Westwood®

Westwood Broadmark **Tactical Growth Fund (FTGWX)**

Market Update

December
2025

Fund Overview

Westwood Broadmark Tactical Growth Fund ("Fund") is designed to help investors sidestep market downturns while participating in its growth via the continuous and active management of portfolio market exposure. The Fund seeks to manage risk and enhance alpha with the flexibility to be long, short or neutral on the market.

- The Fund is designed as a core investment for those who worry about losing money in equity market downturns but also want to participate in the market's upside. Using active market exposure management, the Fund moves in and out of the market incrementally based upon macro and technical factors.
- The Fund invests primarily in a diversified portfolio of exchange-traded funds (ETFs) and instruments providing exposure to indices, sectors and industries based on its four-pillar process.
- Proprietary Volume/Breadth-Based Momentum models are used to determine optimal stock market exposure, including entry points, the amount of exposure, the type of exposure and exit points.

Market Review

After a sharp mid-month decline, a late November stock market rally helped propel stocks back toward their all-time highs. While the S&P 500 Index and Dow Jones Industrial Average (DJIA) managed to eke out small monthly gains—0.25% for the S&P 500 and 0.48% for the DJIA—the tech-heavy NASDAQ-100 Index registered its first monthly loss since March, declining 1.57%, spurred by fears of an artificial intelligence (AI) bubble.[1] Small-cap stocks strengthened late in the month, and the Russell 2000 Index gained 0.96%.[1]

Equity valuations are still elevated. When we adjust valuations for inflation using the Consumer Price Index (CPI), the S&P 500 median price-earnings (P/E) multiple is now at its highest level in almost three years at 30.10x.[2] In addition, American investor Warren Buffett's favorite valuation metric—stock market capitalization as a percentage of gross domestic product (GDP)—has reached a new all-time high.

While Federal Reserve (Fed) Chair Jerome Powell has said that another rate cut in December was not a foregone conclusion due to the stickiness of inflation, investors were optimistic that Fed members would again cut interest rates at their December meeting. The 10-year U.S. Treasury Note yield declined to 4.02% from last month's level of 4.11%.[3] Monetary policy and credit conditions remained positive with stable interest rates and narrow credit spreads.

The mid-month decline in stocks produced a great deal of short-term pessimism, which is positive from a contrary point of view. Our daily sentiment model reached its most positive level since the April 2025 bottom. Momentum also remains positive. Our breadth model, which includes all the stocks in the 11 S&P industry groups, improved during the month, and up volume is still comfortably above down volume.

[1] Bloomberg, November 30, 2025.
[2] Ned Davis Research, November 30, 2025.
[3] U.S. Department of the Treasury, November 30, 2025.

The Tactical Growth investment team kept market exposure steady in November at 65%.[4] The team would raise exposure if interest rates remained stable, credit spreads remained narrow and market breadth continued to improve. The team would decrease exposure if interest rates began to rise, credit spreads widened, investor sentiment became overly optimistic and if our volume and breadth models deteriorated.

Our assessment of the four pillars of our investment process is as follows:

1. ***Valuation:*** Equity valuations remain elevated. The median S&P 500 P/E ratio is now 25.6x, down from its October 2024 high of 27.0x.[5] But when we adjust P/E multiples for inflation, as represented by the CPI, multiples have now risen to 30.10x, near their highest level in three years (*Figure 1*).

   In addition, Warren Buffett's favorite valuation metric—stock market capitalization as a percentage of GDP—has reached a new all-time high (*Figure 2*).

2. ***Monetary factors and credit conditions:*** Interest rates declined slightly in November. The 10-Year U.S. Treasury Note yield ended the month at 4.02%, down from 4.11% at the end of last month. Importantly, credit spreads remain narrow, which is a positive sign (*Figure 3*).

