Investment Adviser Brochure

Westwood Management Corp.

200 Crescent Court, Suite 1200

Dallas, Texas 75201

(214) 756-6900

www.westwoodgroup.com

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This brochure provides information about the qualifications and business practices of Westwood Management Corp. 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 Management Corp. also is available on the SEC's website at **www.adviserinfo.sec.gov**.

Westwood Management Corp. is an SEC registered investment adviser. Registration does not imply a certain level of skill or training.

Item 2 – Material Changes

The following reflect the changes made since the annual update on March 31, 2024:

Item 4: Advisory Business

- Added description to reference Westwood ETFs
- Updated list of available investment strategies to remove references to the MidCap Value, Total Return SMA, Global Real Estate and to reflect the renaming of the High Income Strategies to Multi-Asset Income Strategies and of the Select Income Strategy to Real Estate Income
- Updated trade rotation disclosure to describe trading process for the Tactical Growth strategy
- Removed disclosures and descriptions of the "Sensible Fees" branding of performance-based fee arrangements which are no longer promoted
- Updated description of Tactical Growth and Tactical Plus Strategies

Item 10: Other Financial Industry Activities and Affiliations

- Updated the description of Westwood's affiliates and their business
- Removed reference to Westwood employees registered with Foreside Fund Services
- Updated disclosure of Energy Team revenue sharing to include a disclosure of carried interest

Changes made since the last annual updated on March 31, 2025:

- Item 4: Updated dual contract SMA minimum account size

Item 3 – Table of Contents

Item 4 - Advisory Business

Westwood Management Corp. ("Westwood") is an investment advisory firm that has been in business since 1983. Westwood is a wholly owned subsidiary of Westwood Holdings Group, Inc. ("WHG"), a publicly held company listed on the New York Stock Exchange since July 1, 2002. WHG's subsidiaries include the following entities: Broadmark Asset Management, LLC ("Broadmark"), an SEC-registered investment adviser and CFTC-registered commodity trading advisor; Forward Securities, LLC ("Forward Securities"), an SEC-registered broker-dealer and FINRA member; Salient Advisors, LP ("Salient Advisors") an SEC-registered investment adviser and CFTC-registered commodity pool operator; Salient Capital, LP ("Salient Capital"), an SEC-registered broker-dealer; Westwood Advisors, L.L.C. ("Westwood Advisors"), an SEC-registered investment adviser; Westwood Trust, a Texas-chartered Trust company headquartered in Dallas, Texas. Salient Advisors, Salient Capital, Westwood, Westwood Advisors and Westwood Trust are wholly owned by WHG. Broadmark is a majority-owned subsidiary of WHG. In addition, WHG owns 50% of The Salient Zarvona Energy Fund GP, LP, an SEC-registered investment advisor and private fund sponsor.

In November 2022, Westwood Holdings Group, Inc. completed the acquisition of the asset management business of Salient Partners, LP and its subsidiaries (generally, "Salient"). Salient, based in Houston, Texas with an office in San Francisco, California, provided investment advisory services through Salient Capital Advisors, LP and Forward Management, LLC, both SEC-registered investment advisors. Pursuant to the transaction, Westwood Holdings Group, Inc. and its subsidiaries acquired substantially all of the assets of Salient and its subsidiaries. Generally, investment advisory agreements with Salient Capital Advisors and Forward Management were assigned to Westwood Management Corp. upon client notice and consent. In addition, Westwood Holdings Group, Inc. also purchased all of the equity ownership in Salient Advisors, Salient Capital and Forward Securities as well as Salient's equity ownership in The Salient Zarvona Energy Fund GP, LP. Forward Securities has since been deregistered as a broker-dealer and dissolved.

Westwood Holdings Group, Inc. purchased all of Salient's minority interest in Broadmark and also purchased additional equity ownership of Broadmark in January 2023, giving Westwood Holdings Group, Inc. a majority ownership stake in Broadmark.

Westwood provides portfolio management services to individuals, investment companies, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations, state and municipal government entities, pooled investment vehicles, and sovereign wealth funds. Westwood provides investment management services to investment companies; including open end mutual fund and exchange traded funds; private funds and other pooled investment vehicles both directly as the primary investment adviser and on a sub-advised basis when retained by a fund's investment adviser. Westwood provides investment management services to clients by providing ongoing implementation of its investment strategies, or in the case of model portfolios or other non-discretionary services, provides ongoing updates to its investment advice. Generally, in the case of model portfolio services, Westwood provides investment recommendations to other advisers in the form of a model portfolio which these advisers have full discretion to implement for their own clients.

Westwood tailors its services to specific client needs. Westwood carries out its investment management responsibilities in accordance with the investment guidelines and policy directives provided by the client. In these written guidelines, clients may impose restrictions on investing in certain securities or types of securities. Clients may also impose restrictions on investments in certain industries, sectors, or asset classes.

Westwood typically implements and monitors an institutional client's guidelines by entering restrictions in its trade compliance system that interfaces with its trade order management system. At account setup and as client guidelines are revised, a Compliance Officer identifies all guideline restrictions and inputs the information into the trade compliance system. Restrictions entered into the trade compliance system are checked and verified by investment personnel. The trade compliance system electronically monitors and enforces guideline restrictions including stock, industry, and sector specific restrictions. The Compliance Officer and investment personnel monitor account guidelines on a daily basis via the trade compliance system. Any restrictions that cannot be entered into the trade compliance system are monitored manually and reported to the Portfolio Teams on a periodic basis. In addition, Westwood reviews all institutional accounts an annual basis to ensure that the investment guidelines are current and correctly entered into the trade compliance system and that other client preferences and account attributes are correctly entered into the appropriate system.

Westwood provides portfolio management services for wrap fee programs and other separately managed account platforms (including platforms that charge separate fees for investment advice and brokerage services) for the following investment strategies:

- Westwood AllCap Value SMA
- Westwood Balanced SMA
- Westwood Broadmark Tactical Growth SMA
- Westwood Broadmark Tactical Plus SMA
- Westwood Fixed SMA
- Westwood Income Lite SMA
- Westwood Income Opportunity SMA
- Westwood LargeCap Value SMA
- Westwood MLP C-Corp SMA
- Westwood MLP Custom SMA
- Westwood High Conviction SMA
- Westwood MLP SMA
- Westwood Platinum SMA
- Westwood SmallCap Value SMA
- Westwood Quant SMA
- Westwood SMidCap Value SMA

Strategies in these programs are implemented substantially the same as in Westwood's institutional accounts; however, wrap account and separately managed account trades are not aggregated with Westwood's other trades because they typically trade on the sponsors' platforms or have directed brokerage relationships.

