

Investment Objective

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

Strategy Description

The Westwood Strategic Global Convertibles Fund primarily invests in global convertible securities with attractive valuations to provide equity-like returns with lower volatility through a disciplined investment process. We believe the convertible markets are inefficient and opportunities exist to benefit from pricing anomalies. Utilizing both quantitative and fundamental analysis to identify securities that meet our criteria, the strategy's asymmetric reward/risk profile of balanced convertible bonds has the potential to provide superior risk-adjusted returns over medium to long-term time horizons.

Key Highlights

- In-line performance during the quarter; currency impacts were the main drag on performance, offset by solid stock selection
- In terms of regional allocations, the overweight positioning in the U.S. aided performance as did an underweight in Asia, while a European underweight was a slight drag on performance
- Overall portfolio delta remained above benchmark; on a regional basis, European delta remained above benchmark, Asian delta remained slightly above and U.S. delta remained slightly below
- An overweight in Health Care dominated sector positioning, offset by underweights in Consumer Discretionary, Utilities and Real Estate

Market Overview

The second quarter of 2017 continued to see robust returns in global equities and further strength in corporate credit spreads, which again provided a healthy backdrop for the global convertible bond market. As a result, convertibles performed well. Another quarter of strong issuance pushed the year-to-date number to \$41.2 billion, the U.S. leading the way with a bit more than half at \$23.2 billion. New supply has broadened out in Q2, bringing in a number of new issuers to the market and has created opportunities in both the primary and secondary markets. Healthy equity valuations, potentially higher rates and possible tax reform should keep the convertible issuance engine stoked into 2018, benefiting investors in the asset class.

By the Numbers

Trading activity was centered on consistently deploying capital into balanced convertibles which offer an asymmetric risk-return exposure to high-quality issuers. Sector weightings changed modestly as a result of portfolio shifts, with the Energy moving down further. Financial sector exposure increased with the addition of several new convertible issues. Health Care remains the largest sector overweight as we continue to view many of the companies and convertibles as relatively undervalued. Technology, while still the largest sector on an absolute basis, has been reduced to only a slight overweight at quarter end. Much of this reduction has been the harvesting of winners, selling high delta convertibles with reinvestment elsewhere. Relative to the index, we remain most significantly underweight Utilities and Consumer Discretionary.

Regional allocations and delta weightings continue to differ significantly from the benchmark. During the quarter, the delta overweight to the U.S. region was reduced further to a small underweight. We also reduced the size of our overweight to the U.S. as underlying equity valuations appear stretched and opportunities are expanding in European and Asian convertible markets. Europe, while remaining underweight versus the index, has seen this position moderated as well. Our Delta in Europe is above benchmark and our underexposure lessened on the back of improving fundamentals and more attractive convertible exposure becoming available.

The resulting portfolio is slightly above delta on a global basis at the end of the quarter. We continue to be constructive on global markets, but are becoming concerned about equity valuations and remain cognizant of potential economic and political risks throughout the world.

Strategy and Positioning

As we move into the second half of 2017, concerns remain, especially over potential global political issues. This is in contrast with a worldwide economic backdrop which appears healthy by most measures. Capital markets are functioning ably, and we continue to find a reasonable opportunity set with which to express a constructive view within the global convertibles market. While we remain attune to risks that may appear, a benefit of a balanced convertible bond portfolio is the opportunity to reposition the portfolio dynamically in response to market volatility both amongst regions and on a global basis. Over a long time horizon, the portfolio strategy has the potential to provide for the opportunity for attractive risk-adjusted exposure to equity market upside.

Summary and Positioning *(continued)*

The strong issuance market seen thus far in 2017 is encouraging, and if it continues it should allow us to continue to diversify the portfolio both on a regional and sector basis. Such issuance could also potentially yield more compelling valuations for existing convertibles, which will serve to enhance the relative attractiveness of the asset class on a risk-adjusted basis.

The strategy continues to adhere to a bottom-up selection approach with convertibles, and maintain significant active share through exposure to non-index convertibles. These under-followed securities have continued to allow a means for

the fund to seek to outperform the benchmark while keeping risk exposure below that of the typical basket of benchmark names. The dynamic nature of the asset class continues to provide an opportunity for outperformance through the active management of a diversified portfolio of balanced convertible bonds.

Westwood Strategic Global Convertibles Fund as of 6/30/17

	2 nd Quarter	1 Year	Annualized Since Inception*
Westwood Strategic Global Convertibles Fund	2.91%	9.84%	1.95%
<i>Thomson Reuters Global Focus Convertible Bond Index</i>	2.92%	7.81%	1.32%

**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. Institutional Share Class net expense ratio: 0.85%, gross expense ratio: 2.48%. The Adviser has contractually agreed to waive fees and reimburse expenses until February 28, 2018. The expense ratio does not reflect the ability of the Adviser to recover all or a portion of prior waivers, which would result in higher expenses for the investor. This option is available contractually to the Adviser until three years after the year in which the Adviser incurred the expense if the recoupment does not exceed the existing expense limitation. For performance data current to the most recent month end, please call 1-877-FUND-WHG or visit our website at westwoodfunds.com. Performance data source: SEI Investments Co.*

Thomson Reuters Global Focus Convertible Bond Index which represents the global convertible asset class, targeting larger convertibles. It is balanced across regions and is limited in number of constituents to ensure breadth and manageability. Net total return indexes reinvest dividends after the deduction of withholding taxes, using (for international indexes) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.

Delta is the ratio comparing the change in the price of the underlying asset to the corresponding change in the price of a derivative. Sometimes referred to as the "hedge ratio". Diversification does not ensure a profit or guarantee against a loss.

Mutual fund investing involves risk, including possible loss of principal. Bonds and bond funds will decrease in value as interest rates rise. The value of a convertible security in which the Fund invests is influenced by changes in interest rates, the credit standing of the issuer and the price of the underlying common stock. International investments may involve risk of capital loss from unfavorable fluctuation in currency values, from differences in generally accepted accounting principles or from 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 may invest in derivatives, which are often more volatile than other investments and may magnify the Fund's gains or losses. Diversification does not ensure a profit or guarantee against a loss. There can be no assurance that the Portfolio will achieve its stated objectives.

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.

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