



**Hotchkis & Wiley SMID Cap Diversified  
Value Fund  
Semi-Annual Financial Statements  
and Additional Information**

DECEMBER 31, 2025



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**HOTCHKIS & WILEY SMID CAP DIVERSIFIED VALUE FUND**  
**SCHEDULE OF INVESTMENTS**

December 31, 2025 (Unaudited)

	<u>Shares</u>	<u>Value</u>		<u>Shares</u>	<u>Value</u>
<b>COMMON STOCKS - 96.5%</b>			<b>Commercial Services &amp; Supplies - 0.9%</b>		
Aerospace & Defense - 1.0%			Brink's Co.	88	\$ 10,272
Huntington Ingalls Industries, Inc.	75	\$ 25,505	UniFirst Corp./MA	58	11,188
					<u>21,460</u>
<b>Air Freight &amp; Logistics - 0.7%</b>			<b>Communications Equipment - 2.0%</b>		
FedEx Corp.	56	16,176	F5, Inc. <sup>(a)</sup>	97	24,760
			Telefonaktiebolaget LM Ericsson - ADR.	2,412	23,276
					<u>48,036</u>
<b>Automobile Components - 4.1%</b>			<b>Construction &amp; Engineering - 0.8%</b>		
Aptiv PLC <sup>(a)</sup>	175	13,316	Fluor Corp. <sup>(a)</sup>	511	20,251
BorgWarner, Inc.	321	14,464			
Gentex Corp.	1,023	23,805			
Lear Corp.	132	15,127			
Magna International, Inc.	483	25,744			
Visteon Corp.	91	8,654			
		<u>101,110</u>			
<b>Automobiles - 0.9%</b>			<b>Consumer Finance - 2.7%</b>		
Harley-Davidson, Inc.	376	7,704	Ally Financial, Inc.	597	27,038
Thor Industries, Inc.	138	14,169	Bread Financial Holdings, Inc.	150	11,105
		<u>21,873</u>	Synchrony Financial	322	26,864
					<u>65,007</u>
<b>Banks - 11.2%</b>			<b>Containers &amp; Packaging - 0.4%</b>		
Associated Banc-Corp.	421	10,845	Sonoco Products Co.	228	9,950
BankUnited, Inc.	235	10,474			
Cathay General Bancorp	207	10,017			
Citizens Financial Group, Inc.	466	27,219			
Columbia Banking System, Inc.	536	14,981			
First Hawaiian, Inc.	426	10,778			
First Interstate BancSystem, Inc. - Class A	298	10,311			
First Merchants Corp.	271	10,157			
Flagstar Bank NA	916	11,533			
KeyCorp	1,366	28,194			
Popular, Inc.	210	26,149			
Provident Financial Services, Inc.	562	11,100			
Simmons First National Corp. - Class A	538	10,141			
Valley National Bancorp	1,404	16,399			
WaFd, Inc.	345	11,050			
Western Alliance Bancorp	315	26,482			
Zions Bancorp NA	460	26,928			
		<u>272,758</u>			
<b>Biotechnology - 0.6%</b>			<b>Electric Utilities - 4.7%</b>		
Halozyme Therapeutics, Inc. <sup>(a)</sup>	208	13,998	Eversource Energy	320	21,546
			Exelon Corp.	509	22,187
			FirstEnergy Corp.	307	13,745
			OGE Energy Corp.	226	9,650
			Otter Tail Corp.	126	10,182
			Portland General Electric Co.	299	14,349
			PPL Corp.	652	22,833
					<u>114,492</u>
<b>Building Products - 2.0%</b>			<b>Electrical Equipment - 1.0%</b>		
Fortune Brands Innovations, Inc.	451	22,559	Atkore, Inc.	138	8,729
Resideo Technologies, Inc. <sup>(a)</sup>	343	12,046	Sensata Technologies Holding PLC	480	15,979
UFP Industries, Inc.	154	14,022			<u>24,708</u>
		<u>48,627</u>			
<b>Capital Markets - 4.0%</b>			<b>Electronic Equipment, Instruments &amp; Components - 3.7%</b>		
Federated Hermes, Inc.	199	10,362	Arrow Electronics, Inc. <sup>(a)</sup>	129	14,213
Franklin Resources, Inc.	1,017	24,296	Avnet, Inc.	313	15,049
Invesco Ltd.	610	16,025	Crane NXT Co.	149	7,013
Janus Henderson Group PLC	238	11,322	Ingram Micro Holding Corp.	425	9,070
State Street Corp.	203	26,189	Plexus Corp. <sup>(a)</sup>	67	9,849
T Rowe Price Group, Inc.	96	9,828	Sanmina Corp. <sup>(a)</sup>	86	12,906
		<u>98,022</u>	Vishay Intertechnology, Inc.	641	9,288
			Vontier Corp.	372	13,831
					<u>91,219</u>
<b>Chemicals - 2.0%</b>			<b>Energy Equipment &amp; Services - 1.0%</b>		
Axalta Coating Systems Ltd. <sup>(a)</sup>	894	28,885	Halliburton Co.	353	9,976
Innospec, Inc.	126	9,644	NOV, Inc.	961	15,020
Olin Corp.	458	9,540			<u>24,996</u>
		<u>48,069</u>			
			<b>Entertainment - 0.7%</b>		
			Warner Bros Discovery, Inc. <sup>(a)</sup>	627	18,070
			<b>Financial Services - 3.7%</b>		
			Corebridge Financial, Inc.	447	13,486
			Essent Group Ltd.	229	14,887
			Euronet Worldwide, Inc. <sup>(a)</sup>	113	8,601
			NMI Holdings, Inc. - Class A <sup>(a)</sup>	270	11,013
			Radian Group, Inc.	414	14,900
			Voya Financial, Inc.	192	14,302
			WEX, Inc. <sup>(a)</sup>	91	13,557
					<u>90,746</u>

The accompanying notes are an integral part of these financial statements.

