

**Investment Adviser Brochure
Item 1 – Cover Page**

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March 31, 2017

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. 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.

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

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Item 2 - Material Changes

This page summarizes the material changes to this brochure since the last annual update on March 28, 2016. Note this brochure has been revised significantly to reflect the offering of two new advisory services – the Westwood WealthCoach online advisory program and the offering of customized and affiliated investment strategies and services through the Direct Advisory Program. The changes made include the following:

Item 1: Cover Page: Added Dallas office contact information. Note that commencing with this annual Form ADV update, Westwood’s Dallas office has been designated as the principal office of Westwood Advisors. Changed contact information to reflect the change of Chief Compliance Officer and to provide a group email for the Westwood compliance department.

All Items: Added significant new content related to new advisory programs currently under development or soon to be offered by Westwood Advisors: the Westwood WealthCoach™ online advisory platform and the direct advisory program which will leverage third-party referral networks. Disclosure that relate only to the LLCs are preceded by the sub-heading “Westwood Investment LLCs”.

Item 4: Advisory Business: Added reference to an affiliated entity, Westwood Trust.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss: Added introductory paragraph. Removed detailed definition of “accredited investor”.

Item 10: Other Financial Industry Activities and Affiliations: Revised description of affiliates to include Westwood Trust and for clarity. Added disclosure about affiliated pooled investment vehicles: Westwood Funds, Westwood Trust commingled funds, and Westwood Investment Funds, Plc UCITS funds. Added disclosure regarding use of Westwood Management Corp. as subadvisor to Westwood Investment LLCs. Added disclosure of broker-dealer registered representatives.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading: Made revisions to provide additional detail, to note that code of ethics is applied across all Westwood affiliates and to make description more closely match that of Westwood Management Corp.

Item 17: Voting Client Securities: Revised to include new advisory programs in description of proxy voting policies and procedures. Revised and rearranged for clarity.

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Item 4 - 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 Management”), a registered investment advisor that has been in business since 1983; Westwood Trust, a Texas-chartered Trust company headquartered in Dallas, Texas and with offices in Houston, Texas and Omaha, Nebraska; and Westwood International Advisors Inc. (“WIA”), a Canadian investment adviser registered with the Ontario Securities Commission and the *Autorité des Marché Financiers* in Quebec. Westwood Advisors, Westwood Management, Westwood Trust and WIA are wholly owned by WHG.

As of December 31, 2016, Westwood Advisors managed 10 accounts on a discretionary basis with an approximate total value of \$237,932,214.

Westwood Investment LLCs

Westwood Advisors manages ten investment limited liability companies (“LLCs”) referred to collectively as the Westwood Investment LLCs. Westwood Advisors is the managing member of each of the ten limited liability companies. Interests in the Westwood Investment LLCs are offered to accredited investors only through private placement memoranda which fully disclose the terms and risks of investing in the LLCs. 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 an investor chooses to become a member of the particular LLC based upon the investor’s risk factors, income needs and investment time horizon. Once invested in an LLC, an investor may not restrict investments in certain securities within the LLC.

Westwood WealthCoach™

The Westwood WealthCoach program (the “Program”) is an advisory service offered by WHG’s Wealth Management division. WHG’s Wealth Management division offers trust and fiduciary services through Westwood Trust, an Texas trust company, and investment advisory services through Westwood Advisors. Westwood Trust and Westwood Advisors are both wholly owned subsidiaries of WHG.

The Program is a wrap fee program and is described in the Westwood WealthCoach Program brochure which will be provided to clients in the Program.

The Program is primarily offered to individual clients who sign up through the Westwood WealthCoach website portal (“WealthCoach Portal”). Certain existing trust and fiduciary clients of Westwood Trust may initially enroll in the Program in coordination with their Westwood Trust representative.

Each account managed in the Program will be a custodial account established by the Client at an approved custodian. Currently, the only approved custodian for the Program is TD Ameritrade. Additional custodians may be added.

Allocation Strategies

Three types of investment strategies are offered in the Program:

- The Active Allocation Strategies consisting primarily of actively managed mutual funds
- The Index Allocation Strategies consisting primarily of index-linked ETFs but potentially also including include some index-based mutual funds
- The Hybrid Allocation Strategies consisting of a mix of actively managed mutual and index-based mutual funds or ETFs

Program Clients select their chosen type of allocation strategy. Westwood Advisors does not recommend any type of investment strategy over another.

Westwood Advisors may offer for individual retirement accounts (IRAs) and other retirement plan accounts versions of the Active Allocation Strategy and the Hybrid Allocation Strategy that use only funds unaffiliated with Westwood Advisors depending on pending rulemaking by the U.S. Department of Labor relating to conflicts of interests in the provision of investment advice to retirement plans, also known as the “DoL Fiduciary Rule”.

Allocation Models

Allocation models are limited to mutual funds and ETFs. For non-retirement accounts, the Active Allocation Strategy and the Hybrid Allocation Strategy use Westwood Funds mutual funds which are managed by Westwood Management, an affiliate of Westwood Advisors.

Within each type of investment strategy, Westwood Advisors will manage accounts using an allocation model which corresponds to one of five risk levels:

- Cautious
- Moderately Cautious
- Enhanced Balanced®
- Moderately Aggressive
- Aggressive

Asset Allocation Committee

The allocation models are subject to review and oversight by the Westwood Wealth Management Asset Allocation Committee (“Allocation Committee”). The purpose of the Allocation Committee is to prepare a Strategic Asset Allocation Model from which multiple investment models will be derived. The Allocation Committee will meet on at least a quarterly basis. The Allocation Committee will review and recommend changes to the Enhanced Balance® model based on investment time horizons, risk tolerance and other factors. Upon approval, the Westwood Advisors investment team will translate the Enhanced Balanced® allocation model updates to the Cautious, Moderately Cautious, Moderately Aggressive and Aggressive allocation models to

reflect the weighting changes. The Allocation Committee is comprised of Westwood Advisors representatives, other Westwood related members and independent members.

Investment Fund Selection Committee

The purpose of the Investment Fund Selection Committee (the “Selection Committee”) is to select the appropriate mutual fund or exchange traded fund for each asset class represented in the allocation models. The Selection Committee will meet on at least a quarterly basis. The Selection Committee is comprised of Westwood Advisors representatives, other Westwood related members and independent members.

Enrolling in the Program

Clients enrolling in the Program use the online WealthCoach Portal to determine whether participating in the Program is appropriate for them, to select the client’s preferred type of allocation strategy and to obtain a recommended allocation model based on each client’s risk profile. To establish an account in the Program, clients must use the WealthCoach portal to complete their client profile, answer the risk tolerance questionnaire and select their chosen allocation strategy – active, hybrid or index. Based on the information provided in the risk tolerance questionnaire, the WealthCoach Portal will generate an allocation proposal which the client must approve and submit to Westwood Advisors. Upon submission, Westwood Advisors personnel will review the client information and approve the account or contact the client for additional information.

Clients will generally be restricted to the allocation model corresponding to their risk profile. Clients can change their allocation model by updating their risk profile information. However, Westwood Advisors may permit clients to invest in another allocation model after consultation with a representative of Westwood Advisors. In rare cases, Westwood Advisors may create a custom allocation for a client upon request or may refer clients to participate in another advisory program of Westwood Advisors or an affiliate if appropriate.

A client may request that a specific mutual fund or ETF be restricted in the client’s account by contacting a Westwood Advisors representative. If the request is accepted, Westwood Advisors may use an alternative mutual fund or ETF or may establish an account in another advisory program of Westwood Advisors or an affiliate if appropriate.

Investment advice in the Program is tailored to the individual needs of clients through the use of each client’s risk profile as generated through the WealthCoach Portal, each client’s selected allocation strategy and any input or customization provided by a Westwood Advisors representative upon request.

As a condition of participating in the Program, clients must agree to receive documents and disclosures electronically and also to use the electronic signature features of the WealthCoach Portal. Clients are responsible for ensuring that they maintain access to the email address used to communicate about the Program and to ensure that clients can access the WealthCoach Portal and to download and read any documents or disclosures.

Westwood Advisors may add additional allocation strategies, allocation models or investment strategy types available in the Program or modify the existing ones at any time without prior notice

to clients. The Westwood WealthCoach Program is a wrap fee program with a wrap fee payable to Westwood Advisors that includes fees for custody, execution and other services provided by TD Ameritrade or another custodian. Westwood Advisors pays custodians out of the fee it collects from clients.

