Westwood®

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

Market Update

February
2026

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 help 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

The stock market got off to a good start in 2026 with virtually all the major market averages recording positive returns for January. Small-cap stocks, as represented by the Russell 2000 Index, led the way, jumping 5.39%.[1] The Dow Jones Industrial Average rose 1.80%, the S&P 500 Index was up 1.45% and the Nasdaq-100 Index gained 1.23%.[1,2]

Two of our four pillars — equity valuations and investor sentiment — are still in negative territory. Warren Buffett's favorite valuation metric — stock market capitalization divided by gross domestic product (GDP) — climbed to another record high. Investor sentiment has grown more optimistic, which is negative from a contrary point of view. However, sentiment is a condition, not a trigger, and our sentiment measures have not yet reached extreme levels.

The other two pillars of our investment process — monetary policy and momentum — both remain positive. With the appointment of Kevin Warsh as the new chair of the U.S. Federal Reserve (Fed), it still seems likely that the Fed will continue to pursue a path to lower interest rates in 2026. Nonetheless, the 10-Year U.S. Treasury Note yield rose during the month to 4.26% from its year-end level of 4.18%.[3] However, credit spreads remain narrow, indicating no signs of credit deterioration.

Momentum remains positive. Up volume is still comfortably above down volume. Our breadth model, however, showed some deterioration in January. Breadth had shown improvement toward the end of last year but has now reversed course. We will be watching market breadth closely in coming weeks for further signs of deterioration.

[1] Bloomberg, January 31, 2026.
[2] Ultimus Fund Solutions, LLC, January 31, 2026.
[3] U.S. Department of the Treasury, January 31, 2026.

Due to deterioration in relative strength in the metals sector, the Tactical Growth investment team decreased market exposure from 75% to 70% in January.[4] The team would further lower exposure if market breadth continued to deteriorate, credit spreads widened or if investor sentiment became more optimistic. The team would raise exposure once again if breadth improved.

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

1. ***Valuation:*** Equity valuations remain elevated, which is negative. Warren Buffett's favorite valuation metric — stock market capitalization as a percentage of GDP — has reached a new all-time high. The most significant peaks in this metric were in 1929, 1973 and 2000 (*Figure 1*).

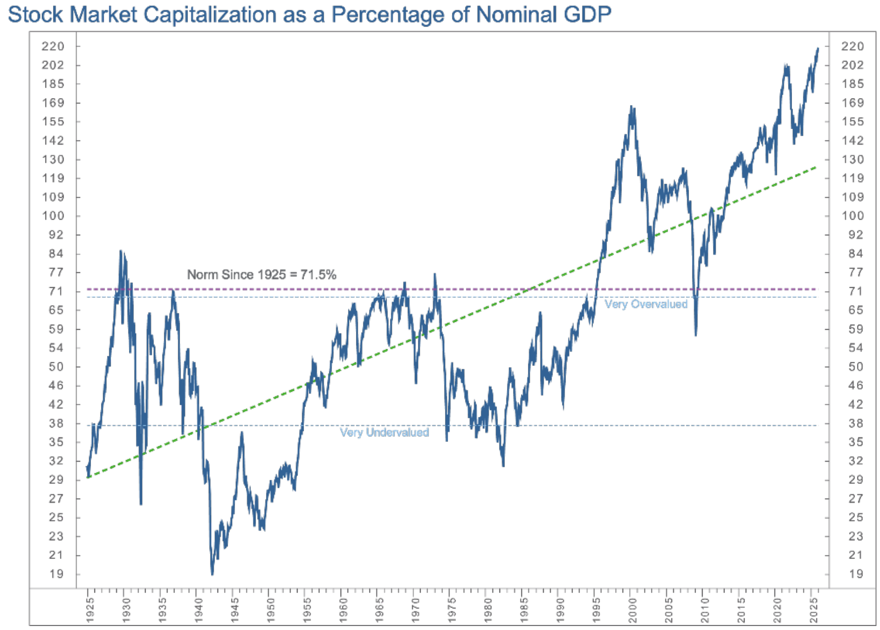
2. ***Monetary factors and credit conditions:*** Monetary conditions remain positive. The appointment of Kevin Warsh as the new Fed chair seems to indicate that the Fed will continue to pursue a path toward lower interest rates in 2026. Importantly, credit spreads remain narrow, which is positive sign (*Figure 2*). One metric that we are closely looking at is the yield curve. The curve is steepening, and while this is positive in the long run, history shows us that we have often seen market disruption occur in the early stages of a steepening yield curve (*Figure 3*). On the positive side, the Fed has announced that it will be purchasing Treasury bills, which injects liquidity into the financial system, and provisions of the One Big Beautiful Bill Act could add fiscal stimulus in early 2026.

