THE WHG FUNDS
WESTWOOD HOLDINGS GROUP, INC.

Institutional Shares

Balanced Fund (WHGBX)

June 30, 2010

STRATEGY DESCRIPTION

The WHG Balanced Fund seeks to provide long-term growth by investing approximately 60% of its assets in stocks and 40% in high quality bonds that trade on U.S. stock exchanges. The Fund's performance is typically benchmarked against a blended index of 60% S&P 500 and 40% Barclays Capital US Government/Credit Index.

INVESTMENT PHILOSOPHY

Management of the WHG Funds is deeply rooted in our 26 year old philosophy that seeks to deliver superior returns while managing risk. We perform our own research to identify and invest in high quality companies that possess undervalued earnings growth potential and have limited downside risk. In other words, we would rather forgo significant upside potential in lieu of experiencing a significant loss.

INVESTMENT APPROACH

- Conservative portfolio management with emphasis on risk management as a basis for long-term capital growth.
- Proprietary fundamental research to identify financially sound companies that offer an attractive opportunity for price appreciation coupled with downside risk limitation.
- Actively managed, bottom-up security selection that results in a well diversified portfolio.
- Team-based research and portfolio management to ensure consistency in the investment process and capitalize on diverse expertise.

INVESTMENT PROCESS

A rigorous 3-step investment process:

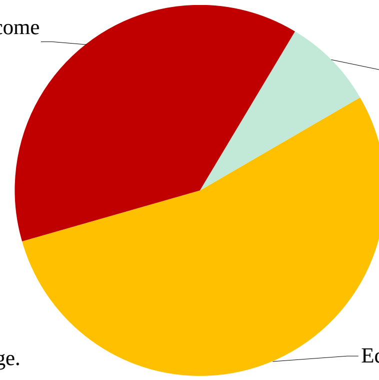
1. Idea Generation: Our industry-specialist research analysts continually monitor companies within their sector for healthy but improving financial characteristics. Next, they evaluate the company's business fundamentals to uncover earnings growth potential that will be better than what the current stock price indicates. We seek companies that have a combination of:

   - Strong free cash flow - we want companies that can generate cash even in stressful environments.
   - Improving return on equity - we want companies whose management is enhancing company value from improved business operations and not from financial engineering.
   - Strengthening balance sheet - we want companies that are reducing their debt and/or that are not over-leveraged.
   - Value - we seek companies that produce a positive earnings surprise without a corresponding change in the stock price.

2. Collegial review/Confirmation of analyst investment case: Research groups review the analyst's investment case and challenge model and downside risk/upside potential assumptions. If approved by the group, the security moves to the "Approved Portfolio Candidate" list for consideration by the portfolio managers.

3. Portfolio Construction: The Balanced portfolio team maintains a portfolio of 40-60 stocks. The team continually reviews securities from the "Approved Portfolio Candidate" to evaluate their attractiveness and risk characteristics against the current portfolio holdings. The objective is to maintain a diversified portfolio with the optimal reward to risk profile. Risk is examined in the context of the entire portfolio, using many perspectives including earnings risk, sector exposure, correlations and the security's sensitivity to various macro-economic factors.

Sector Allocation



Subject to change.

Top 10 Equity Holdings

Chevron Corporation	Dominion Resources, Incorporated
JPMorgan Chase & Company	Deere & Company
Bank of America Corporation	AT&T, Incorporated
Travelers Companies, Incorporated	General Electric
Honeywell International	Exxon Mobil Corporation

Subject to change. Top ten holdings represent 15.3% of the portfolio.

Top 10 Fixed Income Holdings

FNMA 3.375% Due 05-19-11	FNMA 5.375% Due 06-12-17
FNMA 4.375% Due 03-15-13	FHLMC 5.125% Due 07-15-12
US Treasury 3.375% Due 11-30-12	Oracle Corp 4.950% Due 04-15-13
US Treasury 5.125% Due 05-15-16	FNMA 4.375% Due 09-15-12
US Treasury 4.000% Due 02-15-15	FNMA 5.375% Due 11-15-11

Subject to change. Top ten holdings represent 13.5% of the portfolio.

INVESTMENT TEAM

Westwood believes that team management creates a sense of ownership, accountability and consistency in the investment process.

	Investment Experience	
Name	Industry	Firm Tenure
Susan M. Byrne	1970	1983
Mark R. Freeman, CFA	1988	1999
Scott D. Lawson, CFA	1989	2003
Jay K. Singhania, CFA	1996	2001
Kellie R. Stark, CFA	1989	1992

ABOUT WESTWOOD

Westwood Management was established in 1983 with a focus on serving institutional investors. The firm is a subsidiary of Westwood Holdings Group ("WHG"), a publicly traded New York Stock Exchange corporation. The firm manages over $10 billion in assets for clients in the United States, Canada and Europe including corporate pension plans, public and union retirement funds, endowments, foundations, mutual funds and trust company customers. All employees have stock in the firm, helping to ensure alignment between their interest and that of the clients. Ownership has steadily increased from 20% when the firm went public in 2002 to 35% today.

