Hotchkis & Wiley

Separate Account | Mutual Fund

STRATEGY PROFILE **SEPTEMBER 30, 2026**

LARGE CAP DISCIPLINED VALUE

DESCRIPTION

The Large Cap Disciplined Value strategy focuses on undervalued large cap stocks. The strategy relies on in-depth fundamental research to develop a portfolio of 50-80 companies that are under-earning due to temporary factors but have the balance sheet, scale, and market position to improve their performance over time.

ABOUT US

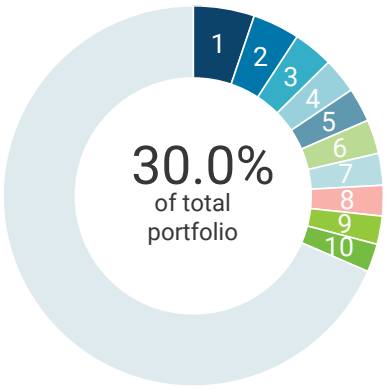
Since 1980, Hotchkis & Wiley has focused on discovering undervalued securities through extensive internal research. We manage $39 billion in value equity and high yield assets for institutional and mutual fund investors. The firm is independently owned with a majority interest held by employees.

COMPOSITE PERFORMANCE (%) ANNUALIZED

	QTR	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
H&W Large Cap Disciplined Value (gross)	5.01	11.38	16.41	18.18	12.71	13.01	9.89
H&W Large Cap Disciplined Value (net)	4.84	10.85	15.81	17.89	12.49	12.83	9.65
Russell 1000 Value Index	2.61	19.27	23.81	20.07	11.92	11.43	8.23

Commencement of LCDV Composite: 4/1/00. Net performance results are presented after actual management fees (including performance-based fees if applicable) and all trading expenses but before custodial fees. Past performance is no guarantee of future performance.

TOP 10 HOLDINGS (%)[1]



	H&W
1. Workday Inc.	5.3
2. APA Corp.	3.7
3. American Int'l Group Inc.	3.0
4. Salesforce Inc.	2.9
5. GE HealthCare Technologies	2.8
6. Comcast Corp.	2.6
7. Microsoft Corp.	2.5
8. Cigna Corp.	2.5
9. Fiserv Inc.	2.4
10. Elevance Health Inc.	2.3

PORTFOLIO CHARACTERISTICS

	H&W	Index
Price/Normal Earnings[2]	9.6x	19.6x
Forward Price/Earnings (FY2)	10.7x	16.2x
Price/Book	1.9x	3.2x
Payout Yield	6.7%	3.8%
Weighted Avg Mkt Cap ($B)	$166.5	$848.1
Number of Securities	70	869
Turnover (5 Yr Avg)	32%	
Active Share (5 Yr Avg)	87	

SECTOR ALLOCATION (%)[1]

	H&W	Compared to Index
Energy	9.0	2.8
Communication Services	5.6	2.2
Information Technology	22.1	1.5
Health Care	14.4	1.1
Industrials	11.6	1.1
Financials	17.6	-0.7
Utilities	2.5	-0.9
Materials	2.6	-1.0
Consumer Staples	5.4	-1.8
Consumer Discretionary	6.9	-3.2
Real Estate	0.0	-3.4

Important Notes and GIPS Report:

[1]% of Total Portfolio; [2]Proprietary or third-party estimates subject to change and cannot be guaranteed. 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. H&W selected the representative portfolio based on non-performance criteria. The Large Cap Disciplined Value (LCDV) 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 holdings may vary due to different restrictions, cash flows, and other relevant considerations. Securities identified do not represent all of the securities purchased, sold, or recommended for advisory clients, and may not be indicative of current or future holdings or trading activity. Securities shown in aggregate represent only a limited portion of an account's portfolio holdings. No assumptions should be made that companies identified, or all investment decisions were, or will be profitable. 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. Active share is the extent to which the portfolio differs from the designated Index. Russell Investment Group is the source and owner of the Russell Index data contained herein (and all trademarks related thereto), which may not be redistributed. The information herein is not approved by Russell. H&W and Russell sectors are based on the Global Industry Classification Standard by MSCI and S&P.

All investments contain risk and may lose value. 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, Russell, 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 Large Cap Disciplined Value Composite has had a performance examination for the periods April 1, 2000 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 (including performance-based fees if applicable) 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 Large Cap Disciplined Value management fee schedule is 65 basis points on the first $25 million, 50 basis points on the next $75 million and 35 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 Large Cap Disciplined Value discretionary accounts. The Large Cap Disciplined Value strategy seeks capital appreciation primarily through investments in equity securities of large capitalization companies and may invest in foreign (non-U.S.) securities. The typical market cap range of the strategy is consistent with the market cap range of the Russell 1000® Index. Accounts with significant cash flows (≥ 10% of beginning of the month assets for the period January 1, 2006 through December 31, 2010, and ≥ 25% effective January 1, 2011) are excluded from the respective month's composite calculation and included in the subsequent month. (Composite creation & inception date: 4/1/2000)

Index: The Russell 1000® Value Index ("R1000V") measures the performance of those Russell 1000® companies with lower price-to-book ratios and lower forecasted growth values. The index assumes reinvestment of dividends and capital gains, and assumes no management, custody, transaction or other expenses. The value disciplines used in managing the accounts in the Composite may prevent or limit investment in major stocks in the R1000V and returns may not be correlated to 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 returns over the preceding 36-month period ended.

	% Total Return Gross of Fees	% Total Return Net of Fees	% Total Return R1000V	No. of Accts	Internal Dispersion (%)	Comp. Assets ($M)	Total Firm Assets ($M)
2025	17.6	17.4	15.9	17	0.2	19,529	36,906
2024	13.5	13.4	14.4	20	0.2	17,014	33,144
2023	19.8	19.7	11.5	20	0.6	15,507	31,220
2022	-3.7	-3.8	-7.5	19	0.3	13,923	28,330
2021	32.6	32.5	25.2	17	0.5	16,727	34,902
2020	1.8	1.7	2.8	18	0.6	13,969	31,687
2019	29.5	29.4	26.5	17	0.4	13,375	33,623
2018	-13.9	-14.0	-8.3	19	0.2	9,409	27,191
2017	19.2	19.0	13.7	20	0.4	11,620	32,037
2016	19.0	18.8	17.3	19	0.3	10,634	29,952

	3-Year Annualized Standard Deviation (%)	
	Composite	R1000V
2025	13.8	12.4
2024	20.3	16.7
2023	21.1	16.5
2022	28.7	21.3
2021	26.3	19.1
2020	26.8	19.6
2019	15.9	11.8
2018	14.7	10.8
2017	13.8	10.2
2016	14.3	10.8

As of December 31, 2025 (%)

	1 Yr	5 Yr	10 Yr
Composite - Gross	17.6	15.3	12.6
Composite - Net	17.4	15.2	12.5
R1000V	15.9	11.3	10.5

Average annual total returns for periods greater than one year.

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