HIGH YIELD FUND

MANAGER REVIEW & ECONOMIC OUTLOOK

HWHIX | HWHAX | HWHCX | HWHZX

Hotchkis & Wiley

PERFORMANCE (%) as of December 31, 2023

	QTR	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Since 3/31/09
High Yield Fund – I Shares	6.11	13.08	13.08	2.87	4.37	3.81	7.78
ICE BofA BB-B US HY Constrained	7.13	12.66	12.66	1.78	5.22	4.55	8.07
ICE BofA US High Yield	7.08	13.54	13.54	2.05	5.24	4.53	8.84

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 0.77% for I Shares; 0.70% net expense ratio. The Advisor has contractually agreed to waive advisory fees and/or reimburse expenses through August 29, 2024. 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 high yield market generated strong investment returns in both the fourth quarter and full year 2023 as economic growth exceeded expectations, inflation decelerated and the Federal Open Market Committee ("FOMC") pivoted away from its interest rate hiking campaign. The ICE BofA US High Yield Index generated a 7.1% in the fourth quarter bringing its 2023 calendar total return to 13.5%. The 10-year treasury yield began and ended 2023 at 3.9% after briefly touching 5.0% in October. The Fed Funds rate increased 100 bps over the course 2023 to 5.5% (upper bounds). Inflation, as measured by headline CPI, declined 310 bps to 3.4% while the unemployment rate ticked up 20 bps to 3.7%.

Within the high yield market, cyclical, lower rated and large cap issuers outperformed the broad market index. Yields declined 125 bps in the fourth quarter and 130 bps in the calendar year to 7.7% in-line with its long-term average. High yield spreads tightened 69 bps in the fourth quarter and 147 bps in the calendar year to 334 bps, below its long-term average, as recession fears moderated. Default activity accelerated both in the fourth quarter and calendar year to 2.8%, modestly below the long-term average. Leverage and interest coverage ratios deteriorated over the course of 2023 as issuers redeployed excess cash to shareholders and impact of higher interest rates flowed through the interest rate expense line item. Primary market activity improved in 2023 with $176 billion in gross issuance, a 65% increase over 2022, but remains below its historic average. Asset class fund flows remained negative in 2023 although fourth quarter flows were positive.

We continue to view the high yield market's prospects as roughly average relative to history and attractive relative to other fixed income alternatives given the current macro-economic environment. Fundamentals are average despite deterioration over the past year. Technicals are above average as the FOMC pivots away from its aggressive monetary tightening policy. Valuation indicators are mixed. Yield-to-worst has reverted up to average and is higher than in the past decade. Spreads are below average although high yield quality indicators (rating and seniority) have improved over time. Spread dispersion is sufficiently wide and conducive to our bottom-up credit picking approach and our penchant for small and mid-cap ("SMID") credits. We remained focused on generating portfolio carry while looking for opportunities to improve portfolio quality.

ATTRIBUTION ANALYSIS – 4Q23 & 2023

The Hotchkis & Wiley High Yield Fund underperformed the ICE BofA US High Yield Index and the ICE BofA BB-B US High Yield Constrained Index ("BB-B Constrained") in the fourth quarter of 2023. Relative to the BB-B Constrained, our SMID overweight and negative credit selection in basic industry, retail, and technology detracted from performance.

For the full calendar year, the Fund outperformed both benchmarks. Relative to the BB-B Constrained, our overweight exposure to lower rated credits and positive credit selection in retail, media, and consumer goods helped relative performance. Security selection in basic industry adversely impacted performance.

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.

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 **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 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.

Market Disruption: The global coronavirus pandemic has caused disruption in the global economy and extreme fluctuations in global capital and financial markets. H&W is unable to predict the impact caused by coronavirus pandemic, which has the potential to negatively impact the firm's investment strategies and investment opportunities.

Basis point is a unit equal to 1/100th of 1% and is used to denote the change in a financial instrument; **Spread** is the percentage point difference between yields of various classes of bonds compared to treasury bonds; **Yield-to-worst** is the lowest possible yield from owning a bond considering all potential call dates prior to maturity.