

## **Part 2A of Form ADV: Firm Brochure**

### ***Item 1 Cover Page***

Westwood Management Corporation  
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Chicago, Illinois 60604

Michael Perlow, President  
and Contact Employee

Disaster Recovery Website:  
[www.westwood-management.com](http://www.westwood-management.com)

May 30, 2014

This brochure provides information about the qualifications and business practices of Westwood Management Corporation (the “Firm”). If you have any questions about the contents of this brochure, please contact us at: (312) 236-3336. 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 the Firm is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

The Firm is a registered investment advisor. Registration does not imply a certain level of skill or training.

### ***Item 2 Material Changes***

There are material changes to the Firm’s brochure since the brochure’s last annual update of March 19, 2014. Specifically, in Item 4, there is discussion regarding the Firm’s Portfolio Management team and the status of the Firm’s succession plan. In Item 5 there is additional discussion regarding consulting arrangements that might be entered into by the Firm. Item 12 now includes additional discussion of client order entry and the fact that there is no fixed methodology for determining precedence as to which client account’s orders are entered first.

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#### ***Item 4 Advisory Business***

The Firm has been in business since 1976. Michael Perlow is the majority owner of the Firm.

#### **ADVISORY SERVICES**

##### General Policy:

Michael Perlow, the Firm's primary Portfolio Manager, makes recommendations designed for certain categories of Firm Clients, and generally implements these recommendations, where appropriate, for particular Clients. Mr. Perlow is assisted in this role by Peter Goldman, the Firm's associate portfolio manager. Mr. Goldman joined the Firm in May, 2014. Together, Mr. Perlow and Mr. Goldman serve as the Firm's Portfolio Management team and they review client portfolios and analyze securities for possible inclusion (or removal) from client portfolios. Generally speaking, the final determination regarding contemplated actions or recommendations will be made by Mr. Perlow. The Portfolio Management team chooses the most appropriate securities for the respective portfolios of clients. In some instances, the Portfolio Management team will make recommendations directly to certain Clients for those Clients to implement independently directly with their custodians.

The Firm tailors its advisory services to the individual needs of clients, in that the Firm considers the investment objectives of individual clients when it constructs portfolios for its clients. In constructing such portfolios, the Firm may use equity securities, preferred stocks, municipal bonds, government bonds and/or corporate bonds. The Firm primarily purchases equity securities from a group of approximately 30 securities that the Firm follows closely at any given time. Accordingly, while the Firm tailors client portfolios according to individual client investment objectives, most (if not all) holdings in equities will come from this relatively small number of stocks which may have the effect of limiting the extent to which a portfolio may be tailored.

The Firm provides advice to certain clients on a non-discretionary basis.

The Portfolio Management team will generally implement recommendations or selection of securities for investment for an individual account as soon as reasonably possible for that account and prior to reviewing other accounts.

Notwithstanding the above, the Portfolio Management team may implement such recommendations or selections in a different order of priority due to the timing and nature of his investment decisions.

Clients may impose restrictions on investing in certain securities or types of securities by actively identifying such restrictions in writing for the Portfolio Management team.

IPOs and Private Offerings:

The Firm does not recommend or purchase initial public offerings (IPOs) in common stock for its Clients, but may recommend or purchase IPOs with respect to bonds or preferred stock. The Firm does not recommend or purchase private offerings for its Clients.

Publicly Traded Clients:

Westwood's clients may include publicly traded companies. In such instances, Westwood will not purchase shares of such publicly-traded companies within its client portfolios. However, there are no restrictions on Westwood's ability to purchase shares of those publicly-traded companies for Mr. Perlow's portfolio or for Westwood's profit sharing plan. Westwood does not believe such policies have a material impact on the firm's ability to manage client assets.

Client Instructions:

The Firm does not accept investment directions, including purchase or sale orders, by e-mail, voice mail or other telephonic voice messaging. The Firm's authority over client accounts does not include the authority to transfer assets and, accordingly, clients must contact their custodians directly to transfer assets.

Cross Trading:

The Firm does not effect cross trades between Client accounts.

## BUSINESS CONTINUITY – SUCCESSION PLAN

Michael Perlow is the Firm's majority owner and acts as the Firm's Chief Executive. In his role as the head of the Portfolio Management team, Mr. Perlow generally makes final determinations regarding the management of client portfolios. However, Mr. Perlow is assisted in the portfolio management process by Peter Goldman, an experienced securities analyst. The firm believes that, if Mr. Perlow was incapacitated for a period of time or unable to continue at the firm for any reason, Mr. Goldman has the experience to successfully continue to manage client portfolios and to otherwise operate the Firm.

