

Investment Adviser Brochure

Westwood Advisors, L.L.C.

1125 South 103rd Street

Omaha, Nebraska 68124

(402) 393-1300

www.westwoodgroup.com

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This brochure provides information about the qualifications and business practices of Westwood Advisors, L.L.C. If you have any questions about the contents of this brochure, please contact us at (402) 393-1300 or sfry@westwoodgroup.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Westwood Advisors, L.L.C. also is available on the SEC's website at www.adviserinfo.sec.gov.

Registration does not imply a certain level of skill or training.

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Material Changes

There have been no material changes to this brochure since the last update on August 26, 2011.

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Advisory Business

Westwood Advisors, L.L.C. (“Westwood Advisors”) (formerly known as McCarthy Group Advisors, L.L.C.) is an investment advisory firm that has been in business since 1986. In November, 2010, Westwood Advisors was acquired by Westwood Holdings Group, Inc. (“WHG”), a publicly held company listed on the New York Stock Exchange since July 1, 2002. WHG is also the owner of Westwood Management Corp. (“Westwood”), a registered investment advisor that has been in business since 1983. Both Westwood Advisors and Westwood are wholly owned by WHG.

Westwood Advisors manages ten investment limited liability (“LLC”) companies and one limited partnership (“LP”) referred to collectively as the Westwood Investment LLCs and LP. Westwood Advisors is the managing member of the ten limited liability companies and is also the advisor of the limited partnership. Interests in the Westwood Investment LLCs and LP are offered to accredited investors only through private placement memoranda which fully disclose the terms and risks of investing in the LLCs and LP. Westwood Advisors’ services involve the selection of outside investment managers who have expertise in the management of asset classes and investment styles not managed by Westwood Advisors. Westwood Advisors has structured an investment strategy for each LLC and the LP, and an investor chooses to become a member of the particular LLC or the LP based upon the investor’s risk factors, income needs and investment time horizon. Once invested in an LLC or the LP, an investor may not restrict investments in certain securities within the LLC or LP.

As of December 31, 2011 Westwood Advisors managed 11 accounts on a discretionary basis with an approximate total value of \$460,072,640.

Fees and Compensation

Westwood Advisors receives a management fee based on a percentage of market value of the Westwood Investment LLCs and the LP. These fees are payable monthly by each LLC and the LP. The fees are described in the private placement memorandum provided to each investor in a Westwood Investment LLC or LP. Some of the Westwood Investment LLCs and the LP also pay separate fees to the outside investment managers who manage a portion of the LLCs or the LP. These management and sub-advisor management fees are in addition to the investment advisory fees charged to the Westwood Investment LLCs and the LP for investment services. Investment Management fees paid to those sub-advisor managers are paid by the LLC or the LP. The expenses paid by the Westwood Investment LLCs and the LP are detailed in the annual audited financial statements, which are provided to each LLC member and LP limited partner and to every prospective LLC member and LP limited partner. In addition to the fees described above, the LLCs are charged annual custody fees and administrative fees of 0.08% of market value. There are no custody fees for the LP.

In addition to Westwood Advisors’ fees discussed above, the Westwood Investment LLCs and LPs will incur brokerage fees and other transaction costs. See the section titled “Brokerage Practices” below.

Performance-Based Fees and Side-By-Side Management

The Westwood Long-Short L.P. (“WLS”) offering documents provide for various types of fees, including performance-based fees. Performance-based fees increase compensation to Westwood Advisors as the rate of return increases based on the WLS assets, creating an incentive for Westwood

Advisors to favor such arrangements over those that would, for example, pay a flat fee only. Westwood Advisors is entitled to receive performance-based fees when certain standards are met.

Westwood Advisors may face conflicts of interest in managing WLS which has a performance-based fee at the same time that we manage the Westwood Investment LLCs that only have an asset-based fee, including having an incentive to favor WLS for which we receive a performance-based fee because we will receive a higher fee if its performance exceeds the applicable benchmark. It is our policy not to favor the interest of one Westwood Investment LLC or WLS over another. We address the conflicts of interest created by “side-by-side management” by having a trade allocation policy designed so that trades are allocated among Westwood Investment LLCs and WLS in a fair and equitable manner over time.

Types of Clients

Westwood Advisors’ clients are the Westwood Investment LLCs and the LP. A private placement memorandum for a Westwood Investment LLC or LP is delivered to investors at or prior to the execution of a Discretionary Investment Management Agreement. The minimum investment commitment for the Westwood Investment LLCs and the LP is \$1,000,000.

Methods of Analysis, Investment Strategies and Risk of Loss

The Westwood Investment LLCs and the LP each have a separate investment objective ranging from equity investments in publicly traded companies to tax-exempt securities or money market assets.

