GLOBAL VALUE FUND

MANAGER REVIEW & ECONOMIC OUTLOOK

HWGIX | HWGAX

PERFORMANCE (%) as of June 30, 2024

	QTR	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Since 12/31/12
Global Value Fund – I Shares	-1.08	6.86	21.57	8.02	10.41	6.92	9.46
MSCI World	2.63	11.75	20.19	6.86	11.78	9.16	10.74
MSCI World Value	-1.20	6.20	13.90	5.57	7.55	5.80	7.84

The performance shown represents past performance. Past performance is no guarantee of future results and current performance may be higher or lower than the performance shown. Investment results and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. To obtain performance data current to the most recent month-end, access our website at www.hwcm.com.

The Fund's total annual operating gross expense ratio as of the most current prospectus is 1.24% for I Shares; 0.95% net expense ratio. The Advisor has contractually agreed to waive advisory fees and/or reimburse expenses through August 29, 2025. Expense ratio shown is gross of any fee waivers or expense reimbursements. I Shares sold to a limited group of investors. Periods over one year are average annual total return. Average annual total returns include reinvestment of dividends and capital gains. Expense limitations may have increased the Fund's total return.

MARKET COMMENTARY

The MSCI World Index increased by +2.6% in the second quarter of 2024. The MSCI World Growth Index rose by +6.4%, while the MSCI World Value Index declined by -1.2%. There was notable performance dispersion among GICS sectors during the quarter. Technology led with a return of +11.5%, followed by communication services (+8.1%) and utilities (+3.8%). In contrast, the materials sector experienced a decline of -3.3%, real estate fell by -3.1%, and consumer discretionary dropped by -2.2%.

The trend observed in the first quarter of 2024 persisted into Q2, with a handful of large-cap US growth stocks significantly outperforming their smaller and foreign counterparts. The continued outperformance of growth stocks has further widened value spreads. The MSCI World Value Index trades at a forward P/E of 13.2x (consensus fiscal year), compared to the MSCI World Growth Index at 25.5x.

The US economic landscape continues to present a mixed picture. Recent retail sales figures show some signs of stress, while housing starts hit a four-year low. In contrast, industrial production saw a surprising +0.9% increase in May, surpassing forecasts. Additionally, early indications from the June US Purchasing Managers' Index (PMI) point to stronger-than-expected readings, with the composite PMI reaching a 26-month high. This conflicting data underscores the ongoing divergence of the US economy, with significant pressure on lower-income households. While weak retail sales were viewed positively by markets, indicating potential for rate cuts, strong PMI figures presented a contrary view. Close monitoring of evolving economic data will be crucial to assess whether the economy is overheating, potentially complicating Fed decisions in future meetings.

Global central bank meetings in June highlighted growing divergence in monetary policy among major economies. Alongside the Bank of England's decision to maintain key benchmark rates, the US Federal Reserve and Reserve Bank of Australia also opted for stability, citing ongoing challenges in reaching inflation targets. Conversely, the European Central Bank and Bank of Canada each delivered 25 basis point rate cuts in June as inflationary pressures in their respective economies eased. Central banks are clearly tailoring their actions to domestic economic conditions. While Western counterparts are generally aligned in their policy direction, some divergence is expected in the coming months as economic conditions and inflation outlooks vary by region and country.

We remain focused on fundamentals and valuation because we believe these factors drive stock prices in the long run. However, we acknowledge the allure of companies poised to benefit from the ongoing boom in artificial intelligence. We observe significant parallels between today's environment and the later stages of the strongest and longest growth rallies. It's worth noting that the best value-led markets historically emerged after prolonged periods of growth outperformance (e.g., the dot-com bubble). Today, value stocks are emerging from one of the worst periods of underperformance on record, with valuation multiples continuing to be steeply discounted. A shift in sentiment toward a value-led market would provide a strong tailwind for our investment approach.

ATTRIBUTION ANALYSIS – 2Q24

The Hotchkis & Wiley Global Value Fund underperformed the MSCI World Index in the second quarter of 2024, although outperformed the MSCI World Value Index. Relative to the primary benchmark, stock selection and the underweight in technology detracted the most from relative performance. Our positions in F5, Samsung, and Workday underperformed in the quarter. Not owning Nvidia was also a key factor in underperformance. Stock selection in healthcare, consumer discretionary, and communication services also detracted. Conversely, stock selection in consumer staples and financials contributed positively during the quarter. The underweight and stock selection in materials also helped, as did the underweights in consumer discretionary and real estate.

(continued)

Portfolio managers' opinions and data included in this commentary are as of June 30, 2024 and are subject to change without notice. Any forecasts made cannot be guaranteed. **Diversification does not assure a profit nor protect against loss in a declining market. Past performance is no guarantee of future results.**

LARGEST INDIVIDUAL CONTRIBUTORS – 2Q24

International Distributions Services is a mail and parcel delivery company. This long-term holding, which is in the middle of a complex turnaround of its UK operations, agreed to be acquired in May 2024.

