Westwood **Quality Value Fund**

Commentary

2Q
2026

Performance Highlights

Equity markets surged in the quarter, delivering outsized gains among growth stocks and small-cap names. In this environment, the Westwood Quality Value Fund returned 6.40%, trailing the Russell 1000 Value Index, which returned 13.87%.

The stock market was on tenuous footing as the quarter began, having declined nearly 10% from previous all-time highs in March as the U.S. and Israel launched attacks on Iran. On the announcement of a ceasefire on March 31, U.S. stocks responded by sprinting higher, racing to new highs across market caps and styles. For much of the quarter, the leaders were technology stocks, specifically those linked to artificial intelligence (AI): semiconductors, semiconductor equipment makers, memory manufacturers, computer hardware companies and a broad array of companies involved in building data centers.

For the quarter, the Information Technology sector of the S&P 500 accounted for nearly 70% of index appreciation. Only two sectors declined — Energy, though the sector is among year-to-date leaders thanks to first quarter gains; and Utilities, a sector that tends to struggle in growth-oriented environments. The small-cap Russell 2000 had a broader return profile, as eight sectors posted double-digit returns, led by the Information Technology sector, which added over 50%, and the Health Care and Industrials sectors, both gaining more than 20%. As the period closed, positive economic news and higher inflation rates led to higher interest rates, causing the rally to stall as investors feared higher borrowing costs may impact corporate spending plans.

On an absolute basis, the Information Technology sector was the largest contributor to total return, supported by gains among semiconductor and computer hardware stocks. The Materials sector also showed double-digit gains, led by construction and packaging firms. The Energy and Consumer Staples sectors posted declines in the quarter; energy stocks struggled as oil and gas prices declined from their high at the beginning of the quarter, and some consumer stocks suffered amid inflation concerns.

On a relative basis, stock selection was the primary contributor to underperformance, driven largely by what we did not hold, compared to actual holdings. The Information Technology sector was the largest detractor in the quarter, as several large-cap growth-oriented names posted outsized gains. Just within the Technology sector, seven stocks that we did not hold gained more than 100% and were responsible for more than 80% of our relative underperformance — the stocks did not meet either our quality or value investment criteria and were not eligible for inclusion in the portfolio. The Health Care and Financials sectors also detracted from performance due to stock selection. Within Health Care, a device maker and a health benefits administrator both struggled, while our positioning in Financials with exposure to capital markets instead of larger national banks was not favorable.

The Energy sector was our largest contributor to performance, largely due to our asset allocation; we were underweight the sector, which lagged the index. Our exposure to the Materials sector was also a positive contributor, due largely to security selection. A company involved in heavy construction and light building materials was the key contributor, and mining companies moderated in the quarter.

Performance Drivers

Top Contributors

- Shares of Dell Technologies Inc. Class C (DELL) gained after first quarter results showed accelerating AI server demand, expanding infrastructure solutions backlog and raised AI shipment expectations. Investors re-rated the stock on improved visibility into hyperscaler-driven AI deployments and stronger-than-expected order momentum.
- Shares of Texas Instruments Inc. (TXN) surged after publishing quarterly results and forward guidance that confirmed an early-stage analog recovery, driven by improving industrial and automotive order trends and inventory normalization. Investors re-rated the stock on strengthening cyclical demand visibility and stabilizing end-market conditions.
- Shares of Qnity Electronics Inc. (Q) gained after quarterly results showed stable margins and improving demand trends in specialty electronic materials tied to industrial and advanced manufacturing end markets. Investors focused on incremental cyclical recovery signals and disciplined execution supporting earnings resilience.
- Shares of RB Global Inc. (RBA) gained after quarterly results showed continued market share recovery at the IAA salvage auction business and inflecting volumes in commercial construction and transportation equipment. Investors rewarded the operating leverage inherent in the company's fixed-cost yard network as both revenue drivers moved in its favor.
- Shares of Amazon.com Inc. (AMZN) advanced on strength in AWS as AI-related demand supported cloud growth, alongside continued retail margin expansion. Investors focused on the durability of cloud demand and improving profitability across the business.

