HIGH YIELD FUND
Commentary
Third Quarter 2017

Hotchkis & Wiley

Manager Review and Economic Outlook

Market Commentary

The ICE BofAML US High Yield Index returned +2.0% in the third quarter of 2017 and is now up +7.0% year-to-date. This marks the 7th consecutive positive quarter for the high yield market. The good news is that the market is healthy. Revenue and profits are up, defaults are down, financial leverage is moderate, and the new issue market has been reasonably well-behaved. The bad news is that much of this good news is reflected in the market's valuation. The yield-to-worst fell and spreads tightened by about 20 basis points each and now stand at 5.5% and 355 basis points, respectively. The tightening was consistent across ratings during the quarter, and small cap credits tightened slightly more than large cap credits. Treasury yields were largely unchanged.

The energy sector, which was the largest laggard in the previous quarter, was the top-performing high yield sector by a considerable margin. West Texas Intermediate crude prices rose by 12% over the quarter. Utilities, services, and basic industry credits also performed well, while telecom and retail lagged—though all sectors were positive.

Excess spreads, or spreads adjusted for unrecovered defaults, are below long term averages but only slightly so. This is due to low defaults as opposed to wide spreads, of course. Across the entire high yield market, there was only one default in July (True Religion Apparel), no defaults in August, and one default in September (Toys R Us). This was the first time in more than 5 years when one or fewer defaults occurred in three consecutive months. The high yield market's default rate declined to 1.3%, well below long-term averages, and less than 1% of the market is priced as distressed. Energy sector defaults had been elevated until recently, but most of the sector's cleansing appears to be in the rear view mirror. Commodity spreads have tightened accordingly, and are now only about 50 basis points wider than the overall market.

While the high yield market's valuation is not exciting, pockets of opportunities remain for diligent bottom-up credit pickers. Our focus on small and mid cap credits along with fallen angels has helped us construct a portfolio with a spread advantage relative to the broad market and BB-B indexes. This is a core competency that we view as advantageous in all environments, including those when spreads are tight and narrowly distributed; it distinguishes us from the index and our peers.

Attribution: 3Q 2017

The Hotchkis & Wiley High Yield Fund underperformed the ICE BofAML BB-B US High Yield Constrained Index and the ICE BofAML US High Yield Index. The overweight allocation to energy and underweight allocation to telecom was favorable to relative quarter performance. Energy was the best-performing high yield sector, by far. Positive credit selection in healthcare, utilities, and media also helped. On the negative side, credit selection in basic industry, telecom, and services detracted from performance.

Outlook (Scoring Scale: 1=Very Negative….5=Very Positive)

Fundamentals (4): The fundamentals score remains unchanged at 4. Revenue grew by 6% and EBITDA grew by 8% over the prior year, reflective of Corporate America's overall health. The default rate continued to fall, and is now a mere 1.3% including distressed exchanges. Less than 1% of the market is priced as distressed (<50% of par). Leverage has declined and remains well within typical levels. The high yield market is well-termed with little near-term refinancing pressures.

Valuation (2): We maintained the valuation score at 2. The yield-to-worst declined and spreads narrowed, both by about 0.2% during the quarter. At 5.5% and 355 basis points, respectively, the market has been more attractively valued before. Strong fundamentals support the higher valuations.

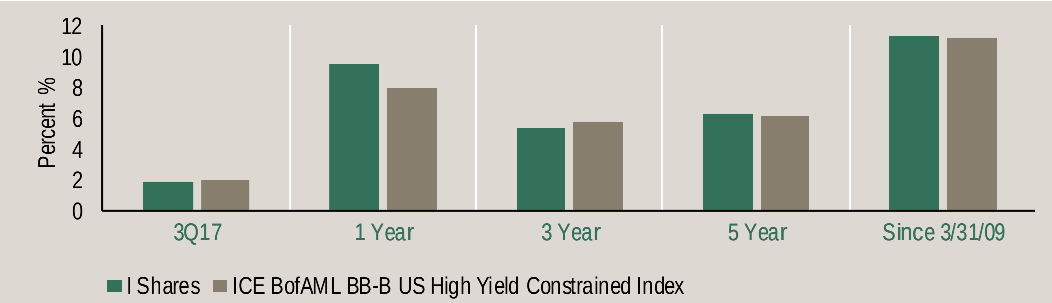
Technicals (3): The technicals score remains unchanged at 3. The new issue calendar is robust and appears to be loosening slightly. Flows have been moderate. Low rated new issuance increased from a 12 year low to average levels. Liquidity across the market has improved over the past year, as bond dealers have increased inventory levels. Also, rating agency upgrades continue to outpace downgrades.

MORNINGSTAR Awards 2016 Nominee

Hotchkis & Wiley High Yield Team
Nominated by Morningstar for
"2016 Fixed Income Fund
Manager of the Year"
United States

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. Portfolio managers' opinions and data included in this commentary are as of 9/30/17 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. Portfolio's 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.