Wrap program sponsors and other investment advisers receiving Westwood model portfolios are primarily responsible for evaluating suitability and adhering to client-imposed investment restrictions. Dual contract separately managed accounts are generally subject to a minimum account size requirement of $250,000. Program sponsors for UMA, wrap fee or other SMA platforms generally determine account and strategy minimum requirements.

Westwood is typically compensated for its services in wrap fee and other managed account programs by receiving a portion of the fees charged to clients by program sponsors. The fee is typically based on the sponsor's assets under management attributable to Westwood's investment strategies and is calculated and paid by the sponsors.

Investment Opportunity Allocation

Westwood's investment strategies and advisory services are provided across a variety of types of relationships including mutual funds, ETFs and other pooled investment vehicles, institutional separate accounts, separately managed accounts and model portfolio-based separately managed account programs or platforms ("Model Portfolio Programs") in which Westwood's model portfolios are implemented and traded by the Sponsor or other brokerage firm ("Model Program Sponsor"). Westwood has designed a rotational process designed to achieve an equitable allocation of investment opportunities among its advisory clients for strategies available through wrap programs, other separately managed account platforms and Model Portfolio Programs. This practice is generally referred to as Westwood's Trade Rotation Policy even though, in the case of Model Portfolio Programs, Westwood does not conduct the trading.

For purposes of implementing its Trade Rotation Policy, Westwood has established three groups of account or relationship types based on how Westwood implements investment services:

- The Institutional Trade Rotation Group which includes mutual funds, ETFs, other collective investment vehicles and most institutional separate accounts;
- The Managed Account Group or MAG Trade Rotation Group which includes separately managed accounts traded by Westwood as well as certain institutional separate accounts; and
- The Model Portfolio Rotation Group which consists of Model Portfolio Programs.

Westwood trades or provides model portfolio updates, as applicable, to these account groups based on an order set each calendar month. Subject to exceptions summarized below, all internal model updates started during the month will be implemented in that order and the order is indexed for the following month such that the group that traded second during the month will trade first during the next month, the group that traded third will trade second and the group that traded first will trade third.

Westwood has set a threshold of a 50 basis points model change as the trigger for its Trade Rotation policy. Changes in the internal model portfolio associated with an investment strategy which do not result in a model weight change of at least 0.50% from the prior model portfolio update are not subject to the Trade Rotation Policy. For model updates below this threshold, Westwood typically implements trading in institutional accounts first, followed by the MAG Trade Rotation Group second and by providing updated models third.

Relationships in which Westwood Management Corp. provides a model portfolio to Westwood Trust or Westwood Advisors, LLC but which are traded by Westwood's Dallas-based trading team will be included in the MAG Trade Rotation Group for purposes of the Trade Rotation Policy.

For the Model Portfolio Rotation Group, in lieu of trading, Westwood notifies the Model Program Sponsors by providing an updated model portfolio pursuant to the normal model delivery process for each program. Westwood provides an updated model portfolio to all model portfolio recipients as contemporaneously as practicable.

Except as noted below, the following U.S. value strategies are covered by the Trade Rotation Policy:

- AllCap Value
- LargeCap Value
- MLP SMA
- SmallCap
- SMidCap

Trades and model portfolio updates in these strategies will be subject to the trade rotation policy if Westwood has advisory relationships in a strategy in more than one of the rotation groups. Strategies that do not have accounts in more than one of these groups are not subject to the Trade Rotation Policy.

Westwood will generally assume that a Model Program Sponsor has completed trading on the earlier of: (1) two trading days have passed since Westwood delivered a model update, (2) the Model Program Sponsor confirms that it has completed its implementation of the model update, or (3) Westwood determines that sufficient time has elapsed for a Model Program Sponsor to have completed implementation of a model update based on a reasonable estimate of the aggregate quantity of shares to be executed by the Model Program Sponsors and observed trade volume.

The Trade Rotation Policy does not apply to the following scenarios:

- Trades based on cash flows and corporate actions;
- New issues, such as IPOs and secondary offerings;
- In certain scenarios, such as material news events, in which Westwood determines to implement trades and model updates contemporaneously; or
- If a strategy subject to rotation is participating in a trade with a strategy not subject to rotation, Westwood may trade outside of the applicable rotation sequence with an equitable adjustment for future trades.

Only non-directed accounts that Westwood trades directly will participate in IPOs, other new issues and secondary offerings. Generally, accounts in the MAG Trade Rotation Group will be considered as directed and therefore will not participate in IPOs, other new issues or secondary offerings. However, new positions within the internal model portfolio resulting from participation in the new issue will typically be implemented after completion of the new issues trades in the MAG Trade Group and in the Model Portfolio Group in the relevant order then applicable.

Trading in Multi-Asset SMA Accounts: Income Opportunity SMA, and Multi-Asset Income SMA

Westwood generally updates and trades accounts assigned to the following multi-assets strategies once a month: Income Opportunity SMA, High Income SMA and Total Return SMA. These Multi-Asset SMA strategies are traded as separate strategies from their respective institutional strategies and trades for the same security are not typically subject to aggregation or rotation with institutional accounts.

Tactical Growth Accounts

Tactical Growth accounts are traded primarily using volume-weighted average pricing orders and similar trading strategies for exchange traded funds in which substantially all advisory accounts participate. Therefore, trades for the Tactical Growth Strategy are typically not rotated among types of clients. The Tactical Growth Strategy is implemented by Westwood on a discretionary basis based on a model portfolio provided by Broadmark Asset Management, LLC, acting as a non-discretionary sub-adviser to Westwood.

Assets under Management and Non-Discretionary Services

Westwood provides non-discretionary services to certain clients on a case-by-case basis.

As of December 31, 2024, Westwood managed 293 accounts on a discretionary basis with a value totaling approximately $12,802,824,273. Westwood did not have any non-discretionary assets under management. However, Westwood provides non-discretionary investment advice through several model portfolio programs as well as with respect to MLP PE SMA accounts.

Item 5 - Fees and Compensation

Westwood offers investment advisory services for a percentage of assets under management and, for some strategies, performance-based fees or a combination of performance-based fees and a percentage of assets under management. Westwood does not have a standard fee schedule for sub-advised accounts. Fees may be negotiable depending on the size of the account, the complexity of the issues involved, and the breadth of services requested. The minimum account size may be waived at Westwood's discretion. Minimum account requirements for wrap and retail separately managed accounts are described in Item 4 above.

