

Objective

The Hotchkis & Wiley Small Cap Diversified Value Fund seeks capital appreciation using a disciplined, value-oriented investment process. Through our consistent process and independent research, we own small cap companies that we believe are undervalued relative to their tangible assets, have sustainable cash flow and potential for improving business performance. The Fund is well diversified and seeks to own small U.S. based companies that offer the best combination of value and potential for price appreciation. The Fund typically holds 350-400 securities and generally invests in small companies with a market capitalization ranging from \$100 million to \$3 billion.

Investment Strategy

- Employs timeless investing principles
- Exploits excessive investor reaction often exhibited in the stocks of small companies
- Capitalizes on limited analyst coverage and the potential return opportunity of small companies



Classes & Tickers

I Shares	HWVIX
A Shares	HWVAX

Top Ten Stocks¹

Kosmos Energy Ltd.	0.5%
Photronics Inc.	0.4
Och-Ziff Capital Mgmt Co.	0.4
Synchronoss Technologies Inc.	0.4
Alliance Holdings Group LP	0.4
TRI Pointe Group Inc.	0.4
BP Prudhoe Bay Royalty Trust	0.4
Aceto Corp.	0.4
Atwood Oceanics Inc.	0.4
Resource Capital Corp.	0.4

Top Ten Industries¹

Banks	17.5%
Oil, Gas & Consumable Fuels	5.5
Insurance	4.7
Thrifths & Mortgage Finance	3.9
Machinery	3.6
Specialty Retail	3.5
Professional Services	3.5
Household Durables	3.4
Energy Equipment & Services	3.4
Semicond/Semicond. Equipment	3.3

Sector Breakdown¹

	Portfolio	Rus 2000V
Financials	30.5%	30.7%
Consumer Discretionary	17.0	10.3
Industrials	16.4	12.0
Information Technology	10.8	9.1
Energy	8.9	6.3
Materials	4.1	4.2
Health Care	3.2	6.2
Consumer Staples	3.1	2.7
Utilities	2.8	6.7
Real Estate	2.0	11.2
Telecommunication Services	0.8	0.6

Portfolio Characteristics

	Portfolio	Rus 2000V
Projected P/E (FY2)	13.5x	16.2x
Price/Normal Earnings	11.8x	16.2x
Price/Book	1.4x	1.5x
Price/Sales	0.8x	1.2x
Wtd Avg Market Capitalization (mm)	\$1,223	\$1,997
Median Market Capitalization (mm)	\$854	\$737

Statistics

Beta	1.03
Alpha	1.01
R-Squared	0.94

Composition

Total Net Assets (mm)	\$22
Number of Holdings	364

Portfolio Characteristics

Projected P/E (FY2) is the projected P/E ratios of the companies invested in the portfolio, which ratios represent current market price per share divided by a company's estimated future earnings-per-share. Projected earnings are consensus analyst forecasts; actual P/E ratios may differ from projected P/E ratios. Price/Normal Earnings is the current market price per share divided by normalized earnings per share. Price/Book is the price of a stock divided by its book value. Price/Sales is the aggregate portfolio capitalization to aggregate portfolio historical sales of all stocks in the fund's portfolio as of that date. Market Capitalization of a company is calculated by multiplying the number of outstanding shares by the current market price of a share. Beta measures the sensitivity of rates of return on a fund to general market movements. Alpha measures the Fund's risk-adjusted return above and beyond the return of the market. R-Squared is a statistical measure that represents the percentage of a fund's movement that is explained by movements in a benchmark index.

Sources: Wilshire, Bloomberg

Holdings are subject to change and are not buy/sell recommendations. Certain information presented based on proprietary or third-party estimates are subject to change and cannot be guaranteed.

Diversification does not assure a profit nor protect against loss in a declining market.

3-Year annualized risk statistics relative to Russell 2000 Value Index

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

Performance as of September 30, 2017



	3Q17	1 Year	3 Year	Since 6/30/14
I Shares	6.05%	26.61%	13.51%	10.17%
A Shares without sales charge	5.99	26.24	13.20	9.86
A Shares	0.39	19.63	11.18	8.06
Russell 2000 Value Index	5.11	20.55	12.12	8.11

The Advisor has contractually agreed to waive advisory fees and/or reimburse expenses through October 31, 2018 so the net expense ratio does not exceed 0.90% for I Shares and 1.15% for A Shares. Over the past 12 months, the Fund invested in business development companies, which produced acquired fund fees and expenses ("AFFE") of 0.17%. The reported net expense ratio is the expense ratio cap plus AFFE, or 1.07% for I Shares and 1.32% for A Shares. Net expense ratios were applicable to investors. The Fund's total annual operating gross expense ratio as of the most current prospectus is 1.87% for I Shares and 2.06% for A Shares.

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.

(Inception date: I and A Shares-6/30/14). 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 2000® Value Index measures the performance of those Russell 2000® companies with lower price-to-book ratios and lower forecasted growth values. 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. Russell Investment Group is the source and owner of the Russell Index data contained herein (and all trademarks related thereto), which may not be redistributed. The information herein is not approved by Russell. H&W and Russell sectors are based on the Global Industry Classification Standard by MSCI and Standard and Poor's. Cash flow measures the cash generating capability of a company by adding non-cash charges (e.g., depreciation) and interest expense to pretax income.

Mutual fund investing involves risk. Principal loss is possible. Investing in smaller and/or newer companies involves greater risks than those associated with investing in larger companies, such as business risk, significant stock price fluctuations and illiquidity. The Fund may invest in foreign securities which involve greater volatility and political, economic and currency risks and differences in accounting methods.

NOT FDIC INSURED
NO BANK GUARANTEE
MAY LOSE VALUE

The Hotchkis & Wiley Funds are distributed by Quasar Distributors, LLC

