

Investment Objective

The investment objective of the Westwood Global Equity Fund is to seek long-term capital appreciation.

Strategy Description

The Westwood Global Equity Fund primarily invests in the common stocks of well established companies around the world. The strategy uses a bottom-up stock selection process and has diversified exposure to the best global investment opportunities with risk controls at the country, sector, and individual security level. The strategy invests in sound businesses that are mispriced and that can generate sustainable and/or growing economic growth.

Market Overview

Global equity markets (as measured by the MSCI ACWI USD) rose almost 4% in the second quarter, bringing the year-to-date performance to over 10%, as financial assets were supported by renewed strength in global economic growth and improving global industrial activity, a modest resurgence of growth in China, and abating deflationary pressures. Investors welcomed Macron's victory in the French presidential election as a vote against populist uncertainty and greater confidence in Europe's path of recovery. By the end of June, sentiment was overshadowed by fears that the post-financial crisis era of easy money from the world's largest central banks was coming to an end, triggering one of the worst selloffs in both global equity and bond markets in over a year. Commodities were flat overall as wheat and copper led gains, while gold and silver fell. Crude oil was the largest underperformer in the first half of the year as Brent and WTI prices fell 17% and 14%, respectively, as markets questioned the effectiveness of existing supply production cuts. Energy lagged on a sector basis, while Health Care, Information Technology, Industrials and Financials led the way.

U.S. equities saw gains as first quarter Gross Domestic Product (GDP) growth provided an upward surprise of 1.2% compared to initial estimates of 0.7%, on a quarter-to-quarter basis. Chicago Purchasing Manager's Index (PMI) for June rose to the highest level since May 2014 at 65.7 versus an expected 58.0. While personal incomes improved, overall consumer spending remained flat so far this year. The Federal Open Market Committee (Fed) delivered its third rate hike of 25 basis points in six months as the path of normalization in monetary policy resumes. Eurozone equities advanced as domestically-focused sectors led the way. Economic data continued to show improvement and corporate earnings remained healthy as political risk receded. Austria, Denmark and Finland led returns, while France and Italy were up 7% each. Portugal and Norway underperformed the rest of the region. UK shares benefited from sterling weakness and robust corporate results, led by the heavyweight oil & gas and financial sectors. In

Asia, Japan registered positive returns amid a strong corporate earnings season and positive economic data. New Zealand and Hong Kong also advanced strongly, while Australia declined almost 3%.

Emerging markets (EM) continued to outperform the developed world during the quarter, as weakness in the U.S. dollar provided relative gains to many EM currencies. Asia rose almost 8% led by China and South Korea, outperforming Europe, Middle East and Africa (EMEA) and Latin America. Moody's Investor Services downgraded China's long-term local and foreign currency issuer ratings by one notch to A1, the first time in nearly 30 years, citing rising debt levels and slower growth. But as domestic growth continues to moderate, outbound investment is forecast to reach over US\$800B over the next five years as China aims to extend its global reach via the Belt and Road Initiative.

By the Numbers

Within the portfolio, security selection and sector allocation detracted during the period, while country allocation was positive. Energy, Health Care and Utilities were the highest detractors. At the country level, positioning in China, UK, U.S. and Switzerland were the main detractors.

Security selection was the primary reason for detraction in Energy, particularly in the equipment and services segment. Petrofac detracted as shares fell over 30% on news that both the CEO and COO were suspended due to an SFO (Serious Fraud Office) investigation. This case dates back to 2016, involving alleged bribery and misconduct associated with Unaoil Monaco SAM, a firm that provided energy consulting services mainly in Kazakhstan. New findings from the SFO seemed to contradict the prior conclusion from Petrofac's own internal investigation that there was no evidence of wrongdoing. Given the uncertainty associated with a range of possible outcomes, including potential fines and penalties, a dividend cut and/or potential equity dilution from capital raising, senior management turnover from alleged misconduct, and/or the indirect impact on potential new business contracts, we assessed that the company will likely remain at a significant valuation discount (currently almost 30% to peer group) over the duration of the investigation, which is typically a minimum of 12 to 18 months. As a result, Petrofac was sold from the portfolio. Other firms in the related services industry, Amec Foster Wheeler and Schlumberger, also detracted due to negative investor sentiment. Global energy supply concerns weighed on exploration companies like CNOOC, and oil exploration tubular equipment supplier, Tenaris, detracted amid concerns of a potential slowdown in its order book.

