Westwood®

Westwood **Global Real Estate Fund**

Commentary

3Q
2024

Investment Overview

Westwood Global Real Estate Fund seeks total return from both capital appreciation and current income by investing in a portfolio of diversified real estate companies in developed economies. We seek global investment opportunities in locations that we believe to have clear, enduring investment value in both international and U.S. markets — places that are centers of global trade, learning and innovation, and magnets for commerce and population growth.

The fund employs a bottom-up approach to stock selection with an emphasis on superior property location and quality, strong prospects for appreciation in property rents and values, and management's track record for adding value. The fund invests primarily in high-quality commercial and residential real estate companies located in both U.S. and non-U.S. countries.

- The rigorous, repeatable, bottom-up investment approach incorporates quantitative and qualitative analyses of companies' cash flow, assets and management.
- The team identifies securities with the most risk-adjusted appreciation potential using proprietary Discounted Cash Flow and Relative Ranking models.
- The fund adjusts to changing market fundamentals through sector and geographic rotation, employs active stock selection and leverages the team's long-term experience in real estate security portfolio management.

Performance (as of 09/30/24)

Westwood Global Real Estate Fund's Institutional Class shares produced a total return of 13.59% in the third quarter of 2024. The fund outperformed its primary benchmark, the MSCI World Index, which returned 6.46% for the same period. It underperformed its representative benchmark, the FTSE EPRA/NAREIT Developed Index, which returned 16.07% for the third quarter.

	Q3 2024	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception (04/28/06)
Fund (KIRYX)	13.59%	7.74%	23.35%	0.13%	1.35%	3.07%	2.68%
MSCI World Index	6.46%	19.28%	33.03%	9.61%	13.59%	10.65%	8.19%
FTSE EPRA/ NAREIT Developed Index	16.07%	11.77%	28.86%	0.39%	1.39%	4.06%	3.66%

Returns for periods greater than one year are annualized.

The total expense ratio for the KIRYX Fund is 1.74% (gross), 1.10% (net). The advisor has contractually agreed to reduce fees and reimburse expenses until April 30, 2025. In the absence of current fee waivers, total return and yield would be reduced.

The performance quoted represents past performance, does not guarantee future results and current performance may be lower or higher than the data quoted. The investment return and principal value of an investment will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Performance data current to the most recent month-end may be obtained at westwoodfunds.com. Investment performance may reflect fee waivers in effect. In the absence of fee waivers, total return would be lower. Total return is based on NAV, assuming reinvestment of all distributions. Performance does not reflect the deduction of taxes that a shareholder would pay on fund distributions or the redemption of fund shares.

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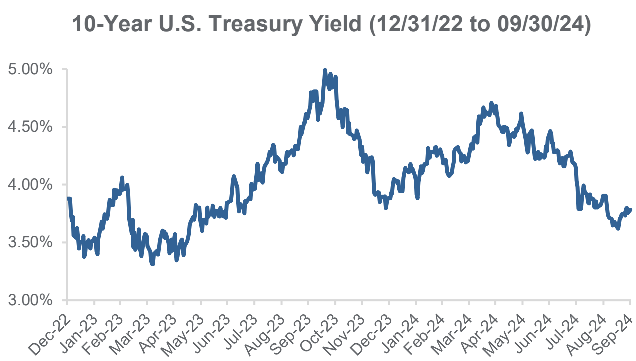
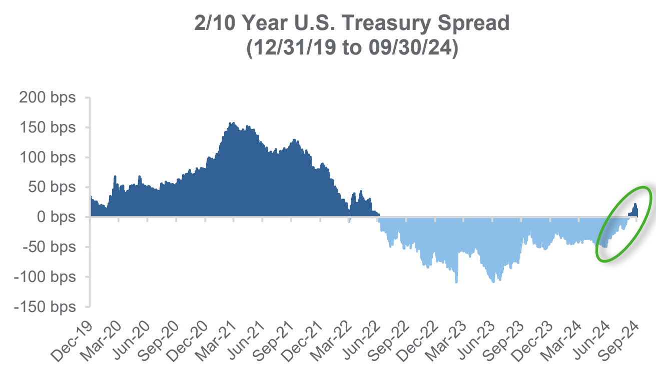
Third Quarter Macro Review

Following a solid first half of 2024, the broader markets witnessed continued strength in the third quarter, as investors remained fixated on whether a credit-easing cycle was about to commence. After months of speculation, these hopes were finally fulfilled at the Federal Reserve's (Fed's) September Federal Open Market Committee meeting, where Fed Chair Jerome Powell announced a cut of 50 basis points (bps) to the federal funds rate, the first such cut in four years due to progress against the Fed's dual mandate of maximum employment and stable prices. With this cut, the U.S. joins a growing group of countries also reducing rates, including the United Kingdom, Canada, Switzerland, Sweden and China as well as the eurozone.