Ericsson is a vendor of hardware and software needed to operate wireless networks. This business is effectively an oligopoly, and we believe margins should be better than they have been historically. Ericsson outperformed during the quarter as the Q1 earnings release showed initial signs of revenue stabilization and margin improvement, with management guiding for further revenue stabilization to begin in 2H 2024.

NatWest Group is a leading UK consumer and commercial lender. Over the past decade, the company has completed a substantial restructuring, reducing its balance sheet by half, and refocusing their operations on their core UK commercial and consumer banking operations. The stock has done well as the Company is reporting improved results given the more favorable rate environment.

LARGEST INDIVIDUAL DETRACTORS – 2Q24

CVS Health Corp. is a leading healthcare company which operates in the insurance, pharmacy benefits management, and retail pharmacy segments. CVS underperformed in Q2 due to weak reported results and lowered near-term guidance mainly due to margin pressure in its insurance business. Although disappointing, we do not think this indicates a change in the long run earnings power of the company. Health insurance is a business that reprices yearly; we believe CVS should be able to recover its higher costs within a year or two. We were pleased that the company took advantage of the lower share price with an accelerated share repurchase of $3B, or over 3% of shares outstanding.

Magna International is the fifth largest global auto supplier and is an important partner to many of the world's largest original equipment manufacturers. Q1 was a difficult period for Magna – margins were weaker than expected and the company had to cut full year guidance. We still believe in the long-term prospects of the company.

F5 sells application networking and security software and data center appliances. We believe that skepticism around the Company's ability to achieve 2024 sales guidance, and management's commentary that customer's IT spending intentions have not inflected positively yet are the two main reasons the stock sold off after its most recent earnings release; both of these factors should be temporary.

You should consider the Fund's investment objectives, risks, and charges and expenses carefully before you invest. This and other important information is contained in the Fund's summary prospectus and prospectus, which can be obtained by calling 1-800-796-5606 or visiting our website at www.hwcm.com. Read carefully before you invest.

The Fund may invest in foreign and emerging markets securities, which subjects the Fund to increased risk. Please read the fund prospectus for a full list of fund risks. All investments contain risk and may lose value. Equities, bonds, and other asset classes have different risk profiles, which should be considered when investing.

Fund holdings and/or sector allocations are subject to change and are not buy/sell recommendations. Current and future portfolio holdings are subject to risk. Specific securities identified are the largest contributors (or detractors) on a relative basis to the MSCI World Index. Securities' absolute performance may reflect different results. The Fund may not continue to hold the securities mentioned and the Advisor has no obligation to disclose purchases or sales of these securities. Attribution is an analysis of the portfolio's return relative to a selected benchmark, is calculated using daily holding information and does not reflect the payment of transaction costs, fees and expenses of the Fund. Certain information presented based on proprietary or third-party estimates are subject to change and cannot be guaranteed. Information obtained from independent sources is considered reliable, but H&W cannot guarantee its accuracy or completeness.

The **MSCI World** Index is a free float-adjusted weighted index capturing large and mid cap stocks. The **MSCI World Value** and **MSCI World Growth** Indices are free float-adjusted weighted indexes capturing large and mid cap stocks, exhibiting overall value or growth style characteristics, respectively. The MSCI indices represent stocks across 23 Developed Markets (DM) countries and include reinvestment of dividends, net foreign withholding taxes. The **Purchasing Managers'** Index™ is a survey-based economic indicator designed to provide a timely insight into business conditions. The indices do not reflect the payment of transaction costs, fees and expenses associated with an investment in the Fund. The Fund's value disciplines may prevent or restrict investment in major stocks in the benchmark indices. It is not possible to invest directly in an index.

Style Risk: A value-oriented investment approach involves the risk that value stocks may remain undervalued or may not appreciate in value as anticipated. Value stocks can perform differently from the market as a whole or from other types of stocks and may be out of favor with investors and underperform growth stocks for varying periods of time.

Top 10 holdings as of 6/30/24 as a % of the Fund's net assets: Ericsson 4.5%, F5 Inc. 3.8%, Workday Inc. 3.7%, Elevance Health Inc. 3.0%, Alphabet Inc. 3.0%, CVS Health Corp. 2.6%, Citigroup Inc. 2.5%, Siemens AG 2.5%, Medtronic PLC 2.4%, and Samsung Electronics Co. 2.4%. **Forward price-to-earnings (P/E)** ratio divides the current share price of a company by the estimated future ("forward") earnings per share (EPS) of that company

Mutual fund investing involves risk. Principal loss is possible.
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