAM. This produces standard reports, usually on a quarterly basis (monthly if requested by client), which are used by the portfolio managers and also sent to clients. In addition, clients receive regular statements from custodians.

Item 14 Client Referrals and Other Compensation

CLIENT REFERRALS

Our firm may pay referral fees to independent persons or firms ("Solicitors") for introducing clients to us. Whenever we pay a referral fee, we require the Solicitor to provide the prospective client with a copy of this document (our *Firm Brochure*) and a separate disclosure statement that includes the following information:

- the Solicitor's name and relationship with our firm;
- the fact that the Solicitor is being paid a referral fee;
- the amount of the fee; and
- whether the fee paid to us by the client will be increased above our normal fees in order to compensate the Solicitor.

As a matter of firm practice, the advisory fees paid to us by clients referred by solicitors are not increased as a result of any referral.

It is TAM's policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

Item 15 Custody

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

In addition to the periodic statements that clients receive directly from their custodians, we also send account statements directly to our clients on either a monthly or quarterly basis. We urge our clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current.

Item 16 Investment Discretion

TAM usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, TAM observes the investment policies, limitations and restrictions of the clients for which it advises. For registered investment companies, TAM's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Investment guidelines and restrictions must be provided to TAM in writing. Clients may also change/amend such limitations by providing us with written instructions.

Item 17 Voting Client Securities

Proxy voting is an important right of shareholders and reasonable care and diligence must be taken to ensure that such rights are properly and timely exercised. When TAM is granted discretion by an advisory contract or comparable document to vote the proxies of its clients, it will vote those proxies in the best interest of its clients and in accordance with the policies set up by TAM. We believe our policy integrates corporate governance and corporate social responsibility and has been tailored to reflect the specific contractual obligations. Our policies address issues involving boards of directors, proxy contests, auditors, tender offers, and executive and director compensation, in addition to material conflicts between our interest and those of our clients. In an effort to assist TAM in gathering information and voting, TAM has engaged the services of Institutional Shareholder Services a subsidiary of MSCI, Inc. ("ISS"). Through ISS, TAM has the ability to prepare reports on the voting record for each account. For a more detailed description of TAM's Proxy voting policy or to determine how votes have been cast, please contact the proxy administrator, Jeremy Riddle at (502) 585-3121 or by mail 101 S. Fifth Street Suite 3100, Louisville, KY 40202.

Item 18 Financial Information

As an advisory firm we are required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. TAM has no additional financial circumstances to report.