**HOTCHKIS & WILEY SMID CAP DIVERSIFIED VALUE FUND**  
**SCHEDULE OF INVESTMENTS**

December 31, 2025 (Unaudited) (Continued)

	Shares	Value		Shares	Value
<b>COMMON STOCKS - (Continued)</b>			<b>IT Services - 0.4%</b>		
<b>Food - Wholesale - 0.4%</b>			ASGN, Inc. <sup>(a)</sup> . . . . .		
Conagra Brands, Inc. . . . .	544	\$ 9,417		202	\$ 9,730
<b>Food Products - 0.6%</b>			<b>Leisure Products - 0.8%</b>		
Kraft Heinz Co. . . . .	569	13,798		147	10,913
				147	9,298
					20,211
<b>Gas Utilities - 1.0%</b>			<b>Machinery - 4.5%</b>		
New Jersey Resources Corp. . . . .	329	15,174		136	14,188
Spire, Inc. . . . .	106	8,766		176	8,923
		23,940		207	10,745
				2,297	21,178
<b>Ground Transportation - 1.4%</b>				203	14,084
Schneider National, Inc. - Class B . . . . .	415	11,010		338	25,107
U-Haul Holding Co. . . . .	502	23,463		185	15,564
		34,473			109,789
<b>Health Care Equipment &amp; Supplies - 3.3%</b>			<b>Marine Transportation - 0.5%</b>		
Envista Holdings Corp. <sup>(a)</sup> . . . . .	510	11,072		92	11,367
GE HealthCare Technologies, Inc. . . . .	318	26,082	<b>Media - 1.5%</b>		
Lantheus Holdings, Inc. <sup>(a)</sup> . . . . .	246	16,371		141	11,386
LivaNova PLC <sup>(a)</sup> . . . . .	175	10,768		637	8,536
Solventum Corp. <sup>(a)</sup> . . . . .	212	16,799		752	16,890
		81,092			36,812
<b>Health Care Providers &amp; Services - 4.2%</b>			<b>Multi-Utilities - 2.4%</b>		
Acadia Healthcare Co., Inc. <sup>(a)</sup> . . . . .	471	6,683		240	9,250
Centene Corp. <sup>(a)</sup> . . . . .	619	25,472		219	15,203
Concentra Group Holdings Parent, Inc. . . . .	517	10,175		399	23,377
Humana, Inc. . . . .	84	21,515		155	10,004
Labcorp Holdings, Inc. . . . .	60	15,053			57,834
Universal Health Services, Inc. - Class B . . . . .	105	22,892	<b>Oil, Gas &amp; Consumable Fuels - 3.7%</b>		
		101,790		1,071	26,197
<b>Hotels, Restaurants &amp; Leisure - 2.0%</b>				1,024	8,591
Hilton Grand Vacations, Inc. <sup>(a)</sup> . . . . .	348	15,573		410	11,500
Marriott Vacations Worldwide Corp. . . . .	151	8,711		353	11,031
Travel + Leisure Co. . . . .	226	15,940		1,584	8,348
United Parks & Resorts, Inc. <sup>(a)</sup> . . . . .	216	7,841		382	14,971
		48,065		506	9,462
					90,100
<b>Household Durables - 1.0%</b>			<b>Pharmaceuticals - 1.2%</b>		
Tri Pointe Homes, Inc. <sup>(a)</sup> . . . . .	306	9,630		172	29,240
Whirlpool Corp. . . . .	201	14,500	<b>Professional Services - 2.9%</b>		
		24,130		405	11,745
<b>Household Products - 0.9%</b>				255	9,874
Central Garden & Pet Co. <sup>(a)</sup> . . . . .	286	9,195		151	9,969
Reynolds Consumer Products, Inc. . . . .	577	13,225		168	14,502
		22,420		371	10,076
				155	15,602
<b>Insurance - 8.5%</b>					71,768
American International Group, Inc. . . . .	312	26,692	<b>Real Estate Management &amp; Development - 0.4%</b>		
Arch Capital Group Ltd. <sup>(a)</sup> . . . . .	114	10,935		605	9,795
CNO Financial Group, Inc. . . . .	229	9,726	<b>Semiconductors &amp; Semiconductor Equipment - 0.4%</b>		
Everest Group Ltd. . . . .	46	15,610		185	9,128
F&G Annuities & Life, Inc. . . . .	24	751			
Fidelity National Financial, Inc. . . . .	406	22,164			
Globe Life, Inc. . . . .	111	15,524			
Hartford Insurance Group, Inc. . . . .	81	11,162			
Kemper Corp. . . . .	216	8,757			
Lincoln National Corp. . . . .	352	15,675			
Loews Corp. . . . .	94	9,899			
Principal Financial Group, Inc. . . . .	288	25,404			
Prudential Financial, Inc. . . . .	99	11,175			
Travelers Cos., Inc. . . . .	38	11,022			
White Mountains Insurance Group Ltd. . . . .	7	14,546			
		209,042			

The accompanying notes are an integral part of these financial statements.

