ESG ENGAGEMENT POLICY

OUR MANDATE

Hotchkis & Wiley's overarching goal is to deliver long-term performance that meets or exceeds our clients' expectations and objectives, without assuming undue risk. Corporate behavior can meaningfully influence the risk/return profile of a business and impact its long-term sustainability. Consequently, we believe that evaluating whether a company acts in a responsible manner will impact long-term risk-adjusted performance and we are committed to incorporating such analysis into our investment process consistent with our fiduciary obligations.

WHY WE ENGAGE

In general, we can influence positive change at many of the companies in which we invest. Here are a few of the reasons we are an effective conduit for change:

- · We have a deep understanding of a company's fundamentals
- We generally have strong relationships with a company's senior management
- · Our approach is thoughtful and collaborative
- Many companies find our long-term, low turnover, fundamental investment style makes us an attractive shareholder
- In some companies, we are a large shareholder
- · Some companies proactively seek our thought on ESG topics

WHEN WE ENGAGE

We engage when it matters. We view materiality to be an issue that changes our assessment of intrinsic value or risk of capital loss a change in portfolio weight would likely occur.

ESG Risks

If the analyst, sector team, or PMs identify a material ESG risk, the analyst is responsible for engaging with the company to understand the company's point of view and their plans to address the issue. The analyst is expected to share our point of view with the company so the company can understand that large shareholders like us are considering the impact of these ESG risks in our decision to invest or continue holding their securities.

Proxy Voting

If we determine that ESG proxy-related items, whether proposed by management or by shareholders, influence the economics and/or sustainability of the business our analyst is responsible for engaging with the company. Any material conflict between management's proxy ballot recommendation and our proxy policy will give rise to engagement between H&W and the company.

OUR APPROACH

Successful engagement is the result of who engages, a willingness to escalate, and monitoring of the company and the process.

Analyst Engagement

We require our analysts to be the point of contact with the companies we engage. In some specific situations, members of the relevant sector team or PMs may join with the analyst in engaging with the company. Analysts are expected to:

- · Focus on materiality and long-term impact
- · Encourage positive change or improvement
- · Be constructive and goal-oriented
- · Communicate our point of view and impact on weight
- · Understand management's point of view
- · Does management have a plan for improvement
- · Be holistic in the assessment of the ESG risks
- Vote proxies

Escalation and Monitoring

If during our engagement, the company does not appear to have a viable plan to address material ESG concerns, we may escalate our engagement. This escalation may involve voting proxies against management's recommendations or against the election of board members. It may also involve the reducing or divesting of positions altogether. If the company expresses a willingness to address material ESG concerns, the analyst will monitor the progress to ensure accountability.

Collaboration with Other Shareholders

In certain circumstances, the ESG issue confronting a company will have a transformational impact on the company and its intrinsic value. Examples are capital allocation, major acquisitions, or change of management. Many times, these events can lead to proxy contests. On a case-by-case basis and in accordance with applicable laws and regulations we will engage with large institutional shareholders to effect positive change at the company. We are not "activists" nor do we seek to initiate proxy contests.

Oversight

When an important engagement occurs, the analyst will document the engagement with summary comments and identify what topics were discussed. Any time an analyst votes contrary to our proxy policy, the rationale is documented. These engagement summaries and proxy exceptions are reviewed by the ESG Investment Oversight Group on an annual basis and used by that group to formulate ESG policy updates, engagement priorities, and proxy season goals.