Top Detractors

- Shares of Chevron Corp. (CVX) declined as first-quarter results reflected weaker upstream realizations and lower refining margins, with investors focusing on reduced earnings contribution from both production and downstream operations despite stable cash flow generation.
- Shares of Exxon Mobil Corp. (XOM) gave ground following quarterly results that reflected softer upstream pricing and weaker refining margins, with investors emphasizing reduced earnings leverage to commodity prices despite continued strong production volumes and capital discipline.
- Shares of Intercontinental Exchange Inc. (ICE) weakened after quarterly results showed softer-than-expected derivatives trading activity and mortgage-related revenue, with investors responding to reduced volatility-driven volumes across key exchange segments.
- Shares of PepsiCo Inc. (PEP) declined amid soft volumes as consumers remained price-sensitive after several years of cumulative inflation, with investors focused on the timing of a volume recovery across North American beverages and snacks.
- Shares of Hershey Co. (HSY) fell following earnings that reflected margin compression from elevated cocoa costs and weaker-than-expected pricing realization, prompting investors to reassess near-term earnings power despite stable category demand in confectionery.

Performance Update

As of June 30, 2026

Trailing Years Performance

	Inception Date	2Q26	YTD	1 Year	3 Year*	5 Year*	10 Year*	Since Inception*
WHGLX (Class I)	6/28/2006	6.40%	6.40%	9.79%	9.42%	6.89%	9.56%	8.06%
WWLAX (Class A) **	12/31/2007	6.36%	6.36%	9.65%	9.26%	6.69%	9.32%	7.22%
WWLAX (Class A with Load) ***	12/31/2007	3.21%	3.21%	6.36%	8.16%	6.04%	8.99%	7.05%
WHGQX (Class Ultra)	11/30/2022	6.35%	6.44%	9.83%	9.37%	--	--	7.37%
Russell 1000 Value Index	6/28/2006	13.87%	16.26%	27.12%	17.79%	11.17%	11.52%	8.90%
Russell 3000 Index	6/28/2006	15.44%	10.88%	22.82%	20.36%	12.31%	15.06%	11.28%

*Annualized ** Excludes sales charge. *** Reflects effects of the fund's maximum sales charge of 3.00%. Total Annual Fund Operating Expenses by Share Class (gross / net): Class I 0.71% / 0.63%, Class A 0.88% / 0.80%, Class Ultra 0.63% / 0.55%. The Advisor has contractually agreed to waive fees and reimburse expenses until March 1, 2027. In the absence of current fee waivers, total return would be reduced.

Past performance is not indicative of future results. The investment return and principal value 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 lower or higher than the performance quoted. For performance data current to the most recent month end, please call 877.FUND.WHG.

Calendar Year Returns

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
WHGLX	5.78%	10.56%	8.91%	-5.66%	23.79%	2.73%	27.36%	-6.04%	20.85%	10.93%
Russell 1000 Value Index	15.91%	14.37%	11.46%	-7.54%	25.16%	2.80%	26.54%	-8.27%	13.66%	17.34%
Russell 3000 Index	17.15%	23.81%	25.96%	-19.21%	25.66%	20.89%	31.02%	-5.24%	21.13%	12.74%

	2015	2014	2013	2012	2011	2010
WHGLX	-0.36%	11.85%	30.03%	16.10%	-0.91%	12.11%
Russell 1000 Value Index	-3.83%	13.45%	32.53%	17.51%	0.39%	15.51%
Russell 3000 Index	0.48%	12.56%	33.55%	16.42%	1.03%	16.93%

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.

Top 10 Holdings as of 6/30/2026

Apple Inc.	Deere & Co.
Amazon Inc.	Thermo Fisher Scientific Inc.
Alphabet Inc.	Texas Instruments Inc.
Microsoft Corp.	Morgan Stanley
Entergy Corp.	NextEra Energy Inc.