LLC INVESTMENT OBJECTIVES AND POLICIES

The principal investment objectives of each of the Westwood Investment LLCs and the LP are described below. Of course, there can be no guarantee that any of the Westwood Investment LLCs or the LP will achieve their stated investment objective:

- Westwood Focused Core Equity LLC is a diversified portfolio of common stocks. The objective is long-term growth of capital.
- Westwood Diversified Core Equity LLC is a diversified portfolio of common stocks. The objective is long-term growth of capital.
- Westwood Focused Small Cap Equity LLC is a diversified portfolio of common stocks. The objective is long-term growth of capital.
- Westwood Diversified Small/Mid Cap Equity LLC is a diversified portfolio of common stocks. The objective is long-term growth of capital.
- Westwood International Equity LLC is a diversified portfolio of principally non-U.S. common stocks. The objective is long-term growth of capital.
- Westwood Total Return LLC is a portfolio that may consist of both equity and fixed income securities. The objective is to maximize total return through a combination of current income and capital appreciation.
- Westwood Core Income LLC is a portfolio principally of intermediate-term U.S.

government and agency bonds. The objective is to provide a high level of current income and to preserve investors' principal.

- Westwood Core Income Tax-Exempt LLC is a portfolio of tax-exempt bonds. The objective is to provide current income that is exempt from federal income taxes primarily and state income taxes secondarily, and to preserve investors' principal.
- Westwood Cash Reserves LLC is a portfolio principally of money market funds and other short-term instruments. The objective is to provide current income, consistent with preservation of capital and monthly liquidity.
- Westwood Tactical Opportunity LLC is a diversified portfolio of U.S. and non-U.S. equity and fixed-income securities. In addition, the LLC may invest in derivative securities, currencies and commodities and engage in short-selling and other hedging activities. The objective of the LLC is long-term growth of capital.
- Westwood Long-Short L.P. is a portfolio of long and short positions, generally in U.S. equities and derivatives thereof, with a focus on micro-cap and small capitalization U.S. equities. The objective is to generate a superior long-term rate of return by actively managing long and short positions.

Westwood Advisors, and the other managers selected by Westwood Advisors, may make direct investments in various securities suitable for the investment strategies of each LLC and, in some cases, may invest in mutual funds or similar investment vehicles.

We will not permit any of the LLCs to act as a securities underwriter or make direct investments in real estate, or in tax-shelter type investments, or to participate on a joint-and-several basis in any securities trading account.

SUITABILITY STANDARDS

Investment in the LLCs and the LP involves a risk of loss that investors should be prepared to bear. Only “accredited investors” may invest in the LLCs and the LP. Capital may only be withdrawn once a month and the withdrawal amount may be limited. The exemptions from registration under the Investment Company Act of 1940, as amended (“1940 Act”), and under various state laws relied on in connection with these offerings, are conditioned upon investment in the LLCs and the LP being made for investment purposes only and not with a view to resale or distribution.

An “accredited investor” is, among other things, an individual: (1) who had an individual income in excess of \$200,000 in each of the two most recent years prior to this investment, or who had joint income with his or her spouse in excess of \$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year; or (2) whose individual net worth, or joint net worth with that person’s spouse, at the time of his or her purchase exceeds \$1,000,000 excluding the value of the primary residence. Accredited investors also include the following: (1) any organization, described in § 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the investments, with total assets in excess of \$5,000,000; (2) any trust, with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring the investments whose purchase is directed by a sophisticated person; or (3) any entity in which all of the equity owners are accredited investors.

The exemptions from registration in certain states on which Westwood Advisors may rely could limit the number of purchasers or may require investor suitability standards which differ from those described above. These requirements may limit the number of sales in such states, and each prospective member in an LLC or limited partner in the LP residing in any such state must also meet the suitability standards of that state.

Unless Westwood Advisors is satisfied that you meet the suitability standards discussed above and any other standards which Westwood Advisors may impose in its discretion, any subscription from you will not be accepted. Westwood Advisors reserves the right, in its sole and absolute discretion, to approve or disapprove the subscription of any prospective member or limited partner for any reason.

RISK FACTORS

1. General Market Risk. The value of an investment in the LLCs or LP - its “Net Market Value” or “NMV” - depends upon the market value of all of the LLCs’ or LP’s investments. The principal risk of investing in the LLCs or LP is that the market value of the securities held by the LLCs or LP will move up and down. These up and down fluctuations, which can occur rapidly and unpredictably, may cause the LLCs’ or LP’s investments to be worth less than the price originally paid, or less than they were worth at an earlier time. This, in turn, will affect the LLCs’ or LP’s NMV. Market risk may affect a single company, industry, sector of the economy or the market as a whole.