3. ***Sentiment:*** Both our intermediate and daily measures of investor sentiment reflect more optimism, which is negative from a contrary point of view. However, these measures have not yet reached extremes, and our daily sentiment model has shown improvement in the last few weeks (*Figure 4*). Nonetheless, a longer-term negative for sentiment is that three major classes of investors are fully committed to stocks. Foreign investment is at a record high, and mutual fund cash is at a record low. In addition, stocks as percentage of financial assets — households and personal trusts — have climbed to a new all-time high. Peaks in this indicator have often led to lower returns in subsequent 10-year periods.

4. ***Momentum:*** Momentum remains positive, although our breadth model has shown some deterioration in the last month after having improved in late 2025 (*Figure 5*). We will be watching market breadth carefully in coming weeks. A deterioration here could be a precursor of market weakness ahead, although our volume model continues to be in positive territory.

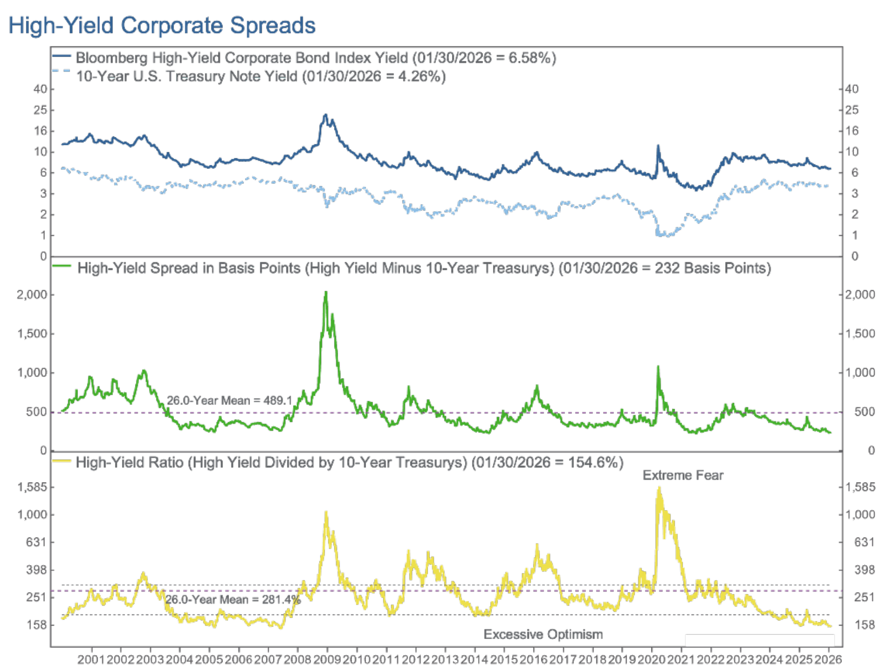
[4] Westwood Management and Broadmark, January 31, 2026.

Figure 1.



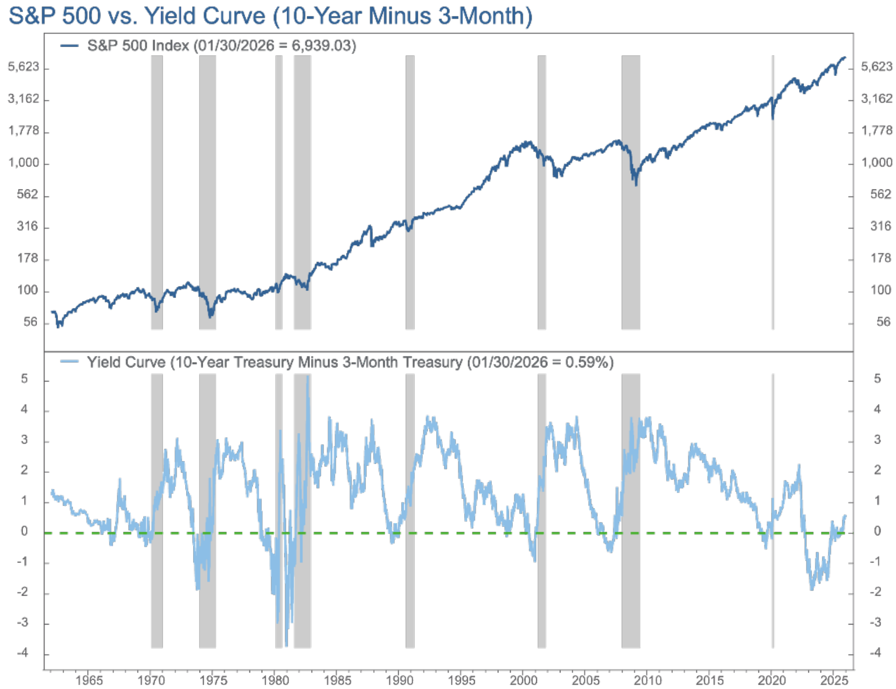
Sources: Ned Davis Research (NDR), Bloomberg, Department of Commerce, S&P Global, Jim Bianco. Monthly data 12/31/1924 to 01/31/2026 (log scale). NDR estimated fixed-weighted GDP used from December 1924 to February 1946. Chain-weighted GDP was used after February 1946. Calculation uses NDR estimated common 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 2.