Top 10 Holdings represents 31.33% of the total portfolio and represents the ten largest portfolio positions by market value in the Fund as of the period end date. Each quarter, the Westwood Funds use this same objective, non-performance based criteria to select the ten largest holdings. Holdings are subject to change. Current and future portfolio holdings are subject to risk.

Fund Positioning and Trade Rationale

Positions were initiated in the following companies:

- AbbVie Inc. (ABBV) is a high-quality, durable cash generator whose Skyrizi and Rinvoq franchises have more than offset lost Humira revenue and continue to gain market share. Supported by a long patent runway and proven commercial execution, the company is positioned for continued growth. At a reasonable mid-teens earnings multiple, the recent Apogee acquisition provides a credible path to disrupting a large competitor franchise and represents a potential next leg of growth.
- Boeing Co. (BA) is the second-largest commercial aircraft manufacturer globally and one of five Department of Defense prime contractors, with operations across commercial aircraft, defense and global services. The company is emerging from years of production challenges with improved quality controls that are expected to drive higher throughput and margin expansion. Supported by a record backlog and an aging global fleet, Boeing appears well positioned to benefit from accelerating production and a potential future narrowbody aircraft launch, providing a path toward normalized earnings and cash flow.
- Broadcom Inc. (AVGO) is a global semiconductor and infrastructure software company providing critical chips and systems for data centers, networking, broadband and storage. As the leading provider of custom AI application-specific integrated circuits, with an estimated 80% market share, the company is well positioned to benefit from growing demand for workload-specific AI chips. Strong customer relationships, including its partnership with Google's TPU program, and continued growth in AI capital spending support a favorable outlook for earnings growth and participation in the AI infrastructure buildout.
- Elevance Health Inc. (ELV) is a diversified managed care company operating the largest licensed network of Blue Cross Blue Shield plans across commercial, Medicaid and Medicare Advantage markets, alongside its Carelon pharmacy and services businesses. The company is currently earning below its long-term potential and has meaningful opportunities for margin recovery as healthcare cost trends normalize. Supported by a scaled, capital-light commercial franchise and strong free cash flow generation, Elevance offers an attractive path toward earnings normalization.
- Freeport-McMoRan Inc. (FCX) is the second-largest global copper producer, with significant U.S. operations and substantial gold and molybdenum byproduct revenue from its Grasberg complex in Indonesia. The company is well positioned to benefit from favorable long-term copper supply and demand dynamics driven by power infrastructure investment, data center development and limited new mine supply. Recent operational challenges at Grasberg appear temporary, creating an attractive opportunity ahead of a potential return to stronger copper price participation.

- Morgan Stanley (MS) is a leading global financial services firm operating across institutional securities, wealth management and investment management. The company is in the early stages of a sustained growth inflection driven by accelerating net new asset flows and continued market share gains in investment banking and trading. Supported by structural funding benefits from its bank reorganization and the potential for margin expansion above consensus expectations, Morgan Stanley offers a compelling earnings growth opportunity.
- Philip Morris International Inc. (PM) is a leading global tobacco company transitioning toward smoke-free products, including its IQOS heated tobacco platform and Zyn nicotine pouches. Consolidated volumes have returned to growth, supported by continued adoption of smoke-free products, which generate higher margins than traditional cigarettes. With some of the strongest organic sales growth in the consumer staples sector, the company appears well positioned for continued earnings expansion and potential valuation improvement.
- Stryker Corp. (SYK) is a leading medical technology company providing surgical equipment, implants and instruments across orthopedics, spine and neurotechnology. The company has a long history of consistent execution and organic growth that has exceeded the markets it serves, supported by its leadership position in surgical robotics through the Mako platform. A temporary valuation dislocation related to a cyberattack and inflation concerns has created an attractive entry point into a high-quality business with durable growth characteristics.

