

Westwood Broadmark Tactical Growth Portfolio

Sub-Advised by Broadmark Asset Management LLC

Current Model

Effective Jul 18, 2024:

60% exposed (effectively) to the market:

- 25% SPY
- 10% RSP
- 10% IJH
- 5% XLV
- 5% XLU
- 5% XLC
- 39% BIL
- 1% cash

Previous Models

Effective Jun 13, 2024:

60% exposed (effectively) to the market:

- 10% RSP
- 35% SPY
- 5% XLV
- 5% XLU
- 5% XLC
- 39% BIL
- 1% cash

Effective Jun 3, 2024:

55% exposed (effectively) to the market:

- 20% RSP
- 25% SPY
- 5% XLV
- 5% XLU
- 44% BIL
- 1% cash

Effective May 23, 2024:

55% exposed (effectively) to the market:

- 25% RSP
- 25% SPY
- 2.5% XLV
- 2.5% XLU
- 44% BIL
- 1% cash

Key

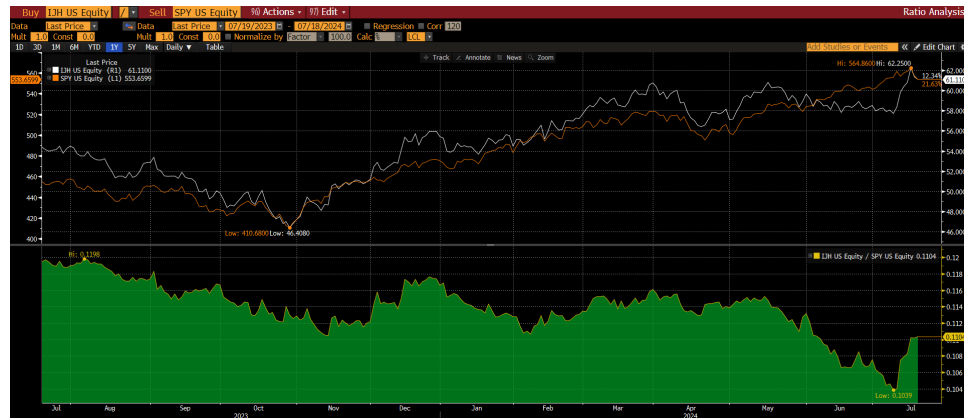
- BIL: SPDR Bloomberg 1-3 Month T-Bill ETF
- IJH: iShares Core S&P Mid-Cap ETF
- RSP: Invesco S&P 500 Equal Weight ETF
- SPY: SPDR S&P 500 ETF Trust
- XLC: Communication Services Select Sector SPDR Fund
- XLU: Utilities Select Sector SPDR Fund
- XLV: Health Care Select Sector SPDR Fund

Model Change

July 18, 2024

The portfolio managers rebalanced the portfolio with no change in net exposure by reducing the SPY (SPDR S&P 500 ETF Trust) position to 25% of the portfolio and initiating a 10% position in IJH (iShares Core S&P Mid-Cap ETF) in response to increasing relative strength in IJH. The portfolio's model is currently effectively 60% exposed to the market: 25% SPY (SPDR S&P 500 ETF Trust), 10% RSP (Invesco S&P 500 Equal Weight ETF), 10% IJH (iShares Core S&P Mid-Cap ETF), 5% XLV (Health Care Select Sector SPDR Fund), 5% XLU (Utilities Select Sector SPDR Fund), 5% XLC (Communication Services Select Sector SPDR Fund), 39% BIL (SPDR Bloomberg 1-3 Month T-Bill), and 1% cash.

Relative Strength



Source: Bloomberg, as of 07/18/2024. For illustrative purposes only. Past performance is not indicative of how the index will perform in the future. The index reflects the reinvestment of dividends and income and does not reflect deductions for fees, expenses or taxes. The index is unmanaged and is not available for direct investment.

Broadmark's Four Pillars

The portfolio management team takes a disciplined approach to their investment process that considers qualitative and quantitative factors but provides them discretion regarding how to position the strategy. There are four pillars of the investment process. The first three pillars—valuation, monetary policy and credit conditions, and investor sentiment—are qualitative in nature and indicate extreme market conditions while the final pillar—momentum—is a quantitative assessment of volume- and breadth-based momentum and confirms that a change in the market direction has taken place. The models utilized within these pillars provide key determinates in assessing optimal stock market exposure, including: entry points, the amount of exposure, the type of exposure and exit points.

