VALUE OPPORTUNITIES FUND

MANAGER REVIEW & ECONOMIC OUTLOOK

HWAIX | HWAAX | HWACX | HWAZX

Hotchkis & Wiley

PERFORMANCE (%) as of March 31, 2024

	QTR	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Since 12/31/02
Value Opportunities Fund – I Shares	6.16	6.16	24.59	11.65	14.20	10.65	12.54
Russell 3000 Value	8.62	8.62	20.18	7.74	10.18	8.86	9.29

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 0.96% 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

The Russell 3000 Index increased +10.0% in the first quarter of 2024. The Russell 3000 Growth Index outperformed for the quarter, returning +11.2% vs. +8.6% for the Russell 3000 Value Index. Performance was positive in 10 of the 11 GICS sectors, led by communication services, energy, information technology, and financials. Only real estate saw a small decline in the quarter.

Inflation has remained slightly above 3% for the past 9 months, with the latest reading +3.2% year-over-year. While inflation has slowed dramatically from the 9.1% peak in mid-2022, it remains higher than the Fed's long-term 2% target. At the March FOMC meeting, the committee held the Fed Funds rate at 5.50% (upper bound) for the fifth consecutive meeting. The Fed has been increasingly reluctant to cut rates considering improving economic growth expectations and a strong labor market. The market's expectations for the Fed Funds rate in the coming year are about a full percentage point higher than those same expectations 12 months ago.

The S&P 500 Index, the market's broad-based index of choice, trades at 22x next year's consensus earnings estimates, well above its 30+ year median of 18x. At the beginning of 2023, just 15 months ago, the index traded at an average level (18x). It is up +40% since then, more than half of which is attributable to multiple expansion. It has traded at a higher multiple only 20% of the time since the early 1990s, most of which occurred in the late 1990s/early 2000s. Today's equity market has drawn a lot of comparisons to that internet bubble period, not only due to elevated valuations but also its high concentration, large valuation disparities, and enthusiasm about revolutionary technology. The comparisons have merit, but the impressive growth, profitability, and free cash flow generation of the market's largest stocks make today's elevated valuations more rational than 25 years ago. The sustainability of this growth/profitability/cash flow, at least in some instances, represents our primary concern.

Outside of the tech-oriented mega cap cohort, the large cap market's valuation is trading at a modest premium to historical averages. At 8.3x normal earnings, our portfolio continues to trade at a considerable discount to the value index and a significant discount to the broad index. In addition to valuation, we rate each stock in the portfolio on our three Fundamental Risk Rating pillars: balance sheet, quality, and governance. The focus on valuation, balance sheet, quality, and governance has led us to an overweight position in the information technology sector and the portfolio's largest overweight relative to the index. In tech, we own some high-quality businesses, and we are willing to pay higher valuation multiples accordingly. Common traits among our tech holdings are strong balance sheets, sticky customers that generate recurring/predictable cash flow, and promising prospects for growth. We view these businesses as less cyclical than generally understood and offer attractive diversification to complement other cyclical positions.

ATTRIBUTION ANALYSIS – 1Q24

The Hotchkis & Wiley Value Opportunities Fund underperformed the Russell 3000 Value Index in the first quarter of 2024. On a sector basis, the largest detractor from relative performance during the quarter came from security selection in energy where we had a few companies experience some weakness for idiosyncratic reasons. Security selection in information technology also detracted as our position in Ericsson underperformed. Security selection in communication services and industrials also detracted. Conversely, the underweight in real estate contributed positively during the quarter. Security selection in financials and healthcare also worked well in the period.

(continued)

Portfolio managers' opinions and data included in this commentary are as of March 31, 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 CONTRIBUTORS – 1Q24

General Motors is one of the world's largest manufacturers of passenger vehicles. We like General Motors due to its business segments, free cash flow profile, and commitment to return large amounts of cash to shareholders. The stock continued its strong momentum post the UAW strike, driven by 2024 guidance that was materially stronger than consensus and the $10 billion accelerated share repurchase program.

Babcock is a UK government outsourcer with a focus on Ministry of Defense (MoD) contracts. Babcock performs complex and technical work with high barriers to entry and limited competition. The conflicts in the Middle East continued to escalate during the quarter, which likely contributed to the stock's outperformance.

General Electric is in the later stages of its long transformation from an underperforming conglomerate into three focused, high quality, industry-leading businesses. Following the spin of its power business (GE Vernova) in early April, what remains is an aerospace that we have long believed to be the "crown jewel" of the company. The stock has done well as management has delivered on its commitment to split the company into three and dramatically improve the underlying performance of each asset.

LARGEST INDIVIDUAL DETRACTORS – 1Q24

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's stock underperformed following weak 2023 results and 2024 outlook. This is a cyclical business, and we believe that the weakness in network operators' capex is temporary, and that network equipment spending will recover to more normalized levels.

Stagwell is an ad agency holding company created by the 2021 merger of two complementary marketing businesses: a technology-focused Stagwell Partners and a creative-focused MDC Partners. Stagwell should grow faster than peers as it benefits from strong mix of clients and capabilities as well as the new scale created by the merger. The stock underperformed after the company published Q4 and full-year results that were below guidance. Management expects to return to outperforming legacy competitors in 2024 driven by the abatement of headwinds that weighed on the industry, momentum in their Marketing Cloud products, and a record-breaking political cycle.

Kosmos Energy is an independent exploration and production company focused offshore. In addition to its existing production, Kosmos has LNG assets that are set to begin production in 2024 and a platform to acquire and operate additional offshore resources. Kosmos enjoys a competitive advantage due to the expertise required to explore, discover, and operate assets offshore. Currently the stock is undervalued as the stock doesn't fully reflect the value of the company's existing production. Performance declined over the period with the announcement that the company would be issuing $300M in convertible senior notes.

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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 is non-diversified and may invest in foreign securities, junk bonds, derivatives, or small/mid cap companies. 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 (excludes Puts) identified are the largest contributors (or detractors) on a relative basis to the Russell 3000 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. 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.

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 Global Industry Classification Standard by MSCI and Standard &Poor's.

The **Russell 3000® Index** tracks the performance of the 3,000 largest U.S.-traded stocks. The **Russell 3000® Value Index** includes stocks from the Russell 3000® Index with lower price-to-book ratios and lower expected growth rates. The **Russell 3000® Growth Index** includes companies that display signs of above average growth. The index is used to provide a gauge of the performance of growth stocks in the U.S. 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.

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 10 holdings as of 3/31/24 as a % of the Fund's net assets: Siemens AG 5.5%, Ericsson 5.5%, F5 Inc. 4.9%, Arrow Electronics Inc. 4.4%, Elevance Health Inc. 3.5%, General Motors Co. 3.1%, Shell PLC 3.0%, Stagwell Inc. 2.9%, Medtronic PLC 2.9%, and Wells Fargo & Co. 2.8%. **EV/normal EBIT** (enterprise value to earnings before interest and taxes)-valuation multiple used to determine a security's relative value; **R&D**-Research and development; **Capex**-capital expenditure; **E&P**-exploration and production; **Free cash flow**-represents the cash a company generates after accounting for cash outflows to support operations and maintain its capital assets; **GICS**-Global Industry Classification Standard; **LNG**-Liquefied natural gas.

Mutual fund investing involves risk. Principal loss is possible.
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