GLOBAL VALUE FUND
Commentary
Calendar Year 2017

Hotchkis & Wiley

Manager Review and Economic Outlook

Market Commentary
The Russell Developed Index returned +23.0% in 2017 (US dollar terms), generating a positive return in each calendar quarter. The US dollar weakened relative to other major currencies, declining -14% vs. the Euro, -9% vs. the Pound, and -4% vs. the Yen. Globally, growth stocks outperformed value stocks by a wide range. In the US, large caps outperformed small caps; outside the US, small caps led the way. Global equity market performance was driven by strong corporate earnings, an improving economic environment, and accommodative central banks; US equities received an additional boost from the passage of US tax reform. Following the rally, we believe the overall market's valuation appears above normal but not wildly so, considering continued low interest rates and the healthy outlook for earnings growth.

Perhaps the most significant development for global equities in 2017 was US tax reform. Tax reform should provide a permanent earnings benefit to the market as a whole but not all companies will benefit equally. The repatriation clause allows companies to bring cash held overseas back into the US at a more favorable rate than previously anticipated. This creates an opportunity for management teams to add value for shareholders via productive investments, share repurchases, etc. Meanwhile, the reduction in the corporate tax rate from 35% to 21% should provide a broad near-term earnings boost but we believe only companies with core competitive advantages, barriers to entry, and/or pricing power will retain this benefit permanently. Companies operating in highly competitive industries with low barriers to entry and commodity-like products or services are likely to see this benefit competed away until earnings eventually reflect cost-of-capital returns. Thus, when estimating a company's earnings post tax reform, it is important to look beyond its current and projected effective tax rates and assess management's skill at allocating capital effectively as well as the quality of the underlying franchise.

We are optimistic as we look forward to 2018 and beyond. The portfolio trades at a large valuation discount to the market. We have been able to identify interesting valuation opportunities on a selective basis, particularly in banks, industrial machinery, oil & gas, and insurance—the portfolio's largest industry exposures. Further, the businesses in our portfolio are expected to continue to grow their value per-share, in our opinion. We believe that we own businesses with good balance sheets, led by strong managers that are well-positioned in their end-markets. While some of our companies may be contending with temporary difficulties—the reason they are undervalued—we have identified what we believe are the paths to improved profitability and we are confident that we have the time to get there.

The portfolio trades at 8.2x normal earnings and 1.1x book value, a notable discount to the Russell Developed Index at 17.1x and 2.3x, respectively. We continue to believe that markets can be driven by fads and temperament in the short run but fundamentals and valuation prevail in the long run. Accordingly, we commit to maintaining our unwavering dedication to the principals of long-term, fundamental value investing.

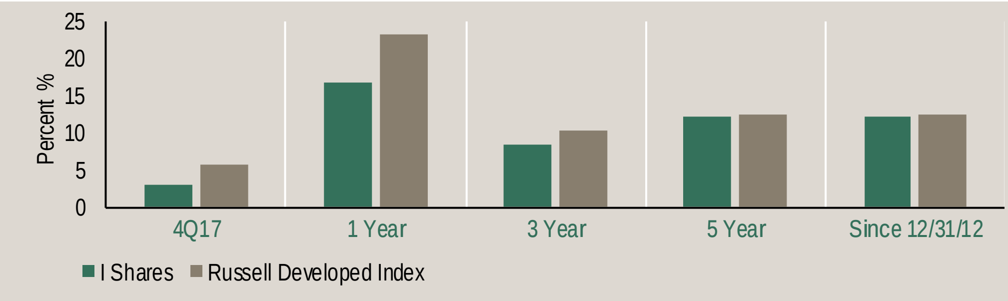
Attribution: 2017
The Hotchkis & Wiley Global Value Fund underperformed the Russell Developed Index in 2017. The portfolio's value approach detracted from performance as growth stocks outperformed value stocks across the globe. Stock selection in technology was the largest detractor relative to the index—the portfolio's positions performed well but lagged the strong performance of several mega cap growth companies that are large index constituents. Stock selection in consumer discretionary and consumer staples also detracted from performance. Positive stock selection in utilities and telecommunications helped relative performance. The largest individual detractors to relative performance in the year were AIG, Ophir Energy, ARRIS International, Cobalt International Energy, and Popular; the largest contributors were WorleyParsons, Anthem, CNH Industrial, Calpine, and WestJet.

Largest New Purchases: 2017
WestJet is a cost-advantaged Canadian airline in a duopoly market. WestJet stock sells at a modest premium to replacement cost even though the company possesses a strong franchise, with opportunity to invest at high returns. The company also has an investment grade balance sheet. WestJet's valuation is attractive on current earnings, which are below normal due to a cyclically weak Alberta economy.

Seritage Growth Properties is a mall REIT with 230 wholly owned and 23 JV mall anchor properties across the United States. After being spun off from Sears Holdings in 2015, Seritage is focused on redeveloping and re-leasing mall properties to new tenants, or redeveloping them to alternative uses. The company receives high returns on capital for these projects; the current valuation, perhaps impacted by the threat of a potential Sears bankruptcy, does not reflect these attractive reinvestment economics.

Masonite is a manufacturer of doors with significant market share in both the interior and exterior door markets. During the great recession, Masonite consolidated its competitors at distressed multiples, eventually creating a duopolistic industry environment. The company has experienced manufacturing challenges as it grows through the cycle, but they have been transitory. As housing starts continue to rebound, Masonite can earn high incremental margins and grow earnings rapidly.

Performance as of December 31, 2017



	4Q17	1 Year	3 Year	5 Year	Since 12/31/12
I Shares	2.89%	16.78%	8.42%	12.20%	12.20%
A Shares without sales charge	2.89	16.52	8.21	11.95	11.95
A Shares	-2.49	10.38	6.28	10.75	10.75
Russell Developed Index	5.60	23.04	10.13	12.54	12.54

The Fund's total annual operating gross expense ratio as of the most current prospectus is 3.37% for I Shares and 3.37% 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 October 31, 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 indices. Book value is the net asset value of a company, calculated by subtracting total liabilities from total assets. Earnings growth is the annual rate of growth of earnings from investments. Top ten holdings as of 12/31/17 as a % of the Fund's net assets: Hewlett Packard Enterprise 4.9%, American International Group Inc. 4.8%, Ericsson 3.8%, Barclays PLC 3.4%, WestJet Airlines 3.0%, Danieli & C. Officine Mecc. 3.0%, Royal Mail PLC 3.0%, Wells Fargo & Co. 2.9%, Zurich Insurance Group AG 2.6%, and Societe Generale SA 2.5%. Fund holdings are subject to change and are not recommendations to buy or sell any security.

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.

Contributors to Performance

Top Five	% of Total Portfolio[1]
Microsoft Corp.	2.5%
Anthem Inc.	1.2
WestJet Airlines Ltd.	3.0
WorleyParsons Ltd.	0.0
Vodafone Group PLC	2.4

Bottom Five	% of Total Portfolio[1]
Discovery Communications	2.4%
ARRIS International PLC	2.1
American International Group Inc.	4.8
Ophir Energy PLC	1.5
Cobalt International Energy Inc.	0.0

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 period. 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. The "Largest New Purchases" section includes the three largest new security positions during the year based on the security's year-end weight adjusted for its relative return contribution; does not include any security received as a result of a corporate action; if fewer than three new security positions at year-end, all new security positions are included.

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