GLOBAL VALUE FUND

MANAGER REVIEW & ECONOMIC OUTLOOK

HWGIX | HWGAX

Hotchkis & Wiley

PERFORMANCE (%) as of December 31, 2024

	QTR	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Since 12/31/12
Global Value Fund – I Shares	-3.01	9.43	9.43	7.33	9.26	7.57	9.26
MSCI World Value Fund	-4.20	11.47	11.47	5.13	6.97	6.65	7.94
MSCI World Fund	-0.16	18.67	18.67	6.34	11.17	9.95	10.82

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 1.24% for I Shares; 0.95% net expense ratio. The Advisor has contractually agreed to waive advisory fees and/or reimburse expenses through August 29, 2025. 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

Market sentiment weakened in the latter half of the quarter due to political instability in the Eurozone, a more hawkish U.S. Federal Reserve, and the looming threat of a U.S. trade war, all of which contributed to heightened volatility. The MSCI World Index declined by -0.2% in Q4. Growth outperformed value in the quarter (+3.8% vs. -4.2%). The U.S. stood out in terms of regional index performance, largely due to relative strength in a handful of U.S. mega-cap stocks. Seven of the eleven index GICS (Global Industry Classification Standard) sectors declined during the quarter, with materials and healthcare experiencing the steepest losses. Only the consumer discretionary, communication services, technology, and financials sectors posted gains.

As in 2023, value stocks lagged behind their growth counterparts for the full year. Ten of the eleven MSCI World GICS sectors delivered positive returns for the year, led by communication services (+34.5%), technology (+33.1%), financials (+27.5%), and consumer discretionary (+21.8%). The materials sector was the sole decliner, falling -5.1%. As was the case for much of Q4, the largest contribution to performance came from the biggest U.S.-based companies.

In terms of economic growth, the U.S. remained a bright spot, with GDP expanding at an annualized rate of 3.1% in Q3 2024. Economic growth in the eurozone remained weak, with the European Central Bank revising its 2025 growth forecast downward to 1.1% from the previous expectation of 1.3%. Meanwhile, economic growth in the UK has essentially stalled, with Q3 2024 growth at just 0.1%, following a downward revision of Q2 growth to 0.4%. Although not a major benchmark weight, it is worth noting that China's stock market outperformed as the People's Bank of China announced fresh domestic policy support and signaled the potential for looser monetary policy to address challenges to economic growth.

We made very minor changes to individual positions during the quarter, though our current sector weightings better reflect industry performance. Technology remains the largest overweight sector in our portfolio. We view the businesses in our portfolio as less cyclical than generally perceived and as offering attractive diversification to complement other cyclical positions. We remain confident in our technology holdings' ability to drive economic growth and deliver strong returns.

Select aerospace & defense and industrial conglomerate holdings contribute to making industrials our second-largest overweight sector. Communication services is our third-largest overweight sector, driven by just four companies. Our largest sector underweights are financials, real estate, and utilities. We are generally underweight in real estate and utilities due to limited attractive relative valuation opportunities. Meanwhile, our financials underweight reflects reduced exposure to capital markets, insurance, and consumer finance companies as of the end of December.

While the overall equity market appears fully valued compared to history, we believe the valuation disparities across the market create an investment environment highly conducive to long-term focused active management, particularly in relative terms. The spread between the growth and value indices is wide, suggesting a promising outlook for value. The spread between the portfolio and the value index is also wide, suggesting a promising outlook for the portfolio. The portfolio's considerable valuation advantage relative to the benchmark, combined with good underlying businesses and healthy balance sheets leaves us confident about the portfolio's prospects, particularly compared to passive alternatives.

(continued)

Portfolio managers' opinions and data included in this commentary are as of December 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.**

ATTRIBUTION ANALYSIS – 4Q24 & 2024

The Hotchkis & Wiley Global Value Fund outperformed the MSCI World Value Index in the fourth quarter of 2024. Stock selection in technology, industrials, and consumer discretionary contributed positively to relative performance. The underweight positions in real estate, materials, and utilities also contributed positively. Conversely, stock selection in healthcare detracted the most from relative performance during the quarter. The underweight in financials and stock selection in consumer staples also detracted in the period.