The Fed's initial commentary emphasized an observed slackening of the labor market, which had led some market observers to wonder if the Fed acted too late by holding too restrictive of a monetary policy for too long. However, more recent economic reports have illustrated a still-robust economy. Nonetheless, with the 10-year U.S. Treasury Note yield below 4% at quarter-end and the 2/10 Treasury yield spread reverting back into positive territory, we welcome what appears to be the opening chapter of a new and more accommodative monetary stance. At present, the forward curve implies a total of six additional Fed cuts between now and the beginning of 2026. Similar to the rate cut skepticism we felt at the start of 2024, our forecast calls for one more cut this year followed by a handful of cuts in 2025. Directionally, we agree with the consensus but not on the magnitude.





Source: Bloomberg, as of 09/30/24. For illustrative purposes only.

With the notable exception of Japan, most overseas economies do not appear to be registering the same level of macro strength as the United States, and as a result, we have recently begun increasing the fund's exposure to U.S.-based real estate investment trusts (REITs.) Our positioning recognizes that the combination of (1) a strong U.S. labor market and (2) resilient economic growth — the most recent gross domestic product (GDP) print estimated that the U.S. economy grew at an annualized rate of 3.0% in the second quarter[1] — has provided a constructive backdrop to lift equity markets.

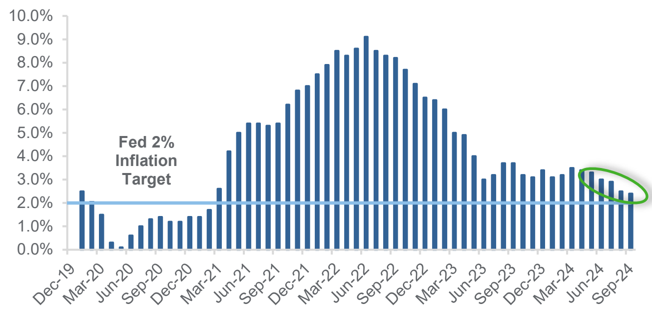
While we remain cautiously optimistic regarding the rate outlook, our conviction on real estate fundamentals has notably strengthened. As we have highlighted in previous commentaries, we continue to observe strong tenant demand across most property sectors (self-storage and industrial being the notable exceptions), resulting in attractive occupancy levels, robust lease economics and growing cash flow generation. Despite the "good news on the ground," the capital markets seemed to disregard these facts for the first half of the year as REIT equities posted negative returns through the end of June, setting up a significant fair-value discount. But as Stein's Law states, "If something cannot go on forever, it will stop." And thus, we witnessed a significant reversal in REIT performance in the third quarter as the valuations-relative-to-fundamentals equation simply became too attractive for the broader markets to ignore.

Concerning our current positioning, we have constructed our portfolio to reflect what we believe should be a period of sustained, albeit moderate, economic growth driven by a healthy labor market, supportive capital markets, a more favorable rate environment and a tolerable regulatory regime. We have intentionally tilted our portfolio toward property sectors that we believe should continue to heal in this setting (office and lodging in particular) as well as thrive

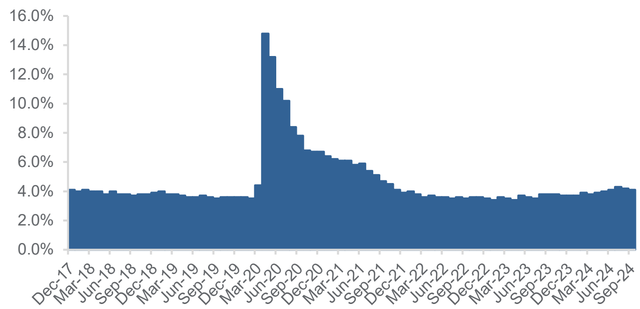
[1] Bureau of Economic Analysis, September 2024

(grocery-anchored centers and net lease). While the U.S. unemployment rate has recently ticked up slightly, the national inflation readings (including the Consumer Price Index [CPI]) continue to drift toward the Fed's target of 2%, leading some to assert that the proverbial "soft landing" we have been waiting for is finally here. Whatever history ultimately labels this period, we find this to be an incredibly constructive backdrop for real estate companies and believe this could signal a favorable earnings season as we round out the year.

