Hotchkis & Wiley

Separate Account | Commingled | Mutual Fund

STRATEGY PROFILE **SEPTEMBER 30, 2026**

HIGH YIELD

DESCRIPTION

Our High Yield strategy invests in undervalued debt securities of companies with durable business models, asset coverage and the ability and goal to delever over time. We combine our research team's expertise in small/mid-caps and fallen angels with a bias toward senior securities to maximize risk adjusted returns.

ABOUT US

Since 1980, Hotchkis & Wiley has focused on discovering undervalued securities through extensive internal research. We manage $39 billion in value equity and high yield assets for institutional and mutual fund investors. The firm is independently owned with a majority interest held by employees.

COMPOSITE PERFORMANCE (%) ANNUALIZED

	QTR	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
H&W High Yield (gross)	-1.38	0.65	1.83	7.90	4.31	5.12	7.85
H&W High Yield (net)	-1.49	0.29	1.37	7.44	3.86	4.64	7.35
ICE BofA BB-B U.S. High Yield Constrained Index	-1.66	0.37	1.94	7.69	3.41	4.77	7.20
ICE BofA U.S. High Yield Index	-1.81	0.04	1.39	7.94	3.56	4.95	7.75

Commencement of HY Composite: 5/1/09. Net performance results are presented after actual management fees and all trading expenses but before custodial fees. Past performance is no guarantee of future performance.

PORTFOLIO CHARACTERISTICS

	H&W	Index[2]
Current Yield	7.3%	6.8%
Yield-to-Worst	8.5%	7.5%
Modified Duration	3.3 years	3.4 years
Spread over Treasuries	346 bps	235 bps
Number of Active Issuers[3]	174	773

CREDIT QUALITY (%)[1]

	H&W	Index[2]
Investment Grade	4.3	3.8
BB	37.8	60.8
B	43.6	34.3
CCC+ or Lower	6.6	0.2
Non-Rated	3.7	0.7
Cash & Equivalents	4.0	0.2

SECTOR ALLOCATION (%)[1]

	H&W	Compared to Index[2]
Chemicals - Industries	7.3	4.3
Consumer and Capital Goods	13.8	3.8
Banking & Finance	10.7	2.8
Energy	14.4	2.4
Materials & Const. - Industries	4.5	1.3
Insurance	3.5	1.2
Forestry & Paper - Industries	0.5	0.4
Technology & Electronics	3.9	0.0
Transportation	1.4	-0.3
Miscellaneous	0.0	-0.6
Media	7.1	-0.8
Healthcare	7.6	-1.0
Automotive	2.1	-1.0
Satellite & Wireless - Telecom	0.4	-1.1
Leisure & Services	10.6	-1.4
Real Estate	2.0	-1.8
Utility	1.6	-1.8
Retail	3.6	-1.9
Metals & Mining - Industries	0.4	-2.1
Wireline & Services - Telecom	0.5	-6.1

Important Notes and GIPS Report:

[1]% of Total Portfolio (Basic Industry-Industries and Telecom sectors disclosed at industry level); [2]ICE BofA BB-B U.S. High Yield Constrained Index; [3]Number of Active Issuers excludes calls, tenders, and restructured issuers that are being liquidated (178 total issuers). Portfolio characteristics are shown without the impact of fees and expenses. Informational purposes and should not be considered as investment recommendations. The representative portfolio does not predict future portfolio characteristics and may differ from other portfolios in the strategy due to asset size, client guidelines, and other variables. The High Yield (HY) representative 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. Sector allocation, characteristics and/or credit quality may vary due to different restrictions, cash flows, and other relevant considerations. Portfolio holdings are subject to change without notice; a complete list of holdings is available upon request, subject to the firm's portfolio holdings disclosure policy. Credit Quality weights by rating were derived from the highest bond rating as determined by S&P or Moody's. In limited situations where neither rating agency has issued a formal rating, the Advisor will determine an internal rating. The ICE BofA index data referenced is the property of ICE Data Indices, LLC ("ICE BofA") and/or its licensors and has been licensed for use by Hotchkis & Wiley. ICE BofA and its licensors accept no liability in connection with its use. See www.hwcm.com for full disclaimer.

All investments contain risk and may lose value. 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

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.

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