## HOTCHKIS & WILEY SMID CAP DIVERSIFIED VALUE FUND SCHEDULE OF INVESTMENTS

December 31, 2025 (Unaudited) (Continued)

	<b>Shares</b>	<b>Value</b>
<b>COMMON STOCKS - (Continued)</b>		
<b>Software - 1.5%</b>		
ACI Worldwide, Inc. <sup>(a)</sup> . . . . .	299	\$ 14,295
Workday, Inc. - Class A <sup>(a)</sup> . . . . .	101	21,693
		<u>35,988</u>
<b>Specialty Retail - 2.2%</b>		
Asbury Automotive Group, Inc. <sup>(a)</sup> . . . . .	66	15,347
Group 1 Automotive, Inc. . . . .	36	14,159
Lithia Motors, Inc. . . . .	47	15,620
Sonic Automotive, Inc. - Class A . . . . .	141	8,722
		<u>53,848</u>
<b>Trading Companies &amp; Distributors - 2.7%</b>		
Herc Holdings, Inc. . . . .	105	15,580
MSC Industrial Direct Co., Inc. - Class A . . . . .	164	13,792
Rush Enterprises, Inc. - Class A. . . . .	273	14,726
WESCO International, Inc. . . . .	93	22,751
		<u>66,849</u>
<b>TOTAL COMMON STOCKS</b>		
(Cost \$2,184,353) . . . . .		<u>2,355,699</u>
<b>REAL ESTATE INVESTMENT TRUSTS</b>		
<b>- COMMON - 2.7%</b>		
<b>Hotel &amp; Resort REITs - 1.5%</b>		
Host Hotels & Resorts, Inc. . . . .	1,473	26,116
Park Hotels & Resorts, Inc. . . . .	979	10,241
		<u>36,357</u>
<b>Office REITs - 1.2%</b>		
Douglas Emmett, Inc. . . . .	678	7,451
Vornado Realty Trust . . . . .	653	21,732
		<u>29,183</u>
<b>TOTAL REAL ESTATE INVESTMENT TRUSTS - COMMON</b>		
(Cost \$65,499) . . . . .		<u>65,540</u>
<b>SHORT-TERM INVESTMENTS</b>		
<b>MONEY MARKET FUNDS - 0.7%</b>		
First American Government Obligations Fund - Class X, 3.67% <sup>(b)</sup> . . . . .	18,152	18,152
<b>TOTAL MONEY MARKET FUNDS</b>		
(Cost \$18,152) . . . . .		<u>18,152</u>
<b>TOTAL INVESTMENTS - 99.9%</b>		
(Cost \$2,268,004) . . . . .		\$2,439,391
Other Assets in Excess of Liabilities - 0.1% . . . . .		<u>1,959</u>
<b>TOTAL NET ASSETS - 100.0%</b> . . . . .		<u>\$2,441,350</u>

Percentages are stated as a percent of net assets.

The Global Industry Classification Standard (GICS®) was developed by MSCI, an independent provider of global indices and benchmark-related products and services, and Standard & Poor's (S&P), an independent international financial data and investment services company. The GICS methodology has been widely accepted as an industry analysis framework for investment research, portfolio management and asset allocation. The GICS structure consists of 11 sectors, 25 industry groups, 74 industries and 163 sub-industries. Each stock that is classified will have a coding at all four of these levels.

ADR - American Depositary Receipt

PLC - Public Limited Company

REIT - Real Estate Investment Trust

<sup>(a)</sup> Non-income producing security.

<sup>(b)</sup> The rate shown represents the 7-day annualized yield as of December 31, 2025.

*The accompanying notes are an integral part of these financial statements.*

**HOTCHKIS & WILEY SMID CAP DIVERSIFIED VALUE FUND**  
**STATEMENT OF ASSETS AND LIABILITIES**

December 31, 2025 (Unaudited)

**ASSETS:**

Investments, at value . . . . .	\$2,439,391
Dividends receivable . . . . .	3,107
Total assets . . . . .	<u>2,442,498</u>

**LIABILITIES:**

Payable to Advisor . . . . .	1,148
Total liabilities . . . . .	<u>1,148</u>
Commitments and contingencies (Note 5)	
Net Assets . . . . .	<u>\$2,441,350</u>

**Net Assets Consists of:**

Capital stock (\$0.01 per share) . . . . .	\$ 900
Additional paid-in capital . . . . .	2,181,225
Total accumulated distributable earnings . . . . .	259,225
Total net assets . . . . .	<u>\$2,441,350</u>

Net assets . . . . .	\$2,441,350
Shares issued and outstanding <sup>(a)</sup> . . . . .	90,000
Net asset value per share . . . . .	<u>\$ 27.13</u>

**Cost:**

Investments, at cost . . . . .	\$2,268,004
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<sup>(a)</sup> Unlimited shares authorized.