## BUSINESS CONTINUITY – EMERGENCY CONTACT INFORMATION

In the event of a disruption to our normal business routine, you can call our emergency telephone number to obtain current information on Westwood's disaster recovery plan and the status of the disruption. During emergency situations you will also be able to leave a voice mail message by calling our emergency number.

Westwood's emergency telephone number is: **(312) 701-0718**

Westwood maintains a website and email address **solely for disaster recovery purposes:**

You can obtain information regarding a disruption by checking our disaster recovery web site at: [www.westwood-management.com](http://www.westwood-management.com)

In the event of a disruption, we can be contacted by e-mail at:

[info@westwood-management.com](mailto:info@westwood-management.com)

(Please note this email address is not regularly monitored except during times of disruption)

#### MICHAEL PERLOW'S MULTIPLE ROLES

Mr. Perlow serves as Chief Compliance Officer (CCO), President and majority owner. He also serves as the firm's primary portfolio manager, assisted in this role by Peter Goldman. As such, he may at times face inherent conflicts of interest in serving the interests of the firm's clients as well as the financial and other interests of the firm. Westwood maintains policies, procedures and controls which it believes are reasonably designed to ensure such conflicts are satisfactorily addressed. Westwood routinely monitors this conflict, and does not believe it results in unfair treatment by Westwood of its clients.

#### CHARITABLE CONTRIBUTIONS

The Firm, or Michael Perlow individually, periodically receives requests from clients to make contributions to charitable organizations selected by such clients. Generally, Michael Perlow has made any such contribution individually. Mr. Perlow will consider any request from a client to make a charitable contribution; however, he has sole discretion to determine whether a contribution is made and the amount of any such contribution.

#### NO WRAP FEE ACCOUNTS

The Firm does not sponsor or participate in wrap fee account arrangements. On occasion, clients separately set up wrap fee account arrangements for accounts managed by the Firm. The Firm does not endorse or recommend such arrangements and does not participate in the wrap fee charged by the sponsor of the wrap fee arrangement.

#### DISCRETIONARY MANAGEMENT

As of December 31, 2013, the Firm manages approximately \$655,182,135 in Client assets on a discretionary basis.

## ***Item 5 Fees and Compensation***

The Firm will furnish investment supervisory services to Clients for compensation payable quarterly in advance on the basis of the market value of the type and amount of securities and cash in the accounts of respective Clients on the last business day of the prior calendar quarter.

In addition to the Firm's fees, clients will pay other fees and expenses, including brokerage commissions. Clients electing to use certain custodians, such as bank custodians, may also pay custodian fees. Other than the advisory fees described below, neither the Firm nor any of its personnel receive compensation with respect to the sale of securities or other investment products.

Effective March 1, 1999, billing rates for new Clients are as follows:

|   |                        |
|---|------------------------|
| On the first \$2,000,000 (subject to the proviso set forth below) | 1/4 of 1% per quarter; |
| On amounts in excess of \$2,000,000                               | 1/8 of 1% per quarter. |

Clients with contracts executed prior to March 1, 1999 are not subject to this new fee schedule.

However, if the Firm and Client, by separate contract, agree to limit the advice furnished to taxable or non-taxable governmental fixed income securities (defined to include debt obligations, issued by any governmental body or agency), the fee payable will be 1/8 of 1% per quarter regardless of the amount of cash and/or securities in such account.

Fees are normally based on the market value of assets under management. In certain circumstances, higher or lower fees may be negotiated on a case by case basis. Fees may also be less than the above schedule. Fees may differ for institutional, charitable and non-profit organizations, accounts accepted on a fee basis prior to the adoption of the current fee schedule, accounts containing non-supervised securities, and accounts charged on a fixed-fee or negotiated basis.

The Firm policy with respect to advisory fees on mutual funds in client accounts is as follows:

1. For Clients that pay a percentage of net assets under management, the value of mutual funds (other than money market funds) will be excluded from the client net assets in computing the Firm's advisory fee.
2. With respect to clients that pay a fixed fee which does not vary with respect to the amount of assets under management, the fixed fee will not be adjusted.

This policy may be modified by agreement in writing between a specific client and the Firm.

Services may be terminated by the Client or by the Firm upon written notice. A full refund for applicable unearned fees will be made, pro rated for the time remaining in the calendar quarter.

