LARGE CAP FUNDAMENTAL VALUE FUND

MANAGER REVIEW & ECONOMIC OUTLOOK

HWLIX | HWLAX | HWLZX

Hotchkis & Wiley

PERFORMANCE (%) as of September 30, 2026

	QTR	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Since 6/24/87
Large Cap Fundamental Value Fund – I Shares	3.48	9.76	14.62	17.58	11.22	11.67	9.52
Russell 1000 Value Index	2.61	19.27	23.81	20.07	11.92	11.43	n/a

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 0.98% for I Shares; 0.97% net expense ratio. The Advisor has contractually agreed to waive advisory fees and/or reimburse expenses through August 29, 2027. 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 S&P 500 Index returned +2.3% in the third quarter of 2026, bringing its year-to-date return to +12.7%. The Russell 1000 Value Index returned +2.6% compared to +0.9% for the Russell 1000 Growth Index, extending its considerable year-to-date edge: +19.3% vs. +6.3%, respectively. Market leadership continued to be narrow. Only 31% of the Russell 1000 Value's constituents outperformed the index, and the median stock declined 4.7%.

S&P 500 quarterly earnings grew more than 30% year-over-year, an exceptional pace for a non-recessionary recovery. This strength appeared to overshadow renewed conflict in the Middle East and the Federal Reserve's first rate hike in more than three years. The collapse of the US/Iran ceasefire and the subsequent campaign of tanker attacks near the Strait of Hormuz sent oil prices higher. Brent crude rose 45% to $104/barrel in the quarter. Dated Brent, a better proxy than futures for the price of a physical barrel, spiked 68% to $120/barrel. The energy sector of the Russell 1000 Value Index returned +16% in the quarter, making it the best performing sector. The portfolio benefited from its overweight position, coupled with modest outperformance within the sector.

The Consumer Price Index rose 3.4% year-over-year in its most recent reading, lower than its May peak but still well above the Federal Reserve's target. Accordingly, the Federal Reserve raised the federal funds rate by 25 basis points to 4.0% (upper bound) in September, and the futures market is pricing in another hike of that magnitude before year end. Long-term Treasury yields rose even more. The 10-year climbed from 4.5% to 5.3%, its highest level since 2007, and the 30-year yield ended the quarter at 5.6%, its highest since 2002. Predictably, rate-sensitive sectors like utilities and real estate declined. The 30-year mortgage rate also rose meaningfully, eclipsing 7%. The University of Michigan's Consumer Sentiment Index fell very close to its lowest level in the history of the survey, which dates back to the late 1970s, presumably fueled by the increased cost of living. Consumer discretionary stocks performed poorly, with Amazon.com a notable exception. It comprises more than half of the value index's consumer discretionary weight and returned +5%, while the median stock in the sector declined 10% in the quarter.

After a spectacular run, enthusiasm for all things AI paused. The Philadelphia Semiconductor Index declined 11% in the quarter, and 14% from its late June peak. It was down even more in July before recovering in the latter part of the quarter. Uncertainty about how the AI buildout will be financed appeared to grow. Chair Warsh cited competition for capital from the largest AI data center spenders as one reason for higher long-term yields, and in late September Oracle issued a force majeure notice on a large data center project.

Software was the best performing industry in the Russell 1000 Value[1], returning +34%. We have long believed that the market overstated the threat AI poses to software companies with mission critical systems of record. The evidence this year—improving bookings, stable to accelerating organic growth, and sizable share repurchases—continues to undermine the so-called "SaaSpocalypse" theory. Even after the rebound, select software companies remain attractively valued. Workday, for example, trades at 14x our estimate of normal earnings, compared to 20x for the Russell 1000 Value and 24x for the S&P 500. It also has excellent fundamental risk ratings and is consequently our largest holding.

The quarter also brought a meaningful change in market disposition. In the first half of the year, high beta and high momentum stocks dominated, while value and quality lagged. In the third quarter, this largely reversed, with value and quality coming back into vogue. A single quarter does not mark the end of a speculative cycle, and we expect periods of exuberance to recur. Still, the third quarter was a reminder that valuation and fundamentals eventually matter. We believe our portfolio of high quality, attractively valued, financially sound businesses is well positioned as that reality reasserts itself.

(continued)

[1]Technically, the health care technology industry returned +59%, but it is composed of just 2 stocks with a combined 0.1% index weight.

Portfolio managers' opinions and data included in this commentary are as of September 30, 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.**

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ATTRIBUTION ANALYSIS – 3Q26

The Hotchkis & Wiley Large Cap Fundamental Value Fund outperformed the Russell 1000 Value Index in the third quarter of 2026. Stock selection in information technology was the largest positive contributor, led by our enterprise software holdings, Workday and Salesforce. An overweight position in energy and favorable stock selection in industrials also helped, as did underweight positions in real estate and utilities, both of which declined. Among the largest headwinds were large benchmark-only stocks that we did not own performing well, and the index reconstitution, although these two things are somewhat redundant. Microsoft and Apple were both added to the value index at its June reconstitution. They were the two largest individual detractors by way of not owning them. Similarly, semiconductors put up remarkable returns in the first half of the year, then declined once they left the value index. The timing of the reconstitution was fortunate for passive value investors but dampened our relative performance. We estimate that the portfolio would have outperformed by more than it did had the index remained unchanged. The reconstitution had no effect, of course, on our absolute return.