The Program is expected to be launched in April 2017. Westwood Advisors currently (as of March 31, 2017) has no accounts and no assets under management in the Program.

The WealthCoach Portal

Westwood Advisors has integrated the Advisor Pro application from JemStep, Inc. (“JemStep”) into the WealthCoach Portal to facilitate the new account documentation process, risk tolerance questionnaire responses and investment allocation proposals. The Advisor Pro platform is provided to Westwood Advisors by JemStep pursuant to an agreement with Westwood Advisors. JemStep’s sole role in the Program is as a technology service provider to Westwood Advisors. JemStep does not provide any investment advisory services to Westwood Advisors or clients participating in the Program. The Advisor Pro application is licensed by Westwood but is owned by JemStep.

The questions on the risk tolerance questionnaire are determined by Westwood Advisors, and the parameters for creating an allocation proposal based on a client’s risk profile are implemented on the WealthCoach Portal based on Westwood Advisors’ direction.

Management of WealthCoach Accounts

Clients use the WealthCoach Portal to review and update their profile as well as their risk profile. Client requests for certain changes to their account profiles (such as contact information) or requests for transferring funds will be monitored by Westwood Advisors personnel and may require approval by Westwood Advisors.

The risk tolerance responses will be reconfirmed by the client each year through the WealthCoach Portal or in consultation with a Westwood Advisors representative.

The ongoing management of the accounts in the Program and client reporting will be achieved using software and services from Orion Advisor Services, LLC (“Orion”) pursuant to an agreement between Orion and Westwood Advisors. These services have been implemented by Westwood Advisors to facilitate management of accounts in the Program (the “WealthCoach Account Platform”). Orion’s sole role in the Program is as a technology service provider to Westwood Advisors. Orion does not provide any investment advisory services to Westwood Advisors or clients participating in the Program. The software that Westwood Advisors uses from Orion is licensed by Westwood but is owned by Orion. Certain functionality of the Orion software has been incorporated into the WealthCoach Portal to provide clients with information and reports about their account, including portfolio value, performance reports, custodial statements and billing information.

The WealthCoach Account Platform will be used by Westwood Advisors for trade order management, monitoring the investment allocations, performance calculations and reporting, and generating the billing information for the custodians. Westwood Advisors will monitor investment allocations in each account using the WealthCoach Account Platform which will automatically

generate trades. Westwood Advisors personnel will review trades at an aggregate level and, once approved, trades will be sent to the custodian for execution.

All accounts will be monitored daily on an automated basis through the WealthCoach Platform by Westwood Advisors. The investment allocations will be rebalanced either quarterly or if any single holding drifts more than 5% of account value from the target allocation.

Westwood Advisors personnel will periodically review accounts, individually and at the aggregate level, to ensure that the investment allocations are in line with their targets, that the risk tolerance responses are still valid and that all reporting (performance, statements and tax documents) have been completed.

Accounts will be reviewed by a Westwood Advisors representative at least quarterly or more frequently upon request or in consultation with the client.

Updating Client Information

Clients should review their investment goals and objectives at least quarterly. Clients should update their information whenever their investment goals and objectives change significantly. Clients will be asked to update or confirm their investment goals and objectives and other personal information at least annually. Generally, clients will be directed to update information through the WealthCoach Portal. Clients may also contact a Westwood Advisors representative to discuss or to update any information.

Data Aggregation Services

The WealthCoach Portal also provides certain data aggregation services to participating clients. These services enable clients to see information about accounts outside of the Program. This information is provided for clients to review, but external data obtained from data aggregation services are **not** incorporated into investment decisions made by Westwood Advisors nor are they incorporated in a client's risk profile.

Reporting

Westwood Advisors will create reports for WealthCoach clients, which will include a summary of the asset allocation, account performance by account and by asset class, and a summary of account activity. WealthCoach account reports will be available quarterly by default or monthly upon the request of a client. These reports will be available to clients through the WealthCoach Portal and may be made available through custodians as well. Clients should compare their WealthCoach statement with their custodial statements.

Direct Advisory Program

Westwood Advisors participates as an advisor on certain brokerage platforms through which Westwood Advisors offers the separate account strategies of its affiliate, Westwood Management Corp. Westwood Advisors provides an additional layer of advisory services to help clients select one or more Westwood strategies, to periodically review clients' accounts and consult with clients about the Westwood strategies. Advisory services through the Direct Advisory Program are offered in order to make Westwood Management strategies available to certain individual

brokerage clients of the referring brokerage firm. Investment advisory services in the Direct Advisory Program are individually tailored to the needs of clients through the initial and ongoing consultation between a Westwood Advisors representative and the client and through coordination and customization in the subadvisory relationship with Westwood Management Corp.

Westwood Advisors typically implements and monitors a client's guidelines by entering restrictions in our electronic guideline monitoring tool that interfaces with our trade order management system. The system is used by Westwood's trading and compliance teams to perform daily and real time monitoring. Restrictions may also be monitored manually if needed. In addition, Westwood reviews all accounts annually to ensure that the investment guidelines are current and correctly entered into the guideline monitoring tool.

Advisory services are expected to be offered through the Direct Advisory Program starting in April 2017. Westwood Advisors currently (as of March 31, 2017) has no accounts and no assets under management through the Direct Advisory Program.

The clients obtained through the custodian referrals in the Direct Advisory Program will be managed through the Orion Advisor application. Client online access and reporting will be made available through the custodians' platforms. Westwood Advisors will be responsible for monitoring and rebalancing the accounts, and providing performance reporting to the client at least quarterly. The onboarding process for this program requires communication with the client and manually preparing the new account documents and approval of the proposed investment allocation.

Item 5 - Fees and Compensation

Westwood Investment LLCs

Westwood Advisors receives a management fee based on a percentage of market value of the Westwood Investment LLCs. These fees are payable monthly by each LLC. Westwood Advisors deducts its advisory fees from the account of each LLC. The fees are described in the private placement memorandum provided to each investor in a Westwood Investment LLC. Some of the Westwood Investment LLCs also pay separate fees to the outside investment managers who manage a portion of the LLCs. These management and sub-advisor management fees are in addition to the investment advisory fees charged to the Westwood Investment LLCs for investment services. Investment Management fees paid to those sub-advisor managers are paid by the LLC. The expenses paid by the Westwood Investment LLCs are detailed in the annual audited financial statements, which are provided to each LLC member and to every prospective LLC member. In addition to the fees described above, the LLCs are charged annual custody fees and administrative fees of 0.08% of market value.

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

The Westwood Management strategies used to manage the Westwood Investment LLCs are available through different investment vehicles outside of the LLCs. The unaffiliated investment strategies may be available outside of the LLCs as well.

Westwood WealthCoach

Clients in the WealthCoach Program pay Westwood Advisors a fee that is a percentage of account value. The fee rate is the same regardless of whether the Client has selected an active, hybrid or index allocation strategy and regardless of the allocation model selected. The following annual fee rates apply to Accounts in the Program:

- 0.60% for current or former Military, Police, Fireman or Teachers
- 0.70% for all other accounts

Westwood Funds in client accounts in the Program are excluded from the calculation of advisory fees. Westwood Advisors has set the 0.70% fee based in part on the fact that Westwood receives on average approximately 0.70% in advisory fees from affiliated funds. However, Westwood may receive more or less than 0.70% from individual funds.

Fees for the Program are charged quarterly in advance based on the value as of the last day of the previous calendar quarter.

Fees in the Program are adjusted on a prorated basis to reflect contributions and withdrawals of greater than \$5,000.

Clients who terminate their accounts prior to the end of the quarter will receive a prorated refund which will be paid through the custodian.

Fees in the program are generally not negotiable. However, certain accounts that were formerly Westwood Trust accounts may be set up in the Program with custom fee schedules.

Allocation models for the Active Allocation Strategy and the Hybrid Allocation Strategy will contain Westwood Funds or other affiliated funds in which Westwood Management Corp. or an affiliate receives an advisory fee. This is a conflict of interest for Westwood Advisors because it may give Westwood Advisors an incentive to include Westwood-affiliated funds in the allocation models, to include them at a greater weight and to encourage clients to select the Active or Hybrid Allocation Strategies. Westwood Advisors has sought to address these conflicts by (1) establishing a fee rate that is approximately equal to Westwood Management's fees for advisory services to mutual funds, (2) allowing clients to select their chosen allocation strategy without recommending any, and (3) by using the Fund Selection and Allocation Committees. All mutual funds, including affiliated and unaffiliated funds, used in the allocation models are no-load funds.