*The accompanying notes are an integral part of these financial statements.*

**HOTCHKIS & WILEY SMID CAP DIVERSIFIED VALUE FUND**  
**STATEMENT OF OPERATIONS**

For the Period Ended December 31, 2025 (Unaudited)

**INVESTMENT INCOME:**

Dividend income . . . . .	\$ 28,626
Less: issuance fees . . . . .	(106)
Less: dividend withholding taxes . . . . .	(231)
Total investment income . . . . .	<u>28,289</u>

**EXPENSES:**

Investment advisory fee . . . . .	6,030
Total expenses . . . . .	<u>6,030</u>
Net investment income . . . . .	<u>22,259</u>

**REALIZED AND UNREALIZED GAIN (LOSS)**

Net realized gain (loss) from: . . . . .	
Investments . . . . .	<u>87,177</u>
Net realized gain (loss) . . . . .	<u>87,177</u>
Net change in unrealized appreciation (depreciation) on:	
Investments . . . . .	<u>91,191</u>
Net change in unrealized appreciation (depreciation) . . . . .	<u>91,191</u>
Net realized and unrealized gain (loss) . . . . .	<u>178,368</u>

**Net increase (decrease) in net assets resulting from operations . . . . .** \$200,627

*The accompanying notes are an integral part of these financial statements.*

**HOTCHKIS & WILEY SMID CAP DIVERSIFIED VALUE FUND**  
**STATEMENTS OF CHANGES IN NET ASSETS**

	<b>Period Ended December 31, 2025 (Unaudited)</b>	<b>Period Ended June 30, 2025<sup>(a)</sup></b>
<b>OPERATIONS:</b>		
Net investment income (loss) . . . . .	\$ 22,259	\$ 10,932
Net realized gain (loss) . . . . .	87,177	18
Net change in unrealized appreciation (depreciation) . . . . .	91,191	80,196
Net increase (decrease) in net assets from operations . . . . .	<u>200,627</u>	<u>91,146</u>
<b>DISTRIBUTIONS TO SHAREHOLDERS:</b>		
From earnings . . . . .	(32,548)	—
Total distributions to shareholders . . . . .	<u>(32,548)</u>	<u>—</u>
<b>CAPITAL TRANSACTIONS:</b>		
Shares sold . . . . .	1,040,126	1,911,106
Shares redeemed . . . . .	(769,109)	—
ETF transaction fees (See Note 1) . . . . .	—	2
Net increase (decrease) in net assets from capital transactions . . . . .	<u>271,017</u>	<u>1,911,108</u>
Net increase (decrease) in net assets . . . . .	<u>439,096</u>	<u>2,002,254</u>
<b>NET ASSETS:</b>		
Beginning of the period . . . . .	<u>2,002,254</u>	—
End of the period . . . . .	<u>\$2,441,350</u>	<u>\$2,002,254</u>
<b>SHARES TRANSACTIONS</b>		
Shares sold . . . . .	40,000	80,000
Shares redeemed . . . . .	(30,000)	—
Total increase (decrease) in shares outstanding . . . . .	<u>10,000</u>	<u>80,000</u>

<sup>(a)</sup> Inception date of the Fund was March 28, 2025.

*The accompanying notes are an integral part of these financial statements.*

## FINANCIAL HIGHLIGHTS

For the period ended	Net asset value, beginning of period	Investment operations:			Less distributions from:		ETF transaction fees per share	Net asset value, end of period	Total return <sup>(c)</sup>	Supplemental data and ratios:			
		Net investment income (loss) <sup>(a)</sup>	Net realized and unrealized gain (loss) on investments <sup>(b)</sup>	Total from investment operations	Net investment income	Total distributions				Net assets, end of period (in thousands)	Ratio of expense to average net assets <sup>(d)</sup>	Ratio of net investment income (loss) to average net assets <sup>(d)</sup>	Portfolio turnover rate <sup>(c)</sup>
Hotchkis & Wiley SMID Cap Diversified Value Fund													
12/31/2025 <sup>(e)</sup>	\$25.03	0.27	2.19	2.46	(0.36)	(0.36)	—	\$27.13	9.84%	\$2,441	0.55%	2.03%	30%
6/30/2025 <sup>(f)</sup>	\$24.51	0.15	0.37	0.52	—	—	0.00 <sup>(g)</sup>	\$25.03	2.11%	\$2,002	0.55%	2.59%	0%

<sup>(a)</sup> Net investment income (loss) per share has been calculated based on average shares outstanding during the period.

<sup>(b)</sup> Realized and unrealized gains and losses per share in the caption are balancing amounts necessary to reconcile the change in net asset value per share for the period, and may not reconcile with the aggregate gains and losses in the Statement of Operations due to share transactions for the period.

<sup>(c)</sup> Not annualized for periods less than one year.

<sup>(d)</sup> Annualized for periods less than one year.

<sup>(e)</sup> Unaudited.

<sup>(f)</sup> Inception date of the Fund was March 28, 2025.