The following positions were sold from the portfolio:

- Abbott Laboratories (ABT) was sold as confidence in management's ability to accurately forecast earnings declined. While the company maintains several high-quality franchises, performance has been weighed down by a number of struggling divisions. The position was eliminated in favor of higher conviction opportunities.
- Arthur J. Gallagher & Co. (AJG) was sold as softening commercial property and casualty insurance rates created a headwind to organic growth, while concerns regarding potential AI disruption remained difficult to dismiss. Capital was redeployed into higher conviction opportunities.
- CACI International Inc. Class A (CACI) was sold to reallocate capital toward higher conviction investment opportunities.
- Eagle Materials Inc. (EXP) was sold to reallocate capital toward higher conviction investment opportunities.
- Hershey Company (HSY) was sold following leadership changes, higher input costs and headwinds from weakening demand that negatively impacted the company's long-term outlook. Capital was redeployed into opportunities with more attractive reward to risk profiles.
- J.B. Hunt Transport Services Inc. (JBHT) was sold after the share price appreciated beyond our target valuation range. The position was exited to realize gains and reallocate capital toward investments with more attractive reward to risk characteristics.
- KKR & Co. Inc. (KKR) was sold amid concerns that exposure to private credit and software investments could continue to weigh on valuation. Capital was redeployed into higher conviction opportunities.
- LPL Financial Holdings Inc. (LPLA) was sold after shares declined on concerns regarding potential AI disintermediation, a risk believed to be overstated. Nevertheless, the position was exited to make room for ideas with more attractive reward to risk profiles.
- McDonald's Corp. (MCD) was sold despite delivering attractive growth in a challenging consumer environment. Weak sentiment toward fast-food companies weighed on the shares, and capital was reallocated to more attractive investment opportunities.
- SouthState Bank Corp. (SSB) was sold after second quarter earnings fell short of expectations due to higher-than-anticipated deposit costs, which represented a break in the original investment thesis. The position was exited in favor of companies with more attractive reward to risk profiles.
- T-Mobile US Inc. (TMUS) was sold due to increasing external competitive threats facing the business. The position was exited in favor of companies offering more attractive reward to risk profiles.

Market Review

After a shaky start to the year, equity markets bounced back dramatically in the second quarter. The S&P 500 soared more than 15% in the quarter, the second-highest quarterly gain since 2020.

In April and May, mega-cap technology and AI infrastructure stocks were the key market drivers, rebounding from a slow start to the year. Tech stocks gave back some of their gains as the S&P 500 modestly retreated in June. However, market broadening evident in the first quarter resumed in June, with the Industrials, Health Care and Financials sectors leading the markets. Small-cap stocks performed even better during the second quarter, with the Russell 2000 gaining more than 21%. Globally, developed-market stocks underperformed U.S. markets, while emerging-market stocks outpaced most major indices.

Investors appear to be encouraged by a generally favorable macroeconomic backdrop and solid corporate earnings growth. First quarter Gross Domestic Product, reported in the second quarter, showed 2.1% annualized growth, up from the previous quarter's 0.5%. Unemployment remained at a historically low level, with weekly initial jobless claims holding steady. Inflation is the major economic red flag, driven by rising energy prices stemming from the lingering Middle East conflict.

The U.S./Israeli clash with Iran curtailed oil shipments through the Strait of Hormuz, creating an oil price shock. The price of a barrel of West Texas Intermediate Crude, which was near $65 in late February, jumped to $114 by early April. Signs of progress toward a peace agreement helped oil prices decline beginning in mid-May, though the conflict appears far from settled.

In May, the Consumer Price Index topped the 4% mark, its highest level in more than three years, with rising energy costs the main impetus. In light of inflation's rise, bond yields remain elevated. The Fed underwent a leadership change, with Kevin Warsh becoming Fed chair in May. Through June, the Fed held the line on interest rates, with inflation data adding to market expectations that the Fed may be compelled to raise rates later this year.

Outlook

A key question going forward is the extent to which the second quarter's momentum can carry over through the remainder of the year. Is the market back on track after retreating in early 2026, or is the recent stock price surge unsustainable? A number of factors contribute to the positive case for stocks.

The U.S. economy appears poised to maintain modest growth, and corporate profits should remain on an upward trajectory. A healthy job market should allow consumers to maintain reasonable spending growth. However, the market's second-quarter surge was driven by strong business capital spending, particularly on AI infrastructure. A key issue is how persistent significant business investment will be.

