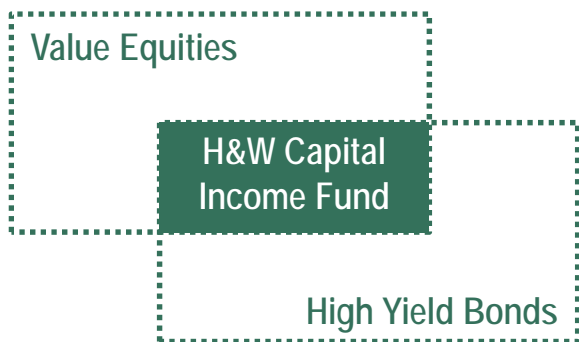


## HWIIX, HWIAX

### Process Summary

The Capital Income Fund invests in undervalued equities and high yield fixed income securities. It leverages the firm's corporate research platform to invest across the corporate capital structure using a disciplined, value-focused investment process.



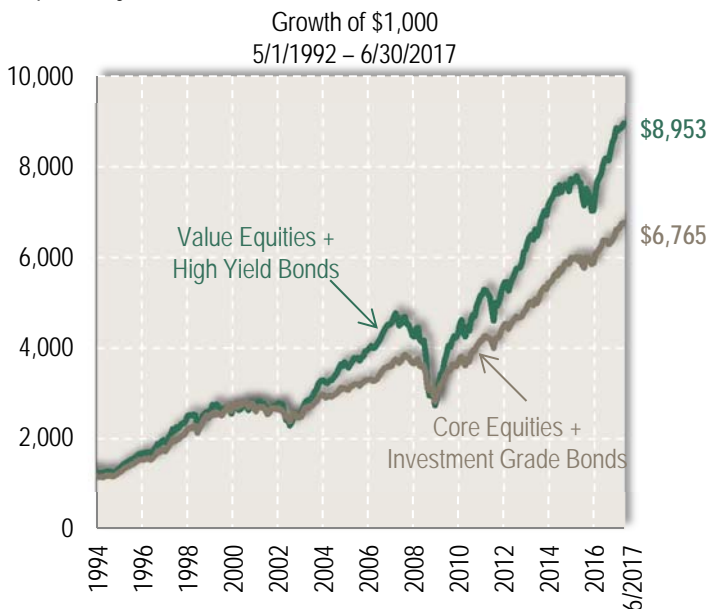
### Investing Across the Capital Structure

The strategy's bottom-up process is focused on our best ideas within each sector, regardless of whether it is a stock or bond. We believe this flexibility enables us to focus not only on the most attractive companies in the most attractive sectors, but also focus on the part of the capital structure with the best risk/return profile.

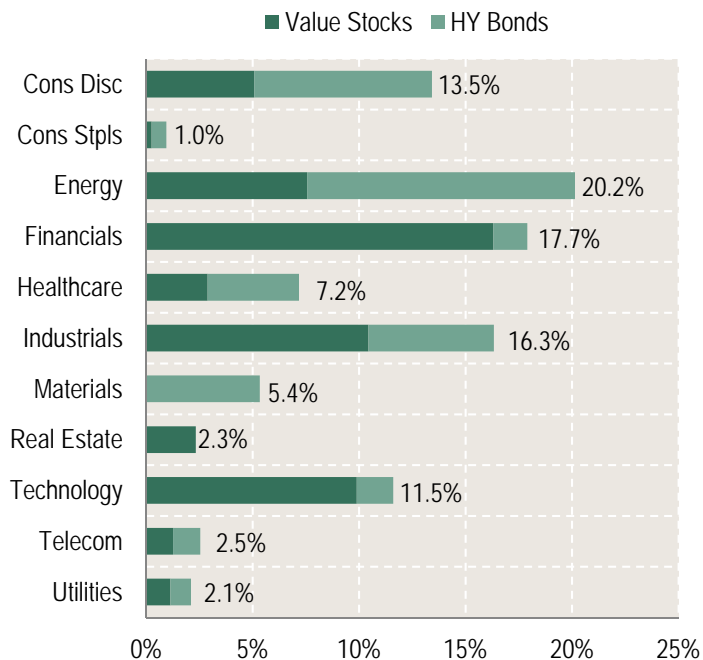
	Equity Valuation Attractive?	Bonds Valuation Attractive?	Equity Positioning	Bond Positioning
Sector A	✓	✓	Overweight	Overweight
Sector B	✓	✗	Overweight	Underweight
Sector C	✗	✓	Underweight	Overweight
Sector D	✗	✗	Underweight	Underweight

### Value Equities and High Yield Bonds

Over the long term, value equities and high yield bonds have outperformed core equities and investment grade bonds, respectively.



