

HOTCHKIS AND WILEY LARGE CAP VALUE FUND

March 31, 2007 Review

OBJECTIVE

The Large Cap Value Fund seeks current income and long-term growth of income, as well as capital appreciation using a disciplined, value-oriented investment process. The Fund is well diversified and seeks to own a portfolio of large, financially strong U.S. based companies that offer the best combination of value and potential for price appreciation.

INVESTMENT STRATEGY

- ❖ Generally invests in large companies with a market capitalization greater than \$3 b
- ❖ Selects companies which may possess these characteristics:
 - low price-to-earnings ratios
 - high dividend/payout yields
 - financial strength
- ❖ Employs timeless investing principles and independent thinking to drive investment process

ADVISOR

Hotchkis and Wiley Capital Management is an established investment manager dedicated to a disciplined investment approach designed to preserve and grow capital. Our exclusive focus is on finding and owning undervalued companies that have significant potential for appreciation.

- ❖ A 26-year track record managing money for institutions and individuals
- ❖ Over \$35 b in assets under management
- ❖ Committed to an independent, in-depth research approach
- ❖ Employs a disciplined, value-oriented investment process
- ❖ Independent ownership ensures quality and continuity of professional team



HOTCHKIS AND WILEY FUNDS

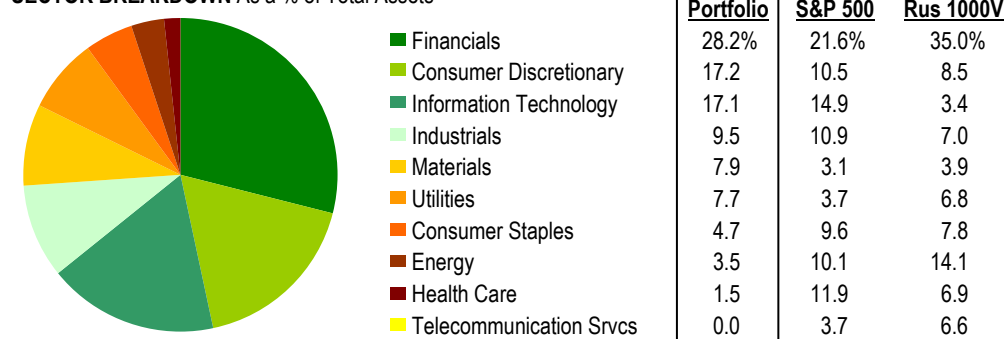
www.hwcm.com

1.800.796.5606

TOP TEN BREAKDOWN As a % of Total Assets*

Stocks		Industries	
CA Inc.	5.1%	Insurance	15.3%
Exelon Corp.	4.8	Software	11.0
Lennar Corp.	4.6	Electric Utilities	7.7
Tyco International Ltd.	4.5	IT Services	6.2
Electronic Data Systems	4.5	Household Durables	5.8
Microsoft Corp.	4.0	Diversified Financial Svcs	5.3
Eastman Chemical Co.	3.8	Industrial Conglomerates	4.5
JPMorgan Chase & Co.	3.6	Chemicals	3.8
Unum Group	3.3	Thriffs & Mortgage Finance	3.7
Northrop Grumman Corp.	3.1	Oil, Gas & Consumable Fuels	3.5

SECTOR BREAKDOWN As a % of Total Assets*



WEIGHTED AVERAGE PORTFOLIO STATISTICS

	Portfolio	S&P 500	Rus 1000V
Projected P/E (FY2)†	13.3x	13.7x	12.6x
Price / Cash Flow†	9.1x	11.1x	9.3x
Price / Book†	2.0x	2.8x	2.1x
Market Capitalization	\$49.6 b	\$97.9 b	\$107.4 b
Market Cap. - Median	\$15.4 b	\$13.4 b	\$5.5 b
Standard Deviation	8.68	6.95	6.83
Beta	1.10		
Alpha	1.84		
R-Squared	0.76		

COMPOSITION

Total Net Assets	\$6,124 mm
Number of Holdings	46

ASSET ALLOCATION

Investments	97%
Cash & Equivalents	3%

*Subject to change and may not be representative of the Fund's current holdings. The holdings listed should not be considered recommendations to purchase or sell a particular security.

Definitions

†Weighted Harmonic Average (ratio of aggregate portfolio capitalization to aggregate portfolio earnings)

Projected price-to-earnings ratio 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. The projected P/E ratios of the portfolio and indices may not have any relation to the performance of the portfolio. Sources: Firstcall, IDC

Price-to-cash flow is the price of each stock in the portfolio divided by its cash flow. Sources: Compustat, IDC

Price-to-book ratio is the price of a stock divided by its book value. Sources: Compustat, IDC

The market capitalization of a company is calculated by multiplying the number of outstanding shares by the current market price of a share. Weighted average market capitalization is the weighted average of the market capitalizations of the companies constituting the relevant portfolio. Sources: Compustat, IDC

Median market capitalization is the capitalization of the median stock in the portfolio. Sources: FactSet

3-year annualized standard deviation: Statistical measure of the degree to which a fund's quarterly return varies from the fund's mean return over a specified time period. Source: Wilshire Mentor

3-year annualized beta versus S&P 500 Index: Coefficient measuring a fund's relative volatility, or market-related risk. The market beta is 1.00. Any fund with a beta higher than 1.00 is more volatile than the overall market while a fund with a beta lower than 1.00 is less volatile. Source: Wilshire Mentor

3-year annualized alpha versus S&P 500 Index: Coefficient measuring the portion of an investment's return arising from specific (non-market) risk. Alpha is the mathematical measure of the Fund's risk-adjusted return above and beyond the return of the market for any specified time period. Source: Wilshire Mentor

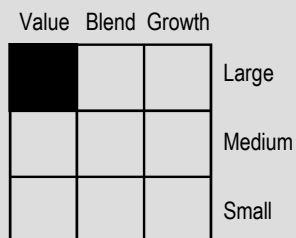
3-year annualized R-Squared versus S&P 500 Index: Proportion of a Fund's total variance that is market-related or is explained by variations in the market with a range limit of 0.0 to 1.0. An R-Squared of 1.0 indicates perfect diversification as defined by the benchmark and zero non-market risk. An R-Squared of 0.0 indicates no diversification with a very high but unspecified non-market risk. Source: Wilshire Mentor

Closed to new accounts

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MORNINGSTAR STYLE BOX™

Class I Shares as of 3/31/07



The Morningstar Style Box™ is a nine-square grid that classifies securities by size along the vertical axis and by value and growth characteristics along the horizontal axis.