VALUATION

The team looks for extremes in valuations to signal when to be cautious and when to be more optimistic about future returns. Historically, at high points in the stock market cycle, valuation levels are elevated and at low points in the cycle, valuations are low. Equity valuations must be assessed within the prevailing economic and interest rate environment.

MONETARY POLICY AND CREDIT CONDITIONS

Monetary policy and credit conditions are among the key factors in the determination of the long-term direction of the U.S. stock market. When the U.S. Federal Reserve (Fed) is easing monetary policy and credit conditions are accommodative, it provides a healthy environment for equities. A tightening of Fed policy and deteriorating credit conditions eventually create a poor environment for equities. Indicators of the actions of global central banks that could affect U.S. policy and the U.S. stock market are also important in this analysis.

INVESTOR SENTIMENT

Investor sentiment is analyzed from a contrarian point of view. Most classes of investors are wrong at market extremes. Extreme investor sentiment levels are seen as signals that market reversals may occur. When investors are very optimistic, it is usually the time to be cautious; when investors are selling heavily, it is usually time to increase market exposure.

MOMENTUM

Healthy markets are distinguished by a high percentage of stocks participating in the advance. During these times, measures of volume and market breadth confirm new highs in the major market indexes. As the stock market and economic cycle near a peak, there are usually decreasing levels of participation in terms of both breadth and volume, which creates negative divergences. The long-term momentum model is used to position the portfolio offensively, defensively or neutral to the market.

Important Information:

Investing involves risk, including a possible loss of principal. Past performance does not guarantee future results. No investment strategy can guarantee performance results. Portfolio holdings are subject to change at any time. Westwood Management Corp. ("WMC") is a wholly owned subsidiary of Westwood Holdings Group, Inc. (NYSE: WHG). WMC is an SEC registered investment adviser under the Investment Advisers Act of 1940. The views expressed contain certain forward-looking statements. Westwood believes these forward-looking statements to be reasonable, although they are forecasts and actual results may be meaningfully different. This material represents an assessment of the market at a particular time and is not a guarantee of future results. This information should not be relied upon by the reader as research or investment advice regarding any particular security.

Leveraged and/or inverse ETF have certain risks, including but not limited to tracking error from the stated objective due to the use of derivatives and leverage, especially during periods of market volatility.

Communication Services Select Sector SPDR Fund (XLC) seeks to provide investment results that, before expenses, correspond generally to the price and yield performance of publicly traded equity securities of companies in the Communication Services Select Sector Index. The Fund invests at least 95% of its total assets in the securities comprising the Index.

Dow Jones Industrial Average (DJIA) 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.

Health Care Select Sector SPDR ETF (XLV) seeks to provide investment results that, before expenses, correspond generally to the price and yield performance of the Health Care Select Sector Index.

Invesco S&P 500 Equal Weight ETF (RSP) is based on the S&P 500 Equal Weight Index (Index). The Fund will invest at least 90% of its total assets in securities that comprise the Index.

iShares 1-3 Year Treasury Bond ETF (SHY) seeks to track the investment results of an index composed of U.S. Treasury bonds with remaining maturities between one and three years.

iShares Core S&P Mid-Cap ETF (IJH) seeks to track the investment results of an index composed of mid-capitalization U.S. equities.

NASDAQ-100 Index (QQQ) 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.

ProShares Short S&P500 (SH) seeks daily investment results, before fees and expenses, that correspond to the inverse (-1x) of the daily performance of the S&P S&P 500®.

Russell 2000 Index (IWM) 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 (SPY) is an unmanaged index of 500 common stocks chosen to reflect the industries in the U.S. economy.

SPDR Bloomberg 1-3 Month T-Bill ETF (BIL) seeks to provide investment results that, before fees and expenses, correspond generally to the price and yield performance of the Bloomberg 1-3 Month U.S. Treasury Bill Index.

SPDR Dow Jones Industrial Average ETF (DIA) seeks to provide investment results that, before expenses, correspond generally to the price and yield performance of the Dow Jones Industrial Average.

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

Treasuries (or Treasury bonds) are debt obligations issued and backed by the full faith and credit of the U.S. government that have various maturities and are issued at a discount to par.

Utilities Select Sector SPDR ETF (XLU) seeks to provide investment results that, before expenses, correspond generally to the price and yield performance of the Utilities Select Sector Index.