### Sector Weights as of 6/30/17



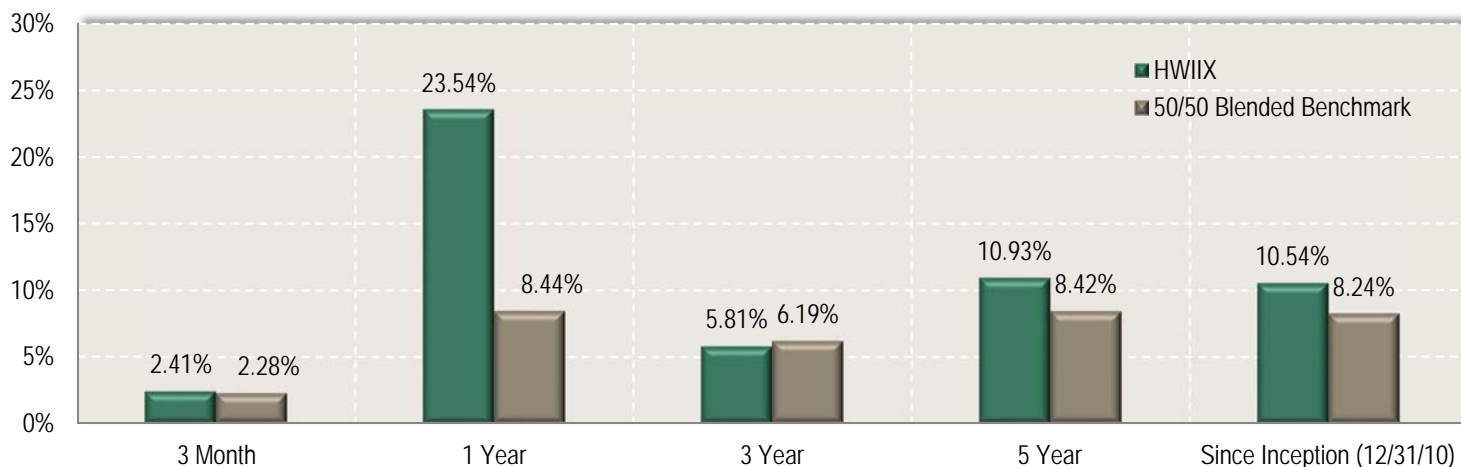
Average annual total return from 5/1/92-6/30/17 – Value equities: Russell 1000® Value Index 9.96%; Core equities: S&P 500® Index 9.46%; High yield bonds: BofA Merrill Lynch U.S. High Yield Index 7.92%; and Investment grade bonds: BofA Merrill Lynch U.S. Corporate, Government & Mortgage Index 5.77%. The Growth of \$1,000 chart reflects a hypothetical \$1,000 investment in a 50/50 blend of the indexes noted. Assumes reinvestment of dividends and capital gains. Performance is not reflective of Fund performance. It is not possible to invest in an index.

*Mutual fund investing involves risk. Principal loss is possible. Investments in debt securities typically decrease in value when interest rates rise. This risk is usually greater for longer-term debt securities. Investment by the fund in lower-rated and non-rated securities presents a greater risk of loss to principal and interest than higher-rated securities. The Fund may invest in derivative securities, which derive their performance from the performance of an underlying asset, index, interest rate or currency exchange rate. Derivatives can be volatile and involve various types and degrees of risks. Depending on the characteristics of the particular derivative, it could become illiquid. Investment in Asset Backed and Mortgage Backed Securities include additional risks that investors should be aware of such as credit risk, prepayment risk, possible illiquidity and default, as well as increased susceptibility to adverse economic developments. The Fund may invest in foreign as well as emerging markets which involve greater volatility and political, economic and currency risks and differences in accounting methods.*

This material must be preceded or accompanied by a summary prospectus or prospectus of the Hotchkis & Wiley Capital Income Fund

**Mutual fund investing involves risk. Principal loss is possible.**  
**NOT FDIC INSURED ■ NO BANK GUARANTEE ■ MAY LOSE VALUE**  
 The Hotchkis & Wiley Funds are distributed by Quasar Distributors, LLC

## Annualized Performance as of 6/30/17



The Advisor has contractually agreed to waive advisory fees and/or reimburse expenses through April 30, 2018 so the net expense ratio does not exceed 0.80% for I Shares. Over the past 12 months, the Fund invested in business development companies, which produced acquired fund fees and expenses ("AFFE") of 0.04%. The reported net expense ratio is the expense ratio cap plus AFFE, or 0.84%. Net expense ratios were applicable to investors. The Fund's total annual operating gross expense ratio as of the most current prospectus is 1.22% for I Shares. 30-Day SEC Yield with and w/o Expense Waiver (Class I): 3.36% and 2.93%, respectively.