U.S. CPI Urban Consumers Year-Over-Year Change



U.S. Unemployment Rate Since 12/31/17



Source: Bloomberg, as of 09/30/24. For illustrative purposes only.

As we have mentioned in previous commentaries, geopolitical instability continues to weigh on global investors as the brutal wars in Ukraine and the Middle East show little sign of ending in the near term. While the human tragedy of these events is nearly impossible to reconcile, it remains especially hard to underwrite the various knock-on effects these conflicts may have on the global economy. Furthermore, while most of the major elections across the globe are now behind us, we anticipate the higher-than-normal volatility will persist as we move toward the U.S. elections in November.

When facing environments where macro forecasts and forward curves seemingly change by the day, we urge investors to resist the myopic nature of most market commentators and remember that real estate represents a ***long-term investment opportunity***. REITs own tangible properties that, by definition, are long-lived assets. Their tenants, in most cases, are high-credit-quality occupants with strong balance sheets. These tenants often sign long-term leases with strong cash-flow coverage and landlord protections. Despite instability observed around the globe, we continue to find areas of real estate investment offering investors attractive operating fundamentals (high occupancy levels and healthy rental spreads) in many property sectors and most geographies in which we invest. Further, we acknowledge that many REIT management teams have provided upbeat assessments of their businesses, most notably for the data centers, net lease and grocery-anchored retail property sectors. Crucially, REITs have maintained their access to investor capital, which is one of the key ingredients for generating external growth through acquisition and development. While we may be in a "higher for longer" environment, we continue to believe that REITs may be a substantial outperformer in the quarters ahead.

Third Quarter Performance Review

Equity and fixed-income asset classes delivered positive returns in the third quarter. As a proxy for the broader domestic equity markets, the S&P 500 Index gained 5.89% during the third quarter and the tech-heavy Nasdaq Composite Index finished up 2.76% during the quarter.[2] Against this backdrop, the fund's Institutional Class shares ended the third quarter up 13.59%.[3] The fund's primary benchmark, the MSCI World Index, returned 6.46% for the third quarter, while the fund's representative index, the FTSE EPRA/NAREIT Developed Index, closed the third quarter up 16.07%.[3]

As points of geographic comparison, U.S. REITs, as represented by the FTSE NAREIT Equity REITs Total Return Index, was up 16.09% during the quarter, compared to real estate companies in developed markets outside the U.S., as represented by the FTSE EPRA/NAREIT Developed ex-U.S. Index, which posted a positive return of 16.98% during the same period.[4] Switching to fixed income, investment-grade credit, as measured by the Bloomberg US Aggregate

[2] Bloomberg and Ultimus Fund Solutions, September 30, 2024
[3] Ultimus Fund Solutions, September 30, 2024
[4] Bloomberg, September 30, 2024

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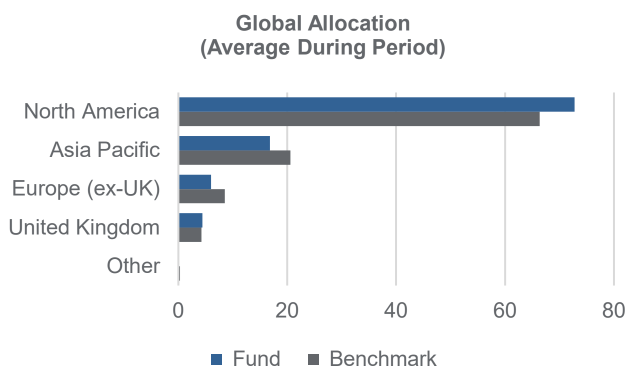
Bond Index, ended the first quarter up 5.20%,[3] whereas high-yield credit gained 5.31%, as measured by the ICE BofA US High Yield Index.[4]

