HIGH YIELD

COMPOSITE PERFORMANCE (%) ANNUALIZED

	QTR	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
H&W High Yield (gross)	-0.72	-0.72	6.74	8.39	4.81	6.13	8.01
H&W High Yield (net)	-0.84	-0.84	6.29	7.93	4.37	5.65	7.51
ICE BofA BB-B U.S. High Yield Constrained Index	-0.38	-0.38	7.08	7.96	3.97	5.68	7.37
ICE BofA U.S. High Yield Index	-0.55	-0.55	6.90	8.50	4.19	6.05	7.95

Commencement of HY Composite: 5/1/09. Net performance results are presented after actual management fees and all trading expenses but before custodial fees; the composite includes all High Yield discretionary accounts.

MARKET COMMENTARY

The high yield market generated a -0.55% total return in the first quarter as US and Iranian nuclear program negotiations gave way to military action and the closing of the Strait of Hormuz. Prior to the escalation, the high yield market had generated a respectable +0.65% quarter to date total return. For the full quarter, high yield underperformed treasuries, bank loans, and investment grade corporates fixed income asset classes while outperforming emerging market debt. The Federal Open Market Committee met twice in the first quarter and held its Fed Funds target rate steady at 3.75% (upper bound) each time as labor market conditions firmed and CPI ticked up 60 bps to 3.3%. Expectations for 50 bps of additional Fed rate cuts in 2026 evaporated as the US/Iran conflict caused oil prices to spike 63% to $118/barrel, lifting inflation expectations. The 10-Year US Treasury yield increased 15 bps to 4.32% and the yield curve flattened with the short end increasing 30 bps and the long end increasing 10 bps.

Within the high yield market, yield-to-worst increased 82 bps to 7.44% and option adjusted spread widened 47 bps to 328 bps. The last twelve-month high yield default rate, including the impact of distressed exchanges, increased 19 bps to 2.1%, a 23 month-high but 110 bps below its historic average. High yield primary market gross issuance totaled $78 billion, a 15% increase vs. prior year first quarter.

The ICE BofA BB-B U.S. High Yield Constrained Index generated a -0.38% total return, outperforming the broader high yield market by 17 bps as the CCC rating cohort produced a -2.21% total return. From a sector perspective, Energy (+2.31% total return) was the only positive return sector within the ICE BofA BB-B U.S. High Yield Constrained Index while Financial Services (-2.33% total return) and Technology & Electronics (-2.10% total return) were notable underperformers.

ATTRIBUTION ANALYSIS – 1Q26

The High Yield portfolio underperformed the ICE BofA BB-B U.S. High Yield Constrained Index in the first quarter (gross and net of fees), driven primarily by negative security selection. Credit selection was negative across ten of the nineteen high yield market sectors, most notably in Services, Technology & Electronics and Retail, partially offset by positive selection in Media and Energy.

Unless otherwise noted, the "high yield" market refers to the ICE BofA US High Yield Index.

Past performance is no guarantee of future results.

Endnotes:

Portfolio managers' opinions and data included in this commentary are as of March 31, 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 High Yield 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 designated Index (security selection includes interaction effect). Bloomberg calculates returns using trade information. Returns calculated using this 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.

The discipline used in managing accounts in the High Yield strategy may prevent or limit investment in major bonds in the ICE BofA BB-B US High Yield Constrained 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. Portfolio information is subject to the firm's portfolio holdings disclosure policy.

The ICE BofA BB-B US High Yield Constrained Index contains all securities in the ICE BofA US High Yield Index rated BB+ through B- by S&P (or equivalent as rated by Moody's or Fitch), but caps issuer exposure at 2%. Index constituents are capitalization weighted, based on their current amount outstanding, provided the total allocation to an individual issuer does not exceed 2%. The ICE BofA US High Yield Index tracks the performance of below investment grade, but not in default, US dollar-denominated corporate bonds publicly issued in the US domestic market, and includes issues with a credit rating of BBB or below, as rated by Moody's, Fitch and S&P.

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.

