GLOBAL VALUE

COMPOSITE PERFORMANCE (%) ANNUALIZED

	QTR	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
H&W Global Value (gross)	10.33	6.88	16.94	18.47	11.80	12.21	10.85
H&W Global Value (net)	10.16	6.54	16.37	17.99	11.39	11.79	10.41
MSCI World Value Index	9.21	10.50	20.84	16.85	10.51	10.16	8.58
MSCI World Index	13.76	9.69	21.34	19.24	11.47	13.14	10.92

Commencement of GV Composite: 7/1/11. Net performance results are presented after actual management fees and all trading expenses but before custodial fees; the composite includes all Global Value discretionary accounts. Additional disclosures provided in GIPS Report.

MARKET COMMENTARY

The MSCI World Index gained +13.8% and the MSCI World Value Index gained +9.2% in the second quarter of 2026. Global equity markets shrugged off accelerating inflation, increasingly hawkish central banks, and an oil shock stemming from the conflict in Iran. Market leadership was exceptionally concentrated, and largely US centric. The median stock in the MSCI World Value Index returned just +4.3%, and 62% of index constituents underperformed the benchmark's total return. Many semiconductor stocks, and other parts of the AI complex, such as hardware and storage, recorded returns in excess of 100%. The United States now comprises roughly 71% of the MSCI World Index, up from under 50% fifteen years ago. The ten largest US companies account for about 36% of the S&P 500 Index.

Since the market bottomed in early April 2025, stocks in the highest momentum quintile outperformed the market by 54%, while the most fundamentally stable quintile underperformed by 32%. Momentum's current advantage sits in the 99th percentile over the past 70 years. While this represents a difficult environment for our long-term, fundamental based investment approach, we managed to navigate the headwind in the quarter as areas outside of the AI complex performed well.

These rare, near-record extremes have been fueled by boundless excitement about the prospects of AI. Investor leverage has spiked, both in the form of margin debt and through other instruments, such as leveraged ETFs. As one example, at least 11 leveraged single stock SpaceX ETFs launched on its first day of trading. Most concerning, in our view, are the valuations now commanded by investor favorites. Select stocks today trade at multiples exceeding those of Cisco at the peak of the dot-com bubble—the quintessential example of overly exuberant valuations.

The popular counterargument is that the highest momentum stocks are also seeing incredible earnings growth that helps justify their valuations. Most of this earnings growth is being driven by the massive investment in AI data centers. Capital expenditures for the largest AI data center spenders are on pace to approach $850 billion this year, up from roughly $155 billion in 2022, while revenue generated from these investments remains a small fraction of that figure[1]. Ultimately, we need to see a massive increase in AI related revenues from the likes of Anthropic, OpenAI, and others to justify the current pace of data center capital investment. Market valuations of the highest momentum stocks assume continued growth in AI data center capex going forward. We question, however, whether much of the recent earnings growth in these momentum names is sustainable if the payoff on these data center investments disappoints.

We believe artificial intelligence is already a powerful tool whose efficacy will increase over time. It has changed—and will continue to change—the way we live and work. Historically, however, investments in fast growing technologies like AI, don't always result in great economic reward to the companies investing in the technology. Often markets overbuild, competition is fierce, and the winners are the users of technology and perhaps society overall. Our view is that large pockets of the market overstate, both positively and negatively, the ultimate impact of current investments in artificial intelligence. Accordingly, we have an aversion to perceived beneficiaries whose valuations are excessive and risky. We favor select high-quality businesses with attractive valuations, largely because we believe the market overstates the threat AI poses to them. The most obvious example is enterprise software, but other examples include companies in the payment processing, advertising, and IT services industries. As is common in highly speculative, momentum-driven markets, defensive market segments have also been left behind and overlooked. In recent years, we have added capital to areas like healthcare, consumer staples, and utilities which exhibit attractive risk/return prospects.

(continued)

[1] The big spenders are Alphabet, Amazon, Meta, Microsoft, Oracle, CoreWeave, Nebius, and SpaceX. The largest revenue generating AI developers are Anthropic and OpenAI.

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Today, select enterprise software companies represent an uncommon opportunity, particularly in a somewhat frothy market. The consensus view among investors is that AI could prove to be a significant headwind to incumbent software vendors. While we believe AI could be a threat to many software vendors, we also believe that mission critical systems of record are different. We see the AI fears as overstated and have observed no supporting evidence in retention rates, margins, or subscription growth. In our view, the disruption thesis significantly underestimates enterprise switching costs and other moats that make these companies durable. Replacing a core system with any new alternative introduces meaningful compliance, security, and operational risks that far exceed potential savings.

