

Strategy Overview

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

- The strategy 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 strategy moves in and out of the market incrementally based upon macro and technical factors.
- The strategy 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

Despite geopolitical uncertainty and the rise in the price of oil, stocks climbed to record highs in April, powered by strong earnings, particularly in the technology sector. As a result, technology stocks led the market higher during the month, with the Nasdaq-100 Index jumping 15.66%.¹ Small-cap stocks also came alive with the Russell 2000 Index gaining 12.21%.² The S&P 500 Index was up 10.49%,² and the Dow Jones Industrial Average rose 7.24%.¹

The first pillar of our investment process — equity valuations — remains in negative territory. However, the median price-earnings multiple on the S&P 500 fell during the month due to strong earnings. While this is positive for the market on a near-term basis, equity valuations are still well-above their 62.2-year median multiple of 18.0 times earnings.³

The second pillar of our investment process, monetary policy and credit conditions, has become more neutral. The rise in price of oil and accompanying increased prices for other commodities have led to higher potential inflationary expectations. Nonetheless, interest rates rose modestly during the month. The 10-year U.S. Treasury Note yield closed the month at 4.40%, up slightly from the 4.30% yield at the end of March.⁴

As noted in our last commentary, the third pillar of our investment process, investor sentiment, moved into bullish territory last month and, in retrospect, that marked the market low. Since then, investor sentiment has become much more optimistic, which is negative from a contrary point of view.

The fourth pillar of our process — momentum — showed improvement, and both our measures of market breadth and volume are positive. Due to the improvement in sentiment in March and continued strong momentum, the investment

¹ Bloomberg, April 30, 2026.

² Ultimus Fund Solutions, LLC, April 30, 2026.

³ Ned Davis Research, April 30, 2026.

⁴ U.S. Department of the Treasury, April 30, 2026.

team raised exposure to 55%.⁵ The team would increase exposure if interest rates declined and if momentum improved further. The team would lower exposure if our breadth and volume momentum models deteriorated.

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

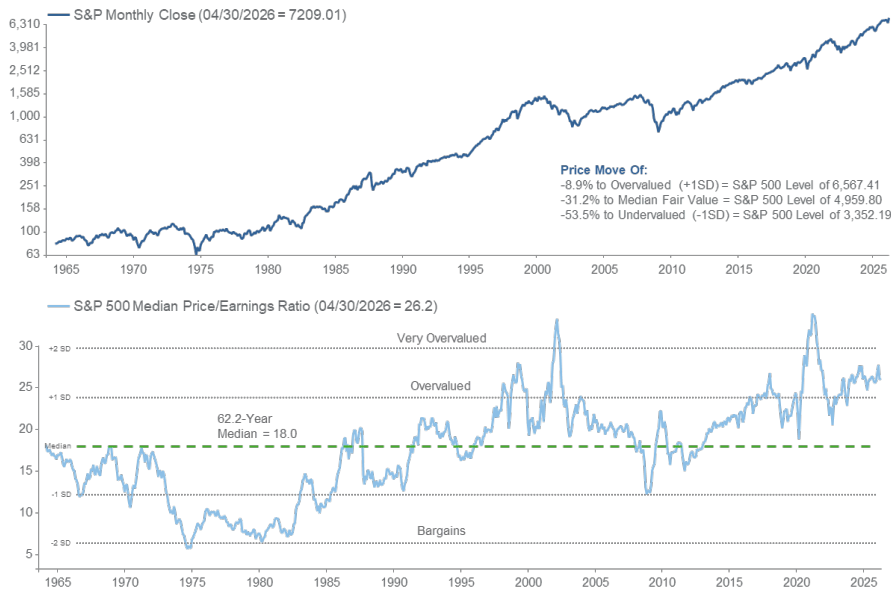
1. **Valuation:** Equity valuations improved last month with the median multiple on the S&P 500 falling to 26.2 times earnings. Nonetheless equity valuations are still well above their 62.2-year median multiple of 18.0 times earnings (*Figure 1*).
2. **Monetary factors and credit conditions:** Monetary conditions have turned neutral after the positive readings of recent months. The reason for this shift is that the Iran conflict and the blocking of the Strait of Hormuz have sent oil and other commodity prices upward. Nonetheless, strong earnings gains overcame these concerns in April. Credit spreads remain narrow, indicating no current trouble in the credit markets (*Figure 2*).
3. **Sentiment:** Both our intermediate and daily measures of investor sentiment turned more positive in March. However, in April these measures became more negative as investors became more bullish. This increase in bullish sentiment is negative from a contrary point of view (*Figure 3*). We would note that investor sentiment is a condition, not a trigger, and investor sentiment can remain bullish for an extended period of time prior to a market correction.
4. **Momentum:** After weakening in March, our market breadth model has once again risen into modestly bullish territory (*Figure 4*). As tech leadership has surged, the market's breadth has lagged our volume measures due to narrowed leadership, which has happened during other periods of tech leadership. Nevertheless, as happened in these other periods, our upside-downside volume measures have remained continuously positive. It is good to see breadth improving along with our measures of upside and downside volume.