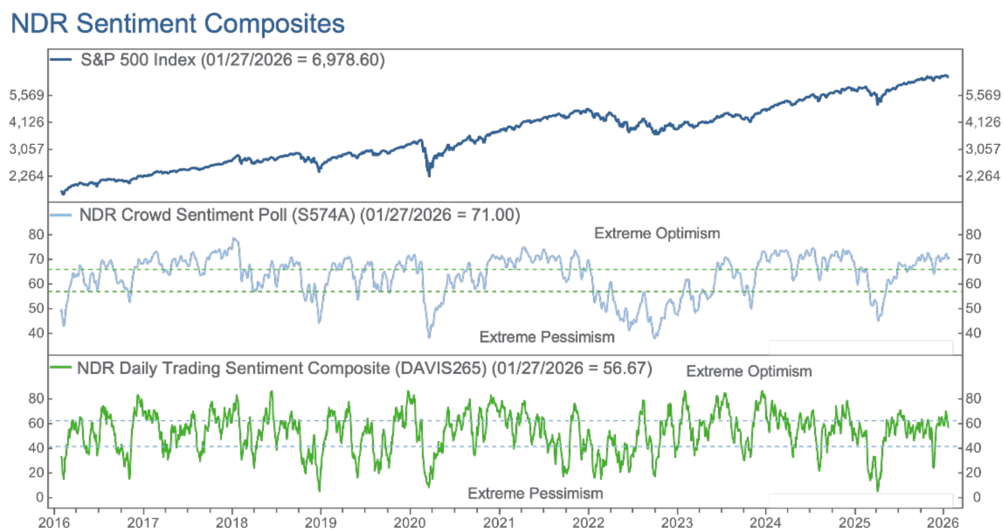
Sources: Ned Davis Research (NDR), Bloomberg Indices, Federal Reserve Board. Daily data 01/03/2000 to 01/30/2026. *Past performance does not guarantee future results. For illustrative purposes only.*

Figure 3.



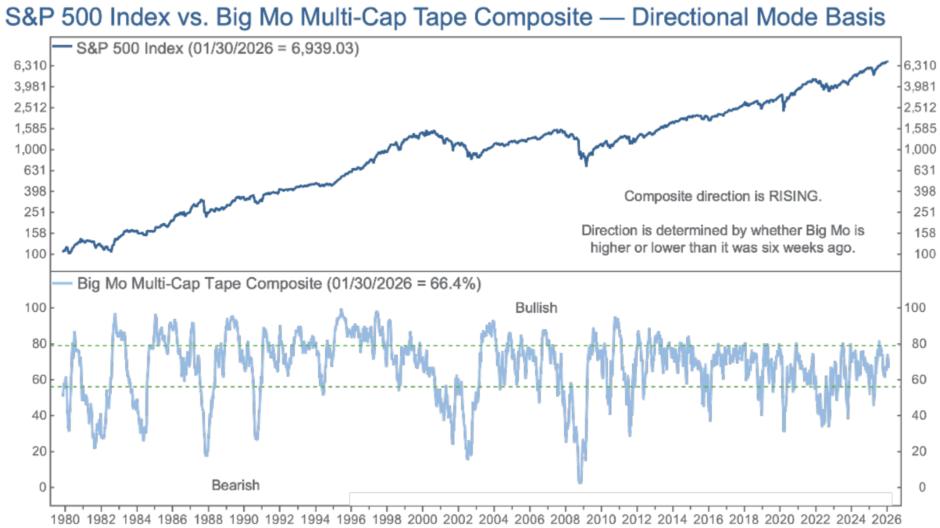
Sources: Ned Davis Research (NDR), S&P Dow Jones Indices, Federal Reserve Board. Daily data 01/02/1962 to 01/30/2026 (Log Scale). Shaded areas represent NBER-defined recessions. *Past performance does not guarantee future results. For illustrative purposes only.*

Figure 4.



Sources: Ned Davis Research (NDR), S&P Dow Jones Indices. Daily data 02/02/2016 to 01/27/2026. *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 01/30/2026. *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.

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

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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

3-Month Treasury Bill is a short-term U.S. government security with a constant maturity period of 3 months.

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.

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.

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 Crowd Sentiment Poll is a composite reading based on seven different individual sentiment indicators designed to highlight short- to intermediate-term swings in investor psychology.

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.

Recession is a period of declining economic performance across an entire economy that lasts for several months.

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.

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.