The Fund underperformed the MSCI World Value Index in calendar year 2024. Stock selection in healthcare and energy detracted the most from relative performance. Stock selection in consumer staples and communication services also detracted, as did the underweight financials. Conversely, stock selection and the overweight in industrials contributed positively relative performance. Stock selection in technology and consumer discretionary also worked well, as did the underweight in materials and overweight in technology.

LARGEST INDIVIDUAL CONTRIBUTORS – 4Q24

F5 (FFIV) sells application networking and security software, as well as data center appliances. The company's stock price rebounded sharply in the second half of the year after reporting a growing pipeline and better close rates in subscription software sales. F5 has no debt, trades at an attractive valuation, and is benefiting from an improving gross margin and lower operating expenses.

Alphabet's Google (GOOGL) reported strong Q3 earnings results, with 2025 capital expenditures projected to be lower than previously announced. Shares continue to trade at an attractive valuation despite healthy growth potential, an overcapitalized balance sheet, and significant value in Cloud, Other Bets, and new advertising products.

General Motors Co. (GM) reported strong Q3 earnings results and improved free cash flow guidance. We like GM for many reasons. First, we believe GM has leading market positions in its main business segments. Second, the valuation is extremely attractive. Finally, we believe it is a strong free cash flow generator, and the management team is committed to repurchasing their undervalued shares.

LARGEST INDIVIDUAL DETRACTORS – 4Q24

Elevance Health (ELV) is a large health insurer, and one of the largest commercial insurers. The company's shares came under pressure in the quarter following disappointing earnings and guidance as well as a broader negative turn in investor sentiment towards the group. Our overall thesis remains unchanged. We believe the company is undervalued due to skepticism around margins and growth. Higher medical spending is a long-term positive for the company.

CVS Health Corp. (CVS) is a diversified healthcare company operating a Pharmacy Benefits Manager, health insurer, and retail stores and pharmacies. CVS underperformed in Q4 largely because of underperformance in the Aetna business due to unexpectedly higher costs, as well as the aforementioned decline in valuations across the peer group. Health insurance is a business that reprices yearly, so CVS should be able to recover its higher costs and restore margins within a year or two.

Samsung (005930 KS) is a diversified technology company manufacturing semiconductors, display panels, mobile phones, consumer electronics, and appliances. Samsung's stock price declined in Q4 due to several factors, including weakening demand for consumer electronics, continued challenges in the semiconductor industry, and supply chain disruptions. As the largest company in the three-player DRAM (dynamic random-access memory) oligopoly with 43% market share, we believe Samsung is well positioned as DRAM demand is expected to grow high-single-digits over time, driven by growth in AI, cloud computing, and internet connected devices.

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 and emerging markets securities, which subjects the Fund to increased risk. 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 MSCI World 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 **MSCI World** Index is a free float-adjusted weighted index capturing large and mid cap stocks. The **MSCI World Value** and **MSCI World Growth** Indices are free float-adjusted weighted indexes capturing large and mid cap stocks, exhibiting overall value or growth style characteristics, respectively. The MSCI indices represent stocks across 23 Developed Markets (DM) countries and include reinvestment of dividends, net foreign withholding taxes. 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.

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 12/31/24 as a % of the Fund's net assets: F5 Inc. 4.4%, Ericsson 3.7%, Workday Inc. 3.4%, Siemens AG 3.3%, Elevance Health Inc. 3.0%, WPP PLC (ADR) 2.6%, Alphabet Inc. 2.6%, Medtronic PLC 2.6%, Comcast Corp. 2.5%, and American Int'l Group Inc. 2.3%. **Free cash flow** represents the cash a company generates after accounting for cash outflows to support operations and maintain its capital assets; **Capital expenditures** are funds used by a company to acquire, upgrade, and maintain physical assets such as property, plants, buildings, technology, or equipment; **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.

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.