The following fees apply to new institutional separately managed accounts:

ALLCAP VALUE (Minimum Investment: $25 MM)	0.60% on the first $50 million
ALTERNATIVE INCOME (Minimum Investment: $50 MM)	0.65% on the first $50 million
BALANCED (Minimum investment: $25 MM)	0.625% on the first $25 million
CREDIT OPPORTUNITIES (Minimum Investment: $25 MM)	0.80% on the first $50 million

	Also available with a performance fee to qualified clients on a case by case basis.
CUSTOM ASSET ALLOCATION (No minimum investment)	1.00% up to $750,000
INCOME OPPORTUNITY (Minimum Investment: $25 MM)	0.80% on the first $25 million
INTERMEDIATE FIXED INCOME (Minimum Investment: $10 MM)	0.40% on the first $10 million
MULTI ASSET INCOME (Minimum Investment: $50 MM)	0.50% on the first $50 million
LARGECAP VALUE (Minimum Investment: $25 MM)	0.50% on the first $50 million
MIDCAP VALUE (Minimum investment: $25 MM)	0.65% on the first $50 million
MLP & ENERGY INFRASTRUCTURE (Minimum investment: $25MM)	0.75% on the first $50 million
MLP INCOME SMA (Minimum investment: $25 MM)	0.75% on the first $50 million
MLP TOTAL RETURN	Available only through Westwood Salient private funds. Fee information is disclosed in applicable Private Placement Memorandum.
MLP TOTAL RETURN TE	Available only through Westwood Salient private funds. Fee information is disclosed in applicable Private Placement Memorandum.
MLP SMA (Minimum investment: $25 MM)	0.75% on the first $25 million
PLATINUM STRATEGY (Minimum investment:$1 MM)	0.55% on the first $10 million
REAL ESTATE INCOME (Minimum investment: $25 MM)	0.75% on the first $50 million
SMALLCAP VALUE (Minimum Investment: $25 MM)	0.75% on the first $100 million
SMIDCAP VALUE	0.75% on the first $50 million

(Minimum Investment: $25 MM)	
TACTICAL GROWTH (Minimum Investment: $25 MM)	0.75% on the first $50 million
TACTICAL PLUS (Minimum Investment: $25 MM)	0.75% on the first $50 million

The following fee schedule applies for model portfolio arrangements:

AllCap Value SMA	0.50%
Multi-Asset Income SMA	0.50%
Income Opportunity SMA	0.50%
LargeCap Value SMA	0.30%
MidCap Value SMA	0.40%
MLP SMA	0.40%
SmallCap Value SMA	0.50%
SMidCap Value SMA	0.45%
Tactical Growth SMA	0.55%

Model portfolios fees are negotiable and may be lower or tiered depending on the platform's asset potential, advisor base and operational complexity, and the breadth of services and support required by Westwood.

<u>Billing Practices</u>

It is Westwood's normal practice to bill separately managed accounts quarterly in advance and pooled investments monthly in arrears. However, the billing method is negotiable. Former clients of Salient Capital Advisors are billed as provided in the applicable advisory agreements. Westwood has several wrap fee/retail managed account relationships in which, with the pre-approval of the sponsor, Westwood reports fees to the custodian, who pays Westwood directly from account assets.

Fee calculations are typically based on the market value of an account as provided in the applicable agreement. If management of an account begins at any time other than the start of the calendar quarter, then the first quarterly fee is prorated. Upon termination by either party, fees are prorated to the date of termination and any portion of prepaid fees attributable to the period following the effective date termination is refunded to the client, generally via a payment to the custodian to be credited to the client's account.

To the extent that fees are based on the market value of the account, Westwood calculates fees based on the ending market value for the billing period. Typically, Westwood values the securities using an independent outside pricing vendor who furnishes prices based on readily available market information. In some instances, securities for which quotations are not readily available are addressed by an internal Valuation Committee that has been established to review valuation issues. The purpose of the Valuation Committee is to meet periodically and resolve any issues regarding valuation and pricing of securities. The Valuation Committee sets the policies and procedures around Westwood's standard pricing function, including sources, markets, and methodology for all of Westwood's standard security types. The Valuation Committee is responsible for approving and documenting any methodology used to price complex securities where Westwood goes outside of its normal pricing sources, including any manual pricing. The Valuation Committee has final approval of any new security types that have not previously been traded. Securities that may require manual pricing could affect fee calculations for both asset-based fee arrangements and performance-based fee arrangements.

Billing for performance-based fees are described below in Item 6.

In addition to Westwood's fees discussed above, clients will incur brokerage fees and other transaction costs, as well as any fees charged by the clients' custodians. See the section titled "Item 12 – Brokerage Practices" below.

Additional Investment Advisory Fees – Mutual Fund Clients

Some advisory clients may be invested in mutual funds and/or exchange traded funds which assess fees that would be in addition to those imposed by Westwood for investment advisory services.

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

Westwood charges asset-based fees for most accounts and offers performance-based fees for certain strategies. Performance-Based Fees are only available to clients that are "qualified clients" as defined in SEC Rule 205-3 under the Investment Advisers Act of 1940 (17 C.F.R. §275.205-3) and for whom Westwood determines performance-based fees are suitable.

Other Performance Based Fees

Westwood currently has a limited number of relationships for which it receives other performance-based fees including accounts established with "Sensible Fees", performance-based fees previously offered by Westwood. Generally, performance-based fee structures for institutional accounts are available to clients who have at least $500 million under management with Westwood (or $50 million under management for the Market Neutral Income strategy) at the time that performance-based fees are agreed upon, or who have a long-standing relationship with Westwood. Certain Westwood clients who are former clients of Salient Capital Advisors or Forward Management also have performance-based fee arrangements as provided in the applicable advisory agreements. Other performance-based fees are calculated quarterly or annually in arrears based on performance for the defined performance period.

Disclosures Relating to Performance-Based Fees

Westwood recognizes that incentive compensation associated with performance-based fee arrangements creates the risk for potential conflicts of interest.

- Performance-based fees may create an incentive for Westwood to make riskier or more speculative investments than would be made under a different fee arrangement or to allocate investments having a greater potential for higher returns to accounts of those clients paying the higher performance fee. It is Westwood's policy not to favor the interest of one client over another. Westwood addresses the conflicts of interest created by "side-by-side management" with performance-based fee accounts by requiring portfolio decisions to be made on a strategy-specific, internal model portfolio basis. Westwood also addresses this risk through disclosure and through its risk and other internal reviews.