2. Small, Medium and Large Capitalization Companies. Certain LLCs and the LP can exhibit wide fluctuations in value because substantially all the portfolio is invested in common stock

of small, mid and large capitalization companies. Such investments are subject to abrupt and prolonged declines in stock values. Such investments also present an investment-style risk, which is the chance that returns from small, mid and large capitalization stocks, which are the types of stocks emphasized by certain LLCs or the LP, will trail returns from other asset classes or the overall stock market. There is also a management risk, which is the risk that poor securities selection will cause certain LLCs or the LP to underperform other portfolios with similar investment objectives.

3. Westwood Long-Short L.P - Smaller Company Risk. WLS will invest in small and micro-market capitalization companies. Small and micro-capitalization companies may not have the size, resources or other assets of large capitalization companies. The market prices of the securities of such issuers can fluctuate more than stocks of larger companies and they may not correspond to changes in the stock market in general.

4. Westwood Long-Short L.P - Short Sales. WLS will engage in short selling, or the sale of securities not owned by WLS, which involves certain additional risks. Such transactions expose WLS to the risk of loss in an amount greater than the initial investment, and such losses can increase rapidly and without effective limit. There is the risk that the securities borrowed by WLS in connection with a short sale would need to be returned to the securities lender on short notice. If such request for return of securities occurs at a time when other short sellers of the subject security are receiving similar requests, a “short squeeze” can occur, wherein WLS might be compelled, at the most disadvantageous time, to replace borrowed securities previously sold short with purchases on the open market, possibly at prices significantly in excess of the proceeds received earlier. The WLS portfolio manager and management company have used short selling when managing investments, and the WLS portfolio manager has engaged in short selling for his own account.

5. Westwood Long-Short L.P – Leverage. While the use of margin borrowing can substantially improve the return on invested capital, such use may also increase the adverse impact to which the WLS portfolio may be subject. Borrowings will usually be from securities brokers and dealers and will typically be secured by WLS securities and other assets. Under certain circumstances, such a broker-dealer may demand an increase in the collateral that secures the WLS obligations and if WLS were unable to provide additional collateral, the broker-dealer could liquidate assets held in the account to satisfy the WLS obligations to the broker-dealer. Liquidation in that manner could have adverse consequences. In addition, the amount of the WLS borrowings and the interest rates on those borrowings, which may fluctuate, may affect WLS profitability.

6. Cash Reserves. Certain LLCs invest primarily in money market funds, high quality, short-term money market instruments, including certificates of deposit, bankers' acceptances, commercial paper, and other money market securities. To be considered high quality, a security generally must be rated in one of the two highest credit categories for short-term securities by at least two nationally recognized rating services. These types of investments are subject to several risks, including (i) income risk, which is the chance that falling interest rates will cause the LLCs' income to decline, (ii) credit risk, which is the chance that the issuer of a security will fail to repay interest and principal in a timely manner, (iii) inflation risk, which is the chance that the real value of the LLCs' yield may be eroded by inflation, (iv) manager's risk, which is the chance that poor securities selection will cause the LLCs to underperform other investment vehicles with similar investment objectives, and (v) investment style risk, which is the chance that returns from high quality, short-term money market instruments will trail returns from other asset classes. In general, when interest rates rise, the fixed income securities market value declines, and when interest rates decline, its value

risers. Normally, the longer remaining maturity of the security, the greater the effect of interest rate changes on the market value of the security.

7. Risk of Foreign Investments. Certain LLCs and the LP will make foreign investments. Foreign investments involve special risks that are not typically associated with U.S. dollar denominated or quoted securities of U.S. issuers. Foreign investments may be affected by changes in currency rates, changes in foreign or U.S. laws or restrictions applicable to such investments and changes in exchange control regulation (e.g., currency blockage). A decline in the exchange rate of the currency (i.e., weakening of the currency against the U.S. dollar) in which a portfolio security is quoted or denominated relative to the U.S. dollar would reduce the value of the portfolio security.

Brokerage commission, custodial services and other costs relating to investments in international securities markets generally are more expensive than in the United States. In addition, clearance and settlement procedures may be different in foreign countries and, in certain markets, such procedures have been unable to keep pace with the volume of securities transactions, thus making it difficult to conduct such transactions.