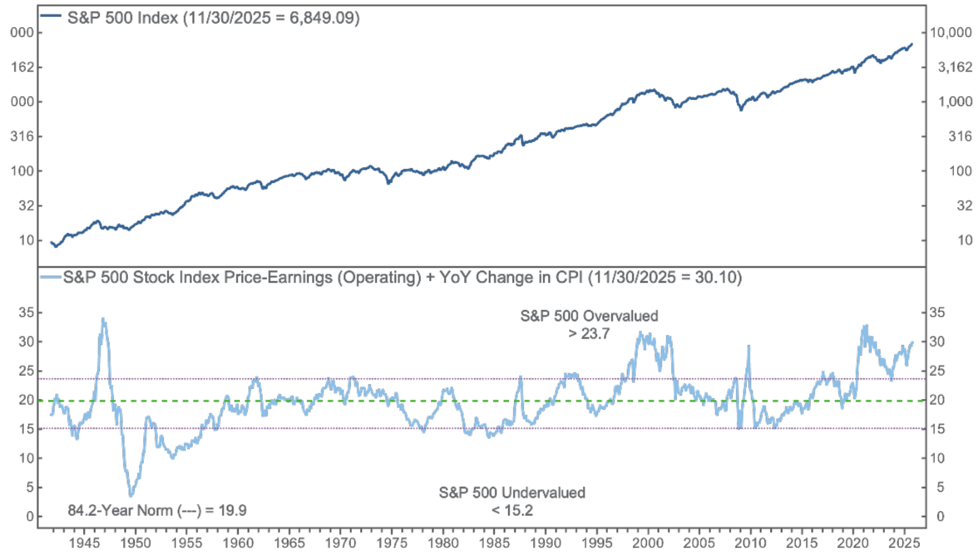
3. ***Sentiment:*** Our daily measure of investor sentiment registered its most positive reading since the April 2025 market low (*Figure 4*). This is a very positive sign. While not as positive, our intermediate measure of sentiment returned to neutral from its formerly negative reading.

4. ***Momentum:*** Our breadth model had been lagging the market due to the narrow AI-technology sector leadership. However, breadth recovered in November to a healthier level (*Figure 5*). While this is a positive development, we would note that our breadth model remains well below its mid-year high, which represents a longer-term divergence in breadth.

[4] Westwood Management and Broadmark, November 30, 2025.
[5] Ned Davis Research, November 30, 2025.

Figure 1.

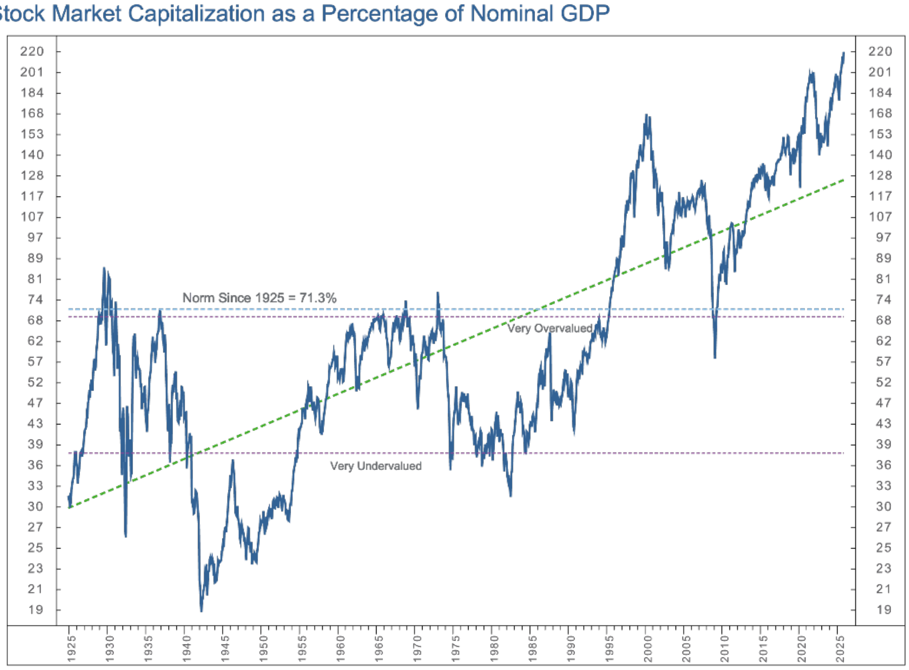
S&P 500 Index vs. S&P 500 Operating Price-Earnings + Year-to-Year Change in CPI