<sup>(g)</sup> Amount represents less than \$0.005 per share.

The accompanying notes are an integral part of these financial statements.

**HOTCHKIS & WILEY SMID CAP DIVERSIFIED VALUE FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2025 (Unaudited)

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**NOTE 1. ORGANIZATION**

The Hotchkis & Wiley SMID Cap Diversified Value Fund (the "Fund") is a diversified series of shares of beneficial interest of Hotchkis & Wiley Funds (the "Trust"), a Delaware statutory trust organized on July 23, 2001. The Trust is registered under the Investment Company Act of 1940, as amended (the "1940 Act") as an open-end management investment company and the offering of the Fund's shares ("Shares") is registered under the Securities Act of 1933, as amended (the "Securities Act"). Eleven other series of the Trust are included in separate reports.

Shares of the Fund are listed and traded on the Nasdaq Stock Market LLC ("Nasdaq"). Market prices for the Shares may be different from the net asset value ("NAV"). The Fund issues and redeems Shares on a continuous basis at NAV, called "Creation Units", which generally consist of 20,000 shares. Creation Units are issued and redeemed primarily in-kind for securities included in a specified index. Once created, Shares generally trade in the secondary market at market prices that change throughout the day in quantities less than a Creation Unit. Except when aggregated in Creation Units, Shares are not redeemable securities of the Fund. Shares of the Fund may only be purchased or redeemed by certain financial institutions ("Authorized Participants"). An Authorized Participant is either (i) a broker-dealer or other participant in the clearing process through the Continuous Net Settlement System of the National Securities Clearing Corporation or (ii) a DTC participant and, in each case, must have executed a Participant Agreement with Quasar Distributors, LLC (the "Distributor"). Most retail investors do not qualify as Authorized Participants nor have the resources to buy and sell whole Creation Units. Therefore, they are unable to purchase or redeem the Shares directly from the Fund. Rather, most retail investors may purchase Shares in the secondary market with the assistance of a broker and may be subject to customary brokerage commissions or fees.

The Fund currently offers one class of Shares, which have no front-end sales loads, no deferred sales charges, and no redemption fees. A purchase (i.e., creation) transaction fee is imposed for the transfer and other transaction costs associated with the purchase of Creation Units. These fees may vary based upon various facts-based circumstances, including, but not limited to, the composition of the securities included in the Creation Unit or the countries in which the transactions are settled. The fixed transaction fee may be waived on certain orders if the Fund's Custodian has determined to waive some or all of the costs associated with the order, or another party, such as Hotchkis & Wiley Capital Management, LLC (the "Advisor"), has agreed to pay such fee. In addition, a variable fee may be charged on all cash transactions or substitutes for Creation Units of up to a maximum of 2% as a percentage of the value of the Creation Units subject to the transaction for the Fund. Variable fees, if any, received by the Fund are displayed in the Capital Share Transaction section of the Statements of Changes in Net Assets. The Fund may issue an unlimited number of shares of beneficial interest, with \$0.01 par value.

**Significant Accounting Policies.** The Fund's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which may require the use of management accruals and estimates. Actual results could differ from those estimates and those differences could be significant. The Fund is an investment company and accordingly follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board ("FASB") Accounting Standard Codification Topic 946 "Financial Services – Investment Companies". The following is a summary of significant accounting policies followed by the Fund.

**Security Valuation.** Equity securities traded on a national stock exchange or Nasdaq Global Markets, Nasdaq Select Market and the Nasdaq Capital Markets (together, "Nasdaq") are valued at the last reported sale price or Nasdaq Official Closing Price, as applicable, on that day, or, in the absence of recorded sales, at the average of the last bid and asked quotation on such exchange or Nasdaq. Over-the-counter securities not traded on Nasdaq are valued at the last sale price on the valuation day, or if the last sale price is unavailable, at the average of the quoted bid and asked prices in the over-the-counter market. Foreign equity securities (which are principally traded in markets other than the U.S.) are valued based upon the last reported sale price on the primary exchange or market on which they trade as of the close of business of such exchange or market immediately preceding the time of determining the Fund's net asset value. Any Fund assets or liabilities initially valued in terms of non-U.S. dollar currencies are translated into U.S. dollars at the prevailing foreign currency exchange market rates as provided by an independent Pricing Service.

The Trust's Board of Trustees (the "Board") has designated the Advisor as the Fund's "valuation designee" to perform all fair valuations of the Fund's portfolio investments, subject to the Board's oversight. The Advisor, as the Fund's valuation designee, has established procedures for its fair valuation of the Fund's portfolio investments, which address, among other things, determining when market quotations are not readily available or reliable and certain methodologies for the fair valuation of such portfolio investments, as well as the use and oversight of Pricing Services.

**HOTCHKIS & WILEY SMID CAP DIVERSIFIED VALUE FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2025 (Unaudited) (Continued)

Fixed-income securities are generally valued at their evaluated mean prices provided by Pricing Services. Pricing Services generally provide an evaluated price that takes into account appropriate factors such as institutional-sized trading in similar groups of securities, yield, quality, coupon rate, maturity, type of issue, trading characteristics, and other market data, and may provide a price determined by a matrix pricing method or other analytical pricing models. If valuations from the Pricing Services are unavailable or deemed unreliable, the fixed-income security shall be priced according to the average of the bid and ask prices of broker quotes (or a single broker quote) for such security or the last sale price reported on FINRA's Trade Reporting and Compliance Engine ("TRACE") (excluding cross and retail trades).