Foreign issuers are not generally subject to uniform accounting, auditing and financial reporting standards comparable to those applicable to U.S. issuers. There may be less publicly available information about a foreign issuer than a U.S. issuer. In addition, there is generally less government regulation of foreign markets, companies and securities dealers than in the United States, and the legal remedies for investors may be more limited than the remedies available in the United States. Foreign securities markets may have substantially less volume than U.S. securities markets and securities of many foreign issuers are less liquid and more volatile than securities of comparable domestic issuers. Furthermore, with respect to certain foreign countries, there is a possibility of nationalization, expropriation or confiscatory taxation, imposition of withholding or other taxes on dividend or interest payments (or, in some cases, on capital gains distributions), limitations on the removal of funds or other assets from such countries, and risk of political and social instability or diplomatic developments which could adversely affect investments in those countries.

8. Real Estate Investment Trust (REIT) Risk. Certain LLCs and WLS will invest assets in real estate investment trusts. Some risks associated with equity, mortgage and hybrid REITs are that the performance depends on how well the REIT manages the properties it owns. An equity REIT holds equity positions in real estate and provides its shareholders with income from the leasing of its properties and capital gains from any sale of properties. Accordingly, equity REITs may be affected by any change in the value of the underlying property owned. A decline in rental income may occur because of extended vacancies, the failure to collect rents, increased competition from other properties and poor management. A REIT's performance also depends on the company's ability to finance property purchases and renovations and manage its cash flows. A mortgage REIT specializes in lending money to developers of properties and passes any interest income earned to its shareholders. Accordingly, mortgage REITs may be affected by the quality of any credit extended. In addition, WLS and LLCs that invest in REITs will generally be subject to risk associated with direct ownership of real estate. These risks include decreases in real estate value or fluctuations in rental income. Fluctuations in rental income can be caused by a variety of factors, including, increases in interest rates, property taxes and other operating costs, casualty and condemnation losses, possible environmental liabilities and changes in supply and demand for properties.

9. Investment in Bonds. Certain LLCs and the LP invest primarily in bonds issued by the U.S. government and its agencies, which may or may not be backed by the full faith and credit of the U.S. government, with a preference for holding the bonds to maturity. These LLCs and the LP are subject to several risks, including (i) interest rate risk, which is the chance that bond prices overall will decline over short or even long periods due to rising interest rates; (ii) call risk, which is the chance that during the periods of falling interest rates, the bond issuer will "call" - or repay - a high yielding bond before the bond's maturity date. Forced to reinvest the unanticipated proceeds at lower interest rates, the LLC and LP would experience a decline in income and the potential for taxable capital gain; (iii) credit risk, which is the chance that a bond issuer will fail to repay interest and principal in a timely manner; (iv) management risk, which is the chance that poor securities selection will cause the LLCs and LP to underperform other investment vehicles with similar investment objectives; (v) investment style risk, which is the chance that returns from intermediate government agency bonds will trail returns from other asset classes or the overall bond market.

10. Westwood Total Return LLC and Westwood Long-Short L.P. - High Yield Securities. The Westwood Total Return LLC and WLS may make investments in "high yield" bonds and preferred securities which are rated in the lower rating categories by the various credit rating agencies (or in comparable unrated securities). Securities in the lower-rating categories are subject to greater risk of loss of principal and interest than higher-rated securities and are generally considered to be predominantly speculative with respect to the issuer's capacity to pay interest and repay principal. They are also generally considered to be subject to greater risk than securities with higher ratings in the case of deterioration of general economic conditions. Because investors generally perceive that there are greater risks associated with the lower-rated securities, the yields and prices of such securities may tend to fluctuate more than those for higher-rated securities. The market for lower-rated securities is thinner and less active than that for higher-rated securities, which can adversely affect the prices at which these securities can be sold. In addition, adverse publicity and investor perceptions about lower-rated securities, whether or not based on fundamental analysis, may be a contributing factor in a decrease in the value and liquidity of such lower-rated securities.

11. Risk of Derivative Instruments. The LLCs and WLS may invest in derivative instruments such as options, futures, options on futures, swaps, interest rate caps, floors and collars, structured securities, inverse floating-rate securities, stripped mortgage backed securities and foreign currency transactions. All of these types of investments involve additional risk of loss. Loss can result from lack of correlation between changes in the value of derivative instruments and portfolio assets (if any) being hedged, potential illiquidity of markets for derivative instruments, or the risks arising from margin requirements and related leverage factors associated with such transactions. The use of these management techniques also involves the risk of loss if the manager is incorrect in its expectations of fluctuations in securities prices, interest rates or currency prices. The LLCs and WLS may also invest in derivative investments for nonhedging purposes (that is, to seek increased total return). Investing for nonhedging purposes is considered a speculative practice and presents even greater risk of loss.

12. No Assurance of Achieving Investment Objectives. Each of the LLCs and WLS has certain investment objectives. We cannot guarantee that the objectives will be met. We also cannot guarantee any particular rate of return or that the return will equal or exceed any established market standards or market indices.