Sources: Ned Davis Research (NDR), S&P Dow Jones Indices, Bureau of Labor Statistics. Monthly data 10/31/1941 to 11/30/2025. Signals = Ratio rises above upper bracket (sell) or falls below lower bracket (buy) for the first time in six months. Current month uses CPI estimate. Starting in 1984, chart uses S&P 500 operating earnings. *Past performance does not guarantee future results. For illustrative purposes only.*

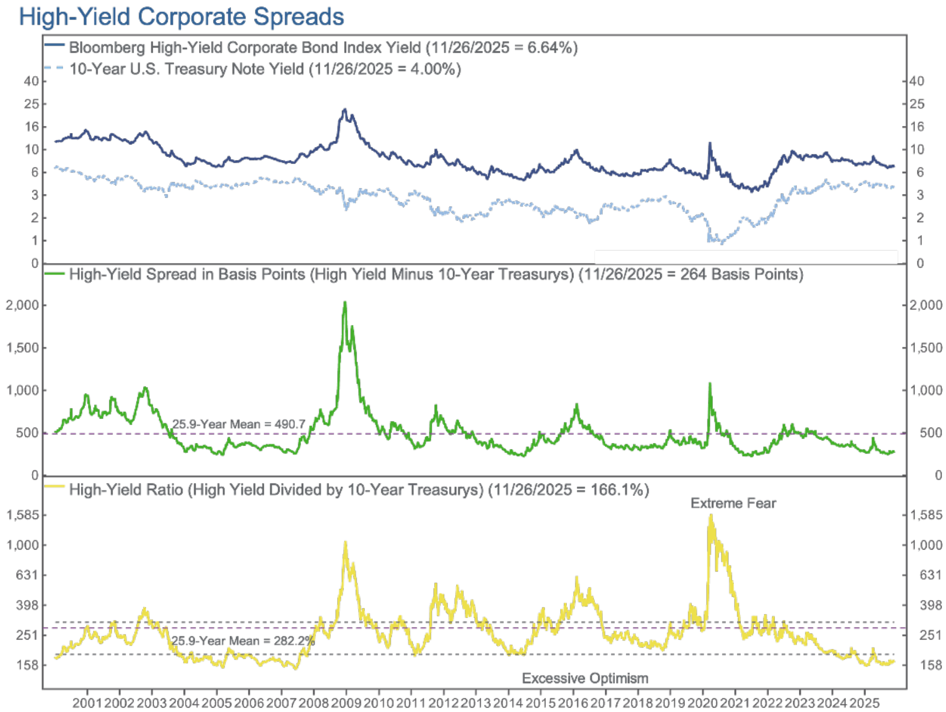
Figure 2.