- Investment performance for accounts with performance-based fees is measured relative to the selected benchmark. This creates an incentive for Westwood to select a benchmark that may not be appropriate for the strategy, such as one for an asset class that may be expected to underperform over time. Westwood addresses this conflict of interest primarily through disclosure, its risk and other internal reviews and by limiting the availability of Westwood Performance-Based Fees to eligible clients.

- Although performance-based fees may reduce or eliminate the fees received by Westwood if a portfolio does not outperform the associated benchmark, Westwood's fee arrangements do not compensate clients or refund prior fees in the event of underperformance.

- Westwood Performance-Based Fees are usually based on the relative performance of Westwood's strategy as compared to the benchmark. It is possible that both Westwood's strategy and the benchmark may lose significant value and that Westwood could still earn a significant performance-based fee based on the relative difference in performance.

Westwood portfolio managers often manage multiple client accounts in each Westwood strategy. The fee rates for accounts managed according to the same strategy vary and in some strategies some clients pay asset-based fees while others pay performance-based fees. The portfolio managers' management of other accounts gives rise to potential conflicts of interest in connection with their management of one client's investments, on the one hand, and the investments of the other clients' accounts, on the other. The other accounts may have the same investment objective as the particular client. Therefore, a potential conflict of interest arises as a result of the identical investment objectives, whereby the portfolio manager could favor one account over another. Another potential conflict could include the portfolio manager's knowledge about the size, timing, and possible market impact of trades, whereby a portfolio manager could use this information to the advantage of other accounts and to the disadvantage of the client. Westwood has established policies and procedures designed to ensure that the purchase and sale of securities among all accounts it manages are fairly and equitably allocated over time. Westwood's trade allocation policy is to aggregate client transactions where possible when it is believed that such aggregation may facilitate Westwood's duty of best execution, as applicable. Client accounts for which orders are aggregated receive the average price of such transaction. Any transaction costs incurred in the transaction are shared pro rata based on each client's participation in the transaction. Westwood generally allocates securities among client accounts according to each account's pre-determined participation in the transaction. Westwood's policy prohibits any allocation of trades that would favor any proprietary accounts, affiliated accounts, or any particular client(s) or group of clients over any other account(s).

Accounts managed in wrap account programs and retail managed account programs are not included in the aggregated trades described above. Investment opportunity allocation practices for these programs are described in Item 4.

Item 7 - Types of Clients

See the section titled "Advisory Business" above for a description of the types of clients to which Westwood generally provides investment advice. With the exception of the Custom Asset Allocation strategy and SMA and dual contract accounts, Westwood has initial investment requirements typically ranging from $2.5 million to $25 million depending on the mandate. Clients are able to negotiate this requirement, and the minimum may be waived at Westwood's discretion.

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

U.S. Value Investment Strategies

The investment philosophy for Westwood's U.S. Value Team can be summarized by the following core principles:

- Investing in undervalued, high-quality businesses can generate a return premium resulting in lower absolute downside risk and superior risk-adjusted returns.
- Superior business models have sustainable competitive advantages that can consistently generate returns on capital in excess of the cost of capital.
- High quality businesses have better opportunities to reinvest cash flows, pursue M&A and return capital to investors, creating long-term value for shareholders.
- Quality performs better during periods of volatility resulting in lower downside risk.
- Identifying the intersection of quality and value requires a fundamental active, multifaceted approach analyzing profitability and financial strength specific across industries.
- Valuation methods using cash flows and earnings is essential to determine intrinsic value — making valuation critical to realizing the return premium.

Multi-Asset Investment Strategies

Westwood's multi-asset investment philosophy and approach is based on effectively marrying bottom-up, fundamental security selection and top-down macroeconomic views to achieve an optimal risk-adjusted outcome for our investors. The process utilizes both fundamental and quantitative tools to evaluate macro, micro, and technical conditions across a wide range of asset classes to determine our portfolio construction.

Westwood places a high degree of emphasis on tactical allocation, supported by its proprietary signals, and downside risk-management to navigate changing market environments. Westwood's tactical approach also provides flexibility over time to prioritize areas of opportunity while avoiding those with less attractive valuations. Tactical allocations combined with idiosyncratic security returns are the key sources of returns, rather than traditional beta, to achieve potentially greater diversification and risk-adjusted returns. Westwood believes these are key tenets to achieving its investment objectives and fully realizing the true diversification benefits of multi-asset investing. Westwood's investment approach was designed to be simple, liquid and transparent, without a heavy use of derivatives, which allows investors to understand how, where and why Westwood is taking risk in order to meet their objectives.

Note that investment strategy and other important information about the Salient MLP Total Return Fund, L.P., and the Salient MLP Total Return TE Fund, L.P., is disclosed in each fund's Private Placement Memorandum and is not included below.

Descriptions of each strategy are as follows:

AllCap Value Strategy

Investments in equity securities of approximately 50 to 80 companies benchmarked to the Russell 3000 Value Index.

Alternative Income Strategy

Multi-strategy process seeking to generate positive absolute returns through a short duration yield portfolio of global convertible securities, convertible arbitrage and macro hedging.

Balanced Strategy

For the Balanced strategy, the broad equity investment universe is generally all stocks greater than $5 billion in market capitalization. The broad fixed income investment universe is the Barclays Aggregate Index which includes securities such as US Treasuries, Government Agencies, Mortgage-Backed Securities, Investment Grade Corporate and Asset Backed Securities. The strategy invests in approximately 40 to 60 equity securities and approximately 30 to 60 debt securities.

Custom Asset Allocation Strategy

For the Custom Asset Allocation strategy, Westwood utilizes a diversified strategy that is customizable based upon each client's individual objectives and constraints. Westwood typically deploys a balanced investment allocation utilizing a combination of domestic and international equity and investment-grade fixed income securities.

Credit Opportunities Strategy

The Credit Opportunities Strategy targets investment returns through capital appreciation by making opportunistic investments in debt securities, which may include distressed or defaulted securities, and is typically expected to hold 20 to 30 positions.

Multi-Asset Income Strategy

Multi-asset approach utilizes primarily non-investment grade corporate bond exposure, coupled with modest equity exposure in order to generate both investment income and capital appreciation.

