WESTWOOD FUNDS®

Westwood Worldwide Income Opportunity Fund (WWIOX)

4Q16 Commentary

Investment Objective

The investment objective of the Westwood Worldwide Income Opportunity Fund is to seek to provide total return, through a combination of current income and capital appreciation, with a lower level of volatility than traditional equity-oriented strategies.

Strategy Description

The Westwood Worldwide Income Opportunity Fund has a dual mandate to earn an attractive total return, while maintaining a low volatility profile. The Fund will invest in a broad opportunity set including global dividend paying stocks, global preferred stocks, global convertible securities, global Real Estate Investment Trusts (REITs), Master Limited Partnerships (MLPs), Royalty Trusts, global fixed income and cash. Utilizing a flexible tactical allocation, the fund will be able to adjust its asset allocation and investment positions as risk, return and income characteristics change.

Key Highlights

- Donald Trump's election victory produced the strongest post-election U.S. equity market rally in more than six decades, lifting major U.S. equity indices to all-time highs
- The U.S. trade-weighted dollar strengthened over 6% against major currencies
- Oil prices rose over 7% as The Organization of the Petroleum Exporting Countries (OPEC) reached an agreement to cut oil production for the first time since 2008
- G-7 sovereign bond yields rose significantly, handing holders a loss of 9.3% in dollar terms and making Global Fixed Income the worst-performing asset class
- U.S. Common Stock was the best-performing asset class

Market Overview

Looking back, 2016 — and in particular its fourth quarter — will be remembered as marking the beginning of a regime change in financial markets. For one, it appears U.S. monetary policy will finally get to pass the stimulus baton on to fiscal policy, making the Federal Reserve the envy of most other major central banks around the world. While the fears of disinflation and low global growth that permeated financial markets earlier in the year were already easing prior to the U.S. election, the outcome of the election served to supercharge that improving sentiment and caused a powerful sector and asset class rotation. Among other things, investors focused on companies with higher U.S. exposure, helping U.S. small-cap stocks outpace U.S. large-cap stocks by more than double. As expected, the Federal Reserve, citing higher inflation expectations and signs of a tightening labor market, raised its key interest rate by 0.25% in December. The U.S. unemployment rate continued to edge lower while wage growth continued to tick higher, helping to boost U.S. consumer confidence/sentiment readings to 15-year highs.

By the Numbers

U.S. Financial stocks, particularly banks such as US Bancorp and Wells Fargo, logged very strong gains on the anticipation of reduced regulatory headwinds, the expectation of higher interest rates improving net interest margins and the rising potential for favorable corporate tax reform. U.S. Defense-related stocks such as General Dynamics and Boeing benefited from expectations that the Republican sweep will lead to higher defense spending.

Shares of Anheuser-Busch InBev declined significantly on disappointing earnings that were amplified amid a broad-based rotation out of Consumer Staples stocks. The company's Brazilian business dragged down positive results achieved in the rest of the world, with the bulk of the Brazilian shortfall driven by unfavorable transactional currency hedges. The significant rise in G-7 sovereign bond yields weighed meaningfully on higher-yielding securities such as our non-U.S. REITs. Shares of Japanese telecom Nippon Telegraph and Telephone rose in Yen terms but the Yen depreciated roughly 15% during the quarter, resulting in an overall loss for dollar-based investors. Becton, Dickinson and Company was weighed down by weakness in the Health Care sector, which was repeatedly bruised by headline-grabbing attacks on drug pricing from Donald Trump and Hillary Clinton in the run-up to the U.S. election. Additionally, despite posting better-than-expected results, Becton Dickinson's shares suffered as a result of several competitors posting weak results.

Summary and Positioning

Looking forward, 2017 has the potential to see several important regime changes unfold, including: U.S. fiscal policy replacing U.S. monetary policy; U.S. regulatory burdens decreasing rather than increasing; pricing power improving as disinflationary forces recede; and interest rates moving higher from historic lows. This represents a relatively encouraging backdrop for corporate earnings growth. Additionally, should interest rates increase further, higher quality businesses may start to be rewarded for their advantaged position over lower quality peers whose weaker business models have been shielded by historically low costs of capital. We continue to focus on identifying high-quality businesses with undervalued growth prospects and the potential for strong downside protection to protect client capital should volatility increase.

