

SMALL CAP DIVERSIFIED VALUE

COMPOSITE PERFORMANCE (%) ANNUALIZED

	QTR	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
H&W Small Cap Div Value (gross)	6.02	6.02	19.69	10.61	6.84	10.98	9.11
H&W Small Cap Div Value (net)	5.87	5.87	19.10	10.07	6.33	10.45	8.32
Russell 2000 Value Index	4.96	4.96	28.09	13.80	5.79	9.61	7.57

Commencement of SCDV Composite: 7/1/05. Net performance results are presented after actual management fees (including performance-based fees if applicable) and all trading expenses but before custodial fees; the composite includes all Small Cap Diversified Value discretionary accounts. Additional disclosures provided in GIPS Report.

MARKET COMMENTARY

The Russell 2000 Index returned +0.9% in the first quarter of 2026. Geopolitical turmoil and AI-driven investment themes were the primary market drivers. Brent crude oil rose more than 100% to \$127/bbl¹ following U.S.-Israel strikes on Iran and the subsequent closure of the Strait of Hormuz. As a result, the energy sector outperformed by a wide margin, and the portfolio's overweight position provided an effective hedge. More than 20% of global crude oil supply flows through the Strait, much of it destined for Asia. Beyond oil, the disruption has created supply shocks across several key commodities, including natural gas, nitrogen-based fertilizer, helium, and aluminum. Despite these meaningful disruptions, the equity market reaction has been relatively muted—the Russell 2000 is down only about 5% since the initial strikes. The VIX Index, a gauge of expected S&P 500 volatility, peaked at 31 in late March, above its 25-year median (~18) but well below levels seen during prior shocks such as Trump-era tariffs (52), the Russia/Ukraine war (36), COVID (83), and the Global Financial Crisis (81). Given the inflationary nature of supply shocks, futures markets now anticipate no rate cuts for the remainder of the year. The Fed held rates steady at 3.75% (upper bound) at its mid-March meeting.

Small caps outperformed large caps in the quarter, with the Russell 2000 Index returning +0.9% compared to -4.2% for the Russell 1000 Index. Despite this outperformance, the small cap market's P/E ratio is just 85% of the large cap market—over the long term, the two have traded at parity on average. Small cap value stocks outperformed small cap growth in the quarter, with the Russell 2000 Value Index returning +5.0% versus -2.8% for the Russell 2000 Growth Index. Technology was the worst-performing sector and comprises 20% of the Russell 2000 Growth but just 8% of the Russell 2000 Value. Energy was the best-performing sector by a wide margin and represents a larger portion of the value index than the growth index (6% vs. 3%). Despite the outperformance, small value continues to trade at a larger-than-normal discount to small growth.

As noted, energy was the primary bright spot. While we did not anticipate the Iran conflict, our positioning reflected the view that select energy companies offered free cash flow yields more attractive than other major market segment. More broadly, we believe the global crude market faces a risk of structural undersupply in the coming years, supporting higher oil prices over time. Additionally, a significant portion of global supply originates from geopolitically unstable regions, and we believed this disruption risk had been underappreciated.

The Hotchkis & Wiley team remains disciplined and long-term focused. We observe nascent signs that the market is once again beginning to pay attention to fundamentals and valuation. We believe this trend is likely to continue, which would present a more conducive environment for our investment approach than we experienced last year.

ATTRIBUTION ANALYSIS – 1Q26

The Small Cap Diversified Value portfolio outperformed the Russell 2000 Value Index in the first quarter of 2026 (gross and net of fees). Positive stock selection among companies with market capitalizations below \$1 billion was a meaningful contributor to relative performance, as it has been over the long term. From a sector perspective, energy was the largest positive contributor. The overweight position helped, as this was by far the top-performing sector; stock selection within energy was also positive, with the portfolio's holdings returning +48%² as a group compared to +43% for the index. Positive stock selection in materials and utilities also contributed. Negative stock selection in technology and consumer staples, along with the overweight position in consumer discretionary, detracted from performance.

¹Based on current crude prices, rather than prices for future delivery which are also frequently quoted. Based on the latter, Brent prices rose ~95% closing at ~\$118/bbl.