Multi-Asset Income SMA Strategy

Multi-asset approach utilizes primarily non-investment grade corporate bond exposure, coupled with modest equity exposure in order to generate both investment income and capital appreciation. The Multi-Asset Income SMA strategy is designed to offer a strategy that is similar to Westwood's institutional Multi-Asset Income strategy in a format that can be implemented for individual SMA accounts and model portfolio programs. To do so, the strategy will generally use ETFs or mutual funds to gain exposure to the MLP asset class and certain types of fixed income securities.

Income Opportunity Strategy

Bottom-up, multi-asset strategy focused on providing investors attractive returns by balancing the need for income, capital appreciation and downside risk through security selection and sector rotation.

Income Opportunity SMA Strategy

Multi-asset strategy that invests across multiple bond sectors including convertibles and income producing equity securities. The Income Opportunity SMA strategy is designed to offer a strategy that is similar to Westwood's institutional Income Opportunity strategy in a format that can be implemented for individual SMA accounts and model portfolio programs. To do so, the strategy will generally use ETFs or mutual funds to gain exposure to the MLP asset class and certain types of fixed income securities.

Intermediate Fixed Income Strategy

For the Intermediate Fixed Income strategy, Westwood invests in fixed income securities that are, in the aggregate, investment grade securities of corporate and government issuers and commercial paper and mortgage- and asset-backed securities. The strategy invests in approximately 40 to 60 debt securities.

LargeCap Value Strategy

Investments in equity securities of approximately 40 to 60 companies benchmarked to the Russell 1000 Value Index.

MidCap Value Strategy

Investments in equity securities of approximately 50 to 80 companies benchmarked to the Russell Midcap Value Index.

MLP & Energy Infrastructure

The Westwood Salient MLP & Energy Infrastructure Strategy seeks to maximize total return (capital appreciation and income). The strategy primarily invests in Master Limited Partnerships ("MLPs") and MLP-related companies seeking exposure to a broad range of energy infrastructure opportunities. The strategy typically invests in between 30 and 50 securities.

MLP Income SMA Strategy

For the MLP Income SMA strategy, Westwood seeks primarily to provide long-term growth of capital and to generate sustainable dividend income through investment primarily in MLPs. Westwood will opportunistically use covered calls written on up to 100% of the portfolio. See Use of Margin and Options section below.

MLP Private Equity SMA

The investment objective of the Westwood Salient MLP Private Equity SMA strategy (also referred to as the Private Investment Program) is to earn an attractive return on invested capital. Westwood will pursue its investment objective by sourcing and making recommendations of energy private investments to client which Westwood believes are suitable for the client's portfolio and investment policies. Westwood does not typically exercise discretion on the private investments and the client will consider each investment recommendation on its own merit and complete the required legal documents and investor questionnaires to subscribe to each approved private investment. Eligible investments include direct private placements, private co-investments, private investment in public equity ("PIPE") and non-registered convertible preferred equity investments.

Investment in private fund investments through the MLP Private Equity SMA strategy may result in layering of fees such that clients pay investment management fees to Westwood as well as to the advisor or sponsor of the private fund investment.

Investments made by clients through the MLP Private Equity SMA strategy are subject to important risk and other disclosure information made in each investment's private placement memorandum or other subscription documentation.

MLP SMA

The Westwood Salient MLP SMA strategy seeks to maximize total return (capital appreciation and income) by investing in MLPs and energy infrastructure companies. The strategy invests in approximately 20-30 securities.

Platinum Strategy

For the Platinum strategy, Westwood typically invests in companies with market capitalizations greater than $2 billion and seeks to achieve capital appreciation and dividend growth. The strategy invests in approximately 30-50 securities.

Real Estate Income

The Westwood Real Estate Income strategy seeks high current income and potential for modest long-term growth of capital. The strategy invests in preferred equity and bonds of public real estate companies and in real estate investment trust ("REIT") common stocks. The strategy may also seek opportunities in small capitalization REITs and may use portfolio leverage in pursuit of its objectives. The strategy typically invests in 50 to 70 holdings.

SmallCap Value Strategy

Investments in equity securities of approximately 50 to 70 companies benchmarked to the Russell 2000 Value Index.

SMidCap Value Strategy

Investments in equity securities of approximately 50 to 70 companies benchmarked to the Russell 2500 Value Index.

Tactical Growth

Westwood's subsidiary, Broadmark Asset Management, serves as the sub-adviser to the Westwood Broadmark Tactical Growth strategy. The Tactical Growth Strategy seeks to produce above-average, risk-adjusted returns, in any market environment, while exhibiting less downside volatility than the S&P 500 Index. The strategy invests primarily in a diversified portfolio of instruments that provide exposure to U.S. and non-U.S. equity securities, including shares of exchange-traded funds ("ETFs"). The strategy may also invest in equity securities of U.S. and non-U.S. issuers, which may include emerging market issuers. The strategy may hold a substantial portion of its assets in cash and cash equivalents and in investment grade fixed-income instruments of U.S. and non-U.S. issuers of any maturity.

Tactical Plus

Westwood's subsidiary, Broadmark Asset Management, serves as the sub-adviser to the Westwood Broadmark Tactical Plus strategy. The Tactical Plus strategy seeks to produce, in any market environment, above-average risk-adjusted returns and less downside volatility than the S&P 500 Index. The strategy pairs the core long/short equity strategy with a catalyst-driven, policy-focused, long volatility trading strategy designed to find niche opportunities in disruptive changes to market trends and investor behaviors. Exposure can range from a maximum of 200% net long to 100% net short. The strategy invests primarily in a diversified portfolio of instruments that provide exposure to U.S. and non-U.S. equity securities, including shares of exchange-traded funds ("ETFs"). The strategy may also hold futures and options on securities and securities indices, as well as equity securities of U.S. and non-U.S. issuers, which may include emerging market issuers. The strategy may hold a substantial portion of its assets in cash and cash equivalents and in investment grade fixed-income instruments of U.S. and non-U.S. issuers of any maturity.

ESG Factors and the UNPRI

Additionally, Westwood is a signatory to the United Nations-backed Principles for Responsible Investment ("UNPRI"). The UNPRI recognize that ESG issues can affect the performance of investment portfolios and must be given appropriate consideration by investors. Accordingly, Westwood has articulated how ESG is integrated into its investment process when evaluating investment opportunities.

Use of Margin and Options

Westwood may use margin transactions and options transactions for some strategies, including the MLP SMA and MLP Income SMA strategies.

Margin transactions: Westwood uses margin transactions as part of certain investment strategies. We may recommend, where appropriate, that a client establish a margin account with the client's broker. In this situation, if we are selling one stock and purchasing another stock with the proceeds, we can use the margin account to make certain that you are not left out of the purchase if we have difficulty completing the sale.

