



## **Private Funds Advisory Services Brochure**

Westwood Advisors, L.L.C.  
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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 (214) 756-6900 or [complianceapproval@westwoodgroup.com](mailto:complianceapproval@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](http://www.adviserinfo.sec.gov).

Westwood Advisors, L.L.C. is an SEC registered investment adviser. Registration does not imply a certain level of skill or training.

## **Item 2 - Material Changes**

The following material changes have been made to this brochure since the last annual update dated February 27, 2023. Those changes include:

- General Updates: Updated language throughout the brochure for technical and clarifying purposes.

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Table of Contents

Item 4 - Advisory Business.....	4
Item 5 - Fees and Compensation.....	4
Item 6 - Performance-Based Fees and Side-By-Side Management .....	5
Item 7 - Types of Clients .....	5
Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss.....	5
Item 9 - Disciplinary Information .....	6
Item 10 - Other Financial Industry Activities and Affiliations.....	6
Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .	7
Item 12 - Brokerage Practices .....	9
Item 13 - Review of Accounts.....	9
Item 14 - Client Referrals and Other Compensation .....	9
Item 15 - Custody.....	9
Item 16 - Investment Discretion.....	10
Item 17 - Voting Client Securities.....	10
Item 18 - Financial Information.....	10



## Item 4 - Advisory Business

Westwood Advisors, L.L.C. ("**Westwood Advisors**," "**Westwood**," "**we**" or "**us**") (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 Management**"), a registered investment advisor that has been in business since 1983; Salient Advisors, LP ("**Salient Advisors**"), a registered investment advisor and Westwood Trust, a Texas-chartered Trust company headquartered in Dallas, Texas. Westwood Advisors, Westwood Management, Salient Advisors, and Westwood Trust are wholly owned by WHG.

On November 18, 2022, WHG completed its acquisition of the business of Salient Partners, L.P. and its affiliates ("**Westwood Salient Transaction**"). Pursuant to the Westwood Salient Transaction, oversight and management of the Salient MLP Total Return Fund, L.P. and Salient MLP Total Return TE Fund, L.P. was transferred to Westwood through the approval of the limited partners of the funds of WHG PF Holdco, LLC as the General Partner for the funds and of the assignment of the advisory agreement to Westwood Advisors. Westwood Advisors has delegated investment management responsibilities of the Salient MLP Total Return Fund, LP and the Salient MLP Total Return TE Fund, LP to its affiliate, Westwood Management.

As of December 31, 2023, Westwood Advisors managed approximately 336 accounts on a discretionary basis with an approximate total value of \$433,271,448.

We market our services as Westwood Wealth Management. Westwood Wealth Management is a division of WHG, which offers trust and fiduciary services through Westwood Trust and investment advisory services through Westwood Advisors.

We sponsor and act as an investment adviser to a number of private funds (generally and collectively, "**Private Funds**"), including, but not limited to the Salient MLP Total Return Fund, LP and the Salient MLP Total Return TE Fund, LP, which are only offered to appropriately qualified persons.

Each Private Fund's governing documents ("**Governing Documents**") and disclosure documents (the "**Offering Documents**") impose qualifications or restrictions on the type and number of investors who are permitted to invest. Prior to investment in any Private Fund, investors are required to confirm their eligibility.

Westwood Advisors provides investment advisory services to the Salient MLP Total Return Fund, L.P. and the Salient MLP Total Return TE Fund, L.P.

The Salient MLP Total Return Fund, LP and the Salient MLP Total Return TE Fund, LP, both Delaware limited partnerships, are not registered under the Investment Company Act of 1940, as amended (the "1940 Act") in reliance on the Section 3(c)(7) exemption under the 1940 Act. Furthermore, investment interests are not registered under the Securities Act of 1933, as amended (the "Securities Act"), in reliance on Section 4(2) and Regulation D, promulgated thereunder. The investment advisory services provided to the Salient MLP Total Return Fund, LP, and the Salient MLP Total Return TE Fund, LP.

## Item 5 - Fees and Compensation

Each Private Fund's fees and compensation payable to Westwood or its affiliates are described in their Offering Documents. We will normally reserve the right to charge different fees to some investors.