Investment allocation services and models similar to those used in the Program may be available from other providers for a lower fee. The mutual funds, including Westwood Funds, and ETFs within the allocation models are available outside of any advisory program.

Direct Advisory Program

Westwood Advisors generally charges a management fee at a specified annual percentage rate of each portfolio's assets under management as follows:

- 0.95% on accounts under \$2,000,000

- 0.85% on accounts greater than \$2,000,000

All accounts are subject to a minimum annual fee of \$4,750.

The fee charged for the Direct Advisory Program will include fees for strategies from Westwood Management Corp.

Westwood Advisors investment advisory fee shall be prorated, paid quarterly in advance based on the market value of the assets on the last business day of the previous quarter. Investment management agreements may be terminated by either party upon written notice to the other party.

Fee rates, minimum fees and billing methods in the Direct Advisory Program may be negotiated.

Clients in the Direct Advisory Program will incur brokerage fees, transaction ticket fees, wire transfer fees and other expenses charged by the custodian which will be billed directly to each client's account. Westwood Advisors does not receive any portion of such commissions or fees from the custodian or clients. Portfolio management fees are separate and distinct fees charged by mutual funds, ETFs or other investments.

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

Westwood Investment LLCs

Westwood Advisors does not receive any performance-based fees from the Westwood Investment LLCs. It is our policy not to favor the interest of one Westwood Investment LLC 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 in a fair and equitable manner over time.

Westwood WealthCoach

Westwood Advisors does not receive any performance-based fees or have side-by-side management arrangements with respect to the WealthCoach Program.

Direct Advisory Program

Westwood Advisors does not receive any performance-based fees or have side-by-side management arrangements with respect to the Direct Advisory Program.

Item 7 - Types of Clients

Westwood Investment LLCs

Westwood Advisors' clients are the Westwood Investment LLCs. A private placement memorandum for a Westwood Investment LLC 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 is \$1,000,000.

Westwood WealthCoach

The WealthCoach Program is primarily available to individual clients who enroll and interact with Westwood Advisors through the WealthCoach Portal. Unaffiliated versions of the allocation models may be available for clients' IRA accounts. The minimum value to establish an account in the Program is \$5,000.

Direct Advisory Program

Advisory services through the Direct Advisory Program are primarily available to individual and institutional clients referred to Westwood Advisors through brokerage platforms. Accounts are generally subject to a minimum initial account value of \$500,000. Minimums may be waived in special circumstances, such as for clients with other relationships with Westwood.

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

Investing in securities involves risk of loss that clients should be prepared to bear. The following sections describe separately for the Westwood Investment LLCs and the Westwood WealthCoach Program the investment objectives, suitability criteria, and risks which Westwood Advisors has identified for each of these types of advisory services.

Westwood Investment LLCs

The Westwood Investment LLCs 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 are described below. Of course, there can be no guarantee that any of the Westwood Investment LLCs 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 and corporate 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 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 FOR WESTWOOD INVESTMENT LLCs

Investment in the LLCs involves a risk of loss that investors should be prepared to bear. Only "accredited investors" may invest in the LLCs. 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 being made for investment purposes only and not with a view to resale or distribution.

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 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 for any reason.

Risk Factors for Westwood Investment LLCs

Investors in the Westwood Investment LLCs should consider risks when investing in the Westwood Investment LLCs, including risks associated with investing in the LLCs as an investment vehicle and the risks of the underlying investment in which the LLCs invest:

1. General Market Risk. The value of an investment in the LLCs - its “Net Market Value” or “NMV” - depends upon the market value of all of the LLCs’ investments. The principal risk of investing in the LLCs is that the market value of the securities held by the LLCs will move up and down. These up and down fluctuations, which can occur rapidly and unpredictably, may cause the LLCs’ 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’ 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 can exhibit wide fluctuations in value because substantially all of 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, 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 to underperform other portfolios with similar investment objectives.

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

4. Risk of Foreign Investments. Certain LLCs 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.

5. Real Estate Investment Trust (REIT) Risk. Certain LLCs 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, the 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.

6. Investment in Bonds. Certain LLCs invest materially 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 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 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 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. Interest rates have been at or near record lows and, to the extent interest rates increase, this could have a negative impact on the value and liquidity of these securities.

7. Westwood Total Return LLC - High Yield Securities. The Westwood Total Return LLC 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.

8. Risk of Derivative Instruments. The LLCs 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 may also invest in derivative investments for nonhedging purposes (that is, to seek increased total return). Investing for non-hedging purposes is considered a speculative practice and presents even greater risk of loss.

9. No Assurance of Achieving Investment Objectives. Each of the LLCs 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.

10. No Regulation as Investment Companies. While each of the LLCs may be considered similar, in many respects, to an investment company or mutual fund, none of the LLCs will register under the 1940 Act. We are relying upon an exemption from such registration. For example, 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.

11. 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 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, our compensation and the limited liquidity factors and other risk factors described herein, the investment is prudent for the plan.

12. 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.

13. Lack of Liquidity / Limited Transferability. The investments will be issued to the members in the LLCs 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 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 must bear the economic risk of an investment in the LLCs 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 may only make an assignment of record with Westwood Advisors’ consent.

14. Conflicts of Interest. Each prospective member should be aware that he, she or it is not represented by counsel in their investment in a LLC 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 otherwise, also perform services for Westwood Advisors. Each prospective member should engage counsel to review the offering documents and should consult with his, her or its counsel before investing in the LLCs.

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

Westwood WealthCoach

Investment Objectives of Allocation Models

The allocation models available in the WealthCoach Program correspond to five risk levels: Cautious, Moderately Cautious, Enhanced Balanced®, Moderately Aggressive, and Aggressive. For each risk level, Westwood Advisors offers three model types:

- The Active Allocation Strategies consisting primarily of actively managed mutual funds
- The Index Allocation Strategies consisting primarily of index-linked ETFs but potentially also including include some index-based mutual funds
- The Hybrid Allocation Strategies consisting of a mix of actively managed mutual and index-based mutual funds or ETFs

The actively managed mutual funds will include Westwood-affiliated funds.

The following summarizes the investment objectives of each of these five risk levels:

Cautious – Designed for investors with the lowest possible risk tolerance and an estimated investment time horizon of 0 – 5 years. The objective of this strategy is for short-term investors who have spending needs within five years. Investors in this strategy may be more concerned with generating income and protecting capital rather than growing their assets. This allocation is actively managed, therefore asset class weighting changes will occur over time. The anticipated investment ranges for this allocation are:

Stocks: 0% - 25% Bonds: 75% - 100%

Balanced Income (Moderately Cautious) – Designed for investors with a low risk tolerance and an estimated time horizon of 5 – 10 years. The objective of this strategy is to generate income, minimize the impacts of volatility and achieve capital appreciation through a modest equity exposure. Investors in this strategy may be more concerned with generating income and downside market protection as opposed to growing their assets. This allocation is actively managed, therefore asset class weighting changes will occur over time. The anticipated investment ranges for this allocation are:

Stocks: 25% - 40% Bonds: 60% - 75%

Enhanced Balanced® (Moderate) – Designed for investors seeking a balanced allocation approach with an estimated time horizon of 10 – 20 years. The objective of this strategy is to provide an opportunity for reasonable returns, while managing the overall volatility of the portfolio. Investors in this strategy may be most concerned with balancing a need for capital appreciation with a desire to minimize volatility. This allocation is actively managed, therefore asset class weighting changes will occur over time. The anticipated investment ranges for this allocation are:

Stocks: 40% - 60% Bonds: 40% - 60%

Balanced Growth (Moderately Aggressive) – Designed for investors with a higher risk tolerance and an estimated time horizon of 20 – 30 years. The objective of this strategy is to primarily provide capital appreciation followed by managing volatility. Investors in this strategy are focused on returns, with moderate concern for market volatility. This allocation is actively managed, therefore asset class weighting changes will occur over time. The anticipated investment ranges for this allocation are:

Stocks: 60% - 75% Bonds: 35% - 40%

Growth (Aggressive) – Designed for investors with the highest possible risk tolerance and an estimated time horizon of 30+ years. The objective of this strategy is for capital appreciation with very little concern for volatility of the portfolio. Investors in this strategy are focused on long term capital appreciation in order to achieve their objective. This allocation is actively managed, therefore asset class weighting changes will occur over time. The anticipated investment ranges for this allocation are:

Stocks: 75% - 100% Bonds: 0% - 25%

Suitability Standards for Westwood WealthCoach Program

Suitability will be determined using the risk tolerance questionnaire completed by clients and the other information entered by clients. This information will be used by a scoring system integrated into the WealthCoach Portal. Specific factors used in the scoring system include age, investment objections, investment experience, time horizon, risk tolerance, hypothetical decisions the client would make in market scenarios, investment goals, relative preference for market outperformance versus downside protection, cost and tax considerations. Generally, the scoring system matches clients to the investment objectives and intended risk and return characteristics of the allocation models.