Stock Market Capitalization as a Percentage of Nominal GDP



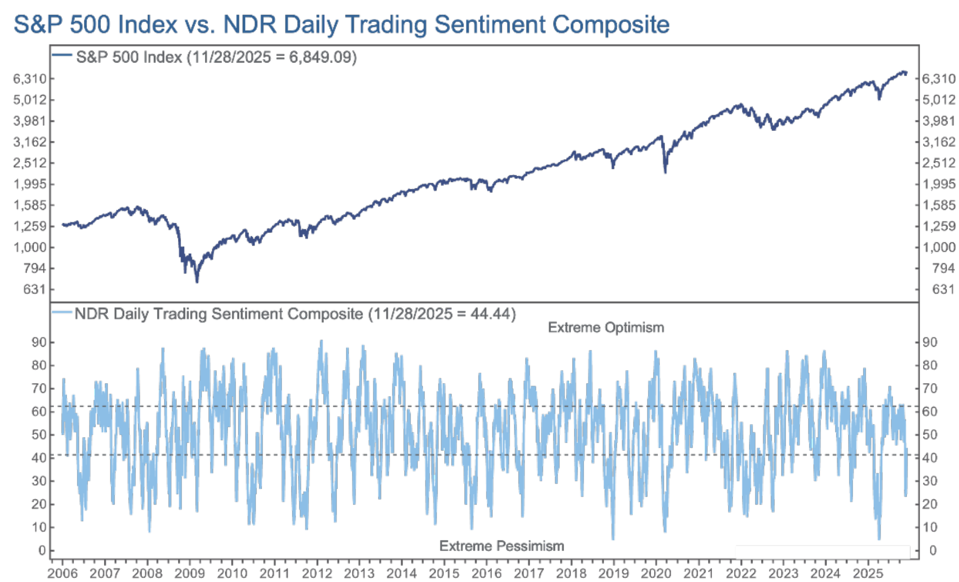
Sources: Ned Davis Research (NDR), Bloomberg, Department of Commerce, S&P Global, Jim Bianco. Monthly data 12/31/1924 to 11/30/2025 (log scale). NDR estimated fixed-weighted GDP used from December 1924 to February 1946. Chain-weighted GDP was used after February 1946. Calculation uses NDR estimated common stock market capitalization of U.S.-based companies. Dow Jones total stock market capitalization was used from January 1973 through September 1980. NYSE market capitalization was used prior to January 1973. *Past performance does not guarantee future results. For illustrative purposes only.*

Figure 3.



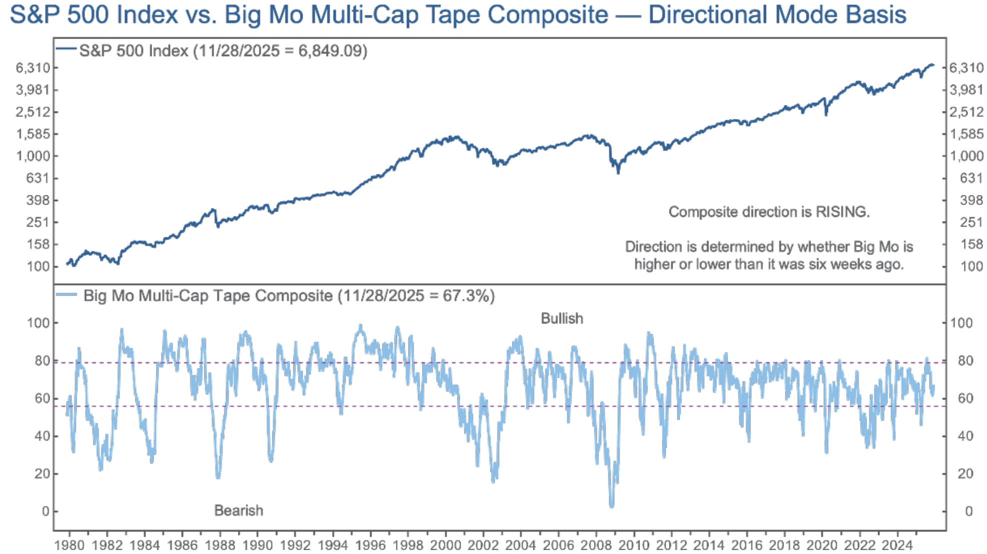
Sources: Ned Davis Research (NDR), Bloomberg Indices, Federal Reserve Board. Daily data 01/03/2000 to 11/26/2025. *Past performance does not guarantee future results. For illustrative purposes only.*

Figure 4.



Sources: Ned Davis Research (NDR), S&P Dow Jones Indices. Daily data 01/03/2006 to 11/28/2025. *Past performance does not guarantee future results. For illustrative purposes only.*

Figure 5.



Sources: Ned Davis Research (NDR), S&P Dow Jones Indices, NDR Multi-Cap Institutional (Universe), S&P Capital IQ, MSCI, Inc (GICS). Weekly data 11/16/1979 to 11/28/2025. *Past performance does not guarantee future results. For illustrative purposes only.*

About Westwood

Westwood Holdings Group, Inc. is a focused investment management boutique and wealth management firm.