If Westwood Advisors has retained Westwood Management to manage a fund on a sub-advisory basis, Westwood Advisors may pay Westwood Management Corp. for sub-advisory services out of its fees. Funds will not incur any additional fees for this arrangement.

## Item 6 - Performance-Based Fees and Side-By-Side Management

A given Private Fund's Governing Documents may provide that we are compensated by both a management fee and a performance fee. Such Private Funds' Offering Documents describe the conflicts associated with our receipt of a performance fee, which can incentivize us to cause a Private Fund to make more risky investments than if our compensation was not based on a Private Fund's profits.

Additionally, to the extent we only charge a management fee to some Private Funds, but charge a performance fee to other Private Funds, we may have a conflict in that we may be incentivized to focus more attention on the affairs of, or allocate investment opportunities to, the Private Funds that have agreed to pay us performance fees to the detriment of the Private Funds that only charge a management fee.

## Item 7 - Types of Clients

Our Private Fund clients are typically exempt from registering as investment companies under the Investment Company Act of 1940. Minimum investments and other eligibility requirements for investors in the Private Funds are governed by each Fund's Governing Documents and Offering Documents (together, the "**Fund Documents**").

## Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss

The methods of analysis and investment strategies we use in formulating advice or managing assets for Private Funds are summarized below, but each Private Fund's Offering Documents provide more specific strategies we may employ for a particular Private Fund. All investing involves a risk of loss that investors should be prepared to bear.

### Methods of Analysis

Our Private Equity Investment Committee ("**Investment Committee**") is responsible for reviewing investment opportunities for potential investment by Westwood clients. The committee meets periodically and seeks to invest primarily in other private funds and/or in other companies that the Investment Committee believes present attractive investment opportunities, and also considers proprietary private funds. Committee members are responsible for screening and identifying new investment opportunities, which are then presented to and vetted by the entire committee. If the recommendation is approved, we will contact the prospective private fund or other entity, as the case may be, to begin the process of establishing the necessary relationship and legal framework to effect Westwood Advisors' investment.

### Investment Strategies

Within each Private Fund strategy, investor capital is managed based on the strategy described in the Offering Documents.

### Risk of Loss

As with all investments, investing in securities involves risk of loss that investors should be prepared to bear. Investors should carefully consider the risks in participating in the Private Funds. Investments in the Private Funds entail a high degree of risk and are suitable only for sophisticated investors who fully understand and are capable of bearing the risks of an investment in the Private Funds. The Offering Documents for each Private Fund provides a thorough discussion of the risks involved with these types of investments, including among others the risk of investing in a security with no or very limited opportunity for redemption or resale.

The risks associated with the Private Funds include risks of investing in private funds generally and the risks involved specifically with respect to the Private Funds' underlying investments. Certain of these risks include:

- Management Risk – the risk associated with ineffective or underperforming management. For example, management may elect to overleverage or invest in volatile or underperforming assets.
- Structure Risk – investors generally have fewer rights in a limited partnership structure or similarly structured limited liability company, and general partners and managing members of the entity may

have conflicts of interest with the limited partners or other members.

- **Cybersecurity Risk** – We, our service providers and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect clients, including Private Funds and their investors, despite the efforts of Westwood and its service providers to adopt technologies, processes and practices intended to mitigate these risks and protect the security of their computer systems, software, networks and other technology assets, as well as the confidentiality, integrity and availability of information belonging to clients and/or Private Funds. For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to these systems of Westwood and its service providers, counterparties or data within these systems. Third parties may also attempt to fraudulently induce employees, customers, third-party service providers or other users of Westwood's systems to disclose sensitive information in order to gain access to Westwood's data or that of investors or the Private Funds' investors. A successful penetration or circumvention of the security of Westwood's systems could result in the loss or theft of an investor's data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. Such incidents could cause the Private Funds, Westwood or their service providers to incur regulatory penalties, reputational damage, additional compliance costs or financial loss.
- **Illiquid Investment Risk** – there is no public market for interests in our Private Funds, and it is not expected that a public market will develop. An investment in a Private Fund provides limited liquidity, and the investments sought by the Private Fund typically also provide limited liquidity since there are normally substantial restrictions on the ability of the Private Fund to withdraw capital or to transfer its interests.