Risk of Loss in Westwood WealthCoach Program

As with all investments, investing in securities involves risk of loss that clients should be prepared to bear. Clients should carefully consider the risks in participating in the Program. These risks include *General Risks* related to the Program as well as the *Underlying Risks* related to the asset classes and investment vehicles used in the Program.

General Risks

Risks from Using an Automated Process to Select an Allocation Model. An inherent limitation in the use of an algorithm to assign risk profiles and allocation models is the risk that a client has a unique situation that has not been anticipated or incorporated into the design of the algorithm.

Risks from Using an Algorithm for Ongoing Account Management. Ongoing discretionary investment management of accounts in the Program is almost entirely driven by the use of automated rebalancing software which uses an algorithm to make decisions as to when to make trades in the accounts and the amount. The algorithm will generate trades for each account by

calculating and comparing the relative value of an investment product within an account to the target allocation for that investment product. An inherent risk in the use of automated software to rebalance accounts is the risk that an account could be rebalanced during a significant and temporary market move.

Investment Model Risks. Westwood Advisors applies its investment experience in establishing the Program, selecting the allocation models and the investment vehicles to use in each version of the models. However, there is no guaranty that Westwood Advisors will be successful in doing so. Westwood Advisors bases its investment decisions on factors which ultimately are derived from current and historical information available. There is no guaranty that historical trends will continue as assumed or expected.

Westwood Advisors may use analyses and/or theoretical models in its provision of investment advice which in turn are based on certain assumptions and depend on the accuracy of the data used in them. The generality of these assumptions may limit their effectiveness in specific cases. Models that are based on past data may fail to accurately predict future results.

Investment Personnel Turnover Risk. Personnel of Westwood Advisors may end their employment and Westwood may reorganize its investment teams which may affect the management of Program accounts and of Westwood Advisors' investment strategies.

Digital Advice Platform Risks. Westwood Advisors relies on the Advisor Pro application from JemStep, Inc. to run the WealthCoach Portal application to establish accounts and relies on software and services from Orion Advisor Services, LLC to run the WealthCoach Account Platform. There is no guaranty that these applications will continue to be available from their respective vendors nor that any application will retain its current functionality.

General ETF Risks. Investing in ETFs may introduce additional risks beyond those of the underlying investments. Specifically, the value of the ETF may not track the values of the underlying investments, due to such factors as including trading and liquidity in the ETF and differences between the index and the weighting of securities in the portfolio. ETFs also have internal fees and expenses which can affect the performance of the ETF as compared to its portfolio of securities.

Mutual Fund Risk – Mutual funds involve risk of loss, and there is no guarantee that a mutual fund will achieve its goals. The mutual fund advisor's (and/or subadvisor's) judgments about the markets, the economy, or companies may not anticipate actual market movements, economic conditions, or company performance, and these judgments may affect the return on the investment. The value of an investment in a mutual fund is based on the value of the securities the fund holds. These prices change daily due to economic and other events that affect particular companies and other issuers. These price movements, sometimes called volatility, may be greater or lesser depending on the types of securities the fund owns and the markets in which they trade. The effect on a fund of a change in the value of a single security will depend on how widely the fund diversifies its holdings.

Cyber Security Risk. Westwood Advisors and its affiliates and their clients may be subject to cyber security risks. Those risks include, among others, theft, misuse or corruption of data maintained online or digitally; denial of service attacks on websites; the loss or unauthorized release of confidential and proprietary information; operational disruption; or various other forms of cyber security breaches. Cyber-attacks against, or security breakdowns of Westwood or its service providers may harm Westwood clients; potentially resulting in, among other things, financial losses, the inability of Westwood and/or its clients to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, and/or additional compliance and remediation costs. Cyber security risks may also affect issuers of securities in which a client invests, potentially causing the client's investment in such issuers to lose value. Despite risk management processes, there can be no guarantee that a client will avoid losses relating to cyber security risks or other information security breaches.

Underlying Risks

The allocation models will include of the following asset classes except as noted below for REITs.

<u>Type of Security</u>	<u>Asset Class</u>
US Equities	<ul style="list-style-type: none"> • LargeCap • MidCap • SmallCap • AllCap Growth
International Equities	<ul style="list-style-type: none"> • International Equity • Global Equity • Emerging Markets
Bonds	<ul style="list-style-type: none"> • Investment Grade Bonds • International Bonds • High Yield Bonds
Specialty and Alternative	<ul style="list-style-type: none"> • Multi-Asset • Market Neutral • Convertibles • MLP & Energy
Other – Not used in all allocation models	<ul style="list-style-type: none"> • REITs

Each asset class has different risks that clients should consider. The tables below indicate the major types of risk that Westwood Advisors has identified as being most relevant to each asset class. Many asset classes share the same risks while other types of risk are more specific to some asset classes than to others. Following the tables are definitions for each of the types of risk identified in the table.

LargeCap		
<ul style="list-style-type: none"> • Equity Risk • REIT Risk • Foreign Currency Risk 	<ul style="list-style-type: none"> • Investment Style Risk • Royalty Trust Risk • ETF Risk 	<ul style="list-style-type: none"> • Portfolio Turnover Risk • MLP Risk • Foreign Company Risk • Cyber Security Risk

MidCap		
<ul style="list-style-type: none"> • Equity Risk • Small- and Mid-Capitalization Company Risk • Foreign Company Risk 	<ul style="list-style-type: none"> • Investment Style Risk • REIT Risk • Royalty Trust Risk • Foreign Currency Risk 	<ul style="list-style-type: none"> • MLP Risk • Portfolio Turnover Risk • ETF Risk • Cyber Security Risk

SmallCap		
<ul style="list-style-type: none"> • Equity Risk • REIT Risk • Small- and Mid-Capitalization Company Risk • Foreign Company Risk 	<ul style="list-style-type: none"> • Investment Style Risk • Small-Capitalization Company Risk • Foreign Currency Risk 	<ul style="list-style-type: none"> • Portfolio Turnover Risk • Royalty Trust Risk • MLP Risk • ETF Risk • Cyber Security Risk

AllCap Growth		
<ul style="list-style-type: none"> • Equity Risk • REIT Risk • Small- and Mid-Capitalization Company Risk • Foreign Company Risk 	<ul style="list-style-type: none"> • Investment Style Risk • Small-Capitalization Company Risk • Foreign Currency Risk 	<ul style="list-style-type: none"> • Portfolio Turnover Risk • Royalty Trust Risk • MLP Risk • ETF Risk • Cyber Security Risk

Income Opportunity		
<ul style="list-style-type: none"> • Equity Risk • Fixed Income Risk • High Yield Bond Risk • Foreign Company Risk • Foreign Currency Risk 	<ul style="list-style-type: none"> • Royalty Trust Risk • Small- and Mid-Capitalization Company Risk • ETF Risk • REIT Risk 	<ul style="list-style-type: none"> • Portfolio Turnover Risk • MLP Risk • Micro-Capitalization Company Risk • U.S. Government Securities Risk • Cyber Security Risk

Intermediate Fixed Income		
<ul style="list-style-type: none"> • Fixed Income Risk 	<ul style="list-style-type: none"> • U.S. Government Securities Risk 	<ul style="list-style-type: none"> • Portfolio Turnover Risk • Cyber Security Risk

Global Equity		
<ul style="list-style-type: none"> • Equity Risk • Foreign Company Risk • Emerging Markets Risk • Credit Risk 	<ul style="list-style-type: none"> • Foreign Currency Risk • Small- and Mid-Capitalization Company Risk • ETF Risk 	<ul style="list-style-type: none"> • Portfolio Turnover Risk • REIT Risk • Derivatives Risk • Liquidity Risk • Cyber Security Risk