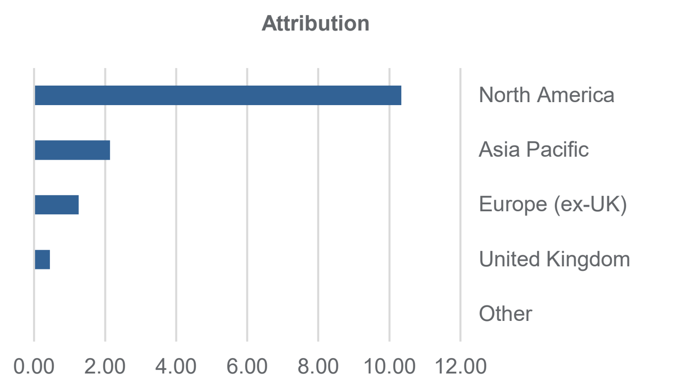
Dividend Income[5]

During the third quarter, the fund paid a $0.0846 per share dividend on the Institutional Class shares, amounting to an annualized dividend yield of 2.52% at quarter-end net asset value.[6] While there can be no assurance of the fund's actual future dividend payments to its shareholders, we are pleased with the opportunity for recurring cash dividend income in the context of our total return goals.

Attribution (as of 09/30/24)

The charts below show the fund's global allocation during the third quarter and how various regions affected portfolio performance. The fund's holdings in North America were the largest positive contributors to performance during the quarter; however, all regions contributed positively to the fund's performance.





Source: FactSet, as of 09/30/24. Benchmark refers to the FTSE EPRA NAREIT Developed Index. These holdings may not reflect the current or future positions in the portfolio. Current or future portfolio holdings are subject to risk. Portfolio holdings are subject to change. For illustrative purposes only.

Investment Outlook: Third Quarter Delivers, Optimism Abounds

As noted earlier, the fund produced a notable positive return in the third quarter following two lackluster quarters to start the year. The underlying strength in real estate fundamentals for most property sectors outside of office provides a measure of confidence in our forward projections and informs our tailored sector approach to real estate portfolio construction. In addition to strong fundamentals, sector valuations continue to reflect wide cap rates, discounted cash flow multiples compared to historical averages and outsized yield opportunities.

As readers of these commentaries know, the majority of the fund's assets are invested in U.S.-based REITs, which is consistent with the fund's representative benchmark. These domestic investments are well-diversified across the property sector and geography and are generating robust free cash flow. As ever, we rigorously monitor REIT balance sheets and have biased our investments toward companies with lower overall leverage profiles and limited near-term debt maturities. We complement our domestic exposure with foreign REITs possessing similar attributes. Across geographies, we continue to observe a disconnect between private and publicly traded real estate valuations as well as with other sectors of the market.

Overall, we feel the fund remains an attractive investment opportunity for investors. Especially in times of heightened uncertainty and volatility, it's important to remember that our portfolio comprises a diversified portfolio of high-quality

[5] Dividends are not guaranteed, and a company's future abilities to pay dividends may be limited. A company currently paying dividends may cease paying dividends at any time.
[6] As of September 30, 2024, KIRYX's 30-day SEC yield is 2.78% and 30-day unsubsidized SEC yield is 1.88%.

real estate companies that generally utilize far less leverage than private peers, have very limited floating rate debt exposure and continue to maintain access to equity and debt capital markets. As a result, we believe our companies are positioned to exploit opportunities that may become available. Lastly, using the fund's resources and the fund's footprint in the business, we believe we can deliver attractive income and total returns. We remain confident of the fund's future and welcome any questions or comments. As always, we value your confidence and trust.

Performance (%) as of 09/30/24

	Q3	YTD	1 YR	3 YR	5 YR	10 YR	Since Inception
Institutional	13.59	7.74	23.35	0.13	1.35	3.07	2.68
Class A @NAV*	13.47	7.49	22.92	-0.21	0.99	2.68	2.33
Class A @MOP**	10.05	4.29	19.19	-2.16	-0.20	2.07	2.01
Class C @NAV†	13.25	6.92	22.01	-0.82	0.38	2.07	1.68
Class C @MOP‡	12.25	5.92	21.01	-0.82	0.38	2.07	1.68
MSCI World Index	6.46	19.28	33.03	9.61	13.59	10.65	8.19
FTSE EPRA/NAREIT Developed Index	16.07	11.77	28.86	0.39	1.39	4.06	3.66

Returns for periods greater than one year are annualized.
* Excludes sales charge. ** Reflects effects of the fund's maximum sales charge of 3.00%.
† Excludes the effects of the 1% contingent deferred sales charge. ‡ Includes the effects of the 1% contingent deferred sales charge.

