GLOBAL VALUE FUND
Commentary
First Quarter 2017

Hotchkis & Wiley

Manager Review and Economic Outlook

Market Commentary

The Russell Developed Index increased +6.33% in the first quarter of 2017, continuing a nearly unbroken string of quarterly gains since mid-2012. The rise in equity prices across the globe has triggered debate about current valuations. Our view is that the broad global equity market is fully valued. Often overlooked, however, is that bargains can still be found in some market segments. For example, we continue to observe a large valuation discrepancy between cyclical industries and those businesses more likely to be viewed as bond surrogates. Today's popular stocks are those that have relatively stable earnings and high dividend payouts, like REITs, consumer staples, and regulated utilities. While the underlying businesses are stable, these are mature industries; paying 20-25x earnings for these slow-growing businesses is a risky proposition in our view. Investing in passive ETFs that track common equity indices is the other preferred strategy of the day, resulting in yet more investor capital chasing overvalued stocks. Meanwhile, some out-of-favor market segments trade for half the valuation levels of the more favored areas of the market, and in select circumstances, even trade at a discount to the replacement cost of the business.

As an example, we own several banks and insurers that trade at discounts to tangible book value; in each of these cases it would cost more to replicate the asset base than to simply buy the company. These companies provide essential services to the economies in which they operate (in other words, face low obsolescence risk) and have capital ratios/liquidity metrics at the highest levels in many decades. Regulatory uncertainty both inside the US and abroad is an ever-present risk, but this also acts as a barrier to entry as leading franchises are difficult and costly to displace—an often overlooked benefit. We believe the industrials sector also offers attractive valuation opportunities. We own a mix of attractively-valued companies that trade at bargain prices relative to their earnings power; in most cases the stocks have been shunned or overlooked simply because the underlying businesses are cyclical and short-term results somewhat less predictable. Finally, we have found that parts of the technology sector are attractively priced today. We own a mix of global software, hardware, and equipment companies with businesses that we view as more predictable than most technology companies. These businesses have relatively sticky customers, strong balance sheets, and are prudent stewards of their shareholders' capital.

Because we have identified these – and other - attractive pockets of opportunity within a fully valued market, the Hotchkis & Wiley Global Value portfolio trades at a large discount to the market. The portfolio trades at 1.1x book value and 7.7x normal earnings compared to 2.2x and 16.1x, respectively, for the Russell Developed Index.

Attribution: 1Q 2017

The Hotchkis & Wiley Global Value Fund underperformed the Russell Developed Index in the first quarter of 2017. Relative to the benchmark, the portfolio was negatively impacted by stock selection in Consumer Staples and Technology as well as the portfolio's overweight position in Energy. These negatives were offset in part the positive selection in Telecom and Healthcare. Currency was a modest detractor as the portfolio is underweight the Japanese Yen, which appreciated by about 5% relative to the US Dollar. The largest individual detractors to relative performance were AIG, ARRIS, Royal Mail, Cobalt, and Ophir Energy while the largest contributors were NRG, WorleyParsons, Ericsson, Oracle, and Corning.

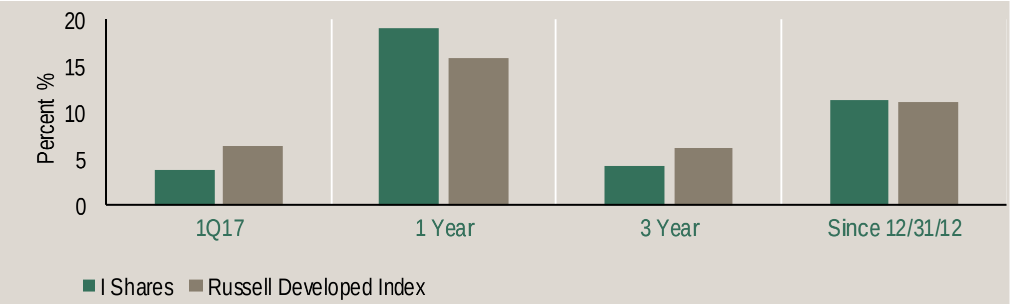
Portfolio Activity: 1Q 2017

We added two new positions in the quarter – WestJet Airlines Ltd. and Seritage Growth Properties. WestJet is a low-cost Canadian airline with a history of earning returns above its cost-of-capital. The company is modestly under-earning today due to economic softness in its home Alberta market. Seritage manages a portfolio of real estate properties in the United States. The enterprise trades at discount to the replacement value of its real estate; we expect many of the company's under-performing properties to be profitably re-developed in the years ahead.