International Equity		
<ul style="list-style-type: none"> • Equity Risk • Dividend Paying Stocks Risk • Small- and Mid-Capitalization Company Risk • Credit Risk 	<ul style="list-style-type: none"> • Foreign Company Risk • Emerging Markets Risk • ETF Risk • Derivatives Risk 	<ul style="list-style-type: none"> • Portfolio Turnover Risk • Foreign Currency Risk • REIT Risk • Liquidity Risk • Cyber Security Risk

Emerging Markets		
<ul style="list-style-type: none"> • Equity Risk • Foreign Company Risk • ETF Risk • Liquidity Risk 	<ul style="list-style-type: none"> • Emerging Markets Risk • Foreign Currency Risk • REIT Risk • Credit Risk 	<ul style="list-style-type: none"> • Portfolio Turnover Risk • Small- and Mid-Capitalization Company Risk • Derivatives Risk • Cyber Security Risk

MLP and Energy		
<ul style="list-style-type: none"> • MLP Risk • Energy Industries Risk • High Yield Bond Risk • Exchange-Traded Note (ETN) Risk • Cyber Security Risk 	<ul style="list-style-type: none"> • Equity Risk • Small- and Mid-Capitalization Company Risk • Fixed Income Risk • ETF Risk • Liquidity Risk 	<ul style="list-style-type: none"> • Portfolio Turnover Risk • Initial Public Offering (IPO) Risk • Foreign Company Risk • Foreign Currency Risk • Derivatives Risk • Royalty Trust Risk

Convertibles		
<ul style="list-style-type: none"> • Convertible Securities Risk • Fixed Income Risk • High Yield Bond Risk • Equity Risk • Investment Style Risk • Emerging Markets Risk 	<ul style="list-style-type: none"> • Preferred Stock Risk • Warrants Risk • Foreign Company Risk • Foreign Currency Risk • Liquidity Risk • Cyber Security Risk 	<ul style="list-style-type: none"> • Portfolio Turnover Risk • Regional Focus Risk • Small- and Mid-Capitalization Company Risk • Derivatives Risk

Market Neutral		
<ul style="list-style-type: none"> • Basis Risk • Equity Risk • Emerging Markets Risk • Derivatives Risk • Convertible Securities Risk • High Yield Bond Risk • Foreign Currency Risk 	<ul style="list-style-type: none"> • Preferred Stock Risk • Warrants Risk • Counterparty Credit Risk • Custodial Risk • Regional Focus Risk • Foreign Company Risk • Cyber Security Risk 	<ul style="list-style-type: none"> • Portfolio Turnover Risk • Investment Style Risk • Counterparty Risk • Liquidity Risk • Basis Risk • Fixed Income Risk

REITs		
<ul style="list-style-type: none"> • REIT Risk • Cyber Security Risk 	<ul style="list-style-type: none"> • Investment Style Risk • Royalty Trust Risk 	<ul style="list-style-type: none"> • Portfolio Turnover Risk • MLP Risk

Basis Risk – Basis risk may exist when there is a divergence between the price of a derivative and that of the underlying instrument in the cash market. This may result in market exposures, even in instances where derivatives positions have been taken to hedge underlying exposures, due to the unforeseen divergence of the derivative and underlying security prices. This is only relevant if the underlying instrument is traded prior to maturity.

Convertible Securities Risk – The value of a convertible security is influenced by changes in interest rates (with investment value declining as interest rates increase and increasing as interest rates decline) and the credit standing of the issuer. The price of a convertible security will also normally vary in some proportion to changes in the price of the underlying common stock because of the conversion or exercise feature.

Credit Risk – The risk that the issuer of a security or the counterparty to a contract will default or otherwise become unable to honor a financial obligation.

Derivatives Risk – Derivatives can be highly volatile and involve risks in addition to the risks of the underlying referenced securities. Gains or losses from a derivative can be substantially greater than the derivative's original cost, and can therefore involve leverage. Derivatives can be complex instruments and may involve analysis that differs from that required for other investment types utilized. If the value of a derivative does not correlate well with the particular market or other asset class to which the derivative is intended to provide exposure, the derivative may not produce the anticipated result. Derivatives can also reduce the opportunity for gain or result in losses by offsetting positive returns in other investments. Derivatives can be less liquid than other types of investments and entail the risk that the counterparty will default on its payment obligations. If the counterparty to a derivative transaction defaults, an investment would risk the loss of the net amount of the payments that it contractually is entitled to receive. To the extent that a strategy enters into short derivative positions, there may be exposure to risks similar to those associated with short sales, including the risk that losses are theoretically unlimited.

Dividend Paying Stocks Risk – A strategy’s emphasis on dividend-paying stocks involves the risk that such stocks may fall out of favor with investors and underperform the market. Also, a company may reduce or eliminate its dividend.

Emerging Markets Risk – The risks of foreign investing are heightened when investing in emerging markets. Emerging markets securities involve a number of additional risks, which may result from less government supervision and regulation of business and industry practices (including the potential lack of strict finance and accounting controls and standards), stock exchanges, brokers, and listed companies, making these investments potentially more volatile in price and less liquid than investments in developed securities markets, resulting in greater risk to investors. There is a risk in developing countries that a future economic or political crisis could lead to price controls, forced mergers of companies, expropriation or confiscatory taxation, seizure, nationalization, or creation of government monopolies, any of which may have a detrimental effect on these investments. In addition, these investments may be denominated in foreign currencies and, therefore, changes in the value of a country’s currency compared to the U.S. dollar may affect the value of these investments. To the extent that a Strategy has a significant portion of assets in the securities of issuers in or companies of a single country or region, it is more likely to be impacted by events or conditions affecting that country or region, which could have a negative impact on performance. Some of the risks of investing directly in foreign and emerging market securities may be reduced when investments are made indirectly in foreign securities through various other investment vehicles including derivatives, which also involve specialized risks.

Energy Industries Risk – The Strategy is subject to the risk of concentrating investments in the energy industries, which makes it more susceptible to factors adversely affecting issuers within those industries than a fund investing in a more diversified portfolio of securities. A downturn in the energy industries could have an adverse impact on the Strategy. At times, the performance of securities of companies in the energy industries may lag the performance of other industries or the broader market as a whole. Energy companies are affected by worldwide energy prices and costs related to energy production. These companies may have significant operations in areas at risk for natural disasters, social unrest and environmental damage. These companies may also be at risk for increased government regulation and intervention, energy conservation efforts, litigation and negative publicity and perception. Investments in energy-related utilities companies involve special considerations, including the risk of changing commodity prices, government regulation and oversight, increased tariffs, changes in tax laws, interest rate fluctuations and changes in the cost of providing utility services. Utilities companies are also subject to potential terrorist attacks, natural disasters and severe weather conditions, as well as regulatory and operational burdens associated with the operation and maintenance of facilities.

Equity Risk – Any investment in an equity security is subject to the risk that stock prices will fall over short or extended periods of time. Historically, the equity markets have moved in cycles, and the value of the investment’s equity securities may fluctuate drastically from day to day. Individual companies may report poor results or be negatively affected by industry and/or economic trends

and developments. The prices of securities issued by such companies may suffer a decline in response. These factors contribute to price volatility, which is the principal risk of investing in any equity security.

ETN Risk – An ETN is a debt security of an issuer that is listed and traded on U.S. stock exchanges or otherwise traded in the over-the-counter market. Similar to other debt securities, ETNs tend to have a maturity date and are backed only by the credit of the issuer. ETNs are designed to provide investors access to the returns of various market benchmarks, such as a securities index, currency or investment strategy, less fees and expenses. The value of an ETN may be influenced by time to maturity, level of supply and demand for the ETN, volatility and lack of liquidity in the underlying market, changes in the applicable interest rates, and changes in the issuer’s credit rating and economic, legal, political or geographic events that affect the referenced market. When the Strategy invests in ETNs, there may be fees and expenses associated with investment in such securities. Such fees reduce the amount of return on investment at maturity or upon redemption. There may be restrictions on the Strategy’s right to redeem its investment in an ETN, which are meant to be held until maturity. There are no periodic interest payments for ETNs, and principal is not protected. The Strategy could lose some of or the entire amount invested in ETNs. The Strategy’s decision to sell its ETN holdings may also be limited by the availability of a secondary market.