The Fund has performed an analysis of all existing investments to determine the significance and character of all inputs to their fair value determination. Various inputs are used in determining the value of the Fund's investments. These inputs are summarized in the following three broad categories:

Level 1 – Quoted unadjusted prices for identical instruments in active markets to which the Trust has access at the date of measurement.

Level 2 – Other significant observable inputs (including quoted prices for similar instruments, interest rates, current yields, credit quality, prepayment speeds for mortgage related securities, collateral for asset-backed securities, foreign security indices, foreign exchange rates, fair value estimates for foreign securities, and changes in benchmark securities indices). Level 2 inputs are those in markets for which there are few transactions, the prices are not current, little public information exists or instances where prices vary substantially over time or among brokered market makers.

Level 3 – Significant unobservable inputs including model derived valuations in which one or more significant inputs or significant value drivers are unobservable. Unobservable inputs are those inputs that reflect assumptions that market participants would use to price the asset or liability based on the best available information.

The following table presents the valuation levels of the Fund's assets as of December 31, 2025:

<b>Investments:</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Common Stocks . . . . .	\$2,355,699	\$ —	\$ —	\$2,355,699
Real Estate Investment Trusts - Common . . . . .	65,540	—	—	65,540
Money Market Funds. . . . .	18,152	—	—	18,152
Total Investments . . . . .	<u>\$2,439,391</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$2,439,391</u>

Please refer to the Schedule of Investments for additional information regarding the composition of the amounts listed above.

**Expense Allocation.** Expenses incurred by or attributable to a specific Fund are allocated entirely to that Fund. Expenses incurred by the Trust which do not relate to a specific Fund or Funds are allocated among the Funds per capita. Alternatively, such expenses may be allocated based upon the Fund's relative net assets as of a recent date or using another methodology based upon a determination by persons authorized by the Board, including either the President or Treasurer of the Trust, that the alternative allocation methodology is fair and equitable taking into consideration the nature and type of the expense.

**Distributions to Shareholders.** The Fund intends to make distributions of net investment income and net capital gains, if any, at least annually. The Fund will declare and pay income and capital gain distributions in cash. Distributions in cash may be reinvested automatically in additional whole Shares only if the broker through whom you purchased Shares makes such option available. Your broker is responsible for distributing the income and capital gain distributions to you.

**Security Transactions and Investment Income.** Security and shareholder transactions are recorded on trade date. Realized gains and losses on sales of investments are calculated on the specifically identified cost basis of the securities. Dividend income, less foreign taxes withheld, if any, is recorded on the ex-dividend date. Interest income is recognized on the accrual basis. Market discounts and original issue discounts on fixed-income securities are amortized daily

## HOTCHKIS & WILEY SMID CAP DIVERSIFIED VALUE FUND NOTES TO THE FINANCIAL STATEMENTS

December 31, 2025 (Unaudited) (Continued)

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over the expected life of the security using the effective yield method. Market premiums on fixed-income securities are amortized daily on the yield to the next call method. Return of capital distributions received from real estate investment trust ("REIT") securities are recorded as an adjustment to the cost of the security and thus may impact unrealized gains or losses on the security.

Securities purchased or sold on a when-issued, delayed delivery or forward commitment basis may have extended settlement periods. The value of the security purchased is subject to market fluctuations during this period.

**Foreign Currency Transactions.** Securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollar amounts at the date of valuation. Purchases and sales of securities and income and expense items denominated in foreign currencies are translated into U.S. dollar amounts on the respective dates of such transactions. The Fund does not isolate the portion of realized gains or losses and the portion of unrealized appreciation or depreciation resulting from changes in foreign exchange rates on securities from the fluctuations arising from changes in market prices of securities held. Reported net realized foreign exchange gains or losses arise from sales of securities, currency gains or losses realized between the trade and settlement dates on securities transactions and the difference between the amounts of dividends, interest and foreign withholding taxes recorded on the Fund's books and the U.S. dollar equivalent of the amounts actually received or paid.

**Offsetting Assets and Liabilities.** The Fund is subject to various master netting arrangements, which govern the terms of certain transactions with counterparties. The arrangements allow the Fund to close out and net its total exposure to a counterparty in the event of a default with respect to all the transactions governed under a single agreement with a counterparty. For financial reporting purposes, the Fund does not offset financial assets and liabilities that are subject to master netting arrangements in the Statement of Assets and Liabilities. The Fund was not subject to offsetting arrangements as of December 31, 2025.

### NOTE 2. FEES AND TRANSACTIONS WITH AFFILIATES

The Fund has entered into an Investment Advisory Agreement with the Advisor, with which certain officers and a Trustee of the Trust are affiliated. The Advisor is a limited liability company, the primary members of which are HWCap Holdings, a limited liability company with members who are current and former employees of the Advisor, and Stephens - H&W, LLC, a limited liability company whose primary member is SF Holding Corp., which is a diversified holding company.

