

INTERNATIONAL VALUE FUND

MANAGER REVIEW & ECONOMIC OUTLOOK

HWNIX



PERFORMANCE (%) as of December 31, 2025

	QTR	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Since 12/31/15
International Value Fund – I Shares	6.85	41.39	41.39	22.50	15.49	9.90	9.90
MSCI World ex-USA Value Index	8.15	42.23	42.23	21.58	13.94	9.16	9.16
MSCI World ex-USA Index	5.20	31.85	31.85	17.64	9.46	8.55	8.55

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 4.09% 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 MSCI World ex-USA Index returned +5.2% in the fourth quarter of 2025, bringing its calendar year return to +31.9%. In local currency terms, the index was up considerably less as the dollar weakened significantly relative to most other major currencies.

A full 17 years have now passed since the global financial crisis of 2007/2008. Since then, the S&P 500 Index is up tenfold, while the MSCI World ex-USA Value Index is up less than fourfold. Earnings growth outside the US is expected to accelerate, yet the multiple investors are paying for these earnings remains disciplined compared to domestic counterparts. The S&P 500 trades near 26x forward earnings, while the MSCI World Value ex-USA trades at nearly half that multiple (14x). Many argue the US premium is justified due to capital-light businesses and structurally higher returns on capital, particularly within the technology and communication services sectors. This argument has merit, but 26x earnings implies an earnings yield of less than 4%, a valuation with little margin of safety. Moreover, the capital-light narrative is being challenged by a renewed investment cycle. Fortunately, opportunities in international markets remain abundant. The portfolio trades at 13x forward earnings, reasonably in line with its own history.

International value stocks outperformed international growth stocks by a wide margin, an interesting dynamic considering growth outperformed value in the US. The MSCI World ex-USA Value Index returned +42% compared to +22% for its growth counterpart. The difference is almost entirely explained by financials, which comprised an average weight of 38.5% of the non-US value index and returned +60% in the year; it comprised less than 12% of the growth index. The portfolio's financials performed even better (+92%) and we took a meaningful amount of capital out of the sector for the third consecutive year due to higher valuations.

Financials was the MSCI World ex-USA Value Index's top performing sector over the year (+60%), followed by utilities (+49%), industrials (+45%), and materials (+42%). Consumer discretionary (+19%) and technology (+20%) were the laggards but still considerably positive. Europe outperformed Japan, though much of this was due to currency changes. Over the course of the year, relative to the dollar, the Euro appreciated 13% and the Pound 8%, while the Yen was flat.

We remain optimistic about the portfolio's positioning and prospects, particularly relative to the broad market which we view as expensive.

ATTRIBUTION ANALYSIS – 4Q25 & 2025

The Hotchkis & Wiley International Value Fund underperformed the MSCI World ex-USA Value Index in the fourth quarter of 2025. Stock selection in industrials, materials, energy, and healthcare detracted from relative performance. The underweight exposure to financials, which comprise 40% of the index, also detracted modestly. Positive stock selection in financials, technology, and consumer discretionary helped relative performance in the quarter, as did the overweight position in energy.

Over the full calendar year, the Fund underperformed the MSCI World ex-USA Value Index. Stock selection in communication services, energy, and healthcare detracted from performance. The underweight exposure to financials, the index's top-performing sector, also hurt. However, the portfolio's financial positions outperformed the index by a considerable margin, which helped relative performance. Stock selection was also meaningfully positive in consumer discretionary, industrials, and technology.

(continued)

Portfolio managers' opinions and data included in this commentary are as of December 31, 2025 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.**

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LARGEST INDIVIDUAL CONTRIBUTORS – 4Q25

Fuso Chemical (4368 JP), based in Osaka, Japan, has 90%+ market share in ultra-pure silica used as an abrasive particle in semiconductor polishing applications. Fuso's businesses are monopolies and oligopolies selling niche, high-value products into end markets with attractive growth outlooks. Fuso reported a very strong quarter that beat consensus forecasts and FY26 guidance was increased due to strength in colloidal silica sales.