A risk in margin trading is that, in volatile markets, securities prices can fall very quickly. If the value of the securities in your account minus what you owe the broker falls below a certain level, the broker will issue a "margin call", and you will be required to sell your position in the security purchased on margin or add more cash to the account. In some circumstances, you may lose more money than you originally invested.

Option writing: We use options as part of certain investment strategies. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are calls and puts:

- A call gives us the right to buy an asset at a certain price within a specific period of time. We will buy a call if we have determined that the stock will increase substantially before the option expires.
- A put gives us the right to sell an asset at a certain price within a specific period of time. We will buy a put if we have determined that the price of the stock will fall before the option expires.

We will use options to speculate on the possibility of a sharp price swing. We will also use options to "hedge" a purchase of the underlying security; in other words, we will use an option purchase to limit the potential upside and downside of a security we have purchased for your portfolio.

We use "covered calls", in which we sell an option on a security you own. In this strategy, you receive a fee for making the option available, and the person purchasing the option has the right to buy the security from you at an agreed-upon price.

We use a "spreading strategy", in which we purchase two or more option contracts (for example, a call option that you buy and a call option that you sell) for the same underlying security. This effectively puts you on both sides of the market, but with the ability to vary price, time and other factors.

A risk of covered calls is that the option buyer does not have to exercise the option, so that if we want to sell the stock prior to the end of the option agreement, we have to buy the option back from the option buyer, for a possible loss.

A risk of spreading strategies is that the ability to fully profit from a price swing is limited.

Principal Risks

As with all investments, investing in securities involves risk of loss that clients should be prepared to bear. The principal risk factors affecting client funds are set forth, by strategy, in summary format below. Following such summaries are more detailed explanations of such risks. Clients and prospective clients should carefully review the detailed explanations of each type of principal risk.

Note that risk information and other important information about the Salient MLP Total Return Fund and the Salient MLP Total Return TE Fund is disclosed in each fund's Private Placement Memorandum and is not included below.

AllCap Value Strategy		
Equity Risk	Investment Style Risk	Portfolio Turnover Risk
REIT Risk	Small-Capitalization Company Risk	Royalty Trust Risk
Small- and Mid-Capitalization Company Risk	Foreign Currency Risk	MLP Risk
Foreign Securities Risk	Initial Public Offering (IPO) Risk	ETF Risk
		Cyber Security Risk

Alternative Income Strategy		
Equity Risk	Preferred Stock Risk	Portfolio Turnover Risk
Emerging Markets Securities Risk	Warrants Risk	Investment Style Risk
Derivatives Risk	Credit Risk	Liquidity Risk
Convertible Securities Risk	Custodial Risk	Fixed Income Risk
High Yield Bond Risk	Regional Focus Risk	Initial Public Offering (IPO) Risk
Foreign Currency Risk	Foreign Securities Risk	
	Cyber Security Risk	
	Options Risk	

Balanced Strategy		
Equity Risk	Investment Style Risk	Portfolio Turnover Risk
REIT Risk	Royalty Trust Risk	MLP Risk
Foreign Currency Risk	ETF Risk	Foreign Company Risk
Fixed Income Risk	U.S. Government Securities Risk	Cyber Security Risk
		Initial Public Offering (IPO) Risk

Custom Asset Allocation Strategy		
Dividend Paying Stocks Risk Emerging Markets Securities Risk Equity Risk Foreign Currency Risk Foreign Securities Risk Investment Style Risk	Liquidity Risk MLP Risk REIT Risk Small- and Mid-Capitalization Company Risk Small-Capitalization Company Risk	Initial Public Offering (IPO) Risk Portfolio Turnover Risk ETF Risk Fixed Income Risk Preferred Stock Risk U.S. Government Securities Risk High Yield Bond Risk

Global Real Estate Strategy		
Asset- Backed Securities Risk Borrowing Risk Concentration Risk Foreign Currency Risk Debt Instruments Risk Derivatives Risk Emerging Markets Securities Risk	Equity Risk ETF Risk Foreign Securities Risk Leverage Risk Liquidity Risk Market Events Risk	Market Risk Mortgage-Backed Securities Risk Overseas Exchanges Risk Portfolio Turnover Risk REIT Risk Restricted and Illiquid Securities Risk Small- and Mid-Sized Capitalization Company Risk

High Income Strategy		
High Yield Bond Risk Fixed Income Risk Corporate Bond Risk Equity Risk Convertible Securities Risk REIT Risk Preferred Stock Risk Large-Capitalization Company Risk	ETF Risk Small- and Mid-Sized Capitalization Company Risk Foreign Securities Risk Emerging Markets Securities Risk Asset-Backed Securities Risk Mortgage-Backed Securities Risk U.S. Government Securities Risk	Inflation-Linked Securities Risk Foreign Currency Risk Geographic Focus Risk Liquidity Risk Derivatives Risk Collateralized Mortgage Obligations Risk TBA/Dollar Roll Risk Bank Loans Risk

High Income SMA Strategy		
High Yield Bond Risk Fixed Income Risk Corporate Bond Risk Equity Risk Convertible Securities Risk REIT Risk Preferred Stock Risk Large-Capitalization Company Risk	ETF Risk Small- and Mid-Sized Capitalization Company Risk Foreign Securities Risk Emerging Markets Securities Risk Asset-Backed Securities Risk Mortgage-Backed Securities Risk U.S. Government Securities Risk	Inflation-Linked Securities Risk Foreign Currency Risk Geographic Focus Risk Liquidity Risk Derivatives Risk Collateralized Mortgage Obligations Risk TBA/Dollar Roll Risk Bank Loans Risk

Income Opportunity Strategy		
Equity Risk Fixed Income Risk High Yield Bond Risk Foreign Securities Risk Foreign Currency Risk Initial Public Offering (IPO) Risk	Royalty Trust Risk Small- and Mid-Capitalization Company Risk ETF Risk REIT Risk	Portfolio Turnover Risk MLP Risk U.S. Government Securities Risk Cyber Security Risk

Income Opportunity SMA Strategy		
Equity Risk Fixed Income Risk High Yield Bond Risk Foreign Securities Risk Foreign Currency Risk	Royalty Trust Risk Small- and Mid-Capitalization Company Risk ETF Risk REIT Risk	Portfolio Turnover Risk MLP Risk U.S. Government Securities Risk Cyber Security Risk Initial Public Offering (IPO) Risk

