



## Fund Overview

Westwood Broadmark Tactical Plus Fund (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. The nimble strategy seeks to sidestep downturns while aiming for positive returns through market cycles. Using active market exposure management, the Fund moves in and out of the market incrementally based upon macro and technical factors.

## Market Review

The stock market recorded its third consecutive year of double-digit gains in 2025. Bloomberg reports that virtually all Wall Street strategists are bullish for 2026. Could we see a fourth consecutive positive year in 2026? Yes, there is precedent. Two notable periods of four back-to-back positive years occurred during the roaring twenties (1925 to 1929) and the 1990s technology boom (1995 to 1999).<sup>1</sup> Therefore, another year of gains is entirely possible. But risks are rising, and we are carefully looking for signs that might indicate a more significant market correction in the new year.

Virtually all the major market averages were higher in 2025 and most set record all-time highs. The Nasdaq-100 Index led the way with a gain of 21.02%.<sup>1</sup> The S&P 500 Index was up 17.88%,<sup>2</sup> and the Dow Jones Industrial Average gained 14.92%.<sup>1</sup> Small-cap stocks underperformed large-cap stocks, despite the Russell 2000 Index being up 12.79% and setting a record high.<sup>1</sup> Stock market leadership continued to favor larger stocks, with the S&P 500 Equal Weight Index up only 11.20%, about two-thirds of the gain in the cap-weighted index.<sup>1</sup>

Equity valuations are still elevated, which is negative. Warren Buffett’s favorite valuation metric — stock market capitalization divided by gross domestic product (GDP) — climbed to another record high.<sup>3</sup> Monetary policy and credit conditions are positive. The Federal Reserve (Fed) cut interest rates in December 2025, and the 10-Year U.S. Treasury Note yield ended the year at 4.18%, down from 4.58% at the beginning of the year.<sup>4</sup> Credit spreads remain narrow.

Investor sentiment has grown more optimistic, which is negative from a contrary point of view. However, sentiment is a condition, not a trigger, and it has not yet reached extreme levels. Momentum remains positive. Our breadth model, which includes all the stocks in the 11 S&P industry groups, is still not as strong as our volume measure due to the narrowness of the artificial intelligence (AI) and technology leadership of recent years. But breadth improved in the last half of the year, and advancing volume is still comfortably above declining volume.<sup>5</sup>

The Tactical Plus investment team increased exposure in December in response to improved momentum and market breadth. The team would raise exposure if interest rates remained stable, credit spreads remained narrow and market

<sup>1</sup> Bloomberg, December 31, 2025.

<sup>2</sup> Ultimus Fund Solutions, LLC, December 31, 2025.

<sup>3</sup> Ned Davis Research, December 31, 2025.

<sup>4</sup> U.S. Department of the Treasury, December 31, 2025.

<sup>5</sup> Ned Davis Research, December 31, 2025.



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, which is negative. That said, valuations have moderated somewhat due to strong earnings growth. Nonetheless, 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 occurred during 1929, 1973 and 2000 (*Figure 1*).
2. **Monetary factors and credit conditions:** Monetary conditions remain positive. Interest rates declined during 2025. The 10-Year U.S. Treasury Note yield ended the year at 4.18%, down from 4.58% at the beginning of the year. Importantly, credit spreads remain narrow, which is a positive sign (*Figure 2*). In addition, 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 2026.