LARGEST INDIVIDUAL CONTRIBUTORS – 3Q26

Workday is a leader in cloud software for back-office business functions, spanning human capital management, financial management, and adjacent ERP products, with 60% of the Fortune 500 as HCM customers. Its formidable competitive advantages produce best-in-class unit economics — 97% gross retention, a 38% normal EBIT margin, and low-teens subscription revenue growth — and its ERP markets are both the largest and least cloud-penetrated in application software, providing a long runway to invest at high returns at an attractive valuation. In mid-August, Reuters reported Silver Lake was in talks to acquire Workday, which boosted its stock price. We trimmed the position on strong performance.

APA is an independent oil and gas E&P operating in the Midland and Delaware basins in the Permian and Egypt. APA offers strong free cash flow generation driven by favorable natural gas price differentials and underappreciated reinvestment opportunities in Suriname, Egypt, and potentially Alaska. The stock outperformed during Q3 after August results highlighted Permian efficiency, and strong free cash flow supporting debt paydown and buybacks, with management guiding to substantial additional share repurchases through year-end. We believe structural cost improvements and favorable pipeline and liquefied natural gas contracts support continued cash generation, while progress in Alaska increases its potential contribution to normal earnings. Our investment thesis remains intact.

Salesforce is the fourth largest global software company, with a broad portfolio that includes Sales, Service, Marketing & Commerce Clouds, Slack, MuleSoft, Tableau, and the Data & AI Cloud. Its products are deeply embedded across a large enterprise customer base, creating a long runway for growth through seat expansions, cross selling, and pricing, and supporting strong revenue growth for many years. The stock outperformed as concerns about AI disruption to application software eased during the quarter. The fundamentals remain strong, with net new bookings hitting their highest level in four years and Agentforce gaining meaningful traction with customers.

LARGEST INDIVIDUAL DETRACTORS – 3Q26

Microsoft (MSFT) and Apple (AAPL) were the two largest detractors, because we did not own them and they returned +38% and +15%, respectively, as constituents of our benchmark. Below are the largest detractors held in the portfolio.

Ericsson is the largest vendor of the hardware and software needed to operate wireless networks outside China. We own it because earnings are below normal as the Enterprise business continues to lose money and market share gains in Japan have yet to convert to material revenue. Valuation remains attractive even if Ericsson does not gain market share, with substantial upside if they materialize. The stock underperformed as quarterly results raised concerns that higher component costs could pressure 2027 margins in its core Network business. We believe this surge in input cost is manageable. Our investment thesis remains intact.

PPG Industries is a global leader in paints and coatings. The company is geographically diversified with 45% of sales in the US and Canada, 30% in EMEA, and the remainder from Asia and Latin America. Shares were pressured by renewed concerns that higher oil prices would increase input costs for its products. While demand remains uneven, the quarter supports the view that PPG's pricing power, cost actions, and mix improvement should help protect earnings through the cycle.

Aptiv is a leading global auto supplier that designs and manufactures the software, hardware, and electrical architecture that serve as the “brain” and “nervous system” of modern vehicles. Shares fell following second-quarter results, and consensus earnings estimates for the year were cut. We took advantage of the decline to add to our position in a company whose growing mix of software and systems content should drive growth well above underlying vehicle production, despite near-term cyclicality.

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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 securities. 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 three largest contributors (or detractors) on a relative basis to the Russell 1000 Value 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 **Russell 1000® Value Index** measures the performance of those Russell 1000® companies with lower price-to-book ratios and lower forecasted growth values**.** The **Russell 1000® Growth Index** measures the performance of those Russell 1000® companies with higher price-to-book ratios and higher forecasted growth values. The **S&P 500® Index** is a broad-based unmanaged index of 500 stocks, which is widely recognized as representative of the equity market in general. The **Consumer Price Index** measures the overall change in consumer prices based on a representative basket of goods and services over time. The **University of Michigan's Consumer Sentiment Index** is a monthly economic survey that measures how optimistic or pessimistic American consumers feel about their personal finances and the overall U.S. economy. The **Philadelphia Semiconductor Index**, is the global benchmark index tracking the performance of the semiconductor industry. 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.

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Top ten holdings as of 9/30/26 as a % of the Fund's net assets: Workday Inc. 5.2%, APA Corp. 4.0%, American Int'l Group Inc. 3.4%, GE HealthCare Technologies 3.0%, Elevance Health Inc. 2.9%, Salesforce Inc. 2.9%, Cigna Corp. 2.7%, Comcast Corp. 2.6%, CDW Corp. 2.4%, and Fiserv Inc. 2.4%.

Artificial Intelligence (AI); Basis point (bp) is a unit equal to 1/100th of 1% and is used to denote the change in a financial instrument; **Beta** is a measure of a stock's volatility in relation to the overall market; **Brent Crude** oil is a major light, sweet crude oil extracted from offshore fields in the North Sea; **Earnings Before Interest and Taxes (EBIT)** measures a company's net income before income tax and interest expenses are deducted; **Dated Brent** is the daily physical spot price assessment for physical cargoes of North Sea crude oil that have been assigned a specific loading-date window for delivery; **Free cash flow** represents the cash a company generates after accounting for cash outflows to support operations and maintain its capital assets; **Normal Earnings** refers to a company's income that has been adjusted to remove revenue, expenses, or effects of seasonality; and **SaaSpocalypse** is a market term used to describe the sharp sell-off and valuation crash in software-as-a-service (SaaS) and enterprise tech stocks driven by fears of artificial intelligence disruption.

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. Earning growth is not a measure of the Fund's future performance.

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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