Intermediate Fixed Income Strategy		
Fixed Income Risk	U.S. Government Securities Risk	Portfolio Turnover Risk Cyber Security Risk

High Income Strategy		
High Yield Bond Risk Fixed Income Risk Corporate Bond Risk Equity Risk Convertible Securities Risk REIT Risk Preferred Stock Risk Large-Capitalization Company Risk ETF Risk	Small- and Mid-Sized Capitalization Company Risk Foreign Securities Risk Emerging Markets Securities Risk Asset-Backed Securities Risk Mortgage-Backed Securities Risk U.S. Government Securities Risk	Inflation-Linked Securities Risk Foreign Currency Risk Geographic Focus Risk Liquidity Risk Derivatives Risk Collateralized Mortgage Obligations Risk TBA/Dollar Roll Risk Bank Loans Risk

High Income SMA Strategy		
High Yield Bond Risk Fixed Income Risk Corporate Bond Risk Equity Risk Convertible Securities Risk REIT Risk Preferred Stock Risk Large-Capitalization Company Risk	ETF Risk Small- and Mid-Sized Capitalization Company Risk Foreign Securities Risk Emerging Markets Securities Risk Asset-Backed Securities Risk Mortgage-Backed Securities Risk U.S. Government Securities Risk	Inflation-Linked Securities Risk Foreign Currency Risk Geographic Focus Risk Liquidity Risk Derivatives Risk Collateralized Mortgage Obligations Risk TBA/Dollar Roll Risk Bank Loans Risk

LargeCap Value Strategy		
Equity Risk REIT Risk Foreign Currency Risk	Investment Style Risk Royalty Trust Risk ETF Risk Initial Public Offering (IPO) Risk	Portfolio Turnover Risk MLP Risk Foreign Securities Risk Cyber Security Risk

MLP Income SMA Strategy – Principal Risks		
Equity Risk Liquidity Risk MLP Risk	Concentration Risk Options Risk Market Events Risk Model and Data Risk	Portfolio Turnover Risk Small- and Mid-Sized Capitalization Company Risk Volatility Risk

MLP and Energy Infrastructure Strategy		
Borrowing Risk Concentration Risk Debt Instruments Risk Derivatives Risk Equity Risk	Leverage Risk Liquidity Risk Market Events Risk Market Risk MLP Risk Model and Data Risk	Non Diversification Risk Portfolio Turnover Risk Renewable Energy Companies Risk Small- and Mid-Sized Capitalization Company Risk Tax Law Change Risk Volatility Risk

MLP SMA Strategy		
Borrowing Risk Concentration Risk Debt Instruments Risk Derivatives Risk Equity Risk Industry Specific Risk Leverage Risk	Non Diversification Risk Liquidity Risk Market Events Risk Market Risk MLP Risk Model and Data Risk	Portfolio Turnover Risk Renewable Energy Companies Risk Small- and Mid-Sized Capitalization Company Risk Tax Law Change Risk Volatility Risk

MLP Private Equity SMA Strategy		
Borrowing Risk Concentration Risk Commodities Investment Risks Debt Instruments Risk Derivatives Risk Equity Risk Industry Specific Risk Leverage Risk	Non Diversification Risk Liquidity Risk Market Events Risk Market Risk Master Limited Partnerships (“MLPs”) Risk Model and Data Risk	Portfolio Turnover Risk Renewable Energy Companies Risk Small- and Mid-Sized Capitalization Company Risk Tax Law Change Risk Volatility Risk

MidCap Value Strategy		
Equity Risk Energy Sector Risk Mid-Capitalization Company Risk	Initial Public Offering (IPO) Risk Investment Style Risk REIT Risk Cyber Security Risk	MLP Risk Portfolio Turnover Risk

Platinum Strategy		
Benchmark Risk Cyber Security Risk Liquidity Risk Portfolio Turnover Risk Foreign Securities Risk	Foreign Currency Risk Equity Risk ETF Risk Investment Style Initial Public Offering (IPO) Risk MLP Risk	REIT Risk Royalty Trust Risk Small- and Mid-Capitalization Company Risk Dividend Paying Stocks Risk

REIT Strategy		
REIT Risk Cyber Security Risk	Investment Style Risk Initial Public Offering (IPO) Risk	Portfolio Turnover Risk

Select Income Strategy		
Borrowing Risk Concentration Risk Debt Instruments Risk Derivatives Risk Equity Risk ETF Risk	Leverage Risk Liquidity Risk High Yield Bond Risk Market Events Risk Market Risk MLP Risk	Mortgage-Related and Other Asset-Backed Securities Risk REIT Risk Restricted and Illiquid Securities Risk Short Sale Risk Small- and Mid-Sized Capitalization Company Risk

Systematic SmallCap Growth Strategy		
Equity Risk Growth Investing Risk Small- and Mid-Capitalization Company Risk Foreign Securities Risk	Investment Style Risk REIT Risk Royalty Trust Risk Foreign Currency Risk Initial Public Offering (IPO) Risk	MLP Risk Portfolio Turnover Risk ETF Risk Small-Capitalization Company Risk Cyber Security Risk

Systematic LargeCap Growth Strategy		
Equity Risk Growth Investing Risk REIT Risk Foreign Currency Risk	Investment Style Risk Royalty Trust Risk ETF Risk Initial Public Offering (IPO) Risk	Portfolio Turnover Risk MLP Risk Foreign Securities Risk Cyber Security Risk

SmallCap Value Strategy		
Equity Risk REIT Risk Small- and Mid-Capitalization Company Risk Foreign Securities Risk	Investment Style Risk Small-Capitalization Company Risk Foreign Currency Risk Initial Public Offering (IPO) Risk	Portfolio Turnover Risk Royalty Trust Risk MLP Risk ETF Risk Cyber Security Risk

SMidCap Value Strategy		
Equity Risk Small- and Mid-Capitalization Company Risk Foreign Securities Risk Initial Public Offering (IPO) Risk	Investment Style Risk REIT Risk Royalty Trust Risk Foreign Currency Risk Cyber Security Risk	MLP Risk Portfolio Turnover Risk ETF Risk Small-Capitalization Company Risk

Tactical Growth Strategy		
Borrowing Risk Cash and Cash Equivalents Risk Debt Instruments Risk Derivatives Risk Emerging Market and Frontier Market Risk Equity Risk ETF Risk	Exchange-Traded Notes (“ETNs”) Risk Foreign Securities Risk Investment in Money Market Mutual Funds Risk Leverage Risk Liquidity Risk Market Events Risk	Market Risk Model and Data Risk Portfolio Turnover Risk Short Sale Risk Small- and Mid-Sized Capitalization Company Risk Sub Advisor Risk Tax Risk Volatility Risk