13. No Regulation as Investment Companies. While each of the LLCs and WLS may be considered similar to an investment company or mutual fund, none of the LLCs and WLS will register under the 1940 Act. We are relying upon an exemption from such registration. The provisions of the 1940 Act require registered investment companies to have a majority of disinterested directors and regulate the relationship between the adviser and the investment company. These restrictions will not apply to the LLCs and WLS.

14. Investment by Pension and Profit-Sharing Trusts. If you represent or are the investment manager of a qualified pension, profit-sharing or other retirement trust, or a fiduciary with respect to a plan or trust, you should consider whether the investment in one or more of the LLCs and WLS satisfies the diversification requirements of Section 404(a)(1)(C) of ERISA. You should also consider whether, in light of the investment objectives of the LLCs and WLS, our compensation and the limited liquidity factors and other risk factors described above, the investment is prudent for the plan.

15. Recognition of Gain or Income Without Cash Distributions. If you are a taxpayer, you will be required to recognize for federal income tax purposes any net realized gains or income from LLC activities. You will need to make withdrawals from the LLC to pay your taxes unless you have other cash resources available.

Limited partners of WLS who are taxpayers will be required to recognize for federal income tax purposes any net realized gains or income from WLS activities. WLS intends to reinvest its earnings in lieu of making cash distributions. As limited partners are not allowed to make redemptions until they have been a limited partner for at least one year and are not entitled to any distributions from WLS, limited partners may have to use other cash resources to satisfy their tax liabilities arising from their share of net realized WLS income. In addition, limited partners could owe tax with respect to their investment in WLS for a year in which their capital account incurs a loss because the WLS unrealized losses exceed its realized gains.

16. Lack of Liquidity / Limited Transferability. The investments will be issued to the members in the LLCs or limited partners in WLS in reliance on certain exemptions from registration for nonpublic offerings under the 1940 Act and state securities laws. Accordingly, the investments will be “restricted securities” and may not be sold, pledged or otherwise transferred unless registered or exempt from registration. Westwood Advisors is under no obligation to register the investments or to assist any member or limited partner in complying with any exemption from registration. There is no established trading market for the investments and it is unlikely that any will develop in the foreseeable future. In addition, the transfer of the investments will be subject to certain restrictions under the Operating Agreements. Accordingly, the members or limited partners must bear the economic risk of an investment in the LLCs or WLS for an indefinite period of time. Members may withdraw capital on a monthly basis subject to the Westwood Advisors’ right to limit the amount of withdrawals. Members or limited partners may only make an assignment of record with Westwood Advisors’ consent.

17. Conflicts of Interest. Each prospective member or limited partner should be aware that he, she or it is not represented by counsel in their investment in a LLC or WLS unless he, she or it retains separate counsel. The attorneys who have prepared the necessary documents and who have otherwise performed services for Westwood Advisors have been engaged by Westwood Advisors.

Some of the attorneys, accountants and others who have performed and will perform services for Westwood Advisors, either in connection with the offering of a LLC or WLS or otherwise, also perform services for Westwood Advisors. Each prospective member or limited partner should engage counsel to review the offering documents and should consult with his, her or its counsel before investing in the LLCs or WLS.

Additional risk factors may be found in the offering documents for each of the Westwood Investment LLCs and WLS.

Disciplinary Information

Westwood Advisors and its management persons have not been involved in any legal or disciplinary events.

Other Financial Industry Activities and Affiliations

Westwood Advisors has a related investment adviser, Westwood Management Corp., which is wholly owned by WHG, Westwood Advisors' parent corporation. Westwood Advisors also has a related Texas trust company affiliate, Westwood Trust, a trust company chartered by the Texas Department of Banking. Westwood Trust is also a wholly owned subsidiary of WHG, Westwood Advisors' parent corporation.

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Westwood Advisors has adopted a Code of Ethics expressing the firm's commitment to ethical conduct. The Code is based on the principle that the officers, directors and employees of Westwood Advisors owe a fiduciary duty to the Westwood Investment LLCs and the LP to conduct their personal securities transactions in a manner, which does not interfere with Westwood Investment LLC and LP portfolio transactions, or otherwise take advantage of the relationship between Westwood Advisors and the Westwood Investment LLCs and LP, and which reflects these principles. The Code of Ethics requires employees to pre-clear all personal securities transactions through the compliance officer or his or her designee.