Pursuant to the Investment Advisory Agreement, the investments and business operations of the Fund are managed by the Advisor subject to oversight by the Board of Trustees. The Advisor is also responsible for selecting brokers and dealers to execute the Fund's portfolio transactions. For its services to the Fund, the Advisor receives a unitary management fee from the Fund, which is calculated daily and paid monthly by the Fund at an annual rate of 0.55% of the Fund's average daily net assets. Under the Investment Advisory Agreement, the Advisor has agreed to pay all expenses of the Fund except Advisor's management fees, interest charges on any borrowings, dividends and other expenses on securities sold short, taxes, brokerage commissions and other expenses incurred in placing orders for the purchase and sale of securities and other investment instruments, acquired fund fees and expenses, accrued deferred tax liability, litigation expenses, other non-routine or extraordinary expenses, and distribution fees and expenses paid by the Fund under any distribution plan adopted pursuant to Rule 12b-1 under the 1940 Act.

Quasar Distributors, LLC (the "Distributor"), serves as the distributor in connection with the continuous offering of the Fund's shares only in Creation Units. The Distributor will not distribute shares in amounts less than a Creation Unit and does not maintain a secondary market in shares. Currently, the Advisor compensates the Distributor for services that the Distributor provides to the Fund.

U.S. Bank Global Fund Services, a subsidiary of U.S. Bancorp, serves as the Fund's fund accountant, administrator and transfer agent pursuant to certain fund accounting servicing, fund administration servicing and transfer agent servicing agreements.

U.S. Bank National Association, a subsidiary of U.S. Bancorp, serves as the Fund's custodian pursuant to a custody agreement. Under the terms of these agreements, the Advisor pays the Fund's accounting, administration, custody, and transfer agency fees.

**HOTCHKIS & WILEY SMID CAP DIVERSIFIED VALUE FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2025 (Unaudited) (Continued)

**NOTE 3. INVESTMENTS**

For the six months ended December 31, 2025, the aggregate purchases and sales of securities by the Fund, excluding short-term securities and in-kind transactions, the in-kind transactions associated with creations and redemptions, and short-term and long-term gains on in-kind transactions were as follows:

<u>Purchases</u>	<u>Sales</u>	<u>In-Kind Purchases</u>	<u>In-Kind Sales</u>	<u>Short-Term Gains</u>	<u>Long-Term Gains</u>
\$641,217	\$662,367	\$1,013,458	\$727,992	\$152,275	\$ —

The Fund did not have any purchases or sales of U.S. Government securities for the six months ended December 31, 2025.

**NOTE 4. FEDERAL INCOME TAXES.**

It is the Fund's policy to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and the Fund intends to distribute substantially all of its investment company net taxable income and net capital gains to shareholders. Therefore, no federal income tax provision is required. Under the applicable foreign tax law, a withholding tax may be imposed on interest, dividends and capital gains at various rates.

Distributions paid to shareholders are based on net investment income and net realized gains determined on a tax basis, which may differ from net investment income and net realized gains for financial reporting purposes. The fiscal year in which amounts are distributed may differ from the year in which the net investment income and net realized gains are recorded by the Fund for financial reporting purposes. The Fund may utilize earnings and profits distributed to shareholders on redemptions of shares as part of the dividends paid deduction. Generally accepted accounting principles require that permanent financial reporting and tax differences be reclassified within the capital accounts.

The following information is presented on an income tax basis as of June 30, 2025:

Tax cost of investments . . . . .	\$1,919,282
Gross unrealized appreciation. . . . .	149,950
Gross unrealized depreciation. . . . .	(69,754)
Net unrealized appreciation (depreciation) . . . . .	80,196
Distributable ordinary income (as of 6/30/25) . . . . .	10,932
Distributable long-term gains (as of 6/30/25) . . . . .	18
Total distributable earnings . . . . .	10,950
Other accumulated gain (loss) . . . . .	—
Total accumulated gain (loss) . . . . .	<u>\$ 91,146</u>

As of June 30, 2025, the Fund did not have any capital loss carryovers or tax basis late year losses, which are not recognized for tax purposes until the first day of the following fiscal year. As of and during the period ended June 30, 2025, the Fund did not have a liability for any unrecognized tax benefits. The Fund recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the Statement of Operations. During the period ended June 30, 2025, the Fund did not incur any interest or penalties. The tax period ended June 30, 2025 remains open and subject to examination by tax jurisdictions.

**NOTE 5. COMMITMENTS AND CONTINGENCIES**

Under the Trust's organizational documents and indemnification agreements between each independent Trustee and the Trust, its officers and Trustees are indemnified against certain liabilities arising out of the performance of their duties to the Trust. In addition, in the normal course of business the Trust enters into contracts that contain a variety of representations and warranties, which provide general indemnifications. The Fund's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Fund.

**HOTCHKIS & WILEY SMID CAP DIVERSIFIED VALUE FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2025 (Unaudited) (Continued)

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**NOTE 6. RISK FACTORS**

Investing in the Fund may involve certain risks including, but not limited to, those described below.

