

Focus: Total Return, Asset Coverage/Valuation, Opportunistic

Why Hotchkis and Wiley High Yield?

Boutique Firm	Fosters agility, creativity, and aligns our interests with clients'	<ul style="list-style-type: none"> ◆ 36-year history ◆ Employee owned ◆ Performance (vs. AUM) focused
Experienced Research Team	Average experience of 22 years and average tenure of 14 years	<ul style="list-style-type: none"> ◆ Senior PMs worked together since 1996 ◆ Proprietary research ◆ Asset valuation experts
Focused Strategy	Disciplined strategy centered on asset coverage to avoid defaults	<ul style="list-style-type: none"> ◆ Bottom-up, opportunistic value process ◆ Focused on senior portion of capital structure ◆ Expertise in small caps and fallen angels

Investment Philosophy

- ◆ Disciplined research focused on asset valuation/coverage
- ◆ Concentrate on senior portion of capital structure
- ◆ Limit assets under management to remain nimble
- ◆ Exploit research expertise in small caps and fallen angels

Formal Risk Controls

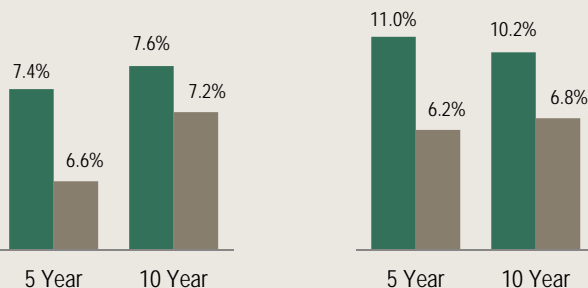
- ◆ 25% industry maximum
- ◆ 5% single issuer maximum

Small Caps and Fallen Angels

- ◆ More than 600 issuers with less than \$1.2 billion in debt
- ◆ More than 250 fallen angel issuers

Annualized Performance (3/31/2017)

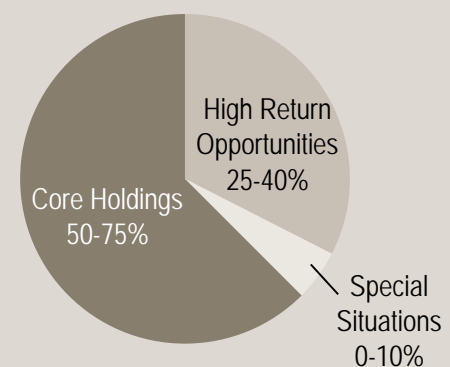
■ Small Cap Credits ■ Fallen Angels
■ Large Cap Credits ■ Original HY Issuers



BofAML U.S. Small Cap (by par), Large Cap (by par), Fallen Angel & Original Issue High Yield Indices

Internal Risk Classifications

- Core Holdings** – Fundamentally improving, defensive credits
- High Return Opportunities** – Turnaround, rapidly improving
- Special Situations** – Temporary price dislocations



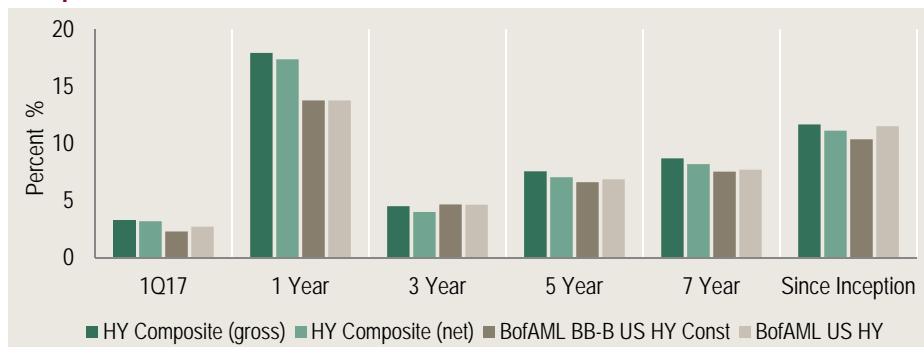
Research Team

- ◆ 27-person team covering value equity & high yield strategies
- ◆ 4 PMs, 17 Analysts, 6 Research Associates
 - **Mark Hudoff**, 30 years' exp. & former head of PIMCO HY
 - **Ray Kennedy**, 31 years' exp. & former head of PIMCO HY
 - **Richard Mak**, 16 years' exp. & former PM of PIMCO HY
 - **Patrick Meegan**, 18 years' exp. on H&W investment team

What to Expect...

- ◆ Target 125 thoroughly-researched high yield credits
- ◆ Fallen angel and small cap credit focus
- ◆ Low defaults and high recoveries
- ◆ Opportunistic exposure to bank loans, convertible bonds, and preferred stock

Composite Performance



	1Q17	1 Year	3 Year	5 Year	7 Year	Since Inception
HY Composite (gross)	3.3%	17.9%	4.5%	7.5%	8.7%	11.7%
HY Composite (net)	3.2	17.4	4.0	7.0	8.2	11.1
BofAML BB-B US HY Constrained Index	2.3	13.8	4.7	6.6	7.5	10.4
BofAML US High Yield Index	2.7	16.9	4.6	6.8	7.7	11.5

Commencement of High Yield (HY) Composite: 5/1/09

Periods over one year are average annual total returns. Past performance is no guarantee of future performance.

