INTERNATIONAL VALUE FUND

MANAGER REVIEW & ECONOMIC OUTLOOK

HWNIX

Hotchkis & Wiley

PERFORMANCE (%) as of June 30, 2024

	QTR	YTD	1 Yr	3 Yr	5 Yr	Since 12/31/15
International Value Fund – I Shares	1.10	5.69	14.18	7.86	9.39	7.27
MSCI World ex-USA	-0.60	4.96	11.22	2.82	6.55	6.64
MSCI World ex-USA Value	-0.17	4.03	13.17	5.45	6.21	6.05

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 5.08% for I Shares; 0.95% 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 MSCI World ex-USA Index declined -0.6% in the second quarter of 2024. There was notable performance dispersion among GICS sectors during the quarter. Healthcare led with a return of +4.9%, followed by financials (+2.7%) and utilities (+1.9%). In contrast, the consumer discretionary sector experienced a decline of -8.5%, real estate fell by -6.6%, and materials dropped by -1.7%.

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 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. Considering the wide valuation spread between value and growth (the MSCI World ex-USA Value Index trades at a forward price-to-earnings ratio of 10.2x vs. 20.3x for the MSCI World ex-USA Growth Index), we believe that a shift in sentiment toward a value-led market would provide a strong tailwind for our investment approach.

ATTRIBUTION ANALYSIS – 2Q24

The Hotchkis & Wiley International Value Fund outperformed both the MSCI World ex-USA Index and the MSCI World ex-USA Value Index in the second quarter of 2024. Relative to the broad benchmark, stock selection in consumer staples and information technology resulted in the bulk of relative outperformance. Stock selection in financials and energy also contributed positively, as did the underweight in consumer discretionary. Conversely, stock selection in consumer discretionary and industrials detracted from relative performance. The underweight in healthcare and stock selection in materials also detracted in the quarter.

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.

Koninklijke Philips NV is a medical technology company that holds leading positions in several important and fast-growing niches. This quarter, the stock surged primarily due to a settlement of the US litigation concerning the company's CPAP machines at a significantly lower cost than was expected.

(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 DETRACTORS – 2Q24

Magna International is the fifth largest global auto supplier and is an important partner to many of the world's largest original equipment manufacturers (OEM). 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.

Airbus is a commercial airplane OEM. The industry is effectively a duopoly consisting of Airbus and Boeing. Demand for planes has recovered post pandemic and Airbus' order book today is very large. However, supply chain challenges are limiting the company's ability to increase production to meet this strong demand. In June, Airbus reduced earnings and delivery guidance for the year because of these supply chain issues, which caused the stock to decline sharply. We think that these problems are fixable, and that Airbus will deliver on its potential in the years to come.

Randstad is the world's largest staffing company. The stock has been under pressure as the industry faces macro headwinds from economic uncertainty, resulting in employer caution in adding to their workforces. Randstad should benefit from a cyclical recovery when employers 'catch up' on hiring and also from longer-term secular trends such as talent scarcity.

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 ex-USA 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 ex-USA Index** is a free float-adjusted weighted index capturing large and mid cap stocks. The **MSCI World ex-USA Value** and **MSCI World ex-USA Growth** Indices are free float-adjusted weighted indices capturing large and mid cap stocks, exhibiting overall value or growth style characteristics, respectively. The MSCI indices represent stocks across 22 of 23 Developed Markets (DM) countries, excluding the United States and include reinvestment of dividends, net foreign withholding taxes. 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 ten holdings as of 6/30/24 as a % of the Fund's net assets: Ericsson 5.2%, Siemens AG 4.1%, Shell PLC 3.7%, Samsung Electronics Co. 3.5%, Babcock Int'l Grp PLC 3.4%, Lloyds Banking Group PLC 3.3%, Henkel AG & Co. KGaA 3.2%, WPP PLC (ADR) 3.0%, Heineken Hldg N.V. 3.0%, and Qantas Airways Ltd. 2.8%; **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; **GICS**-Global Industry Classification Standard.

Mutual fund investing involves risk. Principal loss is possible.
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