

HWSM

Hotchkis & Wiley SMID Cap Diversified Value Fund

Fund Description

HWSM is an actively managed fund that targets undervalued small- and mid-cap stocks that are often out of favor or considered overlooked by investors. Holdings are selected based on fundamentals and weighted based on analyst conviction.

FactSet Analyst Report

HWSM is an actively managed ETF focusing on small- to mid-cap companies. It invests primarily in undervalued companies through a fundamental value approach, addressing market inefficiencies from irrational investor behavior. Proprietary fundamental models used by an internal research team is used to build a portfolio of quality companies with strong balance sheets and prudent corporate governance. The portfolio holds 150-200 stocks, including foreign securities, leveraging a proprietary model combined with fundamental research. ESG factors are considered to assess financial materiality impacting company value and performance. Selling decisions are based on relative valuation, fundamental trends, deterioration of fundamentals, portfolio diversification, and strategy parameters, aiming to manage risk and optimize returns.