Fees are generally billed in advance and are normally payable quarterly. The Firm may bill clients directly for fees or may, if authorized in writing by the Client, bill directly a bank, trust company, broker-dealer or other entity which is acting as custodian of a Client's account to pay advisory fees to the Firm upon receipt of the Firm's invoice for services. Any such invoice to a custodian will set forth the amount of such fees, value of the assets upon which fees are based and the manner of calculation. The Firm will send a copy of the invoice to the custodian to the Client or to the Client's designee at the same time the Firm sends the invoice to the custodian. If a Client desires to have its custodian billed directly and have investment adviser fees paid directly from such account, the Client must provide a letter authorizing payment of fees to Westwood by the Client's custodian upon receipt of invoices.

In computing the market value of securities, the Firm uses Interactive Data Pricing and Reference Data, Inc. of Interactive Data Corporation, an independent pricing service, to value securities. Equity securities traded on exchanges or on the NASDAQ market are priced on the last trade received from them by Interactive Data Pricing and Reference Data, Inc. but not including after-hour trading. Interactive Data Pricing and Reference Data, Inc. values U.S. and Canadian corporate and government bonds and U.S. municipal bonds based upon a complex of market prices, quotations, yields, spreads and a variety of factors. Information regarding Interactive Data Pricing and Reference Data, Inc. pricing methodology may be obtained from their website [www.ftinteractivedata.com](http://www.ftinteractivedata.com). Any other security or asset will be valued in a manner determined in good faith by the Firm to reflect its fair market value, and the Firm's determination as to such value shall be accepted as final by the Client. Securities not otherwise valued for which there is no readily available market will generally be valued at cost, unless the Firm has obtained reliable information regarding recent transactions in such securities or other reliable data affecting valuation.

Investment consulting services may be offered, generally on a fixed fee basis. However, the specific fees and method of calculating fees for any such services are negotiated with each individual account and will depend upon the specific services provided.

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

The Firm does not accept performance based fees.

#### ***Item 7 Types of Clients***

The Firm provides investment advice to individuals, including high net worth individuals, pension and profit sharing plans, charitable organizations, and corporations and other businesses.

A minimum asset valuation of \$1,000,000 is generally required for the establishment of an investment advisory relationship. An advisory relationship may consist of one or more accounts

which, in total, meet established minimum value requirements. Westwood may waive the minimum or Westwood may aggregate accounts of family members for determining if the minimum is met.

***Item 8 Methods of Analysis, Investment Strategies and Risk of Loss***

The Firm seeks to invest in high quality, highly liquid, large capitalization stocks. The Firm generally invests in the most financially successful companies within a particular industry. The Portfolio Management team conducts its own analysis of potential investments, and the Firm does not have a specific sell or buy/hold discipline. The Firm's decisions to exit stocks are typically not event-driven, but are based upon finding a better stock to hold. Furthermore, there is no strict allocation among industries, sectors, and/or capitalization. Accordingly, investments within portfolios do not necessarily reflect the total stock market, and performance may differ from the performance of the total stock market.

The Firm seeks to hold shares in the top firms in relevant industries. He seeks to hold such investments for one year or longer, but may liquidate in a shorter time frame under certain circumstances such as if the investment fails to perform as expected or if a more appealing investment opportunity arises. The Portfolio Management team may also liquidate investments if appropriate to meet client cash needs.

Although frequent trading is not generally part of the Firm's investment strategy, it is possible that certain market conditions may prompt the Firm to make frequent trades. Such frequent trading may affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Investing in securities involves risk of loss that you should be prepared to bear.

***Item 9 Disciplinary Information***

None.

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

None.



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

**CODE OF ETHICS**

The Firm has adopted a Code of Ethics (“Code”) for all Company employees. Under the Code, employees are required to observe high standards of commercial honor, just and equitable principles of trade and to comply with applicable federal and state laws as well as other civil legal obligations of the Firm to its clients, including those obligations arising from the Firm’s status as a fiduciary within the meaning of the federal securities laws. The Code’s requirements include the following:

- Employees are prohibited from disclosing confidential client information to any non-affiliated third party without the express consent of the client except for information necessary for effecting transactions.
- Employees are prohibited from trading on material non-public information.
- Employees are required to report all personal securities transactions to the Firm. (The Firm’s procedures require review of employee personal transactions and prior approval for certain transactions.)
- Employees are prohibited from trading in conflict with client transactions if it would disadvantage the client.
- Employees may not accept gifts or entertainment in excess of \$100 per year from one provider of goods or services.
- Employee’s political contributions must be reported except contributions made by a supervised person to any candidate for whom the supervised person is entitled to vote which, in aggregate, does not exceed \$250 per candidate per election.