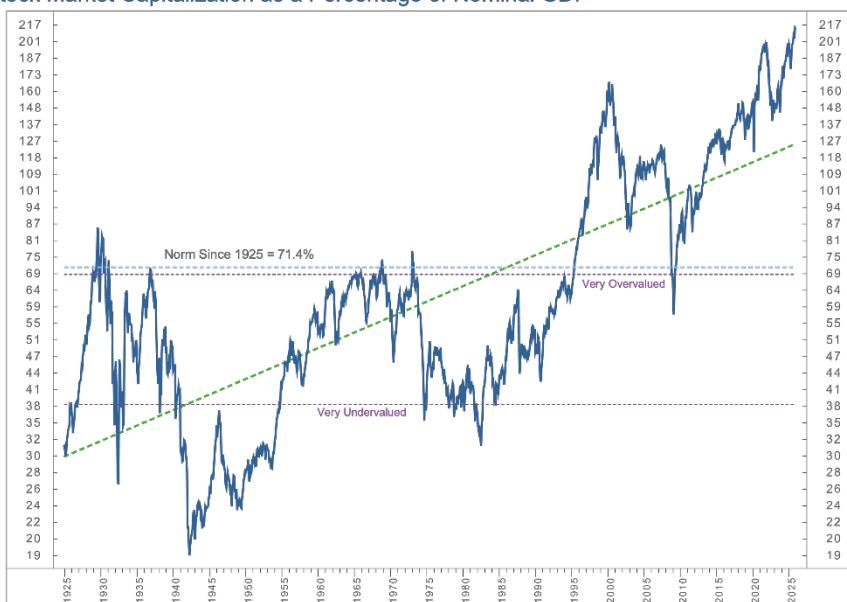
One cautionary factor is that the U.S. Treasury yield curve (10-year minus 3-month) has begun to steepen and is now at its steepest level in over two years (*Figure 3*). A continued steepening of the curve would be negative from a historical point of view. A significant steepening of the curve has often preceded an economic slowdown or recession.

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. A longer-term negative 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 (*Figure 4*). Peaks in this indicator have often led to lower returns in subsequent 10-year periods.
4. **Momentum:** Momentum is still positive, although our breadth model lagged the market in recent years due to the narrow AI and technology sector leadership. Breadth improved in 2025, but our breadth model still lags the stronger volume models and is well below its high achieved earlier in the year (*Figure 5*).

The reason that breadth has lagged in recent years is due to the strength in AI and technology. The information technology sector of the S&P 500 accounts for nearly 35% of the index and is now above the 2000 dot-com peak (*Figure 6*). Other periods in history when such a discrepancy existed between leadership and the rest of the market include 1973 (the Nifty Fifty), the late 1970s (oil stocks after the energy crisis) and 2000 (the dot-com bubble).

Figure 1.

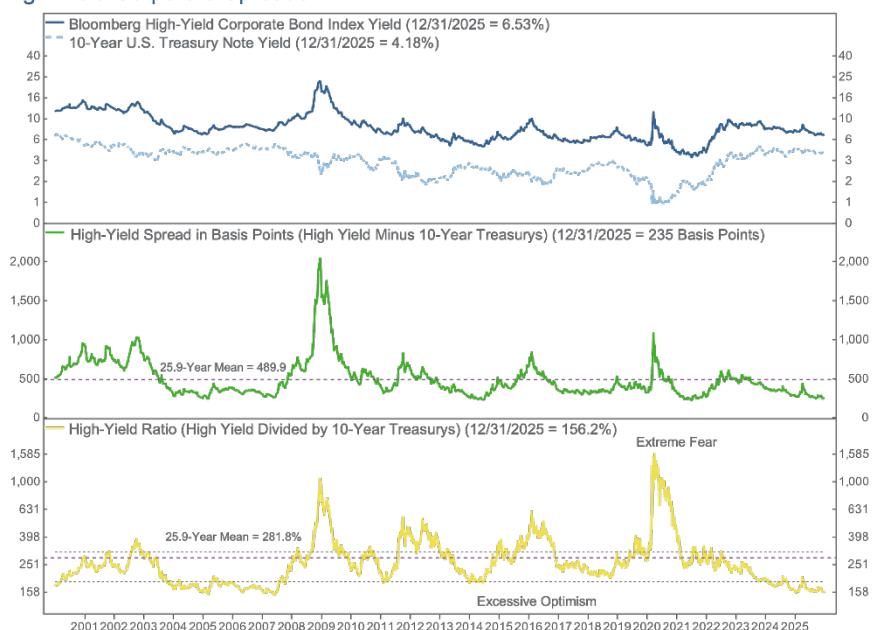
## Stock Market Capitalization as a Percentage of Nominal GDP



