

HIGH YIELD FUND

MANAGER REVIEW & ECONOMIC OUTLOOK

HWHIX | HWHAX | HWHZX



PERFORMANCE (%) as of March 31, 2026

	QTR	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Since 3/31/09
High Yield Fund – I Shares	-0.94	-0.94	5.74	7.38	3.97	5.33	7.53
ICE BofA BB-B US HY Constrained Index	-0.38	-0.38	7.08	7.96	3.97	5.68	7.88
ICE BofA US High Yield Index	-0.55	-0.55	6.90	8.50	4.19	6.05	8.60

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 0.78% for I Shares; 0.70% net expense ratio. The Advisor has contractually agreed to waive advisory fees and/or reimburse expenses through August 29, 2026. 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 ICE BofA US High Yield Index generated a -0.55% total return in the first quarter as US and Iranian nuclear program negotiations gave way to military action and the closing of the Strait of Hormuz. Prior to the escalation, the high yield market had generated a respectable +0.65% quarter to date total return. For the full quarter, high yield underperformed treasuries, bank loans, and investment grade corporates fixed income asset classes while outperforming emerging market debt. The Federal Open Market Committee met twice in the first quarter and held its Fed Funds target rate steady at 3.75% (upper bound) each time as labor market conditions firmed and CPI ticked up 60 bps to 3.3%. Expectations for 50 bps of additional Fed rate cuts in 2026 evaporated as the US/Iran conflict caused oil prices to spike 63% to \$118/barrel, lifting inflation expectations. The 10-Year US Treasury yield increased 15 bps to 4.32% and the yield curve flattened with the short end increasing 30 bps and the long end increasing 10 bps.

Within the high yield market, yield-to-worst increased 82 bps to 7.44% and option adjusted spread widened 47 bps to 328 bps. The last twelve-month high yield default rate, including the impact of distressed exchanges, increased 19 bps to 2.1%, a 23 month-high but 110 bps below its historic average. High yield primary market gross issuance totaled \$78 billion, a 15% increase vs. prior year first quarter.

The ICE BofA BB-B US High Yield Constrained Index generated a -0.38% total return, outperforming the broader high yield market by 17 bps as the CCC rating cohort produced a -2.21% total return. From a sector perspective, Energy (+2.31% total return) was the only positive return sector within the ICE BofA BB-B US High Yield Constrained Index while Financial Services (-2.33% total return) and Technology & Electronics (-2.10% total return) were notable underperformers.

ATTRIBUTION ANALYSIS – 1Q26

The Hotchkis & Wiley High Yield Fund underperformed the ICE BofA BB-B US High Yield Constrained Index in the first quarter, driven primarily by negative security selection. Credit selection was negative across ten of the nineteen high yield market sectors, most notably in Services, Technology & Electronics and Retail, partially offset by positive selection in Media and Energy.

Portfolio managers' opinions and data included in this commentary are as of March 31, 2026 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.**

HIGH YIELD FUND

MANAGER REVIEW & ECONOMIC OUTLOOK

HWHIX | HWHAX | HWHZX



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.

Investments in debt securities involve credit risk and typically decrease in value when interest rates rise. Investments in lower rated and nonrated securities involve greater risk. The fund may invest in derivatives, asset backed and mortgage-backed securities, and foreign securities. Please read the fund prospectus for a full list of fund risks.

All investments contain risk and may lose value. Investing in high yield securities is subject to certain risks, including market, credit, liquidity, issuer, interest-rate, inflation, and derivatives risks. Lower-rated and non-rated securities involve greater risk than higher-rated securities. High yield bonds and other asset classes have different risk-return 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. Attribution is an analysis of the portfolio's return relative to a selected benchmark, is calculated using trade information and does not reflect the payment of transaction costs, fees and expenses of the Fund.

Bond ratings are grades given to bonds that indicate their credit quality as determined by private independent rating services such as S&P or Moody's. These firms evaluate a bond issuer's financial strength, or its ability to pay a bond's principal and interest in a timely fashion. Ratings are expressed as letters ranging from 'AAA', which is the highest grade, to 'D', which is the lowest grade. Investment Grade includes credits that are BBB- or above.

The **ICE BofA BB-B US High Yield Constrained Index** contains all securities in the ICE BofA US High Yield Index rated BB+ through B- by S&P (or equivalent as rated by Moody's or Fitch), but caps issuer exposure at 2%. Index constituents are capitalization weighted, based on their current amount outstanding, provided the total allocation to an individual issuer does not exceed 2%. The **ICE BofA US High Yield Index** tracks the performance of below investment grade, but not in default, US dollar-denominated corporate bonds publicly issued in the US domestic market, and includes issues with a credit rating of BBB or below, as rated by Moody's, Fitch and S&P. The indices do not reflect the payment of transaction costs, fees and expenses associated with an investment in the Fund. It is not possible to invest directly in an index.

The ICE BofA index data referenced is the property of ICE Data Indices, LLC ("ICE BofA") and/or its licensors and has been licensed for use by Hotchkis & Wiley. ICE BofA and its licensors accept no liability in connection with its use. See www.hwcm.com for full disclaimer.

Federal Open Market Committee directs open market operations in the United States and is made up of 12 members; **Yield-to-worst** is a measure of the lowest possible yield that can be received on a bond with an early retirement provision; **Basis point (bps)** is a unit equal to 1/100th of 1% and is used to denote the change in a financial instrument; and **Consumer Price Index (CPI)** regularly measures the change in the prices paid by consumers in the U.S. for a representative basket of goods and services.

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.

Mutual fund investing involves risk. Principal loss is possible.
NOT FDIC INSURED • NO BANK GUARANTEE • MAY LOSE VALUE
The Hotchkis & Wiley Funds are distributed by Quasar Distributors, LLC

WWW.HWCM.COM