

FOCUSED GLOBAL VALUE

MARKET COMMENTARY

The MSCI World Index gained 7.3% in the third quarter of 2025, advancing despite persistent trade frictions, tariff headlines, and the looming risk of a U.S. government shutdown. These factors contributed to elevated volatility and periods of investor caution, though sentiment was ultimately supported by resilient corporate earnings and sustained demand in high-growth industries. Regionally, MSCI World North American equities outperformed Asia Pacific and Europe as artificial intelligence infrastructure spending and robust earnings from large-cap growth companies playing a central role.

Sector performance highlighted the continued leadership of technology-related industries. Semiconductors and hardware companies were significant contributors to returns, benefiting from structural demand tied to artificial intelligence, cloud adoption, and data infrastructure investment. Companies both small and large delivered strong performance in the technology space. Media and entertainment names helped the communication services sector deliver notable gains, with Alphabet and Warner Bros. Discovery advancing on robust trends in digital advertising and media consolidation. Offsetting these strengths, consumer staples declined amid weakening consumer-confidence indicators, while real estate and healthcare managed low single-digit gains.

Market leadership was further defined by style and size dynamics. Growth stocks outperformed value as investors favored companies with strong earnings visibility and secular growth drivers during a period of policy and trade-related uncertainty. Performance was somewhat mixed across the market cap spectrum, though larger companies generally outperformed, underscoring investor preference for scale, financial resilience, and market leadership during the quarter. Collectively, the quarter underscored both the resilience of global equities in the face of geopolitical and policy headwinds and the growing influence of technology-oriented sectors in shaping overall index performance.

ATTRIBUTION ANALYSIS – 3Q25

The Focused Global Value portfolio underperformed the MSCI World Value Index in the third quarter of 2025 (gross and net of management fees). Stock selection in healthcare detracted the most from relative performance in the period. The underweight and stock selection in financials also detracted, as did stock selection in technology, materials, and communication services. Conversely, stock selection in energy contributed positively in the quarter. The underweight position in consumer staples also worked well, as did the overweight in technology.

LARGEST INDIVIDUAL CONTRIBUTORS - 3Q25

Alphabet Inc (GOOGL US) is one of the largest advertising companies in the world. Alphabet's stock rose during the quarter on robust earnings and the resolution to Google's antitrust case.

Cummins, Inc. (CMI) manufactures diesel, natural gas, electric and hydrogen propulsion systems, and related components for on- and off-road, marine, and adjacent applications used in transportation, energy, mining, and related industries. CMI shares rose in the quarter following strong Q2 earnings.

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)

As of 9/30/25, net of fee composite and MSCI World Value performance for 1-year, 5-year and Since Inception (4/1/20) periods: 13.59%, 20.28%, 22.24%, and 11.98%, 13.90%, 15.80%, respectively. Net performance results are presented after management fees and all trading expenses but before custodial fees; the composite includes all Focused Global Value discretionary accounts. Additional disclosures provided in Endnotes.

Past performance is no guarantee of future results.



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LARGEST INDIVIDUAL DETRACTORS – 3Q25

WPP PLC (WPP LN) is one of the world's largest ad agency holding companies. WPP shares came under pressure on worse than expected results that resulted in a dividend cut. While the Company has struggled recently, WPP introduced a new CEO during the quarter who brings a wealth of experience in digital transformation and artificial intelligence, capabilities which will be key to the Company's turnaround plans.

Elevance Health, Inc. (ELV US) is a large health insurer. The company's shares have been under pressure due to concerns around Medicaid utilization trends and Medicare Advantage margins. We believe that these headwinds will be temporary.

Comcast's (CMCSA) cable business is one of the largest wireline telecom service providers in the US. Comcast also owns the NBCU media conglomerate and Sky European Pay TV business. The Company's shares fell during the quarter on concerns of slowing growth in its broadband business. Longer term, we expect wireless growth and modest Broadband pricing to drive net income growth that turns into strong EPS growth after capital return.