⁵ Westwood Management and Broadmark, April 30, 2026.



Figure 1.

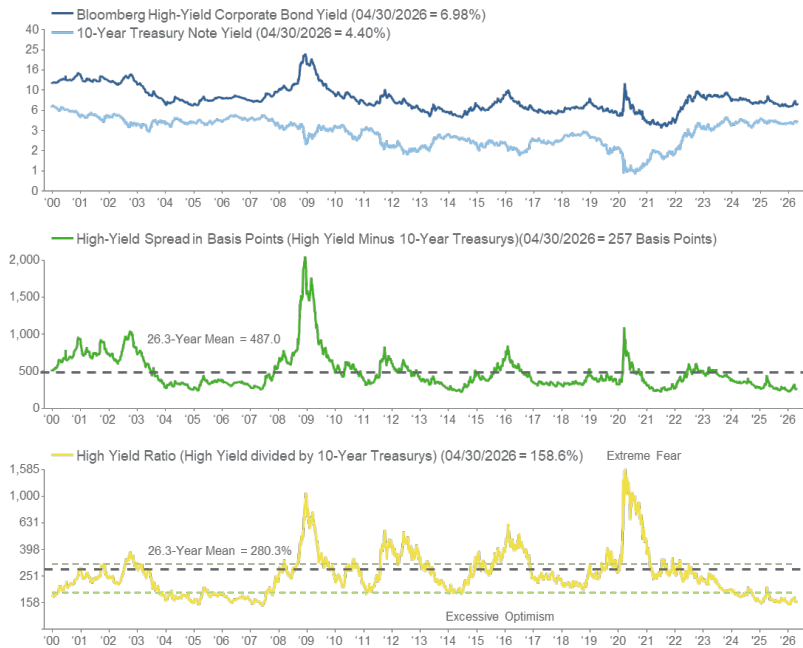
S&P 500 Median Price-Earnings Ratio (NDR Calculation)



Sources: Ned Davis Research (NDR), S&P Dow Jones Indices, S&P Capital IQ Compustat. Monthly data 03/31/1964 to 04/30/2026. SD = Standard Deviation. *Past performance does not guarantee future results. For illustrative purposes only.*

Figure 2.

High-Yield Corporate Spreads

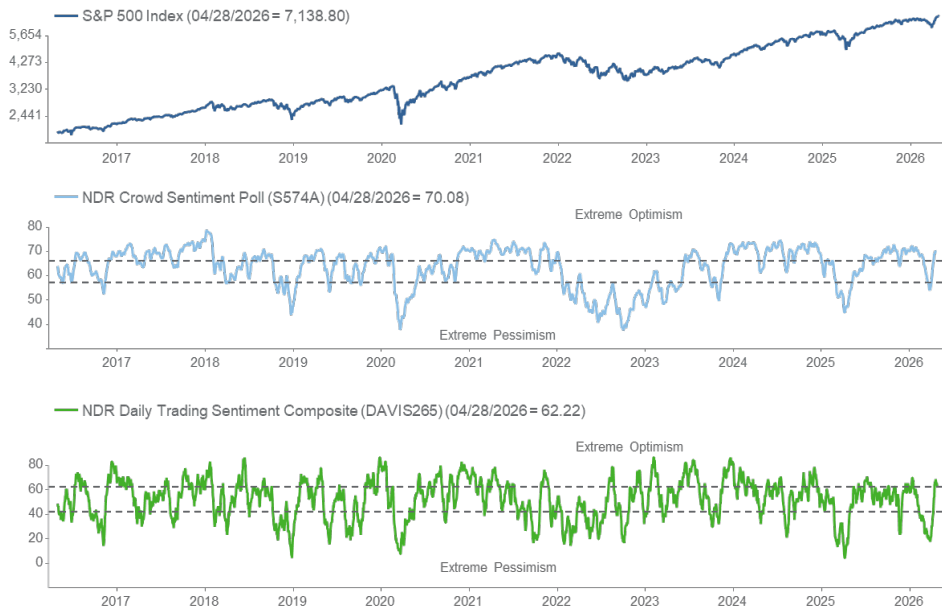


Sources: Ned Davis Research (NDR), Bloomberg Indices, Federal Reserve Board. Daily data 01/03/2000 to 04/30/2026. *Past performance does not guarantee future results. For illustrative purposes only.*



Figure 3.

