Westwood Funds®

1Q
2024

# Quality AllCap Fund

Class I: WQAIX | Class Ultra: WQAUX

Data as of March 31, 2024

## Investment Objective

The Westwood Quality AllCap Fund's investment objective is to seek long-term capital appreciation.

## Fund Overview

**We invest at the intersection of quality and value, which we believe can generate a return premium resulting in lower absolute downside risk and greater risk-adjusted returns.**

- Focusing on high-quality businesses with strong balance sheets, strong free cash flow and the potential for attractive future returns.
- Prioritizing the quantitative assessment of absolute downside risk to mitigate against loss of capital.
- Investment universe generally includes companies with market capitalization greater than $100 million.
- High-conviction, fundamental bottom-up security selection process investing in typically 50-80 holdings.

## Investment Team

| Name | Industry | Firm Tenure |
|---|---|---|
| Todd Williams, CFA | 1995 | 2002 |
| Michael Wall | 1996 | 2004 |
| Lauren Hill, CFA | 2003 | 2015 |

## Characteristics

| | WQAIX | Russell 3000 Value |
|---|---|---|
| Number of Holdings | 52 | 2,264 |
| Return on Equity | 18.4% | 14.6% |
| Average Market Cap (Weighted) | $255.7 B | $149.8 B |
| Median Market Cap | $34.8 B | $2.2 B |
| Forward P/E Ratio | 15.9x | 16.4x |
| Free Cash Flow Yield | 3.8% | -0.4% |
| Active Share | 87% | N/A |

***The performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost, and current performance may be higher or lower than the performance quoted. For performance data current to the most recent month end, please call 877.FUND.WHG.***

## Fund Facts

| | |
|---|---|
| Fund Symbol | WQAIX |
| CUSIP | 90386H354 |
| Fiscal Year End | October |
| Inception Date | 9/30/2021 |
| Benchmark | Russell 3000 Value |
| Expense Ratio (Net/Gross) | 0.47% / 0.91% |

The Advisor has contractually agreed to waive fees and reimburse expenses until March 1, 2025. In the absence of current fee waivers, total return and yield would be reduced.

## Distributions per Share

| | Class I | Class Ultra |
|---|---|---|
| 12/27/2023 | $0.168 | $0.170 |

## Sector Allocation (%)

| | WQAIX | Russell 3000 Value |
|---|---|---|
| Comm. Services | 2.08 | 4.46 |
| Cons. Discretionary | 5.70 | 5.35 |
| Cons. Staples | 6.99 | 7.37 |
| Energy | 7.89 | 8.18 |
| Financials | 20.42 | 22.51 |
| Health Care | 11.01 | 13.97 |
| Industrials | 16.05 | 14.32 |
| Info. Technology | 12.10 | 9.54 |
| Materials | 3.80 | 4.78 |
| Real Estate | 5.96 | 4.90 |
| Utilities | 6.26 | 4.61 |
| Cash | 1.74 | -- |

## Top 10 Holdings

| | Weight % |
|---|---|
| Bank of America Corp. | 3.18 |
| Wells Fargo & Co. | 2.99 |
| Chevron Corp. | 2.70 |
| Hubbell Inc. | 2.54 |
| Microsoft Corp. | 2.49 |
| JPMorgan Chase & Co. | 2.46 |
| WEC Energy Group Inc. | 2.37 |
| Constellium SE | 2.30 |
| FedEx Corp. | 2.19 |
| American International Group Inc. | 2.18 |

*Holdings subject to change.*

# **Quality AllCap** Fund (WQAIX)

## Modern Portfolio Theory (MPT) Stats

| | WQAIX | Russell 3000 Value |
|---|---|---|
| **Annualized Returns** (Since Inception 9/30/2021) | | |
| Rate of Return | 7.86% | 7.57% |
| Standard Deviation | 14.30 | 14.75 |
| **Evaluation Measures** | | |
| Alpha | 0.14 | 0.00 |
| Beta | 0.96 | 1.00 |
| R-Squared | 0.97 | 1.00 |
| Tracking Error | 1.28 | 0.00 |
| Sharpe Ratio | 0.32 | 0.29 |

## Fund Trailing Years Performance

| | Inception Date | QTD | 1 Year | 3 Year* | 5 Year* | 10 Year* | Since Inception* |
|---|---|---|---|---|---|---|---|
| **WQAIX (Class I)** | 9/30/2021 | 6.62% | 15.42% | -- | -- | -- | 7.86% |
| *Russell 3000 Value Index* | 9/30/2021 | 8.62% | 20.18% | -- | -- | -- | 7.58% |

Data Source: Ultimus Fund Solutions, LLC. *Annualized

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## Potential Risks

*Mutual fund investing involves risk, including possible loss of principal. There can be no assurance that the Fund will achieve its stated objectives. Portfolio holdings are subject to change and should not be considered a recommendation to buy individual securities. The Fund pursues a "value style" of investing. If the Adviser's assessment of market conditions, or a company's value or prospects for meeting or exceeding earnings expectations is inaccurate, the Fund could suffer losses or produce poor performance relative to other funds or market benchmarks. In addition, "value stocks" can continue to be undervalued by the market for long periods of time and may never achieve the Adviser's expected valuation. The Fund was formed in 2021 and has a limited operating history. Accordingly, investors in the Fund bear the risk that the Fund may not be successful in implementing its investment strategy or growing to an economically viable size.*

**To determine if this Fund is an appropriate investment for you, carefully consider the Fund's investment objectives, risk factors, charges, and expenses before investing. This and other information can be found in the Fund's summary and full prospectuses, which may be obtained by calling 877.FUND.WHG, or by visiting our website at westwoodfunds.com. Read the prospectus carefully before investing or sending money.**

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The Russell 3000® Value Index measures the performance of those Russell 3000® Index companies with lower price-to-book ratios and lower forecasted growth values. The Benchmark Index returns are for illustrative purposes only and do not represent actual fund performance. Index performance does not reflect any management fees, transaction costs or expenses. The Benchmark Index is unmanaged and investors cannot invest directly into an index. The Russell 3000 measures the performance of the largest 3,000 U.S. companies that represent approximately 97% of the investable U.S. equity market. A company's market capitalization is calculated by multiplying the number of a company's shares outstanding by its stock price per share. There can be no assurance that the fund will achieve its stated objective.

**Standard deviation** is the statistical measure of historical volatility, a measure of the extent to which numbers are spread around their average. **Alpha** is the measure of risk-adjusted performance. **Beta** is the measure of risk in relation to the market or benchmark. **R-Squared** is the measure of how closely a portfolio's performance correlates with the performance of a benchmark. **Tracking Error** is the amount by which the performance of the portfolio differs from the benchmark. **Sharpe Ratio** is the measure of the excess return (risk premium) per unit of risk in an investment. **P/E ratio** is price-per-share divided by its earnings-per-share. **Forward P/E** is a measure of the P/E ratio using forecasted earnings for the P/E calculation. **Return on Equity** is a measure of the profitability of a business in relation to the equity.

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