Additional risks involving an investment in the Private Funds are described in each Private Fund's Offering Documents. All investors should read these descriptions very carefully and ensure they understand the risks before making an investment in a Private Fund.

## **Item 9 - Disciplinary Information**

Not applicable.

## **Item 10 - Other Financial Industry Activities and Affiliations**

Westwood Advisors has three affiliated investment management operating companies: Westwood Management Corp., an SEC-registered investment adviser; Salient Advisors, LP, an SEC-registered investment adviser; and Westwood Trust, a trust company chartered by the Texas Department of Banking, each of which is a wholly-owned subsidiary of the Westwood's parent company, WHG. Westwood Management and Salient Advisors are the investment advisers for the Westwood Funds family of mutual funds. Westwood Management has entered into a sub-advisory agreement with Westwood Advisors pursuant to which Westwood Management serves as investment manager to the Salient MLP Total Return Fund, LP and the Salient MLP Total Return TE Fund, LP.

WHG PF Holdco, LLC is the General Partner of the Salient MLP Total Return Fund, LP and the Salient MLP Total Return TE Fund, LP. WHG PF Holdco, LLC is a wholly owned subsidiary of Westwood Holdings Group, Inc.

Westwood Management also has a sub-advisory agreement with Westwood Trust pursuant to which Westwood Management serves as a sub-advisor to the Westwood Trust Commingled Funds.

WHG's Wealth Management division offers the Westwood WealthCoach program through Westwood Advisors and also provides trust and fiduciary services through Westwood Trust.

Many employees of Westwood Advisors in Dallas and Houston are also employees of Westwood Trust and are involved in the provision of trust and fiduciary services to Westwood Trust clients. Westwood Advisors is affiliated with Salient Capital, LP, a broker-dealer and wholly owned subsidiary of WHG.

Salient Capital, LP serves as placement agent for funds for which Westwood Advisors or affiliates of Westwood Advisors serve as investment adviser and/or general partner or managing member.

Neither Westwood Advisors, LLC nor investment managers it recommends will use Salient Capital, LP to place trades in client accounts. However, affiliated persons of Westwood Advisors are licensed as registered representatives of Salient Capital, LP. These individuals, in their separate capacity, can effect securities transactions for which they may receive separate, yet customary compensation. Such transactions include the sale of interests in investment vehicles managed by Westwood Advisors or its affiliates.

While Westwood Advisors and these individuals endeavor at all times to put the interest of the clients first as part of their fiduciary duty, clients should be aware that the receipt of additional compensation from (or through) Salient Capital, LP creates a conflict of interest, and may affect the judgment of these individuals when making recommendations.

Westwood Advisors has arrangements which are material to its advisory business with the Private Funds. In particular, we provide both investment advisory and administrative services to the Private Funds and generally act as managing member of the Private Funds. Some of the Private Funds primarily invest in other private funds that are not managed by or related to Westwood Advisors or any of its affiliates, while some of the Private Funds invest directly in other companies.

## **Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

### Code of Ethics

Westwood has adopted a Code of Ethics (the “**Code**”) expressing the firm’s commitment to ethical conduct. The Code of Ethics is applicable to all employees of WHG and its subsidiaries and is administered on a group-wide basis. The Code is based on the principle that the officers, directors and employees of Westwood owe a fiduciary duty to clients to conduct their personal securities transactions in a manner that does not interfere with client portfolio transactions or otherwise take advantage of their relationship with clients, and which reflects the principle referenced above. The Code of Ethics requires employees to pre-clear all personal securities transactions (with certain exceptions described below), political contributions, and outside business activities, and to report gifts and entertainment through the Chief Compliance Officer (CCO).

The Code generally requires employees to pre-clear their personal securities transactions. However, pre-clearance is not required for: (a) participation in an ongoing automatic investment plan or an issuer’s dividend reinvestment or stock purchase plan, (b) participation in any transaction over which the employee had no influence or control (mergers, inheritances, gifts, etc.), (c) share of registered open-end investment companies other than shares of investment companies advised or sub-advised by Westwood or its affiliates.