²Gross return without the deduction of fees and expenses. Total strategy gross and net performance shown at top of page.

Past performance is no guarantee of future results.



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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 Small Cap Diversified 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.

The value discipline used in managing accounts in the Small Cap Diversified Value strategy may prevent or limit investment in major stocks in the Russell 2000 Value Index 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 Russell 2000® Index measures the performance of the 2,000 smallest companies in the Russell 3000® Index. The Russell 2000® Value Index measures the performance of those Russell 2000® companies with lower price-to-book ratios and lower forecasted growth values. The Russell 2000® Growth Index measures the performance of those Russell 2000® Index companies higher price-to-book ratios and higher forecasted growth values. The Russell 1000® Index, an unmanaged index, measures the performance of the 1,000 largest companies in the Russell 3000® Index.

The CBOE Volatility Index (VIX) measures the stock market's expectation of volatility over the next 30 days based on S&P 500 index option prices. 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.

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 (GICS) by MSCI and S&P.

Free cash flow represents the cash a company generates after accounting for cash outflows to support operations and maintain its capital assets; and **Price-to-Earnings (P/E) ratio** measures a company's share price relative to its earnings per share (EPS).

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. Investing in smaller, medium-sized and/or newer companies involves greater risks not associated with investing in large company stocks, such as business risk, significant stock price fluctuations and illiquidity. 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, S&P, Bloomberg

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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 Small Cap Diversified Value Composite has had a performance examination for the periods July 1, 2005 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. Effective January 1, 2006 net performance results are presented after actual management fees (including performance-based fees if applicable) and all trading expenses but before custodial fees. H&W’s management fees are described in Part 2A of its Form ADV. The standard Small Cap Diversified Value

management fee schedule is 55 basis points on the first \$15 million, 50 basis points on the next \$35 million and 45 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 Small Cap Diversified Value discretionary accounts. The Small Cap Diversified Value strategy seeks capital appreciation primarily through investments in equity securities of small capitalization companies and may invest in foreign (non-U.S.) securities. Under normal conditions, it typically will hold equity securities of approximately 300 to 400 different companies. The typical market cap range of the strategy is consistent with the market cap range of the Russell 2000® Index. Beginning May 1, 2020, accounts with significant cash flows (≥ 25% of beginning of the month assets and ≥ \$10 million in asset size) are excluded from the respective month’s composite calculation and included in the subsequent month. (Composite creation & inception date: 7/1/2005)

Index: The Russell 2000® Value Index (“R2000V”) measures the performance of those Russell 2000® 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 R2000V 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 R2000V	No. of Accts	Internal Dispersion (%)	Comp. Assets (\$M)	Total Firm Assets (\$M)	3-Year Annualized Standard Deviation (%)		As of December 31, 2025 (%)				
								Composite	R2000V	1 Yr	5 Yr	10 Yr		
2025	3.8	3.3	12.6	20	0.3	3,188	36,906	2025	20.5	19.9	Composite - Gross	3.8	10.5	10.7
2024	5.2	4.7	8.1	20	0.2	2,864	33,144	2024	23.6	23.4	Composite - Net	3.3	10.0	10.1
2023	17.0	16.5	14.6	19	0.3	3,017	31,220	2023	22.6	21.8	R2000V	12.6	8.9	9.3
2022	-5.8	-6.2	-14.5	15	0.3	2,257	28,330	2022	30.2	27.3	Average annual total returns for periods greater than one year.			
2021	36.6	36.0	28.3	16	0.5	2,381	34,902	2021	29.1	25.0				
2020	0.9	0.4	4.6	13	0.6	1,757	31,687	2020	29.7	26.1				
2019	23.2	22.7	22.4	11	0.2	1,781	33,623	2019	17.7	15.7				
2018	-13.5	-13.8	-12.9	7	0.1	835	27,191	2018	16.7	15.8				
2017	14.9	14.2	7.8	6	n/m	418	32,037	2017	14.9	14.0				
2016	35.4	34.5	31.7	<6	n/m	19	29,952	2016	15.9	15.5				

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