ATTRIBUTION ANALYSIS – 2Q26

The Global Value portfolio outperformed the MSCI World Value Index in the second quarter (gross and net of fees). Healthcare was the largest positive contributor, driven by favorable stock selection in health insurers. Positive stock selection in industrials and materials helped. The largest detractor, by far, was information technology. The portfolio was underexposed to semiconductors and other parts of the richly valued AI complex, some of which posted returns in excess of 100%.

LARGEST INDIVIDUAL CONTRIBUTORS – 2Q26

Humana Inc. (HUM) is one of the largest Medicare Advantage (MA) health insurers in the United States. The stock performed well as investors increasingly price in the likelihood that earnings have reached a cycle bottom and will soon start to grow again.

F5 Inc. (FFIV) sells application networking and security software as well as data center appliances. The company posted good quarterly results and raised both its revenue and EPS guidance. The company is misunderstood and gets incorrectly classified as a legacy IT hardware vendor, resulting in an attractive valuation for a company with better-than-average fundamental risk ratings.

Elevance Health Inc. (ELV) is the second largest health insurer, and one of the largest commercial insurers in the United States. Similar to Humana, shares rose because investors see increasing evidence of a recovery in profitability. Despite the recent move, the company remains priced at a discount to the market despite being a superior business that grows above gross domestic product while returning most of its cash to shareholders.

LARGEST INDIVIDUAL DETRACTORS – 2Q26

Alphabet Inc. (GOOGL) is a holding company whose primary subsidiary is Google, whose Search business makes it one of the largest advertising company in the world. Alphabet's other businesses are its enterprise cloud platform and venture-stage companies collectively reported as "Other Bets." We believe Alphabet's valuation remain good given its improving growth prospects. Although the stock rose during the quarter, it detracted from relative performance because we were underweight compared to the benchmark. Our investment thesis remains intact.

APA Corp. (APA) is an independent oil and gas E&P (exploration & production) company operating in the Permian and in Egypt. Quarterly results were in line with expectations and supportive of our investment thesis, but the stock fell as oil retreated due to optimism about a resolution to the conflict in Iran. What really excites us about APA is that it remains leveraged to a structurally undersupplied global energy market. That said, the Company generates strong free cash flow in a range of commodity price scenarios.

Workday Inc. (WDAY) is a leader in cloud software for back-office business functions, spanning human capital management (HCM), financial management, and adjacent ERP (enterprise resource planning) products, with 60% of the Fortune 500 as HCM customers. Shares declined over the period, pressured by investor concerns that AI could disrupt application software vendors. The most recent quarter, however, did not show evidence of this. Subscription revenue grew 14%, 12-month backlog grew 16%, retention remained best-in-class, margins expanded, and management reiterated full-year subscription revenue guidance while raising operating margin guidance. AI adoption also appears to be progressing, with Workday-developed agents now used by more than 4,000 customers and Recruiting Agent activity up sharply year over year. We continue to believe the disruption thesis significantly underestimates enterprise switching costs and the non-code moat that makes Workday durable.

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.

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Endnotes:

Portfolio managers' opinions and data included in this commentary are as of June 30, 2026. 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. All investments contain risk and may lose value.

Portfolio characteristics and attribution are based on a representative 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. Based on the selection factors, the representative portfolio may change over the period shown.

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 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; 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 representation, exhibiting overall value style characteristics, across 23 Developed Markets (DM) countries. The Index includes reinvestment of dividends, net foreign withholding taxes. 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.

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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Artificial Intelligence (AI); Capital Expenditures (CapEx) are funds companies use to acquire, upgrade, or maintain physical assets like buildings, technology, or equipment, with the goal of increasing operational scope or future economic benefits**; Exchange-Traded Fund (ETF)** pools a group of securities into a fund and can be traded like an individual stock on an exchange; **Free cash flow** represents the cash a company generates after accounting for cash outflows to support operations and maintain its capital assets; and **Gross Domestic Product (GDP)** is a monetary measure of the value of all goods and services produced within a country during a specific time period. It's a key indicator of a country's economic health and is often used to evaluate economic growth.

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.

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/HW-Principal-Risks.pdf).

Data source: H&W, MSCI, S&P, Bloomberg

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GPS Report:

Hotchkis and Wiley Capital Management, LLC (the "Firm" or "H&W") claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. H&W has been independently verified for the periods October 9, 2001 through December 31, 2024. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. The Global Value Composite has had a performance examination for the periods July 1, 2011 through December 31, 2024. The verification and performance examination reports are available upon request.

H&W is an independent investment management firm registered with the U.S. Securities and Exchange Commission and manages value equity and high yield assets for institutional and mutual fund investors. Its predecessor firm was established in 1980. The equity team of the predecessor firm established H&W in October 2001.

