

MARKET COMMENTARY

The MSCI World ex-USA Index returned -0.7% in the third quarter of 2021. The index reached an all-time high in early September before retreating to close out the quarter. Economic developments over the quarter were mixed. Real GDP grew +2.2% in Europe and +0.5% in Japan over the most recent quarter (seasonally adjusted quarter-over-quarter). Many businesses are contending with labor issues, which fuels already-tight supply conditions and increases inflationary pressures. Supply/demand imbalances have also started to emerge in the energy sector, leading to price increases. Inflation persisted above 3% in Europe (year-over-year), the highest levels in well over a decade. Central banks have generally continued with expansionary fiscal and monetary policies, though hawkish comments are appearing with increased frequency. Through July and August, the international energy sector had a negative return while the overall index was positive. This reversed in September. The energy sector rose more than +10% while the overall index declined. For the entire quarter, energy was the top performing sector for the index (+5.7%). Overall, corporate earnings continue to be strong with more than 70% of MSCI World ex-USA companies surpassed consensus earnings expectations in the quarter.

International growth outperformed international value modestly. The MSCI World ex-USA Growth Index declined -0.3% while the MSCI World ex-USA Value Index declined -1.1%. In the recent past, COVID-19 developments appear to have dictated which investing style outperformed—positive developments have favored value, negative developments growth. The performance difference between value and growth largely moved in tandem with COVID's progression during the quarter. We continue to focus on fundamentals and valuation because that is what drives stock prices in the long run; however, we believe the demise of the pandemic through improved inoculation, herd immunity, or both, could provide a welcomed catalyst for a prolonged global value rally.

Some of the more powerful and long-lasting value rallies have persisted for 7 to 10 years, with value outperforming growth by well over 100 percentage points. The common trait among these most formidable value-led markets is that each came on the heels of a prolonged period of growth outperformance, and each began with wide valuation spreads. There are notable similarities between today's environment and the early stages of previous strong value rallies. Because the portfolio trades at a valuation discount to the index, we believe a value-led market would be

highly conducive to our investment approach, even relative to the international value benchmark. We continue to focus on companies that trade at significant discounts to intrinsic value, but also possess quality businesses, strong balance sheets, and good corporate governance.

ATTRIBUTION – 3Q21

The Hotchkis & Wiley International Value Fund outperformed the MSCI World ex-USA Index in the third quarter of 2021. The overweight and positive stock selection in financials was the largest contributor to relative performance. The lack of exposure to materials and utilities, the index's worst performing sectors, also helped. Stock selection in technology, industrials, and consumer staples detracted from performance. The largest positive contributors to relative performance in the quarter were Tokio Marine, Cairn Energy, Babcock International, ING Groep, and Qantas Airways; the largest detractors were Royal Mail, Heineken, Magna International, Credit Suisse, and Ericsson.

LARGEST NEW PURCHASES – 3Q21

None.

Portfolio managers' opinions and data included in this commentary are as of September 30, 2021 and are subject to change without notice. Any forecasts made cannot be guaranteed. Information obtained from independent sources is considered reliable, but H&W cannot guarantee its accuracy or completeness. 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. Certain information presented based on proprietary or third-party estimates are subject to change and 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.**

INTERNATIONAL VALUE FUND

HWNIX

MANAGER REVIEW & ECONOMIC OUTLOOK

SEPTEMBER 30, 2021

PERFORMANCE (%) as of September 30, 2021

	QTR	YTD	1 Yr	3 Yr	5 Yr	Since 12/31/15
International Value Fund – I Shares	-0.52	15.09	50.03	4.15	6.45	6.54
MSCI World ex-USA	-0.66	9.19	26.50	7.87	8.88	8.25
MSCI World ex-USA Value	-1.07	11.15	32.60	3.45	6.25	5.89

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 5.13% for I Shares; 0.95% net expense ratio. The Advisor has contractually agreed to waive advisory fees and/or reimburse expenses through August 31, 2022. 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.

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.

Equities, bonds, and other asset classes have different risk profiles, which should be considered when investing. All investments contain risk and may lose value. 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.

The Global Industry Classification Standard ("GICS") was developed by and is the exclusive property and a service mark of MSCI Inc. ("MSCI") and Standard & Poor's Financial Services, LLC ("S&P") and is licensed for use by Hotchkis & Wiley ("H&W"). All rights reserved. Neither S&P nor MSCI is liable for any errors or delays in this report, or for any actions taken in reliance on any information contained herein.

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.

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

MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indices or any securities or financial products. This report is not approved, reviewed, or produced by MSCI. See www.hwcm.com for full disclaimer.

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 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. Top ten holdings as of 9/30/21 as a % of the Fund's net assets: Credit Suisse Group AG 4.1%, ING Groep N.V. 4.0%, CNH Industrial N.V. 3.7%, Accor SA 3.6%, Royal Mail PLC 3.5%, Tokio Marine Hldgs Inc. 3.4%, BAE Systems PLC 3.3%, Airbus SE 3.1%, BNP Paribas SA 3.0%, and Heineken Hldg N.V. 2.9%.

Spread is the difference between valuations of value and growth stocks. **Extraordinary performance is attributable in part due to unusually favorable market conditions and may not be repeated or consistently achieved in the future.**

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