LARGE CAP VALUE FUND
Commentary
Third Quarter 2017

Hotchkis & Wiley

Manager Review and Economic Outlook

Market Commentary

The S&P 500 Index returned +4.5% in the three months ended September 30, its 8th consecutive positive quarter. Dating back to 2013, the index has generated a positive return in 18 of the last 19 calendar quarters—a feat it had not previously accomplished in its 90+ year history. Part of the reason for this impressive run was the market's valuation at the outset of the period. At the beginning of 2013, the S&P 500 Index traded at 12x consensus earnings and 2x book value; the financial crisis' mess had been largely cleaned up but valuations remained in check. Since then, corporate earnings have been strong and the economic environment supportive. Accordingly, we categorize most of the performance over this period as a reversion toward normal market valuations as opposed to a market that has overheated dramatically. Based on most valuation measures, the reversion appears to have overshot historical averages but not wildly so—we are not alarmed, we are guarded.

The Russell 1000 Growth Index outperformed the Russell 1000 Value Index by 23 percentage points dating back to 2013, including a 13 percentage point advantage year-to-date. The FAANG stocks[1] have led the market, with an average return of +160% since the beginning of 2013, and now represent more than 10% of the S&P 500 Index. This has led to a wide valuation discrepancy between the value and growth indexes: the Russell 1000 Value trades at 17x forward earnings and 2x book value compared to the Russell 1000 Growth at 23x and 7x, respectively.

We have continued to find value opportunities selectively, though it is more difficult today than it was 5 years ago. Financials, technology, and energy represent the portfolio's largest weights; REITs, consumer staples, and utilities 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 10x normal earnings compared to 15x and 18x for the Russell 1000 Value and S&P 500, respectively. The portfolio trades at 1.5x book value compared to 2.0x and 3.1x for the two indexes.

Attribution: 3Q 2017

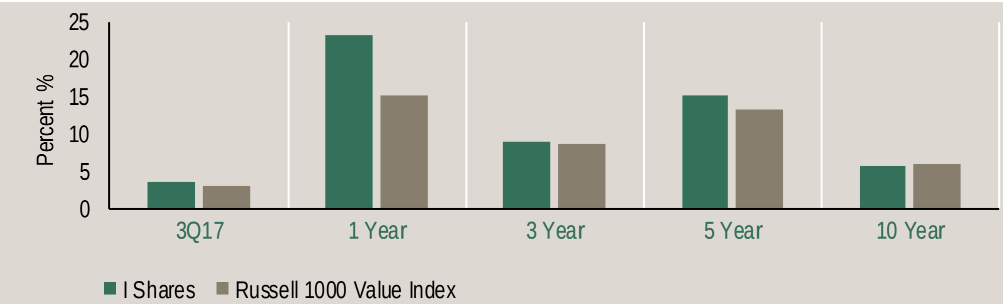
The Hotchkis & Wiley Large Cap Value Fund (Class I) outperformed the Russell 1000 Value Index in the third quarter. Stock selection was positive in five sectors and negative in five sectors but overall stock selection was positive. Stock selection in industrials was particularly strong, as the portfolio's holdings returned +7% compared to +1% for the Russell 1000 Value. The underweight in consumer staples, the index's worst-performing sector, helped relative performance; the overweight to technology also helped. Stock selection in financials, tech, telecom, and materials detracted from performance. The largest individual contributors to relative performance were Hewlett Packard Enterprise, Philips, Marathon Oil, Boeing, and Royal Dutch Shell; the largest detractors were Ericsson, Discovery Communications, AIG, Bed Bath & Beyond, and Oracle.

Portfolio Activity: 3Q 2017

We increased the weight in energy by adding a new position in National Oilwell and increasing the position in Apache. National Oilwell is a leading provider of oilfield capital equipment, consumables, and services. Its rig systems business has been under pressure as spending on new rigs has declined amid the decline in oil prices. While it may take time for this business to revert, its aftermarket, wellbore technology, and completion & production business segments appear to be overlooked in the marketplace. We decreased the weight in utilities, primarily by trimming Calpine, which is in the process of being acquired. S&P GICS (Global Industry Classification Standard) reclassified Philips from industrials to healthcare during the quarter because the majority of its business is in medical systems/diagnostics and it is in the process of divesting its lighting business. The majority of the portfolio's increase in the healthcare sector and decrease in the industrials sector was a result of this reclassification and not from trading.

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

Performance as of September 30, 2017



	3Q17	1 Year	3 Year	5 Year	10 Year	Since 6/24/87
I Shares	3.54%	23.22%	8.90%	15.10%	5.75%	9.24%
A Shares without sales charge	3.47	22.90	8.64	14.82	5.47	8.99
A Shares	-1.97	16.46	6.70	13.59	4.90	8.80
C Shares without CDSC	3.28	21.99	7.81	13.94	4.72	8.16
C Shares	2.28	20.99	7.81	13.94	4.72	8.16
R Shares	3.42	22.58	8.37	14.53	5.21	8.71
Russell 1000 Value Index	3.11	15.12	8.53	13.20	5.92	n/a

The Fund's total annual operating gross expense ratio as of the most current prospectus is 0.99% for I Shares, 1.24% for A shares, 1.99% for C shares and 1.49% for R shares. Expense ratios shown are gross of any fee waivers or expense reimbursements.

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.

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, C and R 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-6/24/87, A Shares-10/26/01,
C Shares-2/4/02 and R Shares-8/28/03). Returns shown for A Shares and C Shares without sales charge do not reflect the maximum sales load of 5.25% 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 5.25% 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.

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 S&P 500® Index is a broad based unmanaged index of 500 stocks, which is widely recognized as representative of the equity market in general. 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. Real Estate Investment Trusts (REITS). 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: American Int'l Group Inc. 4.9%, Hewlett Packard Enterprise 4.8%, Citigroup Inc. 4.5%, Microsoft Corp. 3.9%, Wells Fargo & Co. 3.7%, Oracle Corp. 3.6%, Bank of America Corp. 3.2%, Cummins Inc. 2.9%, Capital One Financial Corp. 2.9%, and Corning Inc. 2.9%. 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	4.8%
Citigroup Inc.	4.5
Koninklijke Philips NV	2.2
Marathon Oil Corp.	2.6
Royal Dutch Shell PLC	2.1

Bottom Five	% of Total Portfolio[1]
Oracle Corp.	3.6%
Medtronic PLC	0.9
Bed Bath & Beyond Inc.	0.7
Discovery Communications	2.2
Ericsson	2.7

Classes & Tickers

I Shares	HWLIX
A Shares	HWLAX
C Shares	HWLCX
R Shares	HWLRX

[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 1000 Value 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.

NOT FDIC INSURED
NO BANK GUARANTEE
MAY LOSE VALUE

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