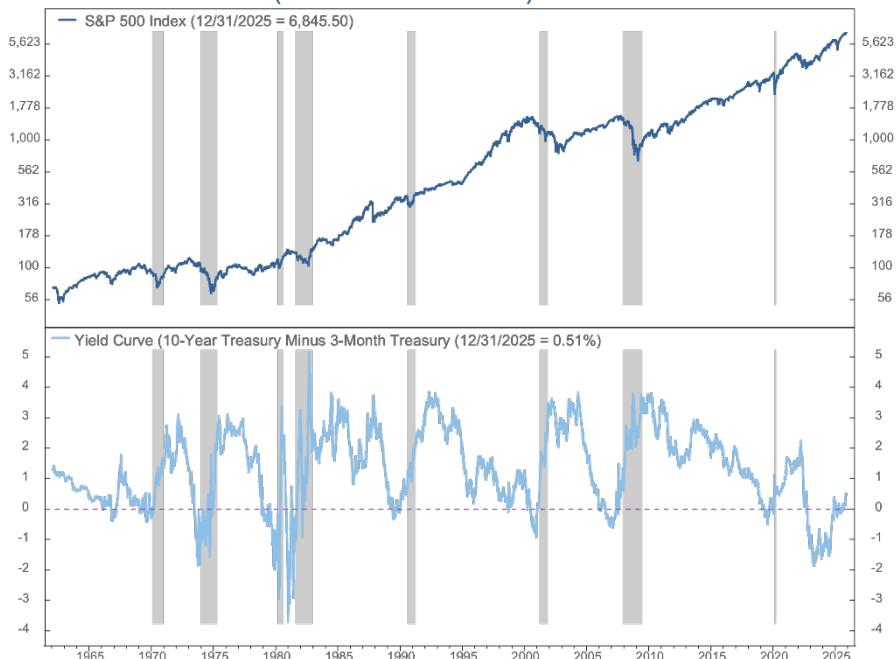
Sources: Ned Davis Research (NDR), Bloomberg, Department of Commerce, S&P Global, Jim Bianco. Monthly data 12/31/1924 to 12/31/2025 (log scale). NDR estimated fixed-weighted GDP used from December 1924 to February 1946. Chain-weighted GDP was used after February 1946. Calculation uses NDR estimated common 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 2.

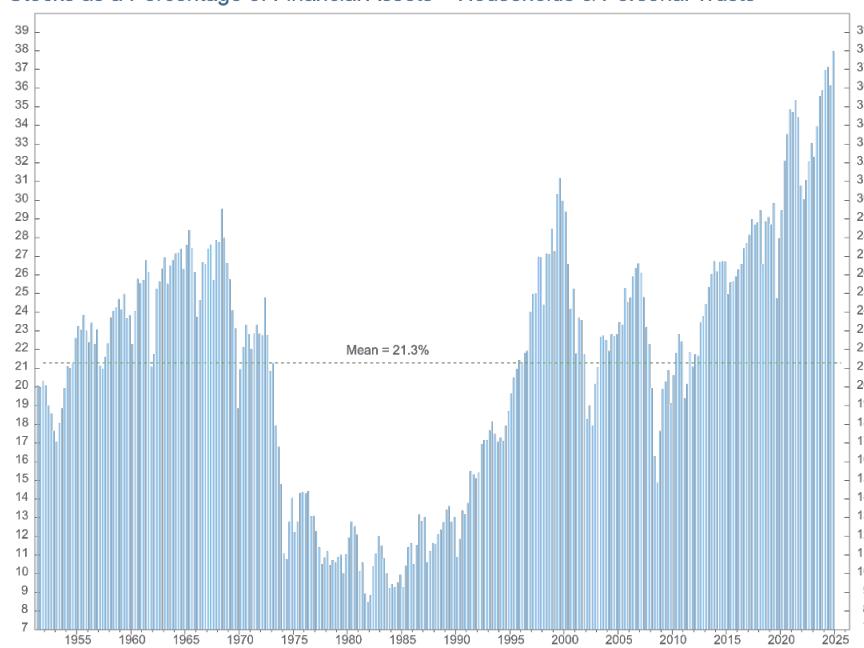
## High-Yield Corporate Spreads



Sources: Ned Davis Research (NDR), Bloomberg Indices, Federal Reserve Board. Daily data 01/03/2000 to 12/31/2025. Past performance does not guarantee future results. For illustrative purposes only.

