Separate Account | CIT | Mutual Fund

STRATEGY PROFILE JUNE 30, 2026

SMALL CAP DIVERSIFIED VALUE

DESCRIPTION

A diversified portfolio that targets undervalued small cap stocks that are out of favor and often underfollowed by Wall Street research. The strategy leverages proprietary valuation models and the seasoned judgment of our experienced research team. Seeking small size companies with strong balance sheets and attractive assets, the strategy looks to outperform the index over a full market cycle.

ABOUT US

Since 1980, Hotchkis & Wiley has focused on discovering undervalued securities through extensive internal research. We manage $38 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 Small Cap Div Value (gross)	13.58	20.41	32.22	13.78	8.73	12.25	9.66
H&W Small Cap Div Value (net)	13.42	20.07	31.55	13.23	8.21	11.71	8.87
Russell 2000 Value Index	17.19	22.99	43.01	18.73	8.23	10.89	8.29

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. Past performance is no guarantee of future performance.

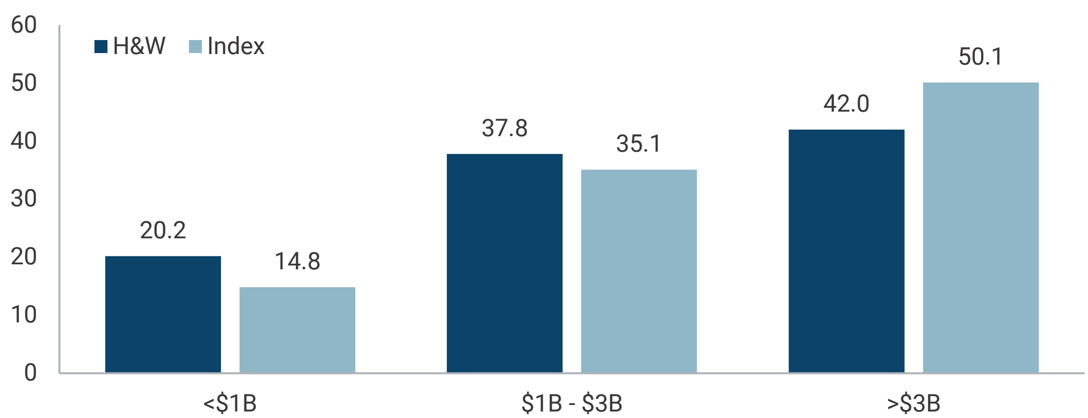
PORTFOLIO CHARACTERISTICS

	H&W	Index
Price/Normal Earnings[2]	10.2x	12.0x
Forward Price/Earnings (FY2)	10.6x	11.6x
Price/Book	1.4x	1.4x
Payout Yield	5.6%	4.6%
Weighted Avg Mkt Cap ($B)	$3.1	$3.6
Number of Securities	349	1,406
Active Share (5 Yr Avg)	74	

SECTOR ALLOCATION (%)[1]

	H&W	Compared to Index
Consumer Discretionary	15.3	5.4
Financials	32.5	4.0
Energy	10.5	4.0
Consumer Staples	4.3	2.0
Industrials	14.5	1.5
Materials	4.0	0.1
Information Technology	6.4	-1.2
Communication Services	1.0	-1.6
Utilities	3.5	-1.8
Health Care	4.5	-6.6
Real Estate	2.6	-6.9

MARKET CAP ALLOCATION (%)[1]



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 Small Cap Diversified Value 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. Information presented is subject to change. No assumptions should be made that the strategy, or all investment decisions were, or will be profitable. 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. 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, 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 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)
2025	3.8	3.3	12.6	20	0.3	3,188	36,906
2024	5.2	4.7	8.1	20	0.2	2,864	33,144
2023	17.0	16.5	14.6	19	0.3	3,017	31,220
2022	-5.8	-6.2	-14.5	15	0.3	2,257	28,330
2021	36.6	36.0	28.3	16	0.5	2,381	34,902
2020	0.9	0.4	4.6	13	0.6	1,757	31,687
2019	23.2	22.7	22.4	11	0.2	1,781	33,623
2018	-13.5	-13.8	-12.9	7	0.1	835	27,191
2017	14.9	14.2	7.8	6	n/m	418	32,037
2016	35.4	34.5	31.7	<6	n/m	19	29,952

	3-Year Annualized Standard Deviation (%)	
	Composite	R2000V
2025	20.5	19.9
2024	23.6	23.4
2023	22.6	21.8
2022	30.2	27.3
2021	29.1	25.0
2020	29.7	26.1
2019	17.7	15.7
2018	16.7	15.8
2017	14.9	14.0
2016	15.9	15.5

As of December 31, 2025 (%)	1 Yr	5 Yr	10 Yr
Composite - Gross	3.8	10.5	10.7
Composite - Net	3.3	10.0	10.1
R2000V	12.6	8.9	9.3

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.