Our research process continues to find opportunities both

Summary and Positioning *(continued)*

across asset classes and within each asset class. As an illustration, we are currently finding the most attractive investment opportunities in high-quality dividend-paying Common Stock, and within that asset class we like exposure to U.S. banks. Household names we own such as US Bancorp and Wells Fargo seem to stand to benefit from several tailwinds. Over the past several years, low and falling interest rates pressured banks' net interest margin (NIM). Recently, interest rates have begun to move higher and we expect that trend to continue, potentially bolstering prospects for higher NIMs, which in turn should help drive earnings growth for banks. Potential corporate tax reform serves as another tailwind for U.S. banks given their largely domestic focus and high effective tax rates. Additionally, the incoming administration has indicated a desire to lower the regulatory burden on the U.S. banking system, which, if successful, would mark a significant change to the regulatory trend U.S. banks have faced since the global financial crisis.

We maintain modest exposure to government and corporate bonds; we will look for an increase in interest rates, combined with a widening in credit spreads, to create additional opportunities within the fixed income and fixed income-like markets. Our higher-than-normal cash position has continued to help serve as a cushion against market volatility and will give us the ability to acquire assets at more attractive levels as volatility and interest rates normalize.

During the quarter the team made several changes to the portfolio in order to improve our expected risk-adjusted return. Positions were initiated in the Common Stock of Occidental Petroleum, Union Pacific, Royal Dutch Shell and Microsoft, in the short-dated Corporate Debt of Royal Philips and Sanofi, in the Convertible Preferred Stock of Kinder Morgan, in a short-dated Canadian Sovereign bond, and in short-dated Government Development Bank bonds of Austria and Germany. Positions were exited in the REIT Segro and in the Preferred Stock of Aegon, Bank of America, Barclays, Goldman Sachs and Morgan Stanley. Our Teva Pharmaceutical bond due 2016 matured.

4Q16 Largest Contributors and Detractors

Five Largest Contributors	Five Largest Detractors
U.S. Bancorp	Anheuser-Bush InBev SA ADR
Wells Fargo & Co.	iShares European Property Yield UCITS ETF
Boeing Co.	Nippon Telegraph and Telephone Corp. ADR
General Dynamics Corp.	Becton Dickinson & Co.
Comcast Corp. Class A	iShares International Developed Real Estate ETF

Westwood Worldwide Income Opportunity Fund Performance as of 12/31/16

			Annualized
	4th Quarter	1 Year	Since Inception*
Westwood Worldwide Income Opportunity Fund	-1.47%	2.24%	-2.04%

**Inception date is 5/1/15. 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. Expense ratio is 0.95% (net), 2.49% (gross). The Adviser has contractually agreed to waive fees and reimburse expenses until February 28, 2017. For performance data current to the most recent month end, please call 1-877-FUND-WHG or visit our website at westwoodfunds.com.*

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Top 10 Holdings as of 12/31/16*	
U.S. Bancorp	Osterreichische Kontrollbank AG 1.125% Due 05/29/18
Comcast Corp. Class A	KFW Bankengruppe 0.875% Due 04/19/18
Wells Fargo & Co.	Boston Properties Inc.
Nippon Telegraph and Telephone Corp. ADR	Astrazeneca Plc. 1.750% Due 11/16/18
Anheuser-Busch InBev SA ADR	Honeywell International Inc.

**Top 10 holdings represent 23.68% of the total portfolio. Holdings are subject to change. Current and future holdings are subject to risk.*

Large cap (sometimes "big cap") refers to a company with a market capitalization value of more than $5 billion. Large cap is a shortened version of the term "large market capitalization." Market capitalization is calculated by multiplying the number of a company's shares outstanding by its stock price per share.

Small cap is a term used to classify companies with a relatively small market capitalization. A company's market capitalization is the market value of its outstanding shares. The definition of small cap can vary among brokerages, but it is generally a company with a market capitalization of between $300 million and $2 billion.

The S&P 500 Index ® is a market value weighted index consisting of 500 stocks chosen for market size, liquidity, and industry group representation, with each stock's weight in the Index proportionate to its market value.

The Westwood Worldwide Income Opportunity Fund is distributed by SEI Investments Distribution Co., 1 Freedom Valley Dr., Oaks, PA 19456 which is not affiliated with the Adviser. 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. There is no guarantee that the Fund will achieve its stated objective, which can be found in the prospectus.

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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