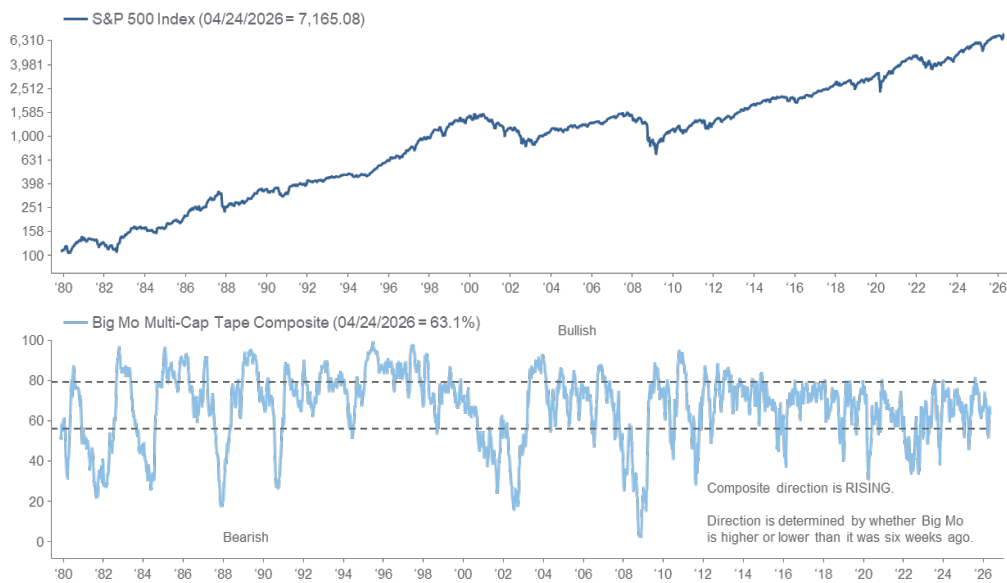
NDR Sentiment Composites



Sources: Ned Davis Research (NDR), S&P Dow Jones Indices. Daily data 05/02/2016 to 04/28/2026. Past performance does not guarantee future results. For illustrative purposes only.

Figure 4.

S&P 500 Index vs. Big Mo Multi-Cap Tape Composite — Directional Mode Basis



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 04/24/2026. 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

The **Tactical Growth composite** seeks to produce above-average, risk-adjusted returns, in any market environment, while exhibiting less downside volatility than the market itself. The strategy is designed to evaluate potential long and short investments in an attempt to isolate those securities believed to be undervalued or overvalued relative to their intrinsic value and offer the greatest risk-adjusted potential for returns. The portfolio primarily invests in ETFs of securities and security indices that can represent long, short, levered long or levered short positions in general asset classes of both U.S. and overseas equity markets. For comparison purposes, the composite's benchmarks are the HFRX Equity Hedge Index and the S&P 500 Index. The HFRX Equity Hedge Index comprises private funds with strategies that maintain both long and short positions primarily in equity securities and equity derivatives. The S&P 500 Index consists of 500 stocks chosen for market size, liquidity and industry group representation. It is a market value-weighted index and one of the most widely used benchmarks of U.S. stock performance. On January 1, 2019, the HFRX Equity Hedge Index replaced the S&P 500 Index as the strategy's primary benchmark index because the new index more closely aligns to the strategy's investment methodologies. Prior to December 31, 2018, the Morningstar Long/Short Equity Index was the secondary benchmark. It is no longer shown as the HFRX Equity Hedge Index more closely aligns to the portfolio's investment strategies.

Separately managed account strategies may not be appropriate or suitable for all investors. There is no guarantee that the strategy's objective will be achieved. It should not be assumed that investments in this strategy have been or will be profitable.

Past performance does not guarantee future results.

Other than levered and inverse ETFs, leverage or derivatives are not used. The use of levered and inverse ETFs is anticipated to be infrequent and may not materially impact returns.

The risks associated with ETFs are detailed in the individual ETF's prospectus, which will be provided upon request.

The portfolio is sub-advised by Broadmark Asset Management LLC, an independent registered investment advisor.

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. This information is being provided solely for educational purposes and is not an offer to sell or solicitation of an offer to buy an interest in any investment fund. Any such offer or solicitation may only be made by means of a confidential private offering memorandum or prospectus relating to a particular fund and only in a manner consistent with federal and applicable state securities laws.

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.

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.

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 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.

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.

Standard deviation measures the degree to which a security's return varies from its previous returns or from the average of all similar securities.

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.

Charts are ©2026 Ned Davis Research, Inc. Further distribution is prohibited without prior permission. All rights reserved. See NDR disclaimer at www.ndr.com/copyright.html. For data vendor disclaimers, refer to www.ndr.com/vendorinfo/.

© 2026 Westwood Management Corp. All rights reserved.