Fixed Income Risk – The prices of fixed income securities respond to economic developments, particularly interest rate changes, as well as to perceptions about the creditworthiness of individual issuers. Generally, fixed income securities will decrease in value if interest rates rise and vice versa, and the volatility of lower-rated securities is even greater than that of higher-rated securities. Also, longer-term securities are generally more volatile, so the average maturity or duration of these securities affects risk. Credit risk is the possibility that an issuer will fail to make timely payments of interest or principal or go bankrupt. Generally, risk of a debt security rises as the rating falls. In addition, these risks are often magnified for securities rated below-investment-grade, often referred to as “junk bonds,” and adverse changes in economic conditions or market perception are likely to cause issuers of these securities to be unable to meet their obligations to repay principal and interest to investors. Interest rates have been at near record lows, and, to the extent they increase, this could have a negative impact on fixed income securities in any portfolio.

Foreign Company Risk – Investing in foreign companies, including direct investments and through ADRs and Global Depositary Receipts (“GDRs”), which are traded on U.S. exchanges and represent an ownership interest in a foreign company, poses additional risks since political and economic events unique to a country or region will affect those markets and their issuers. These risks will not necessarily affect the U.S. economy or similar issuers located in the United States. In addition, investments in foreign securities are generally denominated in a foreign currency. As a result, changes in the value of those currencies compared to the U.S. dollar may affect (positively or negatively) the value of the investment. These currency movements may occur separately from, and in response to, events that do not otherwise affect the value of the security in the issuer’s home country. While ADRs and GDRs provide an alternative to directly purchasing the underlying foreign securities in their respective national markets and currencies, investments in ADRs and GDRs continue to be subject to many of the risks associated with investing directly in foreign securities.

Foreign Currency Risk – The value of investments in a foreign security will be affected by the value of the local currency relative to the U.S. dollar. When a foreign currency denominated security is sold, its value may be worth less in U.S. dollars even if the security increases in value in its home country. U.S. dollar-denominated securities of foreign issuers may also be affected by currency risk, as the value of these securities may also be affected by changes in the issuer’s local currency.

High Yield Bond Risk – High yield bonds (often called “junk bonds”) are debt securities rated below investment grade. Junk bonds are speculative, involve greater risks of default, downgrade, or price declines and are more volatile and tend to be less liquid than investment-grade securities. Companies issuing high yield bonds are less financially strong, are more likely to encounter financial difficulties, and are more vulnerable to adverse market events and negative sentiments than companies with higher credit ratings.

Initial Public Offering (IPO) Risk – The market value of shares in an IPO may fluctuate considerably or decline shortly after the IPO, due to factors such as the absence of a prior public market, unseasoned trading, the small number of shares available for trading and limited information about the issuer.

Investment Style Risk for Affiliated Strategies – For many affiliated strategies, Westwood pursues a “value style” of investing. Value investing focuses on companies with stocks that appear undervalued in light of factors such as the company’s earnings, book value, revenues or cash flow. If Westwood’s assessment of a company’s value or its prospects for exceeding earnings expectations or market conditions is inaccurate, the strategy could suffer losses or produce poor performance. In addition, “value stocks” can continue to be undervalued by the market for long periods of time.

Liquidity Risk – Certain securities may be difficult or impossible to sell at the time and the price that the Strategy would like. The Strategy may have to lower the price, sell other securities instead or forgo an investment opportunity, any of which could have a negative effect on Strategy management or performance.

Micro-Capitalization Company Risk – Micro-capitalization companies may be newly formed or in the early stages of development with limited product lines, markets or financial resources. Therefore, micro-capitalization companies may be less financially secure than large-, mid- and small-capitalization companies and may be more vulnerable to key personnel losses due to reliance on a smaller number of management personnel. In addition, there may be less public information available about these companies. Micro-cap stock prices may be more volatile than large-, mid- and small-capitalization companies and such stocks may be more thinly traded and thus difficult to buy and sell in the market.

MLP Risk – MLPs are limited partnerships in which the ownership units are publicly traded. MLP units are registered with the U.S. Securities and Exchange Commission (“SEC”) and are freely

traded on a securities exchange or in the over-the-counter market. MLPs often own several properties or businesses (or own interests) that are related to oil and gas industries or other natural resources, but they also may finance other projects. To the extent that an MLP's interests are all in a particular industry, the MLP will be negatively impacted by economic events adversely impacting that industry. The risks of investing in an MLP are generally those involved in investing in a partnership as opposed to a corporation. For example, state law governing partnerships is often less restrictive than state law governing corporations. Accordingly, there may be fewer protections afforded to investors in an MLP than to investors in a corporation. For example, investors in MLPs may have limited voting rights or be liable under certain circumstances for amounts greater than the amount of their investment. In addition, MLPs may be subject to state taxation in certain jurisdictions which will have the effect of reducing the amount of income paid by the MLP to its investors.

Portfolio Turnover Risk – Due to its investment strategy, the Strategy may buy and sell securities frequently. Such a strategy often involves higher expenses, including brokerage commissions, and may increase the amount of capital gains (in particular, short-term gains) realized by the Strategy. Shareholders may pay tax on such capital gains.

Preferred Stock Risk – Preferred stocks are sensitive to interest rate changes and are also subject to equity risk, which is the risk that stock prices will fall over short or extended periods of time. The rights of preferred stocks on the distribution of a company's assets in the event of a liquidation are generally subordinate to the rights associated with a company's debt securities.

Regional Focus Risk – To the extent that it focuses its investments in a particular geographic region, the Strategy may be more susceptible to economic, political, regulatory or other events or conditions affecting issuers and countries within that region. As a result, the Strategy may be subject to greater price volatility and risk of loss than a strategy holding more geographically diverse investments.

REIT Risk – REITs are pooled investment vehicles that own, and usually operate, income-producing real estate. REITs are susceptible to the risks associated with direct ownership of real estate, such as the following: declines in property values; increases in property taxes, operating expenses, rising interest rates or competition overbuilding; zoning changes; and losses from casualty or condemnation. REITs typically incur separate fees that result in the layering of expenses such that investors will indirectly bear a proportionate share of the REITs' operating expenses.

Royalty Trust Risk – Certain strategies, such as the MLP and energy strategies, may invest in royalty trusts. A royalty trust generally acquires an interest in natural resource companies and distributes the income it receives to the investors of the royalty trust. A sustained decline in demand for crude oil, natural gas and refined petroleum products could adversely affect income and royalty trust revenues and cash flows. Factors that could lead to a decrease in market demand include a recession or other adverse economic conditions, an increase in the market price of the

underlying commodity, higher taxes or other regulatory actions that increase costs, or a shift in consumer demand for such products. A rising interest rate environment could adversely impact the performance of royalty trusts. Rising interest rates could limit the capital appreciation of royalty trusts because of the increased availability of alternative investments at more competitive yields. The investment in royalty trusts may result in the layering of expenses such that investors will indirectly bear a proportionate share of the royalty trusts' operating expenses.

Small- and Mid-Capitalization Company Risk – Small- and mid-capitalization companies may be more vulnerable to adverse business or economic events than larger, more established companies. In particular, these small- and mid-sized companies may pose additional risks, including liquidity risk, because these companies tend to have limited product lines, markets and financial resources, and may depend upon a relatively small management group. Therefore, small- and mid-cap stocks may be more volatile than those of larger companies.

Small-Capitalization Company Risk – Small-capitalization companies may be more vulnerable to adverse business or economic events than larger, more established companies. In particular, these small-sized companies may pose additional risks, including liquidity risk, because these companies tend to have limited product lines, markets and financial resources, and may depend upon a relatively small management group. Therefore, small-cap stocks may be more volatile than those of larger companies.

U.S. Government Securities Risk – Although U.S. government securities are considered to be among the safest investments, they are not guaranteed against price movements due to changing interest rates. Obligations issued by some U.S. government agencies are backed by the U.S. Treasury, while others are backed solely by the ability of the agency to borrow from the U.S. Treasury or by the government-sponsored agency's own resources. As a result, investments in securities issued by the government-sponsored agencies that are not backed by the U.S. Treasury are subject to higher credit risk than those that are.

Warrants Risk – Warrants are instruments that entitle the holder to buy an equity security at a specific price for a specific period of time. Warrants may be more speculative than other types of investments. The price of a warrant may be more volatile than the price of its underlying security, and a warrant may offer greater potential for capital appreciation as well as capital loss. A warrant ceases to have value if it is not exercised prior to its expiration date.