Westwood offers high-conviction equity and outcome-oriented solutions to institutional investors, private wealth clients and financial intermediaries. The firm specializes in two distinct investment capabilities: U.S. Value Equity and Multi-Asset, available through separate accounts, the Westwood Funds® family of mutual funds and other pooled vehicles. Westwood benefits from significant, broad-based employee ownership and trades on the New York Stock Exchange under the symbol “WHG.” Based in Dallas, Westwood also maintains an office in Houston. For more information, please visit westwoodgroup.com.

Important Information

Westwood Broadmark Tactical Growth Fund’s investment objective is to produce, in any market environment, above-average risk-adjusted returns and less downside volatility than the S&P 500 Index.

Mutual fund investing involves risk, including possible loss of principal.

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.

Past performance does not guarantee future results, share prices will fluctuate and you may have a gain or loss when you redeem shares.

Westwood Funds does not provide tax advice. Please consult your tax advisor before making any decisions or taking any action based on this information.

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Broadmark Asset Management LLC is the sub-advisor to the Westwood Broadmark Tactical Growth Fund.

Fund Risks

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

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.

Short selling involves additional investment risks and transaction costs, and creates leverage, which can increase the risk and volatility of a fund.

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.

Alternative strategies typically are subject to increased risk and loss of principal. Consequently, investments such as mutual funds which focus on alternative strategies are not suitable for all investors.

Asset allocation does not assure profit or protect against risk. Diversification does not assure profit or protect against risk.

Westwood Investment Glossary

10-year U.S. Treasury Note is a debt obligation issued by the U.S. Treasury that has a term of 10 years.

Alpha is a technical risk ratio that shows a fund's excess return relative to the performance of its benchmark index.

Basis point (bps) is 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 U.S. Corporate High Yield Bond Index covers the USD-denominated, noninvestment-grade, fixed-rate, taxable corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below.

Breadth is a technique used in technical analysis that attempts to gauge the direction of the overall market by analyzing the number of companies advancing relative to the number declining.

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.

Credit spread is the spread between Treasury securities and non-Treasury securities that are identical in all respects except for quality rating.

Dow Jones Industrial Average is a price-weighted average of 30 blue-chip stocks that are generally the leaders in their industry and are listed on the New York Stock Exchange.

Exchange-traded funds (ETFs) track an index but trade like a stock on an exchange.

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

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.

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

Momentum is the rate of acceleration of a security's price or volume.

Monetary policy refers to the actions of a central bank, currency board or other regulatory committee that determine the size and rate of growth of the money supply, including a change in interest rates or the amount of money banks need to keep in bank reserves.

Nasdaq-100 Index is a modified capitalization-weighted index that includes the largest nonfinancial U.S. and non-U.S. companies listed on the NASDAQ stock market across a variety of industries, such as retail, healthcare, telecommunications, wholesale trade, biotechnology and technology.

NDR Big Mo Multi-Cap Tape Composite model uses trend and momentum indicators to provide a composite reading on the technical health of the broad equity market.

NDR Daily Trading Sentiment Composite use various measures of investor sentiment such as surveys, put/call ratios, etc. to define the levels of pessimism that are currently priced into equities.

Price-earnings (P/E) ratio is a measure of the price paid for a share of stock relative to the annual income or profit earned by the company per share. A higher P/E ratio means that investors are paying more for each unit of income.

Russell 2000 Index measures the performance of the 2,000 smallest companies in the Russell 3000 Index. The Russell 3000 Index represents approximately 98% of the investable U.S. equity market.

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

Spread is the difference between two prices, rates or yields.

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

Volume is the number of shares or contracts traded in a security or an entire market during a given period of time.

Volume/Breadth-Based Momentum Model is a proprietary model used by Broadmark Asset Management to determine optimal market exposure.

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.

One cannot invest directly in an index.