The Fund may invest in foreign (non-U.S.) securities and may experience more rapid and extreme changes in value than a fund that invests exclusively in securities of U.S. companies. The securities markets of many foreign countries are relatively small, with a limited number of companies representing a small number of industries. Additionally, issuers of foreign securities are usually not subject to the same degree of regulation as U.S. issuers and investments in securities of foreign issuers may be subject to foreign withholding and other taxes. Reporting, accounting and auditing standards of foreign countries differ, in some cases significantly, from U.S. standards. Also, nationalization, expropriation or confiscatory taxation, currency blockage, political changes or diplomatic developments could adversely affect the Fund's investments in a foreign country.

The Fund may invest a significant portion of its assets in companies in the financial sector, and therefore the performance of the Fund could be negatively impacted by events affecting this sector. This sector can be significantly affected by changes in interest rates, the rate of corporate and consumer debt defaults, the availability and cost of borrowing and raising capital, reduced credit market liquidity, regulatory changes, price competition, bank failures and other financial crises, and general economic and market conditions.

The Fund may invest a significant portion of its assets in companies in the industrial sector, and therefore the performance of the Fund could be negatively impacted by events affecting this sector. This sector can be significantly affected by, among other things, worldwide economic growth, supply and demand for specific products and services, rapid technological developments, and government regulation.

The Fund may invest a significant portion of its assets in companies in the consumer discretionary sector, and therefore the performance of the Fund could be negatively impacted by events affecting this sector. Companies engaged in the consumer discretionary sector are affected by fluctuations in supply and demand and changes in consumer preferences, social trends and marketing campaigns. Changes in consumer spending as a result of world events, political and economic conditions, commodity price volatility, changes in exchange rates, imposition of import controls, increased competition, depletion of resources and labor relations also may adversely affect these companies.

The Fund is subject to active management risk because the Fund is an actively managed investment portfolio. Consequently, the Fund is subject to the risks that the methods and analysis employed by the Advisor may not produce the desired results and result in losses to the Fund.

The prices of, and the income generated by, securities held by the Fund may decline in response to certain events taking place around the world, including those directly involving the issuers whose securities are owned by the Fund. These events can include changes in economic, political or financial market conditions due to war, acts of terrorism, the spread of infectious illness or other public health issues, financial crises, and recessions, as well as investor sentiment regarding these issues.

**NOTE 7. SEGMENT REPORTING**

The Fund represents a single operating segment as the operating results of the Fund is monitored as a whole and its long-term asset allocation is determined in accordance with the terms of its prospectus, based on a defined investment objective that is executed by the Fund's portfolio management team. A senior executive team comprised of the Fund's Principal Executive Officer and Principal Financial Officer, serves as the Fund's chief operating decision maker ("CODM"), who act in accordance with Board of Trustee reviews and approvals. The CODM uses financial information, such as changes in net assets from operations, changes in net assets from fund share transactions, and income and expense ratios, consistent with that presented within the accompanying financial statements and financial highlights to assess the Fund's profits and losses and to make resource allocation decisions. Segment assets are reflected in the Statement of Assets and Liabilities as Net Assets, which consists primarily of investment securities, at value, and significant segment expenses are listed in the accompanying Statement of Operations.

**NOTE 8. SUBSEQUENT EVENTS**

Management has evaluated subsequent events in the preparation of the Fund's financial statements and has determined that there are no events that require recognition or disclosure in the financial statements.

**HOTCHKIS & WILEY SMID CAP DIVERSIFIED VALUE FUND**  
**NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2025 (Unaudited) (Continued)

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**NOTE 9. FEDERAL TAX DISCLOSURE (UNAUDITED)**

The Fund designated as long-term capital gain dividends, pursuant to Internal Revenue Code Section 852(b)(3), the amount necessary to reduce the earnings and profits of the Fund related to net capital gains to zero for the tax period ended June 30, 2025.

For the period ended June 30, 2025, the percentage of ordinary distributions paid that qualify for the dividend received deduction available to corporate shareholders was 0.00%.

For the period ended June 30, 2025, the percentage of ordinary distributions paid that are designated as qualified dividend income under the Jobs and Growth Tax Relief Reconciliation Act of 2003 was 0.00%. Shareholders should consult their tax advisors.

For the period ended June 30, 2025, the percentage of ordinary income distributions paid that are designated as short-term capital gain distributions under Internal Revenue Code Section 871(k)(2)(c) was 0.00%.

**HOTCHKIS & WILEY SMID CAP DIVERSIFIED VALUE FUND**  
**ADDITIONAL INFORMATION**

December 31, 2025 (Unaudited)

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The below information is required disclosure from Form N-CSR:

**Item 8. Changes in and Disagreements with Accountants for Open-End Management Investment Companies.**

There were no changes in or disagreements with accountants during the period covered by this report.

**Item 9. Proxy Disclosure for Open-End Management Investment Companies.**

There were no matters submitted to a vote of shareholders during the period covered by this report.

**Item 10. Remuneration Paid to Directors, Officers, and Others of Open-End Management Investment Companies.**

All fund expenses, including Trustee compensation, are paid by the Advisor pursuant to the Investment Advisory Agreement. Additional information related to those fees is available in the Fund's Statement of Additional Information.

**Item 11. Statement Regarding Basis for Approval of Investment Advisory Contract.**

Not applicable.