WHG-QR-004-1900

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2Q10 Best and Worst Performers

Best	Contribution	Worst	Contribution
US Treasury 3.375%	0.09%	Anadarko Petroleum	-0.40%
US Treasury 3.625%	0.09%	Bank of America Corp	-0.33%
FHLMC 3.75%	0.09%	General Electric	-0.29%
FNMA 5.375%	0.08%	JPMorgan Chase & Co.	-0.29%
US Treasury 5.125%	0.07%	Microsoft Corp.	-0.29%

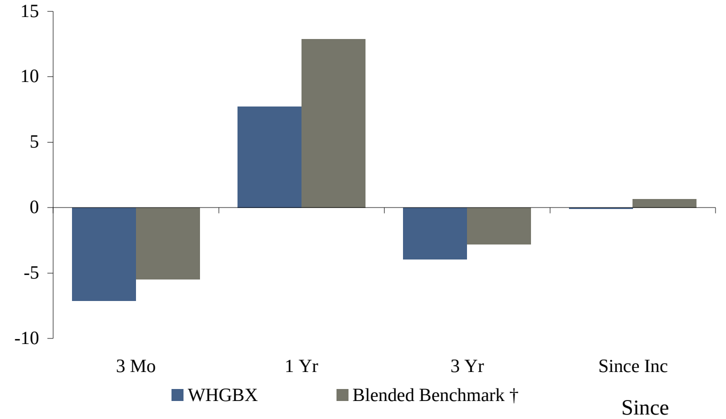
Fund Facts

Fund Symbol	WHGBX
CUSIP	0075W0692
Fiscal Year End	October
Inception Date	9/8/2006
Expense Ratio (Net)	0.90% **
Expense Ratio (Gross)	1.95%

Characteristics (Portfolio versus the Blended Benchmark †)

	Fund	Benchmark
Number of holdings	92	500
Return on Equity	20%	17%
Average Market Cap	$71.7B	$73.3B
Median Market Cap	$32.0B	$8.9B
1 Year EPS Forward Growth Rate	26%	35%
2010 P/E Ratio	11.5x	13.5x
Annualized Returns (3 Years Trailing)		
Rate of Return	-3.9%	-2.8%
Standard Deviation	11.8%	13.1%
Up Quarters	83.5%	100.0%
Down Quarters	97.9%	100.0%
Evaluation Measures (3 Years Trailing)		
Alpha	-1.42	0.00
Beta	0.92	1.00
R-Squared	0.96	1.00
Tracking Error	2.93	0.00
Sharpe Ratio	-0.41	-0.3
Fixed Income		
Effective Duration	3.61 years	
Years to Maturity	4.3	
Coupon	4.21	

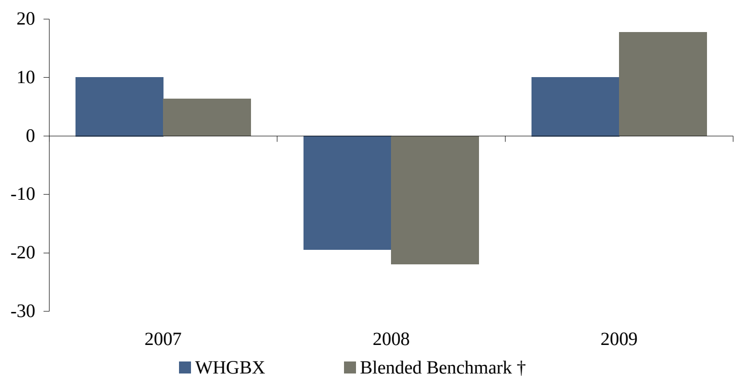
Trailing Years Performance



	3 Months	OneYear	3 Years *	Since Inception *
WHGBX	-7.12%	7.72%	-3.94%	-0.07%
Blended BM †	-5.44%	12.88%	-2.79%	0.65%

* Annualized

Calendar Year Total Returns



	2007	2008	2009
WHGBX	10.05%	-19.42%	10.09%
Blended Benchmark †	6.33%	-21.91%	17.74%

The performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value of an investment 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 higher or lower than the performance quoted. For performance data current to the most recent month end, please call 1.877.FUND.WHG, or visit our website at www.whgfunds.com.

† The Blended Benchmark consists of a 60% weighting of the S&P 500 Index, and a 40% weighting of the Barclays Capital U.S. Government/Credit Index.

*** The Advisor has contractually agreed to waive fees and reimburse expenses until February 28, 2011. In the absence of current fee waivers, total return and yield would be reduced.*

Mutual fund investing involves risk, including possible loss of principal. There can be no assurance that the Portfolio will achieve its stated objectives. Bonds and bond funds will decrease in value as interest rates rise. Portfolio holdings are subject to change and should not be considered a recommendation to buy individual securities. Current and future holdings are subject to risk. Please see the "Related Performance Data of the Advisor" section of the prospectus for information pertaining to the performance of similar accounts managed by the Advisor. The past performance of the Balanced composite is no guarantee of the future performance of the Fund.

Standard deviation is the statistical measure of historical volatility, a measure of the extent to which numbers are spread around their average. Alpha is the measure of risk-adjusted performance. Beta is the measure of risk in relation to the market or benchmark. R-Squared is the measure of how closely a portfolio's performance correlates with the performance of a benchmark. Tracking Error is the amount by which the performance of the portfolio differs from the benchmark. Sharpe Ratio is the measure of the excess return (risk premium) per unit of risk in an investment. 1 Year EPS Forward Growth Rate provides an estimate of how much analysts believe earnings will grow over the next 12 month period and is not a forecast of the fund's future performance. 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 Barclays Capital U.S. Government/Credit Index is a fixed-income market value-weighted index that combines the Barclays Capital U.S. Government and U.S. Credit Indices. It includes securities issued by the U.S. Government, publicly issued U.S. corporate, and specified foreign debentures and secured notes that meet the specified maturity, liquidity, and quality requirements. The Benchmark Indices' returns do not reflect any management fees, transaction costs, or expenses. Investors cannot invest directly in an index.

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 prospectus, which may be obtained by calling 1.877.FUND.WHG, or by visiting our website at www.whgfunds.com. Read the prospectus carefully before investing or sending money.

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