The Code prohibits Westwood Advisors' employees from purchasing or selling securities for their own account that Westwood Advisors owns or controls for the Westwood Investment LLCs and LP. If an employee holds such securities in their brokerage accounts prior to their employment with Westwood Advisors or an employee purchases a security that Westwood Advisors later purchases for a Westwood Investment LLC or LP, Westwood Advisors will place those holdings on "restricted status" and the employee may not sell the securities until Westwood Advisors has exited the security for the Westwood Investment LLC or LP. The Code provides for "black-out periods" during which employees may not purchase or sell a stock that Westwood Advisors is in the process of purchasing or selling for the Westwood Investment LLCs or LP. To monitor compliance with its Code of Ethics, the firm's CCO receives duplicate brokerage statements and transaction confirmations for every employee with personal brokerage accounts and employees must sign a quarterly compliance certification.

The Code of Ethics and Westwood Advisors' Insider Trading Policy further prohibit the use of material non-public information in a personal or professional capacity. Westwood Advisors requires that all employees act in compliance with all applicable Federal and State regulations governing registered investment advisory practices. Any employee not in observance of the above may be subject to disciplinary action, up to and including termination.

No Westwood Investment LLC and LP funds are invested in the securities of Westwood Advisors' parent company, Westwood Holdings Group, Inc. stock (WHG).

Westwood Advisors will provide a complete copy of its Code of Ethics to any investor or prospective investor upon request by contacting their representative or the firm's CCO.

Brokerage Practices

The offering documents for each Westwood Investment LLC and LP generally grant Westwood Advisors full discretion over investment decisions. This includes written authority to determine which securities, the amounts of securities that are bought or sold, the broker-dealer to use for transactions and the commission costs that will be charged to a Westwood Investment LLC or LP for transactions.

Factors considered in selecting brokers and/or custodians for securities:

- Securities are held with a bank custodian or brokerage firm approved by Westwood Advisors. Westwood Advisors attempts to execute securities transactions with banks and/or broker-dealers at favorable terms for the Westwood Investment LLCs or LP.
- Factors to be considered in selecting brokers for execution of transactions include, but are not limited to:
 - financial stability of the broker (adequate net capital, SIPC and insurance protection);
 - products available from the broker (i.e., market makers of over-the-counter stocks, municipal bond availability, primary dealer in government securities, research facilities);
 - commission rates (considering execution ability of the broker as well as price per share);
 - ability to execute trades in a timely and efficient manner; and
 - research provided to Westwood Advisors that is proprietary and unique to that broker-dealer.

Research and Other Soft Dollar Benefits

Westwood Advisors may pay a brokerage commission in excess of that which another broker-dealer may charge for effecting the same transactions in recognition of the value of the brokerage and research services provided by or through the broker-dealer. Westwood Advisors will make a good faith determination that the amount of commissions paid is reasonable in relation to the value of the brokerage and research services provided. The brokerage and research services received by Westwood Advisors generally include proprietary or third-party research, general economic and

market information, portfolio strategy advice, industry and company comments, technical data, evaluations of securities, pricing services, credit research analysis, general reports, consultations, performance measuring data, on-line pricing, special execution capabilities, newswire and quotation services (e.g., Reuters, Bloomberg, First Call), and recommendations as to the purchase or sale of securities.

To the extent that certain items have research and non-research components (“mixed-use”) (e.g., FactSet and Bloomberg), Westwood Advisors will allocate commissions for only those portions of the service or product that is research or execution related. This cost basis analysis will be conducted on a case-by-case basis depending upon the total costs for a service or product and the extent to which the product or service is used by Westwood Advisors for research or brokerage execution related services.

Westwood Advisors may use the products and services received from broker-dealers to service all the Westwood Investment LLCs and LP. Thus, not all such services may be used for the benefit of the Westwood Investment LLC or LP that pays the brokerage commission which procures the receipt of such research or brokerage services.

The use of brokerage commissions to obtain research and brokerage-related products and services creates a conflict of interest between Westwood Advisors and the Westwood Investment LLC or LP that pays for products or services that are not exclusively for its benefit and that may be primarily or exclusively for the benefit of Westwood Advisors. To the extent that Westwood Advisors is able to acquire products and services without expending its own resources (including management fees), Westwood Advisors’ use of commission sharing arrangements would tend to increase its profitability. In addition, the availability of these non-monetary benefits may influence Westwood Advisors to select one broker-dealer over another. Moreover, the use of “mixed-use” products or services creates a conflict in that the cost of the product or service will be allocated to soft dollars.

Westwood Advisors generally will only use commission sharing for brokerage and research-related products and services. Non-brokerage and non-research products and services received by Westwood Advisors from broker-dealers in connection with trades will be paid for directly by Westwood Advisors. Notwithstanding Westwood Advisors’ good faith determination that certain products and services are research or brokerage-related, Westwood Advisors may inadvertently use commissions to pay for non-brokerage or non-research products or services to the extent that Westwood Advisors good faith determination is not accurate.