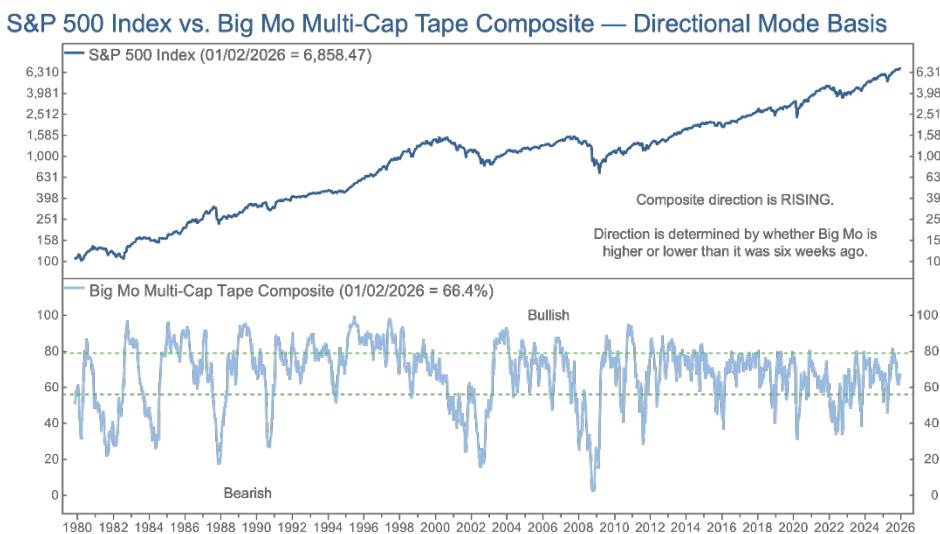
**Figure 3.****S&P 500 vs. Yield Curve (10-Year Minus 3-Month)**

Sources: Ned Davis Research (NDR), S&P Dow Jones Indices, Federal Reserve Board. Daily data 01/02/1962 to 12/31/2025 (Log Scale). Shaded areas represent NBER-defined recessions. *Past performance does not guarantee future results. For illustrative purposes only.*

**Figure 4.****Stocks as a Percentage of Financial Assets – Households & Personal Trusts**

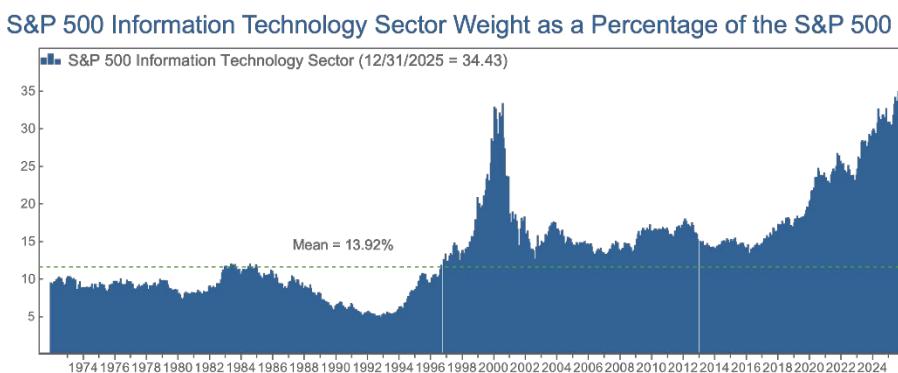
Sources: Ned Davis Research (NDR), Federal Reserve. Quarterly data 12/31/1951 to 06/30/2025. Equity value includes stocks directly held plus assets in domestic equity mutual funds and ETFs. *For illustrative purposes only.*

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 01/02/2026. *Past performance does not guarantee future results. For illustrative purposes only.*

Figure 6.



Sources: Ned Davis Research (NDR), S&P Dow Jones Indices, MSCI, Inc (GICS). Monthly data 01/31/1972 to 12/31/2025. *Past performance does not guarantee future results. For illustrative purposes only.*

## Performance Update

### Without Sales Charge

	Dec 25*	QTD†	YTD†	1 YR†	3 YR†	5 YR†	10 YR†	Since Inception†
SBTAX (Class A)	-0.09%	1.15%	-2.94%	-2.94%	0.89%	1.23%	3.59%	4.16%
SBTIX (Class I)	-0.07%	1.33%	-2.68%	-2.68%	1.14%	1.50%	3.84%	4.40%
BPTIX (Class F)	-0.08%	1.29%	-2.44%	-2.44%	1.44%	1.80%	4.14%	4.73%
HFRX Equity Hedge Index	0.92%	1.66%	10.06%	10.06%	8.25%	6.61%	4.75%	4.40%
S&P 500 Index	0.06%	2.66%	17.88%	17.88%	23.01%	14.42%	14.82%	14.89%