Ericsson (ERIC US/ERICB SS) is one of the largest vendors of hardware and software needed to operate wireless networks outside China. Ericsson's earnings are below normal as demand for wireless equipment is low in Japan and India. Management is turning around its mismanaged Cloud Software and Services business. We believe valuation is attractive even if Ericsson's competitors do not lose market share due to political or scale problems, but there is substantial additional upside if these possible outcomes occur. Ericsson's stock outperformed as the company signaled a pivot towards returning more capital to shareholders and 3Q25 results were modestly better than expected: company gross margins and the Cloud Software and Services business continued to improve.

AstraZeneca (AZN LN) is a diversified pharmaceutical company headquartered in Cambridge, England with >\$50 billion in sales. We believe AZN is highly likely to grow revenue and earnings well over the next 5 to 7 years, driven by approved and launched de-risked drugs. Over the long term, it should also grow well, driven by an exceptionally deep pipeline. Shares rose ~23% over the quarter, alongside other European pharmaceutical companies, following news of Pfizer's pricing arrangement with the U.S. government, which investors viewed as increasing the likelihood of similar arrangements across the sector, and positive readouts in AZN's R&D pipeline.

LARGEST INDIVIDUAL DETRACTORS – 4Q25

Nippon Sanso (4091 JP) is the world's fourth largest industrial gas company. While the industrial gas majors trade for premium valuations due to their "unregulated utility" quality attributes, Nippon Sanso trades at a substantial discount to its peers. Some discount is justified based on weaker relative historical performance and some structural aspects of the Japan market, however, much of this discount should close over time due to a combination of powerful macro (Japanese governance reform, positive inflation) and micro (motivated

and skilled management, shift to value-based pricing, osmosis of best-in-class operating culture from Praxair) factors. A weak volume environment and input cost pressure have caused Nippon Sanso and other industrial gas peers to de-rate in recent quarters. Recovering volume growth, thoughtful capital allocation, and a narrowing of the valuation gap to the majors should drive outperformance over the long-term.

Akzo Nobel (AKZA NA) is one of the world's largest paints and coatings company, with leading positions in European decorative paints and a portfolio of coatings across automotive, marine, industrial, and powder end markets. Akzo's margins should normalize through disciplined pricing, portfolio pruning, and structurally lower costs driven by formulation simplification and procurement optimization, even in a low volume growth environment. The stock declined in Q4 as reported results reflected weak volumes in several end markets, unfavorable mix (particularly in North America), and an FX headwind that affected underlying pricing progress. Shares were further pressured by a modest trim to FY25 volume and EBITDA guidance. Investors and analysts are skeptical of the value creation potential of the proposed merger with US-based coatings provider Axalta, which also weighed on sentiment. We have a more positive view.

Randstad (RAND NA) is one of the world's largest staffing companies, providing a range of HR services for its clients, including sourcing temporary and permanent employees, outsourcing services, worker training, and HR consulting. Randstad will benefit from a cyclical recovery when employers 'catch up' on hiring and from secular tailwinds such as talent scarcity and growing worker preference for flexible jobs including temp roles. Randstad also has an investment grade balance sheet and a shareholder friendly management team. The most recent quarter showed that Randstad continues to maintain industry leading margins despite a challenging market. Once labor demand recovers, Randstad should benefit from margin expansion because of the operating leverage in the business model.

Mutual fund investing involves risk. Principal loss is possible.
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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.

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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.

Forward price-to-earnings ratio divides the current share price of a company by the estimated future ("forward") earnings per share (EPS) of that company; **Earnings before interest and taxes (EBIT)** measures a company's net income before income tax and interest expenses are deducted; **Mergers and acquisitions (M&A)** are the process of consolidating companies or major assets of companies through financial transactions; and **Research and development (R&D)** is the series of activities that companies undertake to innovate.

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 12/31/25 as a % of the Fund's net assets: Ericsson 4.4%, Akzo Nobel N.V. 4.0%, Henkel AG & Co. KGaA 3.8%, Fuso Chemical Co. NPV 3.4%, Shell PLC 3.2%, Heineken Hldg N.V. 3.2%, Qantas Airways Ltd. 2.9%, TotalEnergies SE 2.7%, BNP Paribas SA 2.7%, and Airbus SE 2.6%. **Global Industry Classification Standard (GICS)** is a system for categorizing every public company by economic sector and industry group.

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.

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