However, other issues linger that could alter the environment going forward. The Middle East conflict is chief among them, primarily because of its impact on energy prices. If a peaceful resolution is achieved, oil prices could moderate, reducing inflationary pressures. However, if the Strait of Hormuz off Iran's coast remains a chokepoint for oil shipments, prices may trend higher again, which could exacerbate already elevated inflation levels. To this point, core inflation (excluding the volatile Food and Energy sectors) has been below 3% over the previous 12 months, but investors will be watching to see whether the impact of higher energy prices begins to seep into other areas of the economy. The Fed's actions regarding inflation risks are a major market concern. If the Fed raises interest rates, bond yields could follow suit, potentially creating additional equity market pressure.

As we survey the market, stocks don't offer the same attractive value as they did after the first quarter. Investors may already be assessing the risks associated with the stock market's recent run-up, shifting assets out of momentum-driven technology stocks into more defensive areas such as Health Care, Industrials and Financials. While fundamental company financial performance will remain a primary investor concern, external factors such as ongoing military conflicts, energy supply and demand, and the lead-up to November's midterm elections will also be considerations. The

prospect of unforeseen events could increase the market's unpredictability. If U.S. economic growth remains positive, consumers and businesses should remain well positioned to at least maintain current spending levels and help sustain a favorable economic underpinning for the market.

Regardless of the environment, we believe our philosophy of identifying companies with high cash flows, identifiable and recurring earnings, low leverage and strong management teams remains sound over the long term. Whether company earnings and economic growth continue to surprise to the upside, or if inflation concerns and exogenous events cause investors to reassess risk, we believe our focus on quality attributes at attractive valuations can provide strong potential returns.

Important Information

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 or full prospectus, which may be obtained by calling 1.877.FUND.WHG (877-386-3944), or by visiting our website at westwoodfunds.com. Read the prospectus carefully before investing or sending money.

The S&P 500® Index is a market capitalization-weighted index that measures the performance of 500 leading publicly traded companies in the U.S. equity market. The index is designed to represent the large-cap segment of the U.S. market and covers approximately 80% of available market capitalization. The **Russell 3000® Index** is a market capitalization-weighted equity index maintained by the Russell Investment Group that seeks to be a benchmark of the entire U.S. stock market. The index is composed of the 3,000 largest U.S. companies and represents approximately 98% of the investable U.S. equity market. The Russell 1000® Value Index measures the performance of those **Russell 1000® Index** companies with lower price-to-book ratios and lower forecasted growth values. **The Bloomberg U.S. Aggregate Bond Index** is a broad-based benchmark that measures the performance of the U.S. investment-grade, fixed-rate bond market. The index includes U.S. Treasuries, government-related and corporate securities, mortgage-backed securities, asset-backed securities, and commercial mortgage-backed securities. 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. **Growth** is a term used to refer to a share in a company that is anticipated to grow at a rate significantly above the average for the market. **Value** is a term used to refer to a company that tends to trade at a lower price relative to its fundamentals, such as dividends, earnings and sales, making them appealing to value investors. **Small cap** is a term used to refer to a company with a market capitalization typically between approximately $300 million and $2 billion. A company's market capitalization is calculated by multiplying the number of its shares outstanding by its stock price per share. **Mid cap** is a term used to refer to a company with a market capitalization generally between approximately $2 billion and $10 billion. These companies are often considered to be in a transitional phase between small, early-stage firms and larger, more established large-cap companies. **Large cap** is a term used to refer to a company with a market capitalization value of more than $10 billion. A company's market capitalization is calculated by multiplying the number of a company's shares outstanding by its stock price per share. **Earnings per Share (EPS)** is a company's net profit divided by its outstanding shares, indicating profitability on a per-share basis. **Gross Domestic Product (GDP)** is the total monetary value of all goods and services produced within a country's borders over a specific period, typically reported quarterly or annually. GDP is widely used as a comprehensive measure of a country's overall economic activity, growth and health. It includes consumer spending, business investment, government expenditures and net exports (exports minus imports).

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