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Total Annual Fund Operating Expenses by Share Class: Institutional Class: 1.74%; Class A: 1.90%; Class C: 2.62%. The advisor has contractually agreed to reduce fees and reimburse expenses until April 30, 2025. In the absence of current fee waivers, total return and yield would be reduced.

Top 10 Contributors and Detractors by Holding (as of 09/30/24)

Top Contributors	Contribution	Top Detractors	Contribution
OUTFRONT Media, Inc.	1.26%	Invitation Homes, Inc.	-0.04%
Ventas, Inc.	1.20%	Host Hotels & Resorts	-0.01%
COPT Defense Properties	0.92%	-	-
Equinix, Inc.	0.79%	-	-
Crown Castle, Inc.	0.75%	-	-
Kimco Realty Corporation	0.74%	-	-
BXP, Inc.	0.70%	-	-
Phillips Edison & Company, Inc.	0.67%	-	-
Gaming and Leisure Properties, Inc.	0.63%	-	-
Rexford Industrial Realty, Inc.	0.61%	-	-

Source: FactSet. Past performance does not guarantee future results. These holdings may not reflect the current or future positions in the portfolio.

Top Five Contributors and Detractors by Country (as of 09/30/24)

Top Contributors	Contribution	Top Detractors	Contribution
United States	9.80%	-	-
Japan	0.80%	-	-
Australia	0.71%	-	-
Canada	0.54%	-	-
Germany	0.45%	-	-

Source: FactSet. Past performance does not guarantee future results. These holdings may not reflect the current or future positions in the portfolio.

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To determine if this Fund is an appropriate investment for you, carefully consider the Fund's investment objectives, risk factors and charges and expenses before investing. This and other information can be found in the Fund's prospectus, which may be obtained by downloading at westwoodfunds.com or calling 877.FUND.WHG (877.386.3944). Please read the prospectus carefully before investing.

Westwood Funds are distributed by Ultimus Fund Distributors, LLC. (Member FINRA) Ultimus Fund Distributors and Westwood Funds (or Westwood Holdings Group, Inc.) are separate and unaffiliated.

Westwood Global Real Estate Fund seeks total return from both capital appreciation and current income.

RISKS

There are risks involved with investing, including loss of principal. Past performance does not guarantee future results, share prices will fluctuate and you may have a gain or loss when you redeem shares.

Borrowing for investment purposes creates leverage, which can increase the risk and volatility of a fund.

Concentration in a particular industry will involve a greater degree of risk than a more diversified portfolio.

Debt securities are subject to interest rate risk. If interest rates increase, the value of debt securities generally declines. Debt securities with longer durations tend to be more sensitive to changes in interest rates and more volatile than securities with shorter durations.

Derivative instruments involve risks different from those associated with investing directly in securities and may cause, among other things, increased volatility and transaction costs or a fund to lose more than the amount invested.

Investing in exchange-traded funds (ETFs) will subject a fund to substantially the same risks as those associated with the direct ownership of the securities or other property held by the ETFs.

Foreign securities, especially emerging or frontier markets, will involve additional risks including exchange rate fluctuations, social and political instability, less liquidity, greater volatility and less regulation.

Mortgage and asset-backed securities are debt instruments that are secured by interests in pools of mortgage loans or other financial instruments. Mortgage-backed securities are subject to, among other things, prepayment and extension risks.

Investing in the real estate industry or in real estate-related securities involves the risks associated with direct ownership of real estate, which include, among other things, changes in economic conditions (e.g., interest rates), the macro real estate development market, government intervention (e.g., property taxes) or environmental disasters. These risks may also affect the value of equities that service the real estate sector.

Investing in smaller companies generally will present greater investment risks, including greater price volatility, greater sensitivity to changing economic conditions and less liquidity than investing in larger, more mature companies.

There is no guarantee the companies in our portfolio will continue to pay dividends.