The Code also prohibits other material conflicts of interest with clients absent client written consent. A copy of the Code may be obtained by contacting the Firm.

**PERSONAL TRADING OF FIRM EMPLOYEES**

The Firm maintains a policy prohibiting the Firm, a portfolio manager, other Firm employees, and any members of their households from purchasing or selling any securities the same day that such securities are bought or sold on behalf of a Client, except that a purchase or sale in a proprietary account may occur on the same day after all Client positions have been established or sold, as applicable. Client interest must precede the interest of the Firm and its employees in such transactions as described in the policy set forth below. There can be no assurance, however, that securities purchased for a portfolio manager’s accounts might not later be deemed appropriate for purchase for Client accounts.

Employees of the Firm are subject to specific procedures and must pre-clear personal securities transactions that involve initial public offerings, private placements or stocks held by clients of the Firm.

A pre-clearance request is made to the Firm Designated Principal (or his or her designee). The Designated Principal will determine whether to authorize a personal securities transaction. If authorized, the transaction may be effected commencing the day after all client transactions are filled. On occasion, transactions for a Client may be effected after a personal securities transaction, such as when a new Client is accepted by the Firm, when an existing Client adds new funds to be invested or adds new securities to its portfolio, where a Client directs a trade or where a Client's investment objectives change.

Employees of the Firm and members of their households are prohibited from participating in short sales of securities held in customer accounts.

The Firm maintains a retirement account under ERISA for Firm employees. This retirement account is managed by Mr. Perlow. In general, the Firm retirement account holds different securities than the Firm's client accounts. If the Firm retirement account holds the same securities as client accounts, Mr. Perlow will always seek to trade the retirement account behind client accounts in implementing any investment decision. The Firm retirement account is reviewed and monitored by Firm supervisory personnel to the same extent as any personal account of a Firm employee.

Firm personnel are required to provide confirmations of transactions and quarterly reports showing personal securities transactions, which are reviewed by the Firm's compliance staff on an ongoing basis. The Firm maintains personal securities transaction records involving direct or indirect beneficial ownership for all personnel.

As described in response to Item 12, transactions effected for accounts for the Firm's employee benefit plan are considered employee transactions.

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

### **Research and Other Soft Dollar Benefits.**

The Firm receives proprietary research reports, analysis and materials, along with admission to investment conferences ("Research") from certain broker-dealers that execute transactions on behalf of Clients of the Firm. When the Firm receives such Research at no cost from broker-dealers that receive brokerage commissions from Clients of the Firm, the Firm benefits because it does not have to produce or pay for such Research. The Firm may have an incentive to select or recommend a broker-dealer to Clients or prospective Clients based upon the Firm's interest in receiving the Research, rather than strictly on a Client's interest in receiving the most favorable execution. (See "Recommendation Requests" below). Further, Research provided by a broker-dealer may be used in decision-making for management of any or all of the accounts managed by the Firm, so there is no assurance that the benefits from any particular Research could be limited

to or allocated among the account(s) that pay commissions to the specific broker-dealer furnishing such Research.

The Firm has no express agreements with broker-dealers with respect to any level of commissions paid in return for Research. However, in the event that the broker-dealer did not receive any commissions from trades executed by the Firm through the course of managing Client accounts, the Firm believes it would not receive Research from the broker-dealer.

In determining whether to effect Adviser-selected brokerage transactions for its Clients through broker-dealers who provided the Firm with “brokerage or research services”, as that term is used in Section 28(e)(3) of the Securities Exchange Act of 1934 regarding “soft dollar payments”, the Firm will determine in good faith that the amount of the commission or mark-up/mark-down paid is reasonable in relation to the value of the Research received from such broker-dealer. This value will be viewed in terms of either that particular transaction or the Firm’s overall responsibilities to all of its Clients. The reasonableness of broker commissions is evaluated on an ongoing basis through a periodic review of the general level of commissions paid and services received. Such review is generally conducted quarterly and at least annually.