The Code generally prohibits our employees from purchasing or selling individual securities for their own account that are owned in a Westwood strategy, with a limited exception for de minimis trades. For purposes of the Code, our strategies do not include Custom Asset Allocation accounts. The exception allows employees to personally transact in securities that are owned in a Westwood strategy, if the security has a market cap greater than \$5 billion and the value of the trade is no more than \$10,000 or 100 shares, whichever is larger. Employees are limited to a maximum of three such de minimis trades per month; de minimis bond trades may be consolidated within a calendar month, with approval. If an employee personally holds any securities that are also owned in a Westwood strategy and such securities have a market cap of \$5 billion or less, we will place those holdings on “restricted status” and the employee may not sell the securities until we have exited the security for client accounts managed with a Westwood strategy. The Code provides for “black-out periods” during which employees may not purchase or sell a stock that Westwood is in the process of purchasing or selling for Westwood strategies unless such trade qualifies for the de minimis exception. 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 all employees must certify on a quarterly basis that they have reported all relevant securities transactions in compliance with the Code of Ethics.



## Westwood Advisors, L.L.C.

The firm's CCO reviews all pre-clearance requests, all initial, quarterly and annual disclosure certifications and the trading activities on behalf of all Westwood Strategies with a view to ensuring that all employees are complying with the Code. The firm's Compliance department periodically reviews confirmations from brokers to assure that all transactions effected for employees are affected in compliance with the Code.

The Code also requires certain employees to obtain pre-clearance for all political contributions and outside business activities. The firm's Compliance department must approve any political contribution before it is made and any outside business activity before the employee has engaged in such activity. On an annual basis, employees must submit disclosure certifications regarding their political contributions and outside business activities.

The Code prohibits employees from giving or accepting any gift or other item valued at more than \$100 from any client, competitor, or any person or entity that does business with or on behalf of any client. Employees also must report any gift or other item that is given to any client, competitor, vendor or any person or entity that does business with or on behalf of any client. In addition, employees must report accepted offers of entertainment from all such persons or entities. The Code requires employees to certify quarterly that they have reported all gifts and entertainment.

The Code permits the CCO to delegate duties under the Code to other members of the Legal and Compliance department.

We also have an Insider Trading Policy that, along with the Code of Ethics, prohibits the use of material non-public information in a personal or professional capacity. Westwood 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. Westwood has a compliance committee that meets throughout the year to, among other responsibilities, review employee accounts and personal trading, Code of Ethics exceptions, employee and director transactions in WHG stock, and the annual brokerage budget.

We do not invest client funds in the securities of our parent company, WHG.

Upon request, we will provide a complete copy of our Code of Ethics to any client or prospective client. Clients can submit requests by contacting their Westwood representative or the firm's CCO. It is also posted on our website.

### Direct Investment in Portfolio Companies

WHG itself has direct investments in the companies held in the portfolios of some Private Funds, and WHG, through its affiliates, also has commercial relationships with one or more of these portfolio companies. These relationships create a conflict of interest because it creates an incentive for us to act in the interests of our parent company and affiliates rather than in the interests of the Private Fund. We seek to mitigate these conflicts primarily through the use of the Investment Committee and through disclosure to investors in the affected Private Funds. Detailed information about such arrangements is included in the applicable Offering Documents.

### Westwood Clients

To the extent a client of Westwood or of Westwood Trust considers investing in a Private Fund, in addition to carefully reviewing the Private Fund's Fund Documents, the client should consider:

- Capital invested in the Private Fund will be utilized in part to pay fees for services provided to the Private Fund by Westwood or its affiliates. Those fees may be higher than the advisory fees the client pays to either Westwood or Westwood Trust, and the client typically cannot terminate the imposition of those fees.
- The Private Fund's term may extend for many years, and because the client will likely be unable to withdraw from the Private Fund, the client will incur such fees for an extended period of time.
- Westwood, in its role as the Private Fund's manager, may have business or other incentives to not appraise Westwood Trust of certain developments occurring at the Private Fund from time to



time, which could impede Westwood Trust's ability to advise a client on an investment in a Private Fund.