The specific investments shown are for informational purposes only and represent the top contributors and detractors for the relevant performance time period. The selection criteria used to determine the top contributors and detractors remains the same across performance measurement periods; additional disclosures provided in Endnotes. **Past performance is no guarantee of future results.**

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Endnotes:

All investments contain risk and may lose value. This commentary is for general information only and should not be relied on for investment advice or recommendation of any particular security, strategy, or investment product.

Portfolio characteristics and attribution are based on a representative Focused Global Value portfolio. The representative portfolio is used for informational purposes only, does not predict future portfolio characteristics, and may differ from other portfolios in the strategy due to asset size, client guidelines, and other variables. H&W selected the representative portfolio based on non-performance criteria. The portfolio reflects the management style of the strategy, is part of the strategy's composite, and has the longest continuous duration under the Adviser's discretion. Selection of the representative portfolio considers one or more of the following factors, such as the portfolio's investment guidelines/restrictions, cash flow activity, or continuous duration under the Adviser's discretion.

Attribution is an analysis of a portfolio's gross of fee returns (without the deduction of fees and expenses) relative to the Index. Bloomberg calculates returns using daily holdings information. Returns calculated using this buy-and-hold methodology can differ from actual client portfolio returns due to data differences, cash flows, trading, and other activity (report is generated at a point in time and will not include any adjustments thereafter). Sector performance only covers the subset of investments specific to that sector. Analysis for different time periods and/or market environments can result in significantly different results.

Specific securities identified are the three largest contributors (or detractors) to the portfolio's performance, relative to the index. Other securities may have been the best and worst performers on an absolute basis. There is no assurance that the securities discussed will remain in the portfolio or that securities sold have not been repurchased. The securities discussed do not represent the entire portfolio, may only represent a small portion of the portfolio and should not assume the securities discussed were or will be profitable or that recommendations made in the future will be profitable or will equal the performance of the securities discussed. H&W's opinions regarding these securities are subject to change at any time, for any reason, without notice. Certain client portfolio(s) may or may not hold the securities discussed due to each account's guideline restrictions and other relevant considerations.

The value discipline used in managing accounts in the Focused Global Value strategy may prevent or limit investment in major stocks in the MSCI World Value and returns may not be correlated to the index. Composite performance is available at www.hwcm.com, located on the strategy's Performance tab along with important disclosures included in the strategy's [GIPS Report](#); quarterly characteristics and portfolio holdings are located on the Portfolio and Literature tabs. For a list showing every holding's contribution to the overall account's performance and portfolio activity for a given time period, contact H&W at hotchkisandwiley@hwcm.com. Portfolio information is subject to the firm's portfolio holdings disclosure policy.

The MSCI World Index is a free float-adjusted weighted index capturing large and mid cap stocks. The MSCI World Value Index is a free float-adjusted weighted index capturing large and mid cap stocks, exhibiting overall value style characteristics across 23 Developed Markets (DM) countries and include reinvestment of dividends, net foreign withholding taxes. Any indices and other financial benchmarks shown are provided for illustrative purposes only, are unmanaged, reflect reinvestment of income and dividends and do not reflect the impact of advisory fees. It is not possible to invest directly in an index.

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Investing in foreign as well as emerging markets involves additional risk such as greater volatility, political, economic, and currency risks and differences in accounting methods. 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. Principal Risks Disclosure for the firm's strategies are described in Part 2A of Form ADV of H&W (www.hwcm.com/wp-content/uploads/2025/07/HW-Principal-Risks-Disclosure-July-2025.pdf).

Information contained in this material may represent or be based on forward-looking statements. Due to various risks and uncertainties, actual events/results or performance of the strategy may differ materially from those reflected or contemplated in such forward-looking statements. Information based on forecasts, proprietary or third-party estimates cannot be guaranteed and are subject to change. Information obtained from independent sources is considered reliable, but H&W cannot guarantee its accuracy or completeness. Data source: H&W, MSCI, Bloomberg.

Portfolio managers' opinions and data included in this commentary are as of September 30, 2025. Any discussion or view of a security, an asset class/segment, industry/sector and/or investment type are not investment recommendations, should not be assumed to be profitable, and are subject to change without notice.