Mutual fund investing involves risk. Principal loss is possible. The Fund may invest in foreign securities which involve greater volatility and political, economic and currency risks and differences in accounting methods. These risks are greater for emerging markets. The Fund may invest in American Depository Receipts ("ADRs") and Global Depository Receipts ("GDRs") which may be subject to some of the same risks as direct investment in foreign companies.

Fund holdings and/or sector allocations are subject to change and are not buy/sell recommendations. Current and future portfolio holdings are subject to risk. Certain information presented based on proprietary or third-party estimates are subject to change and cannot be guaranteed. Portfolio managers' opinions and data included in this commentary are as of 3/31/17 and are subject to change without notice. Any forecasts made cannot be guaranteed. Information obtained from independent sources is considered reliable, but H&W cannot guarantee its accuracy or completeness. Past performance is no guarantee of future results. Diversification does not assure a profit nor protect against loss in a declining market.

Performance as of March 31, 2017



	1Q17	1 Year	3 Year	Since 12/31/12
I Shares	3.80%	18.98%	4.30%	11.38%
A Shares without sales charge	3.71	18.83	4.06	11.12
A Shares	-1.76	12.56	2.20	9.73
Russell Developed Index	6.33	15.76	6.08	11.03

The Fund's total annual operating gross expense ratio as of the most current prospectus is 4.14% for I Shares and 4.39% for A Shares. The net expense ratio is 1.10% for I Shares and 1.35% for A Shares. The Advisor has contractually agreed to waive advisory fees and/or reimburse expenses through April 30, 2018.

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. Short-term performance, in particular, is not a good indication of the fund's future performance, and an investment should not be made based solely on returns. 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.

You should consider the Fund's investment objectives, risks, and charges and expenses carefully before you invest. This and other important information is contained in the Fund's summary prospectus and prospectus, which can be obtained by calling 1-800-796-5606 or visiting our website at www.hwcm.com. Read carefully before you invest.

Returns shown for A Shares for the periods prior to their inception are derived from the historical performance of I Shares of the Fund during such periods and have been adjusted to reflect the higher total annual operating expenses of each specific Share class (Inception date: I Shares-12/31/12, and A Shares-8/30/13). Returns shown for A Shares without sales charge do not reflect the maximum sales load of 5.25%; if reflected, performance would be lower than shown. Returns for A shares reflect the deduction of the current maximum initial sales charges of 5.25%. 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 Developed® Index measures the performance of the investable securities in developed countries globally across all market capitalization ranges. The index does not reflect the payment of transaction costs, fees and expenses associated with an investment in the Fund. The Fund's value disciplines may prevent or restrict investment in major stocks in the benchmark index. It is not possible to invest directly in an index. The Fund's returns may not correlate with the returns of their benchmark index. REITS stands for Real Estate Investment Trusts. ETFs stands for Exchange-traded Funds. Book value is the net asset value of a company, calculated by subtracting total liabilities from total assets. Dividend payout ratio is the percentage of earnings paid to shareholders in dividends. Top ten holdings as of 3/31/17 as a % of the Fund's net assets: Hewlett Packard Enterprise 5.2%, American International Group Inc. 5.1%, Danieli & C Officine Meccaniche 4.0%, Citigroup Inc. 3.5%, Barclays PLC 3.0%, Royal Mail PLC 2.9%, BAE Systems PLC 2.9%, Zurich Insurance Group AG 2.7%, Oracle Corp. 2.6%, and WestJet Airlines 2.6%. Fund holdings are subject to change and are not recommendations to buy or sell any security.

Contributors to Performance

Top Five	% of Total Portfolio[1]
NRG Energy Inc.	0.4%
WorleyParsons Ltd.	2.2
Oracle Corp.	2.6
Ericsson	2.6
Corning Inc.	1.9

Bottom Five	% of Total Portfolio[1]
Ophir Energy PLC	1.7%
Royal Mail PLC	2.9
Navistar International Corp.	0.9
ARRIS International PLC	2.0
Cobalt International Energy Inc.	0.3

Classes & Tickers

I Shares	HWGIX
A Shares	HWGAX

[1]% of total portfolio includes total investments, cash and cash equivalents, and accrued investment income on a trade date basis.

Investing in value stocks presents the risk that value stocks may fall out of favor with investors and underperform other asset types during a given periods. Equities, bonds, and other asset classes have different risk profiles, which should be considered when investing. All investments contain risk and may lose value. Specific securities identified are the largest contributors (or detractors) on a relative basis to the Russell Developed Index. Securities' absolute performance may reflect different results. The Fund may not continue to hold the securities mentioned and the Advisor has no obligation to disclose purchases or sales of these securities. Attribution is an analysis of the portfolio's return relative to a selected benchmark, is calculated using daily holding information and does not reflect the payment of transaction costs, fees and expenses of the Fund.

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NO BANK GUARANTEE
MAY LOSE VALUE

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