Different investment styles often have different levels of risk and lead to differences in returns. Morningstar's equity style methodology uses a "building block," holdings-based approach that is consistent with Morningstar's fundamental approach to investing. Style is first determined at the stock level and then those attributes are "rolled up" to determine the overall investment style of a fund or portfolio. Morningstar uses 10 different stock characteristics to measure value and growth, and this produces more accurate and stable stock and portfolio style assignments. Morningstar uses both forward-looking and historical-based components to ensure that information available to active portfolio managers is incorporated in the model.

SYMBOLS

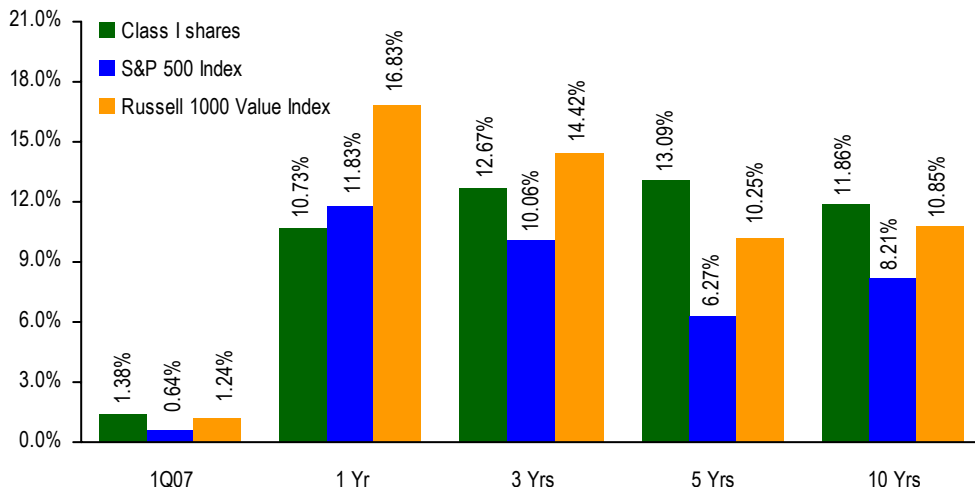
Class A Class C Class R Class I
HWLAX HWLCX HWLRX HWLIX



HOTCHKIS AND WILEY FUNDS

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Los Angeles, CA 90017

PERFORMANCE For the period ended March 31, 2007



	1Q07	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since 6/24/87	Expense Ratio
Class I shares	1.38%	10.73%	12.67%	13.09%	11.86%	11.51%	0.98%
Class A shares (w/o sales charge)	1.31	10.44	12.37	12.83	11.65	11.28	1.22
Class A shares	-4.02	4.62	10.37	11.61	11.05	10.97	1.22
Class C shares	0.16	8.75	11.61	12.03	10.78	10.41	1.97
Class R shares	1.22	10.17	12.11	12.64	11.36	10.98	1.49
S&P 500 Index	0.64	11.83	10.06	6.27	8.21	10.57	
Russell 1000 Value Index	1.24	16.83	14.42	10.25	10.85	n/a	

YIELD	Class A	Class A (Load)	Class C	Class I	Class R
30-Day SEC Yield	0.83%	0.79%	0.17%	1.07%	0.58%

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. The Fund's prospectus, which can be obtained by calling 1.800.796.5606, contains this and other information about the Fund. Read the prospectus carefully before you invest.

Returns shown for Class A, C and R shares for the periods prior to their inception are derived from the historical performance of Class I shares of the Fund during such periods and have been adjusted to reflect the higher total annual operating expenses of each specific class (inception dates: Class I-6/24/87, Class A-10/26/01, Class C-2/4/02, Class R-8/28/03). Class A returns without sales charge does not reflect the maximum sales load of 5.25%; if reflected, performance would be lower than shown. All other returns reflect the deduction of the current maximum initial sales charges of 5.25% for Class A shares and the applicable contingent deferred sales charge (CDSC) for Class C shares. Class C CDSC is 1% for the first year. Expense ratios are gross of any fee waivers or expense reimbursements.

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 S&P 500 Index, an unmanaged index, consists of 500 stocks chosen for market size, liquidity, and industry group representation. It is a market-value weighted index (stock price times number of shares outstanding), with each stock's weight in the Index proportionate to its market value. 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 indexes 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 indexes. The 30-day SEC Yield represents net investment income earned by a fund over a 30-day period, expressed as an annual percentage rate based on the fund's share price at the end of the 30-day period. The SEC Yield should be regarded as an estimate of the fund's rate of investment income, and it may not equal the fund's actual income distribution rate, the income paid to a shareholder's account, or the income reported in the fund's financial statements.

Mutual fund investing involves risk. Principal loss is possible.
NOT FDIC INSURED • NO BANK GUARANTEE • MAY LOSE VALUE
 The Hotchkis and Wiley Funds are distributed by Quasar Distributors, LLC (4/07)