Item 9 - Disciplinary Information

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

Item 10 - Other Financial Industry Activities and Affiliations

Westwood Advisors has three affiliated operating companies: Westwood Management Corp., an SEC registered investment adviser; Westwood Trust, a trust company chartered by the Texas Department of Banking; and Westwood International Advisors Inc., a Canadian investment adviser registered with the Ontario Securities Commission and the Autorité des Marché Financiers in Quebec. Westwood Advisors, Westwood Management Corp., Westwood Trust, and Westwood International Advisors are all wholly owned subsidiaries of the same parent company, Westwood Holdings Group, Inc. Westwood Management is the investment adviser for the Westwood Funds family of mutual funds. Westwood Management has a sub-advisory agreement with Westwood Trust pursuant to which Westwood Management serves as a sub-advisor to the Westwood Trust Commingled Funds. Westwood Management and WIA also serve as investment managers to sub-funds of Westwood Investment Funds Plc, an Irish-domiciled UCITS fund available to certain non-U.S. investors.

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

Employees of Westwood Advisors in its Omaha location are also involved in the management of accounts of Westwood Management Corp. 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 Management Corp. as Sub-Adviser to LLCs. Westwood Advisors has entered into sub-advisory agreements with Westwood Management Corp., an affiliated investment adviser, to manage a portion or all of the account for some of the Westwood Investment LLCs. Currently, Westwood Management provides sub-advisory services to seven of the ten LLCs. Westwood Management Corp. receives a sub-advisory fee from the LLC which is in addition to the fees paid by the LLC to Westwood Advisors. This is a conflict of interest because Westwood Advisors has an incentive to select Westwood Management strategies for the LLCs. To address this conflict of interest, Westwood Advisors reviews the performance all of sub-advisors to the LLCs, including Westwood Management Corp., and may replace any sub-advisor if it determines it is in the best interest of the LLC to do so.

Use of Westwood Management Corp. Strategies in the Direct Advisory Program. The Direct Advisory Program is designed to provide a means for individual and institutional clients to access the investment strategies of Westwood Management Corp. Other investment strategies are not generally offered in the Direct Advisory Program. This is a conflict of interest because Westwood Advisors representatives have an incentive to encourage clients to select a Westwood strategy rather than another investment product or strategy that might otherwise be available. Westwood Advisors addresses this conflict of interest primarily by disclosure that advisor services are limited to Westwood Management strategies.

Registered Representatives. Art Burtscher, Stacie Neussendorfer and Nick Wilwerding are licensed as Registered Representatives of Foreside Fund Services, LLC, an unaffiliated broker-

dealer. Mr. Burtscher, Ms. Neussendorfer and Mr. Wilwerding are licensed in order to distribute materials related to the Westwood Investment LLCs and the Westwood Funds, mutual funds managed by Westwood Management Corp. They do not receive sales compensation for investments in either the LLCs or Westwood Funds.

Item 11 - 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 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 Advisors owe a fiduciary duty to clients to conduct their personal securities transactions in a manner, which does not interfere with clients' portfolio transactions, or otherwise take advantage of the relationship between Westwood Advisors and clients, and which reflects these principles. The Code of Ethics requires employees to pre-clear all personal securities transactions through the Chief Compliance Officer (CCO) or his or her designee.

The Code prohibits Westwood Advisors' employees from purchasing or selling individual securities for their own account that are owned in any Westwood strategy, with a limited exception for *de minimis* trades. For purposes of the Code, Westwood strategies do not include Custom Asset Allocation Accounts or accounts in the Westwood Advisors WealthCoach Program. 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 \$5,000 or less. Employees are restricted to five such *de minimis* trades per month, in aggregate. 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, Westwood will place those holdings on "restricted status" and the employee may not sell the securities until Westwood has exited the security for client accounts managed with a Westwood strategy. 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 in a Westwood strategy, 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 client. The Code provides for "black-out periods" during which employees may not purchase or sell a stock that any Westwood affiliate is in the process of purchasing or selling in a Westwood strategy. 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 certify on a quarterly basis that they have reported all relevant securities transactions in compliance with the Code of Ethics.

The Code also requires employees to obtain pre-clearance for all political contributions and outside business activities. The firm's CCO 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 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. If an employee is offered, receives, or anticipates receiving something of value, the employee must report the matter in the compliance report value 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.

Westwood Advisors is also subject to 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, soft dollars and the annual brokerage budget.

No Westwood Investment LLC funds nor accounts in the Direct Advisory Program are invested in the securities of Westwood Advisors' parent company, Westwood Holdings Group, Inc.

No accounts in the Westwood WealthCoach are invested in the securities of WHG. Unaffiliated mutual funds and ETFs bought in WealthCoach accounts may invest in WHG securities. Affiliated mutual funds do not invest in WHG securities.

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

Item 12 - Brokerage Practices

Westwood Investment LLCs

For the Westwood Investment LLCs Westwood Advisors has discretion to determine the broker-dealer to use for transactions and the commission costs that will be charged to a Westwood Investment LLC 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.
- 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 (e.g., 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. As such, brokerage commissions paid to specific brokers for the research received may be higher than those paid to other brokers who do not provide research services, and such costs may be borne by a client. 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, brokerage execution-related services, 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”), Westwood Advisors will allocate commissions for only those portions of the service or product that is research or execution related. This analysis is 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. Thus, not all such services may be used for the benefit of the Westwood Investment LLC 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 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, Westwood Advisors may aggregate multiple contemporaneous purchase or sell orders into a block order for execution.

The Westwood Investment LLCs 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 participation in the transaction. In some cases, this procedure could have an adverse effect on a particular Westwood Investment LLC. 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.

When a decision is made to aggregate orders, Westwood Advisors seeks to allocate securities among the Westwood Investment LLCs in a fair and equitable manner. Under Westwood Advisors' trade allocation policy, securities generally are allocated among the Westwood Investment LLCs according to each LLC'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. These factors include, but are not limited to:

- The investment objective, policies and strategy of the Westwood Investment LLC;
- The appropriateness of the investment to the Westwood Investment LLC'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 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. 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 sometimes does not obtain 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 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. 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;
- The appropriateness of the investment to a Westwood Investment LLC'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.

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

Agency or Internal Cross Trading

As a general rule, Westwood Advisors prohibits agency or internal cross trades between accounts. If a cross trade situation was warranted, the investment team would work with the trader, the Legal and Compliance Department, and the client, when necessary, to ensure that the cross trade was initiated with no associated broker commissions and in compliance with the relevant laws and regulations.

Westwood WealthCoach

Westwood WealthCoach Program accounts will be held at TD Ameritrade or other unaffiliated third party custodian and broker-dealer. Because clients' fees include fees for brokerage services, it is anticipated that all trades will be sent to the custodian for execution.

Research and Other Soft Dollar Benefits

Westwood Advisors will not receive use soft dollars or use commissions in the Program to obtain research or brokerage services. Generally, brokerage platforms used in the Program will make a range of services and tools available to Westwood as a sponsor participating on the platform.

Brokerage for Client Referrals

Not applicable to the WealthCoach Program.

Trade Allocation

Trades for accounts in the Program will be aggregated and sent to TD Ameritrade or other broker dealer for execution.

Generally, these trades will be submitted in a single order for all accounts trading in a given day. However, additional trades for some accounts or for individual accounts may be sent as needed, such as for new accounts or to invest cash contributed to the account or to fund a withdrawal request.

Agency or Internal Cross Trading

Not applicable to the WealthCoach Program.

Direct Advisory Program

The Westwood Direct Advisory Program is based on referrals from other firms, generally broker-dealer/custodians offering referral platforms in which their representatives participate. This creates a conflict of interest because it creates an incentive for Westwood Advisors and its affiliates to direct trades to and to encourage clients to custody account assets at the referring broker dealer rather than seeking the most favorable execution. This practice may cost clients more as a result. In addition, participation in advisor referral platforms of custodians typically either requires a minimum aggregate account value or provides for reduced or no fees if aggregate asset levels are maintained by the investment adviser. This is a conflict of interest because it creates an incentive for Westwood Advisors to refer clients to custodians in order to maintain these aggregate asset

levels. Westwood Advisors addresses the conflict primarily through disclosure. The referral arrangements for these are described in Item 14 below.

Westwood Advisors will not receive soft dollars for accounts in the Direct Advisory Program. However, Accounts set up through the Direct Advisory Program will be managed by Westwood Management Corp., which will receive soft dollars. Clients will be provided a copy of Westwood Management Corp.'s Form ADV Part 2A which describes Westwood Management's research and soft dollar practices.

Trade Allocation

Accounts set up through the Direct Advisory Program will generally be managed by Westwood Management Corp. Clients will be provided a copy of Westwood Management Corp.'s Form ADV Part 2A which describes Westwood Management's trade allocation practices.