Westwood Advisors intends to use commission sharing only for those products and services that fall within the safe harbor provisions of the Securities Exchange Act of 1934.

Directed Brokerage

Not applicable.

Brokerage for Client Referrals

Not applicable.

Trade Allocation

Pursuant to Westwood Advisors’ trade allocation policy, on occasions when Westwood Advisors deems the purchase or sale of a security to be in the best interests of more than one of its Westwood

Investment LLCs or LP, Westwood Advisors may aggregate multiple contemporaneous purchase or sell orders into a block order for execution.

The Westwood Investment LLCs or LP for which orders are aggregated receive the average price of such transaction, which could be higher or lower than the price that would otherwise be paid absent the aggregation. Any transaction costs incurred in the transaction are shared *pro rata* based on the Westwood Investment LLC's or LP's participation in the transaction. In some cases, this procedure could have an adverse effect on a particular Westwood Investment LLC or LP. In the opinion of Westwood Advisors, however, the results of such procedures will, on the whole, be in the best interest of each of its Westwood Investment LLCs or LP.

When a decision is made to aggregate orders, Westwood Advisors seeks to allocate securities among the Westwood Investment LLCs and LP in a fair and equitable manner. Under Westwood Advisors' trade allocation policy, securities generally are allocated among the Westwood Investment LLCs and LP according to each LLC's or the LP's pre-determined participation in the transaction. Westwood Advisors considers a number of factors when determining if investments are appropriate and suitable for allocation to an LLC or LP. These factors include, but are not limited to:

- The investment objective, policies and strategy of the Westwood Investment LLC or LP;
- The appropriateness of the investment to the Westwood Investment LLC's or LP's time horizon and risk objectives;
- Existing levels of ownership in the investment and in similar securities; and
- The immediate availability of cash or buying power to fund the investment.

Westwood Advisors seeks to allocate transactions before execution of a block order. However, under certain circumstances, trades may not be allocated prior to entering the trade order. In such event, Westwood Advisors will seek to allocate such orders at the earliest practicable time. Pre-allocated and unallocated block trades that are partially filled are generally allocated on the basis of the relative net assets of the participating accounts.

Westwood Advisors may execute transactions in the same securities on behalf of a number of Westwood Advisors Investment LLCs or LP and Westwood Advisors officers or employees. Thus, there may be a conflict of interest to the extent that trades are allocated to Westwood Advisors' officers and employees who may have a financial interest that may not also be allocated to the Westwood Investment LLCs and LP. These transactions may be executed separately or they may be aggregated when, in Westwood Advisors' reasonable judgment, aggregation may result in an overall economic benefit to those accounts in terms of pricing, brokerage commissions or other expenses. Westwood Advisors will not aggregate trades with proprietary (insider) accounts of Westwood Advisors.

In general, trades are allocated among portfolio managers on a *pro rata* basis (to the extent a portfolio team decides to participate fully in the trade), for further allocation by each portfolio team between that portfolio's eligible accounts. Where *pro rata* allocation is not practicable, Westwood Advisors will seek to make trade allocations consistent with the factors identified above, and in a fair and equitable manner. Once trades are allocated, they may be reallocated only in unusual circumstances due to recognition of specific account restrictions.

From time to time, Westwood Advisors has access to security distributions during an initial or secondary public offering (“IPO”). However, due to the small size of Westwood Advisors’ business compared to other asset managers and market participants, Westwood Advisors rarely, if ever, obtains access to a sufficient number of IPO shares so as to make a material allocation of such shares among all, or even many, of its Westwood Investment LLCs and LP for which such investments otherwise might be appropriate. However, to the extent practicable, Westwood Advisors will allocate IPO shares on a *pro rata* basis among applicable Westwood Investment LLCs and LP. Where *pro rata* distribution is not practicable, Westwood Advisors will seek to make a fair and equitable allocation taking into consideration such factors as:

- The investment objective, policies and strategy of the Westwood Investment LLC or LP;
- The appropriateness of the investment to an Westwood Investment LLC’s or LP’s time horizon and risk objectives;
- Existing levels of account ownership in the investment and in similar securities; and
- The immediate availability of cash or buying power to fund the investment.

IPOs may be allocated to Westwood Advisors officers or employees. Thus, there may be a conflict of interest to the extent IPOs are allocated to the Westwood Advisors officers or employees and not allocated to the Westwood Investment LLCs and LP.

Westwood Advisors will document each allocation and maintain appropriate books and records.