¹ Credit Quality weights by rating were derived from the highest bond rating as determined by S&P, Moody's or Fitch. In limited situations when none of the three rating agencies have issued a formal rating, the Advisor will determine an internal rating. Credit default swaps use bond-equivalent prices to calculate portfolio weights.

Characteristics based on representative High Yield portfolio. Client portfolio holdings may vary due to different restrictions, cash flows, and other relevant considerations. Information is subject to change and may not be representative of the strategy's current holdings.

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, 2015. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The High Yield Composite has been examined for the periods May 1, 2009 through December 31, 2015. 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 and all trading expenses but before custodial fees. H&W's management fees are described in Part 2A of its Form ADV. The standard High Yield Bond management fee schedule is 50 basis points on the first \$50 million, 45 basis points on the next \$50 million and 40 basis points thereafter. Internal dispersion is calculated using the equal-weighted standard deviation of all portfolios that were included in the Composite for the entire year. A list of composite descriptions and policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. Past performance is no guarantee of future performance.

	% Total Return Gross of Fees	% Total Return Net of Fees	% Total Return BofAML BB-B	% Total Return BofAML HY	# of Accts	Internal Dispersion (%)	Comp. Assets (\$mm)	Total Firm Assets (\$mm)
2016	16.4	15.8	14.7	17.5	7	0.3	3,614	29,952
2015	-3.7	-4.2	-2.8	-4.6	7	n/m	2,740	28,367
2014	1.7	1.2	3.5	2.5	<6	n/m	2,549	32,190
2013	9.7	9.1	6.3	7.4	<6	n/m	1,670	25,962
2012	19.2	18.7	14.6	15.6	<6	n/m	1,052	18,781
2011	3.1	2.7	5.4	4.4	<6	n/m	671	16,171
2010	20.0	19.4	14.3	15.2	<6	n/m	467	18,148
2009 ⁽¹⁾	25.7	25.3	26.0	34.6	<6	n/a	65	14,494

⁽¹⁾ Period from May 1, 2009 (composite inception) through December 31, 2009.

n/a – not applicable for periods less than one year.

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

Portfolio Characteristics

	Portfolio	BofAML US High Yield
Yield-to-Worst	6.6%	5.9%
Spread over Treasuries	461 bps	391 bps
Current Yield	6.8%	6.4%
Average Coupon Rate	6.9%	6.5%
Modified Duration	3.7 years	3.9 years
Number of Issuers	141	880

Credit Quality¹

	Portfolio	BofAML US High Yield
Cash & Equivalents	1.4%	0.0%
Investment Grade	3.9	8.2
BB	39.9	51.2
B	44.5	32.5
CCC+ or lower	8.0	8.2
Non-Rated	2.3	0.0
Credit Default Swap Index	0.0	0.0

Composite: The Composite includes all High Yield discretionary accounts. The High Yield strategy seeks high current income combined with the opportunity for capital appreciation to maximize total return primarily through investments in high yield securities and investment grade fixed income instruments. (Composite creation: 2009)

Index: The BofA Merrill Lynch BB-B US High Yield Constrained Index* ("BofAMLBB-B") contains all securities in the BofA Merrill Lynch U.S. High Yield Index rated BB+ through B- by S&P (or equivalent as rated by Moody's or Fitch), but caps issuer exposure at 2%. Index constituents are capitalization-weighted, based on their current amount outstanding, provided the total allocation to an individual issuer does not exceed 2%. The BofA Merrill Lynch US High Yield Index ("BofAMLHY") tracks the performance of below investment grade, but not in default, U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market, and includes issues with a credit rating of BBB or below, as rated by Moody's and S&P. The indexes assume reinvestment of dividends and capital gains, and assumes no management, custody, transaction or other expenses. The strategy used in managing the accounts in the Composite may prevent or limit investment in major bonds in the BofAMLBB-B and BofAMLHY and returns may not be correlated to the indexes. It is not possible to invest directly in the index. Benchmark returns are not covered by the report of independent verifiers.

Effective September 30, 2015, the BofA Merrill Lynch US High Yield Index was added to the presentation as a measure of the broader high yield market.

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. As of December 31, 2011, the Composite did not have a 3-year track record.

	3-Year Annualized Standard Deviation (%)		
	Composite	BofAMLBB-B	BofAMLHY
2016	5.9	5.4	6.0
2015	5.0	5.0	5.3
2014	4.4	4.3	4.4
2013	7.2	5.8	6.4
2012	8.2	6.2	7.0



*Formerly BofA Merrill Lynch U.S. High Yield BB-B Constrained 2% Index