Item 13 - Review of Accounts

Westwood Investment LLCs

Westwood Advisors provides quarterly written reports to investors in the Westwood Investment LLCs 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 will be audited annually and the audited financial statements sent to all investors in the Westwood Investment LLCs within 120 days after the Westwood Investment LLC's fiscal year end.

Investments in the Westwood Investment LLCs 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 typically are conducted by one President and/or two Vice Presidents.

Westwood WealthCoach

Account reviews in the WealthCoach Program are described in Item 4 above.

Direct Advisory Program

Client reviews are scheduled and structured according to the client's stated guidelines or in response to specific client requests. In the absence of guidelines, client meetings are generally scheduled annually and to a lesser degree, on a semi-annual or quarterly basis. Client reviews generally involve a meeting between the client and the Westwood Advisors relationship manager to review strategy, objectives, key concerns and outlooks. The materials reviewed may include, but are not limited to, monthly and/or quarterly performance numbers, portfolio holdings, and summaries setting forth asset mix, cash flow and liquidity requirements, specific guidelines and

objectives applicable to the account, and other pertinent matters. Accounts in the Direct Advisory Program will also be subject to reviews by Westwood Management Corp.

Item 14 - Client Referrals and Other Compensation

Westwood Investment LLCs

Not Applicable.

Westwood WealthCoach

Westwood Advisors does not pay referral fees for new accounts opened in the WealthCoach Program.

Accounts which select an active or hybrid allocation strategy will likely be invested in mutual funds for which Westwood Management Corp. receives investment advisory fees.

Direct Advisory Program

By participating in the advisor referral networks of the custodians, Westwood Advisors is seeking referrals from brokerage or advisor representatives participating in such programs.

Westwood Advisors intends to participate in the advisory referral networks TD Ameritrade, Fidelity and Schwab. Westwood Advisors will typically recommend one of these serve as broker dealer/custodian for clients. Custodians charge separate fees for brokerage and custody which may include brokerage commissions and/or transaction fees for effecting certain securities transactions and asset based fees.

Westwood Advisors pays fees to these firms for referring clients in the Direct Advisory Program. The referral fees are usually based on a percentage of assets under management and may be capped depending on the specific arrangement. The fee is paid by Westwood Advisors and not by clients. Clients for whose accounts Westwood Advisors pays referral fees do not pay a higher fee than clients not referred. The arrangement with these referring firms will comply with the requirements of Rule 206(4)-3 under the Investment Advisers Act.

Westwood Advisors receives indirect benefits from participation in the Direct Advisory Program, including access to the referring firm's trading capabilities; confirmations, statements and other reports; advisory fee deduction services; access to conferences and business development opportunities; and free or discounted materials or services related to compliance, marketing, research, technology, and practice management. The receipt of these benefits creates a conflict of interest because Westwood Advisors has an incentive to refer clients to these firms. These benefits do not depend on the amount of assets custodied by the referring firms or on the volume or number of transactions sent to the referring firm. However, Westwood Advisors' participation in these referral platforms can generally be terminated by the referring firm and thus Westwood Advisors has an incentive to ensure that sufficient business is directed to the referring firm so that Westwood Advisors may continue to participate in its referral program.

In some of the referral relationships, Westwood Advisors may be contractually restricted in its ability to solicit clients to another custodial or brokerage platform subject to Westwood Advisors's fiduciary duty.

Clients are required to acknowledge these referral arrangements in writing before accepting an advisory account. The acknowledgement and disclosure documentation used will provide more details of the specific referral arrangement and the fees paid by Westwood Advisors to the referring firm.

Potential Payments by the Westwood Funds

The Westwood Funds may compensate financial intermediaries for providing a variety of services to shareholders, which may include record-keeping, transaction processing for shareholders' accounts and other shareholder services. Financial intermediaries include affiliated or unaffiliated brokers, dealers, banks (including bank trust departments), trust companies, registered investment advisers, financial planners, retirement plan administrators, insurance companies, and any other institution having a service, administration, or any other similar arrangement with the Funds, their service providers or their respective affiliates. The Funds generally pay financial intermediaries a fee that is based on the assets of each Fund that are attributable to investments by customers of the financial intermediary.

Potential Payments by Westwood

From time to time, Westwood Advisors and/or its affiliates, in their discretion, may make payments to certain affiliated or unaffiliated financial intermediaries to compensate them for the costs associated with distribution, marketing, administration and shareholder servicing support for the Funds, to the extent permitted by the SEC and Financial Industry Regulatory Authority ("FINRA") rules and other applicable laws and regulations. These payments are sometimes characterized as "revenue sharing" payments and are made out of Westwood's resources, and are not paid by the Funds. Any such payments will not change the NAV or price of the Funds' shares.

Item 15 - Custody

Westwood Investment LLCs

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 are maintained by Citigroup Private Bank. Some of the assets of the Westwood International Equity LLC are maintained by Boston

Financial Services, Franklin Templeton, State Street Bank & Trust Co. and Bank of New York Mellon. Some of the assets of the Westwood Total Return LLC are maintained by Citigroup Private Bank and Bank of New York Mellon. Some of the assets of Westwood Tactical Opportunity LLC are maintained by U.S. Bank. Investors will not receive a written statement from these custodians.

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

Westwood WealthCoach

Accounts in the WealthCoach Program will be individual accounts established by clients at an approved custodian. Initially, Westwood Advisors intends to participate in the advisor referral platforms of TD Ameritrade, Fidelity and/or Schwab and may add other custodians. Westwood Advisors debits its advisory fees accounts in the Program. Westwood Advisors does not otherwise have custody of assets in client accounts in the Program.

Clients with accounts in the Program will receive separate statements from the custodian. Clients should compare the account statements they receive from the custodian with those they receive from Westwood Advisors.

Direct Advisory Program

Accounts in the Direct Advisory Program will be held at the referring custodial broker-dealer firm. Westwood Advisors debits its advisory fees from these accounts. Westwood Advisors does not otherwise have custody of assets in client accounts in the Program.

Clients with accounts in the Program will receive separate statements from the custodian. Clients should compare the account statements they receive from the custodian with those they receive from Westwood Advisors.

Item 16 - Investment Discretion

Westwood Investment LLCs

Pursuant to the authority granted in the Westwood Investment LLCs offering documents, Westwood Advisors accepts discretionary authority to manage securities on behalf of the Westwood Investment LLCs 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. Westwood Advisors also has discretion to delegate discretion to other investment managers.

Westwood WealthCoach

Westwood Advisors has discretion in the management of accounts in the WealthCoach Program. Westwood Advisors exercises this discretion by reviewing and rebalancing accounts in accordance with each account's allocation model, by maintaining and updating the allocation models and funds available in them and implementing changes as needed in accounts in the Program.

Westwood Advisors accepts clients in the Program upon completion by the client of the account opening authorization through the WealthCoach Portal and after completion of internal reviews of new clients.

Direct Advisory Program

Westwood Advisors typically has discretion in the management of accounts in the Direct Advisory Program. Westwood Advisors will typically delegate investment discretion for day-to-day management to Westwood Management Corp. on a sub-advisory basis.

Item 17 - Voting Client Securities

Westwood Advisors typically has authority to vote Westwood Investment LLC securities. Westwood Advisors generally will have authority to vote proxies for accounts in both the WealthCoach Program and the Direct Advisory Program although clients may retain proxy voting authority by instructing Westwood Advisors and the custodian. Westwood Advisors has engaged Broadridge Financial Solutions, Inc. for proxy voting services and Glass Lewis & Co., LLC for proxy research for our clients. Broadridge is a leading provider to the global financial industry for full-service proxy support. 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 in the best interest of our clients.

Westwood Advisors maintains complete proxy record keeping files for accounts for which it exercises proxy voting authority. 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. A summary of voting will be furnished upon request.

Westwood Advisors will identify any conflicts of interest between the interests of itself and clients. If a material conflict exists, Westwood Advisors will determine whether it is appropriate to inform the affected clients, to give the clients an opportunity to vote the proxies themselves, or to address the voting issue through other objective means such as voting in a manner consistent with a predetermined voting policy or the independent third party Glass Lewis recommendation. Westwood Advisors will maintain a record of the resolution of any proxy voting conflict of interest.

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

In the Direct Advisory Program, for accounts managed by Westwood Management Corp. proxy voting is typically delegated to Westwood Management Corp.

Item 18 - 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.