Time periods less than one year are not annualized. The performance shown represents past performance. Past performance is no guarantee of future results and current performance may be higher or lower than the performance shown. Investment results and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. To obtain performance data current to the most recent month-end, access our website at [www.hwcm.com](http://www.hwcm.com).

## Characteristics - Equity

Statistic	HWIIX	S&P 500
Price/Normal Earnings	8.5x	17.3x
Price/Earnings (FY2)	9.3x	16.6x
Price/Book	1.2x	3.0x
Dividend Yield	2.4%	2.0%
Payout Yield	5.2%	4.0%
Wtd Avg Market Cap (mm)	\$53,455	\$165,731
Number of Holdings	69	500

## Characteristics – High Yield Bonds

Statistic	HWIIX	BofA ML US Corp/Govt/Mtg
Yield-to-Worst	6.9%	2.5%
Spread Over Treasuries	508 bps	42 bps
Average Coupon Rate	7.0%	3.2%
Modified Duration	3.5 years	6.2 years
Number of Issuers	132	1,282

## Distribution Yield as of 6/30/17

Class I shares	3.72%
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Class I shares sold to a limited group of investors. Periods over one year are average annual total return. Average annual total returns include reinvestment of dividends and capital gains. Expense limitations may have increased the Fund's total return.

The Russell 1000<sup>®</sup> Value Index measures the performance of those Russell 1000<sup>®</sup> companies with lower price-to-book ratios and lower forecasted growth values. The S&P 500<sup>®</sup> Index is a broad based unmanaged index of 500 stocks, which is widely recognized as representative of the equity market in general. The BofA Merrill Lynch U.S. High Yield Index 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 BofA Merrill Lynch U.S. Corporate, Government & Mortgage Index is a broad-based measure of the total rate of return performance of the U.S. investment grade bond markets. The Index is a capitalization weighted aggregation of outstanding U.S. treasury, agency and supranational, mortgage pass-through, and investment grade corporate bonds meeting specified selection criteria. The 50/50 benchmark is an average, equal weighted blend of the S&P 500<sup>®</sup> Index and BofA Merrill Lynch U.S. Corporate, Government & Mortgage Index. The indices do not reflect the payment of transaction costs, fees and expenses associated with an investment in the Fund. It is not possible to invest directly in an index. The Fund's returns may not correlate with the returns of their benchmark indices.

Distribution Yield is the dividend income distributions made by the fund in the last 30 days divided by the NAV of the fund, which is then annualized. Price/Normal Earnings is the current market price per share divided by normalized earnings per share. Price/Earnings (FY2) is the projected P/E ratios of the companies invested in the portfolio, which ratios represent current market price per share divided by a company's estimated future earnings-per-share. Earnings growth is not representative of the Fund's future performance. Projected earnings are consensus analyst forecasts; actual P/E ratios may differ from projected P/E ratios. FY2 stands for next forecast year after this one. Price/Book is the price of a stock divided by its book value. Dividend yield is calculated by annualizing the last quarterly dividend paid and dividing it by the current share price. The dividend yield is that of the securities held in the portfolio; it is not reflective of the yield distributed to shareholders. Payout Yield is dividends plus share buybacks divided by equity. Market capitalization of a company is calculated by multiplying the number of outstanding shares by the current market price of a share. Weighted average market capitalization weights the companies within the portfolio according to market cap. Yield-to-Worst is the lowest possible yield from owning a bond considering all potential call dates prior to maturity. Spread over Treasuries is the yield-to-worst of the portfolio minus the yield-to-worst on Treasuries. Average Coupon Rate is the weighted average of the interest rate stated on a bond, expressed as a percentage of the principal (face value). Modified Duration measures the price sensitivity of a bond to interest rate movements. Investment grade indicates that a municipal or corporate bond has a relatively low risk of default. Holdings are subject to change and are not buy/sell recommendations. Certain information presented is based on proprietary or third-party estimates, which are subject to change and cannot be guaranteed. Sectors and allocations are subject to change and are not buy/sell recommendations. Information presented based on proprietary or third-party estimates are subject to change and cannot be guaranteed. 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 Standard and Poor's. Diversification does not assure a profit nor protect against loss in a declining market.