Definition of Terms

2/10 Treasury yield spread is the difference between the 10-year U.S. Treasury yield and the 2-year U.S. Treasury yield. It is the main indicator of the steepness of the yield curve.

2-year U.S. Treasury is a debt obligation issued by the U.S. Treasury that has a term of two years.

10-year U.S. Treasury is a debt obligation issued by the U.S. Treasury that has a term of more than one year but not more than 10 years.

30-day SEC yield is a standardized calculation adopted by the SEC based on a 30-day period that helps investors compare funds using a consistent method of calculating yield.

30-day SEC yield (unsubsidized) is a standardized calculation adopted by the SEC based on a 30-day period that helps investors compare funds using a consistent method of calculating yield. It excludes expense waivers and reimbursements.

Basis points (bps) are a unit of measure that is equal to 1/100th of 1% and used to denote a change in the value or rate of a financial instrument.

Bloomberg US Aggregate Bond Index represents securities that are U.S. domestic, taxable and dollar denominated. The index covers the U.S. investment-grade, fixed-rate bond market, with index components for government and corporate securities, mortgage pass-through securities and asset-backed securities.

Cash flow is a revenue or expense stream that changes a cash account over a given period.

Consumer Price Index (CPI) is an index number measuring the average price of consumer goods and services purchased by households. The percentage change in the CPI is a measure of inflation.

Discounted cash flow (DCF) is a valuation method used to estimate the attractiveness of an investment opportunity.

Dividend is a distribution of a portion of a company's earnings issued to shareholders in the form of cash payments, shares of stock or other property.

Dividend yield is a financial ratio that shows how much a company pays out in dividends each year relative to its share price.

Federal funds rate is the interest rate at which a depository institution lends immediately available funds to another depository institution overnight.

Federal Reserve is the central bank of the United States that is responsible for regulating the U.S. monetary and financial systems.

Floating-rate debt is a debt instrument with a variable interest rate that adjusts to reflect changes in borrowing rates.

Forward curve defines the prices at which a contract for future delivery or payment can be concluded today.

Free cash flow represents the cash that a company is able to generate after laying out the money required to maintain or expand its asset base.

FTSE EPRA/NAREIT Developed Index is designed to track the performance of listed real estate companies and REITs worldwide.

FTSE EPRA/NAREIT Developed ex-US Index is designed to track the performance of listed real estate companies and REITs worldwide, excluding U.S. companies.

FTSE NAREIT Equity REITs Index is representative of the tax-qualified REITs listed on the New York Stock Exchange, the American Stock Exchange and the NASDAQ National Market, excluding timber and infrastructure REITs.

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Gross domestic product (GDP) is the monetary value of all the finished goods and services produced in a country in a given year. GDP is one way of measuring the size of a country's economy.

ICE BofA US High Yield Index tracks the performance of U.S.-dollar-denominated, below-investment-grade-rated corporate debt publicly issued in the U.S. domestic market.

Inflation is the rate at which the general level of prices for goods and services is rising, and, subsequently, purchasing power is falling.

Leverage is the use of various financial instruments or borrowed capital, such as margin, to increase the potential return of an investment.

MSCI World Index is a free float-adjusted market capitalization index designed to measure equity market performance in the global developed markets.

Nasdaq Composite Index is a capitalization-weighted index designed to measure the performance of 3,000 stocks listed on the Nasdaq exchange, which includes large technology and biotech companies.

Real estate investment trust (REIT) is a security that sells like a stock on the major exchanges and invests in real estate directly, either through properties or mortgages.

S&P 500 Index is an unmanaged index of 500 common stocks chosen to reflect the industries in the U.S. economy.

Stein's Law refers to an economic principal devised by Herbert Stein, Chair of the Council of Economic Advisers under the Nixon and Ford administrations, that says, "If something cannot go on forever, it will stop," meaning unsustainable trends are unsustainable.

Valuation is the process of determining the value of an asset or company based on earnings and the market value of assets.

Volatility is a statistical measure of the dispersion of returns for a given security or market index.

Yield is the interest or dividends received from a security and is usually expressed annually as a percentage based on the investment's cost or on the U.S. government's debt obligations.

Yield curve is a line that plots the interest rates, at a set point in time, of bonds having equal credit quality but differing maturity dates.

One cannot invest directly in an index.

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