GLOBAL VALUE FUND
Commentary
Third Quarter 2017

Hotchkis & Wiley

Manager Review and Economic Outlook

Market Commentary

In US Dollar terms, the Russell Developed Index returned +5.1% in the three months ended September 30th, its 6th consecutive positive quarter. In local currency, the index was up slightly less as both the Euro and the Pound appreciated relative to the Dollar by about 3%. Dating back to mid-2012, the index has generated a positive return in 18 of the past 21 calendar quarters, reflecting an attractive starting point (in mid-2012, the Russell Developed traded at 12x consensus earnings and 1.5x book value), a period of reasonably healthy corporate earnings growth, and what has generally been a supportive global economic environment. Accordingly, we consider much of the performance over this period to represent a justified reversion towards more normal market valuations as opposed to the speculative gains of a market that has overheated dramatically. With most valuation measures above long-term historical average, the rally may have overshot but not wildly so—we are not alarmed, we are guarded.

Growth stocks have outperformed value stocks dating back to mid-2012, particularly within the United States, as measured by the Russell 1000 Growth and Russell 1000 Value Indexes, respectively. The FAANG stocks[1] have led the market, with an average return of +160% since the beginning of 2013, and now represent 4 of the 5 largest stocks in the Russell Developed Index. This has led to a wide valuation discrepancy between the value and growth indexes, and, as we discuss below, between sectors.

We continue to find value opportunities selectively, though it is more difficult today than it was 5 years ago. An important benefit of a global strategy is that the opportunity set to select from is broad. Consequently, we have been able to find attractive investment opportunities even when the broader global equity market appears to be fully valued, as it does today. Financials, industrials, and technology represent the portfolio's largest weights; consumer staples, materials, and healthcare represent the largest underweights. The former sectors not only trade at considerable valuation discounts but also have higher earnings growth expectations over the next two years compared to the latter sectors. We are always leery of paying high multiples for stocks, particularly when growth prospects are bleak.

While select market segments appear richly valued, we believe others remain quite attractive. Given this dichotomy, our portfolio's composition and its characteristics are vastly different from the index. The valuation discount is particularly striking; the portfolio trades at 8x normal earnings compared to 17x for the Russell Developed. The portfolio trades at 1.2x book value compared to 2.2x for the index.

Attribution: 3Q 2017

The Hotchkis & Wiley Global Value Fund underperformed the Russell Developed Index in the third quarter. The underweight allocation to consumer staples, real estate, and utilities helped relative performance; also, the few positions we have in these sectors outperformed. Positive stock selection in industrials was also a meaningful positive contributor to relative performance. Stock selection in technology, financials, and consumer discretionary detracted from performance in the quarter. The largest individual positive contributors to relative performance were Navistar, Hewlett Packard Enterprise, WestJet Airlines, Kosmos Energy, and Masonite International; the largest individual detractors were Ericsson, Popular, Ophir Energy, Royal Mail, and AIG.

Portfolio Activity: 3Q 2017

The Global Value Fund added three new positions during the quarter:

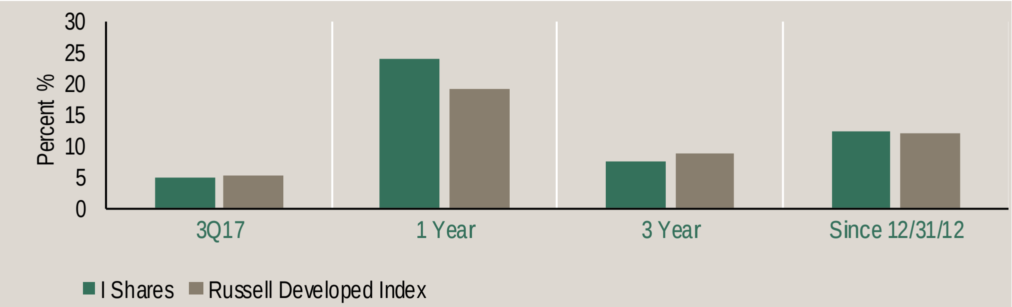
National Oilwell Varco (NOV) is a provider of oilfield equipment, drilling consumables and related services. The company produces a diverse portfolio of products that help customers drill, complete and produce from onshore and offshore oil and gas wells. We believe that the company has strong market positions in many of the lines of business in which it competes thanks to scale, technology, and brand. NOV has a good balance sheet and trades at an attractive multiple of normalized earnings. Current earnings are depressed due to the reduction in capital spending that has accompanied the decline in the oil price. We think that market participants are under-estimating the potential for near-term recovery in earnings from those businesses exposed to onshore drilling activity, and assigning little value to the later-cycle rig equipment business.

Masonite (DOOR) is a manufacturer of interior and exterior doors for the residential and non-residential building construction markets, primarily in the United States and Canada. During the US housing recession, Masonite and its primary competitor actively acquired distressed peers, resulting in a more attractive market structure. As volumes have increased with housing starts, the company has benefited from both pricing power and production economies of scale. This has driven meaningful margin expansion and we expect these trends to continue. As the company's cash generation has recovered, they have begun to repurchase stock; the share count has declined by nearly 4% over the past twelve months (as of June 30, 2017). The company's shares sold off sharply in the aftermath of a modestly disappointing Q2'17 earnings report; we took advantage of this volatility to establish a new position.

Johnson Controls (JCI) is a diversified industrial company. The Company is a leading provider of security products and services, lead acid batteries, and products and services related to building and energy management such as HVAC. These businesses have leading market positions protected by durable advantages. We believe that the market is underestimating both the potential for profitable growth from these businesses, as well the tax and operational synergies that may emerge from the Company's 2016 merger with Tyco International.

[1]Facebook, Apple, Amazon, Netflix, and Google

Performance as of September 30, 2017



	3Q17	1 Year	3 Year	Since 12/31/12
I Shares	4.91%	24.03%	7.37%	12.21%
A Shares without sales charge	4.84	23.81	7.13	11.94
A Shares	-0.67	17.36	5.22	10.69
Russell Developed Index	5.10	19.04	8.67	11.95

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 Russell 1000® Value Index measures the performance of those Russell 1000® companies with lower price-to-book ratios and lower forecasted growth values. The Russell 1000® Growth Index measures the performance of those Russell 1000® Index companies with higher price-to-book ratios and higher forecasted growth values. The indices do 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 indices. 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 9/30/17 as a % of the Fund's net assets: Hewlett Packard Enterprise 4.9%, American Int'l Group Inc. 4.9%, Royal Mail PLC 3.5%, Ericsson 3.4%, Barclays PLC 3.2%, Danieli & C. Officine Mecc. 3.1%, WestJet Airlines 3.0%, Wells Fargo & Co. 2.9%, Citigroup Inc. 2.8%, and Zurich Insurance Group AG 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]
Hewlett Packard Enterprise	4.9%
Navistar International Corp.	1.5
WestJet Airlines Ltd.	3.0
Kosmos Energy Ltd.	1.9
Masonite International Corp.	2.2

Bottom Five	% of Total Portfolio[1]
Office Depot Inc.	1.0%
Ophir Energy PLC	1.6
Popular Inc.	1.8
Discovery Communications	1.5
Ericsson	3.4

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. The Portfolio Activity section includes the three largest new positions in the period excluding any security received as a result of a corporate action; if fewer than three new positions were purchased, all new purchases are included. 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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