Federal Open Market Committee directs open market operations in the United States and is made up of 12 members; **Yield-to-worst** is a measure of the lowest possible yield that can be received on a bond with an early retirement provision; **Basis point (bps)** is a unit equal to 1/100th of 1% and is used to denote the change in a financial instrument; and **Consumer Price Index (CPI)** regularly measures the change in the prices paid by consumers in the U.S. for a representative basket of goods and services.

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 high yield securities is subject to certain risks, including market, credit, liquidity, issuer, interest-rate, inflation, and derivatives risks. Lower-rated and non-rated securities involve greater risk than higher-rated securities. Investing in debt securities typically decreases in value when interest rates rise. This risk is usually greater for longer-term debt securities. 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, ICE BofA, Bloomberg

HIGH YIELD

GIPS 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 High Yield Composite has had a performance examination for the periods May 1, 2009 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, and capital gains. 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. H&W's management fees are described in Part 2A of its Form ADV. The standard High Yield Bond management fee schedule is 45 basis points on the first $50 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 High Yield discretionary accounts. The High Yield strategy seeks high current income combined with the opportunity for capital appreciation to maximize total return primarily through investments in high yield securities and rated below investment grade fixed income instruments. It may also use futures, swaps and other derivatives, mortgage- or asset-backed securities and restricted securities that are sold in private placement transactions. (Composite creation & inception date: 5/1/2009)

Indexes: The ICE BofA BB-B U.S. High Yield Constrained Index ("ICE BofA BB-B") contains all securities in the ICE BofA U.S. High Yield Index rated BB+ through B- by S&P (or equivalent as rated by Moody's or Fitch), but caps issuer exposure at 2%. Index constituents are capitalization-weighted, based on their current amount outstanding, provided the total allocation to an individual issuer does not exceed 2%. The ICE BofA U.S. High Yield Index ("ICE BofA HY") tracks the performance of below investment grade, but not in default, U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market, and includes issues with a credit rating of BBB or below, as rated by Moody's and S&P. The indexes assume reinvestment of dividends and capital gains, 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 bonds in the ICE BofA BB-B and ICE BofA HY and returns may not be correlated to the indexes. It is not possible to invest directly in the index. 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 ICE BofA BB-B	% Total Return ICE BofA HY	No. of Accts	Internal Dispersion (%)	Comp. Assets ($M)	Total Firm Assets ($M)
2025	8.3	7.9	8.7	8.5	7	0.2	2,043	36,906
2024	8.1	7.7	6.8	8.2	7	0.2	2,051	33,144
2023	14.0	13.5	12.6	13.5	7	0.4	2,042	31,220
2022	-9.2	-9.6	-10.6	-11.2	7	0.1	1,564	28,330
2021	7.5	7.0	4.6	5.4	8	0.2	2,159	34,902
2020	4.7	4.2	6.3	6.2	8	0.3	2,230	31,687
2019	10.8	10.3	15.1	14.4	9	1.0	3,641	33,623
2018	-2.8	-3.3	-2.0	-2.3	8	0.2	3,451	27,191
2017	8.9	8.4	7.0	7.5	8	0.4	3,940	32,037
2016	16.4	15.8	14.7	17.5	8	0.3	3,613	29,952

	3-Year Annualized Standard Deviation (%)		
	Composite	ICE BofA BB-B	ICE BofA HY
2025	4.6	4.5	4.7
2024	8.0	8.4	8.4
2023	8.0	8.3	8.3
2022	12.4	10.7	11.1
2021	10.9	8.6	9.1
2020	11.1	8.8	9.4
2019	4.1	3.8	4.1
2018	4.9	4.0	4.6
2017	5.6	5.0	5.6
2016	5.9	5.4	6.0

As of December 31, 2025 (%)	1 Yr	5 Yr	10 Yr
Composite - Gross	8.3	5.4	6.4
Composite - Net	7.9	5.0	5.9
ICE BofA BB-B	8.7	4.1	6.0
ICE BofA HY	8.5	4.5	6.4

Average annual total returns for periods greater than one year.

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