

## Investment Objective

The investment objective of the Westwood MLP and Strategic Energy Fund is to seek to provide total return through a combination of capital appreciation and current income.

## Strategy Description

The Westwood MLP and Strategic Energy Fund pursues total return by investing in Master Limited Partnerships (MLPs), MLP-like securities, and energy related companies.

MLP-like securities and energy-related investments are securities with exposure to industries affiliated with the energy sector, such as midstream infrastructure (e.g. pipelines), distribution and production. Such holdings may include:

- Corporations that are general partners of MLPs
- Utilities
- Exploration and production companies
- Shipping Companies
- Yieldcos (utility companies that own renewable energy assets)

## Market Commentary

Energy equities began the quarter weak, only to rally after results of the U.S. Presidential election and a subsequent meeting of Organization of Petroleum Exporting Countries (OPEC). The Federal Reserve rate hike decision December 14 served to moderate some of the gains for the quarter. The Alerian MLP Index rose for the third consecutive quarter with a total return of 2.0%, thanks in large part to finalization of the OPEC framework. On November 30, OPEC agreed to the first output curtailment in eight years, extending an MLP rally into year-end and reversing weakness early in the quarter. Details of the OPEC commitment include a plan to take production down to a target of 32.5 million barrels per day, which compares to 33.87 million barrels per day pumped in November. Supplementing the OPEC decision, on December 10 an additional 11 non-members agreed to reduce output in the first half of 2017 by 600,000 barrels per day. For the year, oil printed its largest gain since 2009 while natural gas rose more than any other major commodity on a disappearing glut and fear of supply constraints. The Philadelphia Utilities Index eventually found traction in December, finishing the quarter with a gain of 0.5% including dividends. The U.S. 10-year Treasury yield rose again in the period to 2.45% by quarter-end on expectations of fiscal stimulus and inflationary pressure.

## Performance Drivers

Portfolio performance was driven by security selection, partially offset by a negative allocation effect. Selection effect was strongest in Crude Oil & Refined Product and weakest in Shipping. Allocation effect was strongest in Natural Gas

Pipelines and weakest in Natural Gas Gathering & Processing. General Partner exposure continued to add positive contribution to portfolio performance.

The top contributor to performance was Marathon Petroleum Corp. which became the focus of shareholder activism seeking a valuation uplift by breaking up the company into component parts. Targa Resources Corp. benefited from anticipation of recovering Permian Basin volumes going into year-end and LPG export growth. Noble Midstream Partners enjoyed a tailwind from upwardly revised volume outlook from the corporate parent in the Delaware and DJ Basin resulting in a guidance increase for fourth quarter. Dominion Midstream outperformed after announcing a drop down transaction at an accretive multiple that also removed an equity overhang. SemGroup delivered an earnings beat and project expansions during the quarter that helped restore confidence in long-term growth plans.

Enbridge Inc. underperformed in the wake of an earnings miss and Alberta wildfires. NextEra Energy Partners lagged on the combination of rising interest rates and uncertainty around renewable energy growth in a new Presidential administration. VTTI Energy Partners trailed peers on an earnings miss and ongoing need to tap equity markets to fund growth. After outperformance early in the year, Kinder Morgan Inc. took a pause on lighter than expected 2017 guidance. Finally, Sunoco Logistics Partners lagged after an earnings miss and a proposal to acquire sister company Energy Transfer Partners.

## 4Q16 Largest Contributors and Detractors

### Five Largest Contributors

Marathon Petroleum Corp.  
Targa Resources Corp.  
Noble Midstream Partners L.P.  
Dominion Midstream Partners L.P.  
SemGroup Corp. Class A

### Five Largest Detractors

Sunoco Logistics Partners L.P.  
Kinder Morgan Inc. Class P  
VTTI Energy Partners L.P.  
NextEra Energy Partners L.P.  
Enbridge Inc.

**Westwood MLP and Strategic Energy Fund Performance as of 12/31/16**

			Annualized
	4 <sup>th</sup> Quarter	1 Year	Since Inception*
Westwood MLP and Strategic Energy Fund	2.20%	22.59%	-10.06%
Alerian MLP Index	2.04%	18.31%	-11.03%

*\*Inception date is 12/29/14. The performance data quoted represents past performance. Past performance is not indicative of future results. The investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost and current performance may be lower or higher than the performance quoted. Total expense ratio for the Fund is 1.82% (gross) and 1.00% (net). The Adviser has contractually agreed to waive fees and reimburse expenses until February 28, 2017. In the absence of current fee waivers, performance would be reduced. For performance data current to the most recent month end, please call 1-877-FUND-WHG or visit our website at westwoodfunds.com.*

*The Alerian MLP Index is the leading gauge of large- and mid-cap energy Master Limited Partnerships (MLPs). The float-adjusted, capitalization-weighted index, which includes 50 prominent companies and captures approximately 75% of available market capitalization, is disseminated real-time on a price-return basis (AMZ) and on a total-return basis (AMZX).*

**Top 10 Holdings as of 12/31/16\***

Plains GP Holdings L.P. Class A	EOG Resources Corp.
Enbridge Inc.	Energy Transfer Partners L.P.
TransCanada Corp.	EQT Midstream Partners L.P.
Kinder Morgan Inc. Class P	Sempra Energy
Schlumberger N.V.	Anadarko Petroleum Corp.

*\*Top 10 holdings represent 36.24% of the total portfolio. Holdings are subject to change. Current and future holdings are subject to risk.*

Philadelphia Utilities Index is an index composed of geographically diverse public U.S. utility stocks.

Mutual fund investing involves risk, including possible loss of principal. In addition to the normal risks associated with investing, bonds and bond funds are subject to interest rate risk and will decline in value as interest rates rise. High yield bond funds are speculative and carry a greater degree of risk. International investments may involve risk of capital loss from unfavorable fluctuation in currency values, from differences in generally accepted accounting principles or from social, economic or political instability in other nations. Investments in smaller companies typically exhibit higher volatility. The Funds may invest in derivatives, which are often more volatile than other investments and may magnify a Fund's gains or losses. Investments in securities of MLPs involves risk that differ from investments in common stock including risks related to limited control and limited rights to vote on matters affecting the MLP. MLP common units and other equity securities can be affected by economic and other factors affecting the stock market in general, expectations of interest rates, investor sentiment towards MLPs or the energy sector, changes in a particular issuer's financial condition, or unfavorable or unanticipated poor performance of a particular issuer. MLP investments in the energy industry entail significant risk and volatility. MLPs are subject to significant regulation and may be adversely affected by changes in the regulatory environment including the risk that an MLP could lose its tax status as a partnership. The Fund is not diversified. There is no guarantee that the Fund will achieve its stated objective, which can be found in the prospectus, or that of the strategy.

***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 or full prospectus, which may be obtained by calling 1.877.FUND.WHG (877-386-3944), or by visiting our website at westwoodfunds.com. Read the prospectus carefully before investing or sending money.***

*This material represents the manager's assessment of the market environment and should not be relied upon by the reader as research or investment advice regarding any security, nor is it intended to be a forecast of future events or a guarantee of future results.*

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