Review of Accounts

Westwood Advisors provides quarterly written reports to investors in the Westwood Investment LLCs and LP that present quarter-end valuation, asset allocation and account performance information, including realized gains and losses, dividends, interest and expenses that have been allocated to their capital account. Each Westwood Investment LLC and LP will be audited annually and the audited financial statements sent to all investors in the Westwood Investment LLCs and LP within 120 days after the Westwood Investment LLC’s or LP’s fiscal year end.

Investments in the Westwood Investment LLCs and LP are reviewed on a quarterly or more frequent basis and re-allocation decisions are made monthly as needed for disbursements or to rebalance the investments as needed. Investor reviews are scheduled and structured according to investor-stated guidelines or in response to specific investor requests. In the absence of guidelines, investor meetings are generally scheduled annually and to a lesser degree, on a semi-annual or quarterly basis. Investor reviews generally involve a meeting between the investor and Westwood Advisors to review strategy, objectives, key concerns and outlooks. Reviews are conducted by either of two Senior Vice Presidents, one Vice President or two Assistant Vice Presidents

Client Referrals and Other Compensation

Westwood Advisors has unaffiliated solicitors from whom Westwood Advisors receives investor referrals. A cash referral fee is paid to any solicitor with whom we have contracted. The written agreement between Westwood Advisors and the solicitor contains a description of the solicitor’s duties and the method of compensation, and a statement that the solicitor undertakes the duties under the agreement consistent with Westwood Advisors’ instructions and the 1940 Act. The Westwood

Advisors solicitor provides each prospective investor with a copy of Westwood Advisors' disclosure document and a Solicitation Disclosure Statement. The solicitor obtains a signed and dated acknowledgement from the investor indicating that the investor received those documents. The solicitor's compensation is a function of the size and type of investment and is fully disclosed to the prospective investor prior to execution of the Westwood Advisors Investment Management Agreement. Generally, Westwood Advisors pays the solicitor a fee based on a graduated percentage of the asset value of the investment.

Custody

Custody of LLC securities is maintained by First National Bank, Omaha ("FNB"), a qualified custodian. If an investor has a separate custodial relationship at FNB, they will receive a written statement from both Westwood Advisors and FNB for the LLC ownership. However, if they do not have a separate custodial relationship at FNB, they will only receive a statement from Westwood Advisors.

If an LLC invests in mutual funds, the assets of certain mutual funds are maintained by the mutual fund's custodian. Investors will not receive a separate statement from the mutual fund.

Some assets of the Westwood Diversified Core Equity LLC and Westwood Total Return LLC are maintained by Citibank, N.A. Investors will not receive a written statement from Citibank, N.A.

Custody of the Westwood Long-Short Equity L.P. assets is maintained by BNP Paribas. Investors will not receive a written statement from BNP Paribas.

Investors receiving statements from a custodian should carefully review those statements and compare them with statements from Westwood Advisors.

Investment Discretion

Pursuant to the authority granted in the Westwood Investment LLCs and LP offering documents, Westwood Advisors accepts discretionary authority to manage securities on behalf of the Westwood Investment LLCs and LP and has broad authority to determine, without specific approval, the amount and type of securities to be bought and sold, the broker-dealer to be used and the commission rate to be paid to such broker-dealer.

Voting Client Securities

Westwood Advisors typically has authority to vote Westwood Investment LLC and LP securities and has engaged Broadridge Financial Solutions, Inc. for proxy voting services. Broadridge is a leading provider to the global financial industry for full-service proxy support.

Westwood Advisors maintains complete proxy record keeping files for Westwood Investment LLCs and LP. These files include a listing of all proxy materials along with individual copies of each response. Access to these files can be arranged upon request.

Westwood Advisors will identify any conflicts of interests between the interests of itself and the Westwood Investment LLCs or LP. If a material conflict exists, Westwood Advisors will determine whether it is appropriate to address the issue by voting consistent with an independent third-party recommendation. Westwood Advisors will maintain a record of the resolution of any proxy voting conflict of interest.

Effective May 1, 2011, Westwood Advisors has engaged the services of Glass Lewis & Co., LLC for proxy research. Glass Lewis provides complete analysis and voting recommendations on all proposals and is designed to assist investors in mitigating risk and improving long-term value. In most cases, we agree with the recommendations of Glass Lewis. However, ballots are reviewed bi-monthly by our analysts and we may choose to vote differently than Glass Lewis if we believe it will be in the best interest of the Westwood Investment LLCs or LP.

Investors may request a complete copy of Westwood Advisors Proxy Voting policies and procedures by contacting their representative or the firm's CCO.

Financial Information

Westwood Advisors does not require or solicit prepayments of more than \$1,200 in fees per investor six months or more in advance.

There is no financial condition that is reasonably likely to impair Westwood Advisors ability to meet contractual commitments to investors.

Westwood Advisors has not been the subject of a bankruptcy petition.