In performing its good faith determination that the cost of Research provided by broker-dealers is reasonable, the Firm generally considers the value of the Research received, relative to total commissions paid by its Clients to the broker-dealer, rather than on an individual or account-by-account trade basis. Because of this, the Firm may cause Client accounts to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits. Therefore, individual Client commissions paid are largely dictated by the Firm’s good faith judgment of what is deemed to be fair and reasonable payments relative to the value of Research received. The resulting level of commissions paid by the Firm’s Clients for such Research is generally higher than the level of commissions the Firm would pay absent the receipt of such broker-dealer provided Research. However, the Firm considers the level of Research to be of great importance to its investment management processes and resulting investment performance within Client accounts. Further, the Firm believes that producing equivalent Research internally or purchasing equivalent Research separately would entail substantially higher costs.

The brokerage and research services available to the Firm will include a broad variety of financial and related information and services, including: (1) access to broker-dealer sponsored research conferences; (2) meetings with management of companies in which the Firm may invest client funds; (3) access to broker-dealer research analysts’ recommendations; (4) reports containing fundamental and technical data on equity securities; (5) reports analyzing new securities that are created as the result of spin-offs; (6) written and oral analysis or research relating to the economy, industries or industry segments, or a specific company, including access to industry analysts; and (7) other similar services or information believed by the Firm to assist its advisory function. The Firm generally uses these services for research purposes, and such brokerage and research services for the most part will consist of a wide variety of information useful to the Firm and its Clients, and will generally benefit all of the Firm’s Clients.

Some or all of such Research may directly or indirectly benefit many of the accounts which generate the commissions whether Client-directed or Adviser-selected brokerage, to pay for such services. However, such services may not necessarily benefit all Clients in the same manner nor necessarily benefit a particular Client's account which generates the commissions to pay for a particular service. The Firm does not seek to allocate soft dollar benefits to client accounts proportionately to the soft dollar credits generated by such accounts. Some, but not all, services may be available to the Firm on a cash basis. There is no assurance that costs of research services will be borne equally among all clients or that the research services received from any broker will directly benefit some or all Clients whose accounts generated the relevant commissions.

#### Brokerage for Client Referrals.

The Firm does not receive client referrals from broker-dealers or other third parties.

#### Directed Brokerage:

A Client may direct execution through a particular broker-dealer ("Client-directed brokerage") by notifying the Firm. For Client-directed brokerage, the Firm may accept the broker-dealer's rate without negotiations. While Client-directed brokerage may result in a Client's receipt of certain additional services or benefits, such as reduced custody fees, the Client may also be paying higher commissions, so electing to direct brokerage may cost a client money. For Client-directed brokerage, Advisor will not undertake to negotiate commission rates with a directed broker-dealer, unless Client so authorizes Adviser in writing, in which case Adviser shall use its best efforts to negotiate such rates. As a result, a client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

Commissions paid for Client-directed brokerage will benefit the Firm if the Firm receives research reports from a Client-directed broker-dealer, which the Firm would not otherwise receive if the Firm did not provide to that broker-dealer a level of commissions satisfactory to that broker-dealer.

#### Recommendation Requests

If a Client requests that the Firm recommend a broker-dealer for execution (exclusive of those clients that may direct the Firm to use a specific broker-dealer), the Firm will generally provide a list of 3-5 broker-dealers ("Recommended Firms"). A Client is not limited to the Recommended Firms and the Firm will provide additional recommendations upon request. Such Recommended Firms will generally be broker-dealers that provide Research to the Firm, but the Firm may recommend any brokerage firm it believes to be appropriate for the particular client.

Factors that the Firm considers in recommending any of the Recommended Firms (or any other broker-dealer/custodian to clients) include such broker-dealer/custodian's historical relationship with the Firm, financial strength, reputation, execution capabilities, pricing, quality of Research provided, and service. Although the Firm shall review any commissions and/or transaction fees

paid by the Firm's clients to any recommended executing broker in compliance with the Firm's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the Firm determines, in good faith, that the commission/transaction fee is reasonable in relation to the value of the brokerage and Research services received.

In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of Research provided, execution capability, commission rates, and responsiveness. Accordingly, any brokerage firm utilized by the Firm for execution of transactions on behalf of clients may not necessarily charge the lowest possible commission rates for client account transactions. Further, the brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Firm's investment management fee.