- Westwood, Westwood Trust and their principals and affiliates (collectively the “**Related Parties**”) may serve as advisers or managers to other accounts (collectively, the “**Related Funds**”), which may have investment objectives or may implement investment strategies similar to the Private Fund's or which may directly compete with the Private Fund. The Related Parties may provide Related Funds with advice that differs from that given to the Private Fund. As a result of the foregoing, the members and/or partners and principals and affiliates of the Related Parties may have conflicts of interest in allocating their time and activity between the Private Fund and other clients, in allocating investments among the Private Fund and other clients and in effecting transactions for the Private Fund and other clients, including ones in which the Related Party may have a greater financial interest or from which the Related Party may earn greater compensation.
- Unlike a separate account relationship with either Westwood or Westwood Trust, an investment in the Private Fund normally cannot be terminated, nor can an investor withdraw from the Private Fund typically, and as such, the investment in the Private Fund is normally illiquid.

### **Item 12 - Brokerage Practices**

A given Private Fund may grant us the authority to select a broker-dealer to execute transactions for the Private Fund. To the extent we are so authorized, we seek to recommend a broker that will execute transactions on terms that are, overall, the most favorable compared to other available providers and their services. We consider various factors, including:

- Capability to buy and sell securities itself or to facilitate such services.
- The likelihood that trades will be executed.
- Availability of investment research and tools.
- Overall quality of services.
- Competitiveness of price.
- Reputation, financial strength, and stability.
- Existing relationship with our firm and our other clients.

### **Item 13 - Review of Accounts**

The Investment Committee will typically review each Private Fund on a quarterly basis. The committee will monitor the investments and activities of the underlying funds and other holdings in which the Private Funds invest and communicate with the underlying funds and issuers as needed.

The Investment Committee may be responsible for representing a Private Fund and carrying out its duties as an investor in an underlying fund. The Private Fund will normally furnish unaudited quarterly reports of each investor's capital account and the Private Fund's activities and audited financial statements on an annual basis.

Additional information regarding the review of accounts and reporting for clients invested in the Private Funds is described in each Private Fund's Fund Documents.

### **Item 14 - Client Referrals and Other Compensation**

Not applicable.

### **Item 15 - Custody**

We are deemed to have custody over the Private Fund assets since we typically serve as the manager or

general partner of the Private Funds. Private Fund investors will not receive statements from the custodian. Instead, each Private Fund is subject to an annual audit and the audited financial statements are distributed to each investor. The audited financial statements will be prepared in accordance with generally accepted accounting principles and distributed within 120 days of the Private Fund's fiscal year end.

With the exception of the Salient MLP Total Return Fund, LP. and the Salient MLP Total Return TE Fund, LP, a Private Fund may retain Westwood Trust, an affiliate of Westwood Advisors, to maintain a custody account in the name of the Private Fund to hold the Private Fund's securities.

We strongly encourage investors and their advisors to closely monitor their account statements, audited financial statements, and any other important investment-related materials they receive from Westwood or any Private Fund. Any potential discrepancies should be promptly brought to our attention by contacting 214-756-6900.

#### **Item 16 - Investment Discretion**

As may be described in a Private Fund's Fund Documents, we normally have discretion in the management of the assets of the Private Funds.

#### **Item 17 - Voting Client Securities**

It is our policy to vote proxies that we receive for all accounts for which we have voting authority and in a manner in which we believe to be in the best interests of our clients. We also will participate in class actions in a manner in which we believe to be in the best interests of our clients.

Given the nature of the investments made by most Private Funds, we do not anticipate that we will receive proxies or class action documents for any Private Funds accounts. Should such a situation arise, to the extent it is appropriate and authorized under the relevant Governing Documents, we will participate on behalf of the Private Funds and the underlying investors.

Our discretion in voting securities held in companies owned by the Private Funds may be limited by voting rights and similar agreements.

#### **Item 18 - Financial Information**

Not applicable.