Performance as of September 30, 2017



	3Q17	1 Year	3 Year	5 Year	Since 3/31/09
I Shares	1.90%	9.56%	5.33%	6.27%	11.38%
A Shares without sales charge	1.84	9.31	5.06	6.01	11.01
A Shares	-1.94	5.23	3.73	5.20	10.51
C Shares without CDSC	1.65	8.47	4.31	5.20	10.26
C Shares	0.65	7.47	4.31	5.20	10.26
ICE BofAML BB-B US High Yield Constrained Index	1.94	7.91	5.79	6.15	11.26
ICE BofAML US High Yield Index	2.04	9.06	5.87	6.38	12.65

Yield	I Shares	A Shares	A Shares (Load)	C Shares
30-Day SEC Yield with expense waiver	5.04%	4.79%	4.61%	4.02%
30-Day SEC Yield without expense waiver	5.01%	4.76%	4.58%	3.99%

The Fund's total annual operating gross expense ratio as of the most current prospectus is 0.74% for I Shares, 0.99% for A Shares and 1.74% for C Shares. The net expense ratio is 0.70% for I Shares, 0.95% for A Shares and 1.70% for C 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. 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. The High Yield Fund imposes a 2.00% redemption fee on shares held for 90 days or less. Performance data does not reflect the redemption fee. If it had, return would be reduced.

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 and C 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-3/31/09, A Shares-5/29/09, C Shares-12/31/12). Returns shown for A Shares and C Shares without sales charge do not reflect the maximum sales load of 3.75% or the Contingent Deferred Sales Charge (CDSC) of 1.00% for the first year; if reflected, performance would be lower than shown. Returns for A and C shares reflect the deduction of the current maximum initial sales charges of 3.75% and 1.00% CDSC. C Shares convert automatically to A Shares approximately eight years after purchase. A Shares are subject to lower annual expenses than C Shares. 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.

Yield-to-Worst is the lowest possible yield from owning a bond considering all potential call dates prior to maturity. Basis point is a unit equal to 1/100th of 1% and is used to denote the change in a financial instrument. Spread is the percentage point difference between yields of various classes of bonds compared to treasury bonds. Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA); Fallen angels are credits that were investment grade rated when issued (BBB- or above), but have since been downgraded. Top ten holdings as of 9/30/17 as a % of the Fund's net assets: Momentive Performance Materials 1.0%, Rain CII Carbon LLC 0.9%, Weekley Homes LP 0.9%, CCO Holdings LLC 0.9%, Kosmos Energy Ltd. 0.9%, McDermott International Inc. 0.9%, AMAG Pharmaceuticals 0.9%, Harland Clarke Holdings Corp. 0.9%, Halyard Health Inc. 0.9%, and Rayonier A.M. Products Inc. 0.9%. Fund holdings are subject to change and are not recommendations to buy or sell any security.

Investing in high yield securities is subject to certain risks, including market, credit, liquidity, issuer, interest-rate, inflation, and derivatives risks Lower-rated and non-rated securities involve greater risk than higher-rated securities. High yield bonds and other asset classes have different risk-return profiles, which should be considered when investing. All investments contain risk and may lose value. Attribution is an analysis of the portfolio's return relative to a selected benchmark, is calculated using trade information and does not reflect the payment of transaction costs, fees and expenses of the Fund.

The ICE BofAML Indices were known as the BofA Merrill Lynch Indices prior to 10/23/17.

Classes & Tickers

I Shares	HWHIX
A Shares	HWHAX
C Shares	HWHCX

The ICE BofAML BB-B US High Yield Constrained Index contains all securities in the ICE BofAML US 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 ICE BofAML US High Yield Index tracks the performance of below investment grade, but not in default, US dollar-denominated corporate bonds publicly issued in the US domestic market, and includes issues with a credit rating of BBB or below, as rated by Moody's and S&P. 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 its benchmark indices.

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.

 Hotchkis and Wiley Fixed Income team nominated for Fixed Income Fund Manager of the Year, United States. Established in 1988, the Morningstar Fund Manager of the Year award recognizes portfolio managers who demonstrate excellent investment skill and the courage to differ from the consensus to benefit investors. To qualify for the award, managers' funds must have not only posted impressive returns for the year, but the managers also must have a record of delivering outstanding long-term risk-adjusted performance and of aligning their interests with shareholders'. Nominated funds must be Morningstar Medalists—a fund that has garnered a Morningstar Analyst Rating™ of Gold, Silver, or Bronze. The Fund Manager of the Year award winners are chosen based on research and in-depth qualitative evaluation by Morningstar's Manager Research Group. The allocation and alternatives categories are now combined into one category to align the awards with the group's structure. For more information about Morningstar Awards, visit http://corporate1.morningstar.com /Morningstar-Awards.

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