In Health Care, security selection and negative allocation led to detraction. Lannett Company, Astellas Pharma and Roche Holding

By the Numbers *(continued)*

were the highest detractors. Following successive quarters of earnings misses and a recent acquisition that has failed to deliver incremental value to the company, management execution has been in doubt for Lannett, and we made the decision to exit out of the position. Astellas Pharma detracted amid a deteriorating life cycle for its core product portfolio, including slower sales growth for the drug Xtandi in the U.S., ongoing development costs for leukemia and kidney disease treatments, and an understocked pipeline. Roche Holding detracted as the company presented data in June on its Aphinity trial for breast cancer treatment that claimed to be “statistically significant,” while an update on other chemotherapy drugs failed to show significant progress. But the company did report sales growth of 4% during the quarter that was ahead of consensus estimates of 2%.

Detraction in Utilities was led by CT Environmental, which reported disappointing fiscal 2016 results due to lower than expected margins. Six new projects are set to come on-stream this year that should support further growth in utilization rates across all three main divisions of waste treatment. With the overhang of regulatory uncertainty, China Resources Gas detracted amid concerns of potentially lower regulated returns on investment for downstream gas distribution. But an early announcement from the NDRC (regulator) at the end of June called for a higher than expected regulated return of 7% (excluding connection fee income) and lower tariffs based on sales, not utilization rate, resulting in a sharp recovery in share price.

2Q17 Largest Contributors and Detractors
Five Largest Contributors

Moody’s Corp. - U.S.
AIA Group Ltd. - H.K.
BGEO Group Plc. - Georgia
Ayala Land Inc. - Philippines
Honeywell International Inc. - U.S.

Five Largest Detractors

Petrofac Ltd. - U.K.
CT Environmental Group Ltd. - China
Schlumberger NV - U.S.
Lannett Co. Inc. - U.S.
Amec Foster Wheeler Plc. - U.K.

Top 10 Holdings as of 6/30/17*

Moody’s Corp.	Omnicom Group Inc.
JPMorgan Chase & Co.	Chubb Ltd.
Honeywell International Inc.	Dun & Bradstreet Corp.
Raytheon Co.	SAP SE
Stanley Black & Decker Inc.	Microsoft Corp.

**Top 10 holdings represent 26.71% of the total portfolio. Holdings are subject to change. Current and future holdings are subject to risk.*

Westwood Global Equity Fund Performance as of 6/30/17

	2 nd Quarter	1 Year	Annualized	
			3 Years	Since Inception*
Westwood Global Equity Fund	3.77%	14.34%	2.97%	6.58%
MSCI All Country World Index (ACWI) - Net	4.27%	18.78%	4.82%	9.50%

**Inception date is 12/26/12. 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 1.64% (gross) and 1.00% (net). The Adviser has contractually agreed to waive fees and reimburse expenses until February 28, 2018. In the absence of current fee waivers, total return and yield 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.*

As of February 28, 2017, the Fund's benchmark changed from the MSCI Emerging Markets Index (Gross) to the MSCI Emerging Markets Index (Net) because the Fund would be subject to the foreign withholding taxes reflected in the MSCI Emerging Markets Index (Net).

The MSCI ACWI Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The MSCI ACWI consists of 46 country indices comprising 23 developed and 23 emerging market country indices. The developed market country indices included are: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States. The emerging market country indices included are: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Russia, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates. The Benchmark Index returns are for illustrative purposes only and do not represent actual fund performance. Index performance does not reflect any management fees, transaction costs or expenses. The Benchmark Index is unmanaged and investors cannot invest directly in the an index.

Mutual fund investing involves risk, including possible loss of principal. In addition to the normal risks associated with investing, 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. Emerging markets involve heightened risks related to the same factors as well as increased volatility and lower trading volume. The Fund uses derivatives. The primary risk of derivative instruments is that changes in the market value of securities held by the Fund and of the derivative instruments relating to those securities may not be proportionate. Derivatives are also subject to illiquidity and counterparty risk. In addition, REIT investments are subject to the changes in economic conditions, credit risk and interest rate fluctuations. Investments in smaller companies typically exhibit higher volatility. There can be no assurance 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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