### With Sales Charge

	Dec 25*	QTD†	YTD†	1 YR†	3 YR†	5 YR†	10 YR†	Since Inception†
SBTAX (Class A)	-3.11%	-1.86%	-5.87%	-5.87%	-0.12%	0.09%	3.00%	3.71%

\* As of December 31, 2025

† As of December 31, 2025

**Total Annual Fund Operating Expenses by Share Class (gross/net): Class A 2.14%/1.73%, Class I 1.89%/1.48%, Class F 1.89%/1.17%.** The advisor has contractually agreed to reduce fees and reimburse expenses until April 30, 2026. In the absence of current fee waivers, total return and yield would be reduced. Class A Sales Charge is 3.00%.

*Performance data quoted represents past performance and does not guarantee future results. Investment returns and principal values may fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than that shown. To obtain performance information current to the most recent month-end, please visit [westwoodfunds.com](http://westwoodfunds.com) or call 877.FUND.WHG.*

## 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](http://westwoodgroup.com).

### 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 and full prospectuses, which may be obtained by calling 877.FUND.WHG, or by visiting our website at [westwoodfunds.com](http://westwoodfunds.com). Read the prospectus carefully before investing or sending money.***

Westwood Broadmark Tactical Plus 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.

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 Plus Fund.

### Fund Risks

All securities investing and trading activities risk the loss of capital. No assurance can be given that the Fund's investment activities will be successful or that the Fund's shareholders will not suffer losses.

Equity securities may be subject to general movements in the stock market. The Fund may have exposure to or invest in equity securities of companies with small or medium capitalization, which involve certain risks that may differ from, or be greater than, those for larger companies, such as higher volatility, lower trading volume, lack of liquidity, fewer business lines and lack of public information.

The use of derivative instruments exposes the Fund to additional risks and transaction costs. These instruments come in many varieties and have a wide range of potential risks and rewards, and may include futures contracts, options on futures contracts, options (both written and purchased), swaps and swaptions. A risk of the Fund's use of derivatives is that the fluctuations in their values may not correlate perfectly with the overall securities markets. Derivatives also provide the economic effect of financial leverage by creating additional investment exposure, as well as the potential for greater loss.

The Fund may take a short position in a derivative instrument, such as a future, forward or swap. A short position on a derivative instrument involves the risk of a theoretically unlimited increase in the value of the underlying instrument. The Fund may also from time to time sell securities short, which involves borrowing and selling a security and covering such borrowed security through a later purchase. A short sale creates the risk of an unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost of buying those securities to cover the short position.

The Fund invests in exchange-traded funds (ETFs) and in options on ETFs, exposing it to the risks associated with the investments held by such ETFs. The value of any investment in an ETF will fluctuate according to the performance of that ETF. In addition, the Fund will indirectly bear a proportionate share of expenses paid by each ETF in which the Fund invests. Further, individual shares of an ETF may be purchased and sold only

on a national securities exchange through a broker-dealer. ETF shares trade at market prices rather than net asset value ("NAV") and shares may trade at a price greater than NAV (a premium) or less than NAV (a discount). The market price of an ETF's shares, like the price of any exchange-traded security, includes a "bid-ask spread" charged by the exchange specialists, market makers or other participants that trade the particular security.

The Fund invests in fixed-income securities, which are generally subject to credit risk and interest rate risk. Credit risk refers to the possibility that the issuer of a security will be unable to make interest payments and/or repay the principal on its debt. Interest rate risk refers to fluctuations in the value of a fixed-income security resulting from changes in the general level of interest rates. When the general level of interest rates goes up, the prices of most fixed-income securities go down. When the general level of interest rates goes down, the prices of most fixed-income securities go up.

The Fund may make foreign investments, which often involve special risks not present in U.S. investments that can increase the chances that the Fund will lose money.

To the extent that the Fund makes investments on a shorter-term basis, the Fund may as a result trade more frequently and incur higher levels of brokerage fees and commissions.

This document does not constitute an offering of any security, product, service or fund, including the Fund, for which an offer can be made only by the Fund's prospectus.

## 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.

**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.

**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 Equal Weight Index (EWI)** is the equal-weight version of the widely regarded S&P 500. The index has the same constituents as the capitalization-weighted S&P 500, but each company in the S&P 500 EWI is allocated a fixed weight.

**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.

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