

MID-CAP VALUE FUND

MANAGER REVIEW & ECONOMIC OUTLOOK

HWMIX | HWMAX | HWMZX



PERFORMANCE (%) as of September 30, 2025

	QTR	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Since 1/2/97
Mid-Cap Value Fund – I Shares	7.74	5.36	2.84	15.35	21.57	8.27	10.86
Russell Midcap Value Index	6.18	9.50	7.58	15.51	13.66	9.96	10.07

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 1.00% for I Shares. 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

U.S. equity markets posted robust gains in the third quarter of 2025, with major indices including the S&P 500 Index, Nasdaq Composite, Dow Jones Industrial Average, and Russell 2000 Index reaching record highs. Investor sentiment was buoyed by enthusiasm surrounding artificial intelligence (AI), a long-awaited Federal Reserve rate cut, and stronger-than-expected corporate earnings. The Russell Midcap Index advanced +5.3% for the quarter, while small-cap stocks, as measured by the Russell 2000 Index, rallied +12.4%. The Russell 1000 Index returned +8.0% in the quarter. Market breadth improved, reflecting resilience across capitalizations as both growth and value styles delivered solid returns, though mid cap value stocks outperformed mid cap growth stocks by a wide margin (+6.2% vs. +2.8%).

From a thematic and policy standpoint, broad market performance was driven by a combination of renewed optimism around AI's productivity potential, a dovish shift from the Federal Reserve following a 25 basis point rate cut in September with guidance for further easing, and corporate earnings that broadly exceeded expectations. Despite record-setting equity performance, caution persists beneath the surface. Index valuations remain elevated, the labor market is showing signs of softening, and concerns over tariffs and fiscal policy continue to temper optimism.

Market positioning evolved in response to these developments. Capital flowed toward high-conviction growth names and smaller-cap companies poised to benefit from lower rates, while investors also began to re-examine opportunities in non-technology sectors where valuations appeared more compelling. With interest rates now trending lower and AI-related themes continuing to

influence market leadership, we believe the environment is becoming more selective and will likely reward discipline around both valuation and risk, which remain key elements of our management of the Mid Cap Value portfolio.

ATTRIBUTION ANALYSIS – 3Q25

The Hotchkis & Wiley Mid-Cap Value Fund outperformed the Russell Midcap Value Index in the third quarter of 2025. Stock selection and the overweight in energy contributed the most to relative outperformance in the quarter. Stock selection and the underweight in materials also contributed positively, as did the overweight and stock selection in consumer discretionary. The underweight positions in consumer staples and real estate also helped. Conversely, stock selection in technology and industrials detracted the most from relative performance. The underweight and stock selection in utilities was also a modest detractor.

LARGEST INDIVIDUAL CONTRIBUTORS – 3Q25

APA Corp. (APA) is an independent Exploration and Production company operating offshore in Midland and Delaware basins in the Permian and onshore Egypt. Stock performance improved in Q3 following a positive earnings report. We continue to believe that APA is misunderstood as investors are focusing on relatively shorter resource life in the Permian without factoring reinvestment opportunities in Suriname, Egypt, and potentially Alaska. APA has lucrative financial contracts that allow it to generate significant free cash flow from differentials in natural gas prices between the Permian (Waha), the Houston Ship Channel, Henry Hub and for global liquefied natural gas.

(continued)

Portfolio managers' opinions and data included in this commentary are as of September 30, 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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Warner Bros. Discovery (WBD) is one of the largest TV networks and production companies in the world. WBD's Discovery and Turner networks form one of the largest US TV businesses by hours viewed with ~20% audience share. A combination of better earnings and potential takeover bid by Paramount Skydance helped boost the WBD shares during the quarter. While there are potential synergies created by the Paramount deal, we will continue to review WBD carefully for any regulatory or structural challenges.

Olin Corp. (OLN) is the largest producer of chlor alkali chemicals and chlorine derivatives. Shares of Olin rose during the quarter despite a continued challenging operating environment. Olin's balance sheet is strong, and capital allocation has been shareholder friendly. The company continues to provide diversification benefits to our existing commodity exposure.

LARGEST INDIVIDUAL DETRACTORS – 3Q25

Fluor (FLR US) is an engineering and construction company with most of its revenue from projects where it provides full Engineering, Procurement, and Construction (EPC) services. The Company's stock underperformed in the quarter following a weak earnings report that also included reduced forward guidance. Fluor is a high-quality professional services company with a medium-risk business model that we expect will grow with no reinvested capital. Valuation is extremely attractive on normal earnings and even more attractive if its NuScale small-scale nuclear reactor business realizes its potential.

WPP PLC (WPP LN) is one of the world's largest ad agency holding companies. WPP shares came under pressure on lower-than-expected revenue growth. WPP delivered disappointing Q2 earnings results that weighed on the Company's shares. WPP introduced a new CEO during the quarter who brings a wealth of experience in digital transformation and artificial intelligence that are seen as key assets for the Company's turnaround plans. Trading at a low multiple of consensus earnings with a good balance sheet, we believe the company can deliver near mid-teens returns from the combination of capital return and capital-free organic growth.

Centene (CNC) is a managed care organization focused on the managed Medicaid market, with ~28 million at-risk health insurance enrollees. CNC shares fell during the quarter following its most recent quarterly earnings report that was worse than expected. At ~4.8x normal earnings, we believe CNC is attractive as the clear market leader in a business in which scale is a significant competitive advantage. The Medicaid market should grow faster than the economy as a whole: CMS forecasts Medicaid spending to grow 6% per year 2020-2027, driven by spending per member growth. Centene can grow with minimal requirements for invested capital.

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.

Investing in small and medium-sized companies involves greater risks than those associated with investing in large company stocks. 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 Russell Midcap 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.

Russell Investment Group is the source and owner of the Russell Index data contained herein (and all trademarks related thereto), which may not be redistributed. The information herein is not approved by Russell. H&W and Russell sectors are based on the GICS Standard by MSCI and S&P.

The **Russell Midcap® Index**, an unmanaged index, measures the performance of the 800 smallest companies in the Russell 1000® Index. The **Russell Midcap® Value Index** measures the performance of those Russell Midcap® companies with lower price-to-book value ratios and lower forecasted growth values. The **Russell Midcap® Growth Index** measures the performance of those Russell Midcap® Index companies with higher price-to-book ratios and higher forecasted growth values. The **Russell 2000® Index** measures the performance of the 2,000 smallest companies in the Russell 3000® Index. 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 **Nasdaq Composite Index** is a market capitalization-weighted index encompassing over 2,500 stocks, with a strong focus on the technology sector. The **Dow Jones Industrial Average** is a stock market index that tracks 30 large, publicly owned blue-chip companies trading on the New York Stock Exchange and Nasdaq. 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.

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 9/30/25 as a % of the Fund's net assets: APA Corp. 4.7%, Ericsson 3.7%, American Int'l Group Inc. 3.6%, Popular Inc. 3.5%, Citizens Fin'l Group Inc. 3.5%, Adient PLC 2.7%, Magna International Inc. 2.7%, Olin Corp. 2.5%, State Street Corp. 2.4%, and F5 Inc. 2.4%.

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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