H&W refers to itself as a "registered investment adviser" in materials distributed to current and prospective clients. As a registered investment adviser with the SEC, H&W is subject to the rules and regulations adopted by the SEC under the Investment Advisers Act of 1940, as amended (the "Advisers Act"). Registration as an investment adviser is not an indication that H&W or its directors, officers, employees or representatives have attained a particular level of skill or ability.

Valuations and returns are stated in U.S. dollars. Investment returns include reinvestment of dividends, interest, capital gains, and are net of withholding taxes. Gross performance results are presented before management and custodial fees but after all trading expenses. Net performance results are presented after actual management fees and all trading expenses but before custodial fees; and they are higher than those calculated using the current standard fee schedule. H&W's management fees are described in Part 2A of its Form ADV. The standard Global Value management fee schedule is 65 basis points on the first $25 million, 55 basis points on the next $75 million and 40 basis points thereafter. Internal dispersion is calculated using the equal-weighted standard deviation of all portfolios (gross returns) that were included in the Composite for the entire year. A list of composite and broad distribution pooled fund descriptions and policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request. Past performance is no guarantee of future performance. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

Composite: The Composite includes all Global Value discretionary accounts. The Global Value strategy seeks capital appreciation primarily through investments in common stocks of U.S. and non-U.S. companies, which may include companies located or operating in established or emerging markets. The strategy will be based on bottom-up investment research and valuation, but will have an awareness of geographic, industry and currency exposures. As of December 31, 2025, there was one non-fee paying account in the composite, which represented 0.1% of composite assets. Applied standard fee schedule to calculate net of fee returns. The typical market cap range of the strategy is consistent with the market cap range of the MSCI World Index. Beginning June 1, 2023, accounts with significant cash flows (≥ 25% of beginning of the month assets) are excluded from the respective month's composite calculation and included in the subsequent month. (Composite creation & inception date: 7/1/2011)

Indexes: The MSCI World Index ("MSCIW") is a free float-adjusted weighted index capturing large and mid cap representation across 23 Developed Markets (DM) countries. The MSCI World Value Index ("MSCIWVal") is a free float-adjusted weighted index capturing large and mid cap representation, exhibiting overall value style characteristics, across 23 Developed Markets (DM) countries. The indexes assume reinvestment of dividends and capital gains (net foreign withholding taxes), and assumes no management, custody, transaction or other expenses. The strategy used in managing the accounts in the Composite may prevent or limit investment in major stocks in the MSCIW and MSCIWVal. Additionally, the Composite strategy allows for investments in emerging markets stocks, which are not included in the MSCIW and MSCIWVal. These differences may lead to returns that are not correlated to the returns of the indexes. Benchmark returns are not covered by the report of independent verifiers.

The 3-year annualized standard deviation measures the variability of the composite (using gross returns) and the benchmark(s) returns over the preceding 36-month period.

	% Total Return Gross of Fees	% Total Return Net of Fees	% Total Return MSCIW	% Total Return MSCIW Val	No. of Accts	Internal Dispersion (%)	Comp. Assets ($M)	Total Firm Assets ($M)
2025	23.3	22.8	21.1	20.8	7	n/m	1,072	36,906
2024	10.5	10.1	18.7	11.5	<6	n/m	320	33,144
2023	28.8	28.4	23.8	11.5	<6	n/m	329	31,220
2022	-11.1	-11.4	-18.1	-6.5	<6	n/m	292	28,330
2021	27.7	27.4	21.8	21.9	<6	n/m	147	34,902
2020	0.3	0.0	15.9	-1.2	<6	n/m	124	31,687
2019	25.1	24.8	27.7	21.7	<6	n/m	121	33,623
2018	-15.6	-16.0	-8.7	-10.8	<6	n/m	68	27,191
2017	18.0	17.5	22.4	17.1	<6	n/m	170	32,037
2016	17.8	17.3	7.5	12.3	<6	n/m	152	29,952

	3-Year Annualized Standard Deviation (%)		
	Composite	MSCIW	MSCIW Val
2025	13.3	11.3	11.2
2024	19.5	16.6	15.4
2023	20.7	16.7	15.6
2022	28.7	20.4	20.7
2021	26.7	17.1	18.7
2020	27.0	18.3	19.1
2019	15.2	11.1	11.0
2018	14.2	10.4	10.1
2017	12.9	10.2	10.3
2016	13.5	10.9	11.0

n/m – not considered meaningful for composites with five accounts or less for the full year.

As of December 31, 2025 (%)	1 Yr	5 Yr	10 Yr
Composite - Gross	23.3	14.8	11.4
Composite - Net	22.8	14.4	11.0
MSCIW	21.1	12.1	12.2
MSCIWVal	20.8	11.3	9.2

Average annual total returns for periods greater than one year.