The Firm has an incentive to select or recommend a broker-dealer based upon the Firm's interest in receiving Research rather than on the Client's interest in receiving most favorable execution. As noted above, the Firm receives Research from the Recommended Firms and other broker-dealers without cost to the Firm. As described above, the Firm periodically makes good faith determinations as to whether the amount of the commission or mark-up/mark-down paid to any such broker-dealer is reasonable in relation to the value of the Research received from such broker-dealer

The Firm's clients do not pay more for investment transactions effected and/or assets maintained at the Recommended Firms as a result of this arrangement; that is, none of these recommended brokerage firms charge clients more solely because the Firm receives Research. However, clients using these Recommended Firms may pay higher commissions than another qualified broker-dealer might charge to effect the same transactions. There is no corresponding commitment made by the Firm to any of the Recommended Firms (or any other entity) to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

#### Adviser-Selected Brokerage

The Firm may also place orders for securities with or through such broker-dealers as the Firm may select ("Adviser-selected brokerage"). Clients' transactions will be effected through Adviser-selected brokerage, unless the Client shall elect Client-directed brokerage as described below. Subject to the Firm's duty to obtain best execution, the Firm will generally select to execute orders for a Client account at the broker-dealer where such account is carried. Brokerage commissions for Client-directed as discussed below or Adviser-selected brokerage will generally be greater than commissions charged elsewhere, although the Firm believes that its commission rates are reasonable, in light of the execution and research services received by the Firm.

#### Aggregation of Orders and Allocation:

The Firm generally does not aggregate orders for various Clients. "Aggregation of orders" occurs when the orders for multiple clients are executed as single order through one broker-

dealer or as a small number of orders through a limited number of broker-dealers. Aggregation of transactions generally results in lower commissions. Because the Firm does not generally aggregate orders, transactions for each Client account generally will be placed individually with the applicable executing broker(s) and will be effected independently, unless the Firm decides to purchase or sell the same securities for several clients through the same executing broker at approximately the same time. There is no fixed methodology for determining the precedence in which orders are entered on behalf of client accounts. Further, the Firm frequently initiates or liquidates positions for clients over a period of days or, in some cases, one or more weeks. For these reasons, clients likely will receive differing execution prices and any client may receive a better or worse execution price than any other client. The Firm may (but is not obligated to and, as noted above, generally does not) combine or “bunch” such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Firm’s clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. When orders are aggregated, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. The Firm does not receive any additional compensation or remuneration as a result of such aggregation.

#### Brokerage Commissions

Except for clients that have independently negotiated brokerage rates with their broker-dealer, commissions charged by broker-dealers for accounts of the Firm’s Clients generally follows a fee schedule in which stocks priced greater than \$40 per share receive execution at commissions at \$0.08 or less per share and stocks priced at \$40 or less per share receive execution at commissions at \$0.06 or less per share. However, broker-dealers frequently charge a minimum “ticket charge” per transaction. In any instance where a client directs Westwood to execute through a specific broker and such broker has a minimum ticket charge (or Westwood elects to use such a broker), such ticket charge may cause the effective per share commission rate to exceed the per share rates described above.

**The Firm’s principal, Michael Perlow, is available to address any questions that a client or prospective client may have regarding any of the Firm’s brokerage practices and any corresponding perceived conflict of interest such practices may create.**

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

A Client portfolio representing a client relationship (which may consist of one or more separate accounts) is usually reviewed daily, but at least once a week. Those securities which make up each portfolio are constantly and frequently reviewed.

Portfolios are reviewed for appropriateness in light of investment objectives and accuracy of transaction executions. Primary portfolio review and administration is conducted by the Firm’s Portfolio Management team. Overall portfolio supervision responsibility is with Michael Perlow.

Records of an individual's past performance are available upon request by that individual client.

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

The Firm does not pay referral fees (non-commission based) to independent solicitors (non-registered representatives) for the referral of clients to the Firm and does not receive client referrals from broker-dealers.

***Item 15 Custody***

The Firm will not accept custody or delivery of any Client funds or securities. Further, the Firm may not give direction to custodians to make payment or withdraw cash. All deliveries of cash or securities must be made to the Client's custodian.

Although the Firm will provide quarterly appraisal reports to Clients, we urge you to compare all reports provided by the Firm to the statements you receive from your custodian.

***Item 16 Investment Discretion***

The Firm accepts discretionary authority to manage securities accounts on behalf of Clients. Clients may place any limitations on this authority that they deem appropriate, provided the Firm accepts such limitation. Prior to accepting discretionary authority, Clients execute a limited power of attorney in favor of the Firm.

***Item 17 Voting Client Securities***

Clients shall retain all authority to vote securities held in or for their account. The Firm will cooperate with the Client as necessary in notifying custodians or broker-dealers where clients' securities are held to forward proxy statements, proxies and other information to the Client.

***Item 18 Financial Information***

The Firm does not require or solicit prepayment of more than \$500 in fees per client, six months or more in advance.

***Item 19 Requirements for State-Registered Advisers***

None.