Tactical Plus Strategy		
Cash and Cash Equivalents Risk Foreign Currency Risk Debt Instruments Risk Derivatives Risk Emerging Market and Frontier Market Risk Equity Risk ETF Risk	Foreign Securities Risk Investment in Money Market Mutual Funds Risk Leverage Risk Liquidity Risk Market Events Risk Market Risk	Model and Data Risk Overseas Exchanges Risk Portfolio Turnover Risk Short Sale Risk Small- and Mid-Sized Capitalization Company Risk Sub Advisor Risk Tax Risk U.S. Government Securities Risk Volatility Risk

Total Return Strategy		
Equity Risk Fixed Income Risk Convertible Securities Risk Corporate Bond Risk High Yield Bond Risk Small- and Mid-Sized Capitalization Company Risk REIT Risk	Large-Capitalization Company Risk U.S. Government Securities Risk Preferred Stock Risk Mortgage-Backed Securities Risk Inflation-Linked Securities Risk Foreign Securities Risk	Foreign Currency Risk Emerging Markets Securities Risk Asset-Backed Securities Risk Liquidity Risk Derivatives Risk Bank Loans Risk Geographic Focus Risk TBA/Dollar Roll Risk

Total Return SMA Strategy		
Equity Risk Fixed Income Risk Convertible Securities Risk Corporate Bond Risk High Yield Bond Risk Small- and Mid-Sized Capitalization Company Risk REIT Risk	Large-Capitalization Company Risk U.S. Government Securities Risk Preferred Stock Risk Mortgage-Backed Securities Risk Inflation-Linked Securities Risk Foreign Securities Risk	Foreign Currency Risk Emerging Markets Securities Risk Asset-Backed Securities Risk Liquidity Risk Derivatives Risk Bank Loans Risk Geographic Focus Risk TBA/Dollar Roll Risk

Credit Opportunities Strategy		
High Yield Bond Risk Fixed Income Risk Corporate Bond Risk Convertible Securities Risk Preferred Stock Risk Large-Capitalization Company Risk	Small- and Mid-Sized Capitalization Company Risk Foreign Securities Risk Emerging Markets Securities Risk Asset-Backed Securities Risk Mortgage-Backed Securities Risk U.S. Government Securities Risk	Inflation-Linked Securities Risk Foreign Currency Risk Geographic Focus Risk Liquidity Risk Derivatives Risk Collateralized Mortgage Obligations Risk TBA/Dollar Roll Risk Bank Loans Risk

Asset-Backed Securities Risk – Payment of principal and interest on asset-backed securities is dependent largely on the cash flows generated by the assets backing the securities, and asset-backed securities may not have the benefit of any security interest in the related assets.

Bank Loans Risk – Investments in bank loans (through both assignments and participations) are generally subject to the same risks as investments in other types of debt instruments, including, in many cases, investments in junk bonds. There may be limited public information available regarding bank loans and bank loans may be difficult to value. If the portfolio holds a bank loan through another financial institution or relies on a financial institution to administer the loan, its receipt of principal and interest on the loan may be subject to the credit risk of that financial institution. It is possible that any collateral securing a loan may be insufficient or unavailable, and that the portfolio's rights to collateral may be limited by bankruptcy or insolvency laws. In addition, the secondary market for bank loans may be subject to irregular trading activity, wide bid/ask spreads, and extended trade settlement periods, which may cause the portfolio to be unable to realize the full value of its investment in a bank loan. Bank loans may not be considered "securities," and purchasers therefore may not be entitled to rely on the anti-fraud protections of the federal securities laws.

Borrowing Risk: Borrowing for investment purposes creates leverage, which will exaggerate the effect of any increase or decrease in the market price of securities in the portfolio and, therefore, may increase the volatility of the portfolio. Money borrowed will be subject to interest and other costs (that may include commitment fees and/or the cost of maintaining minimum average balances). These costs may exceed the gain on securities purchased with borrowed funds. Increased operating costs, including the financing cost associated with any leverage, may reduce the portfolio's total return. Unless the income and capital appreciation, if any, on securities acquired with borrowed funds exceed the cost of borrowing, the use of leverage will diminish the investment performance of the portfolio.

Cash and Cash Equivalents Risk – It is part of a portfolio's investment strategy to, at times, hold a substantial portion of its assets in cash and/or cash equivalents, including money market instruments. Under certain market conditions, such as during a rising stock market, this strategy could have a negative effect on the portfolio's ability to achieve its investment objective. To the extent that the portfolio invests in a money market fund, the portfolio will indirectly bear a proportionate share of the money market fund's expenses.

Concentration Risk: The account may have its investment concentrated in issuers of one or more particular industries. There is a risk that those issuers (or industry sector) will perform poorly and negatively impact the account. Concentration risk results from maintaining exposure (long or short) to issuers conducting business in a specific industry. The risk of concentrating investments in a limited number of issuers in a particular industry is that the account will be more susceptible to market, economic, political, regulatory, and other conditions and risks associated with that industry than an account that does not concentrate its investments and invests more broadly across industries and sectors.

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.

Corporate Bond Risk – Corporate bonds respond to economic developments, especially changes in interest rates, as well as perceptions of the creditworthiness and business prospects of individual issuers.

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. The credit rating or financial condition of an issuer may affect the value of a fixed income debt security. Generally, the lower the credit quality of a security, the greater the perceived risk that the issuer will fail to pay interest fully and return principal in a timely manner. If an issuer defaults or becomes unable to honor its financial obligations, the security may lose some or all of its value. The issuer of an investment-grade security is considered by the rating agency to be more likely to pay interest and repay principal than an issuer of a lower quality bond. Adverse economic conditions or changing circumstances may weaken the capacity of the issuer to pay interest and repay principal.

Cyber Security Risk – Westwood and its 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.

Debt Instruments Risk – Debt instruments are generally subject to credit risk and interest rate risk. Credit risk refers to the possibility that the issuer of a security will be unable to make interest payments and/or repay the principal on its debt. Interest rate risk refers to fluctuations in the value of a fixed-income security resulting from changes in the general level of interest rates. When the general level of interest rates goes up, the prices of most fixed-income securities go down. When the general level of interest rates goes down, the prices of most fixed-income securities go up. Derivatives related to debt instruments may be exposed to similar risks for individual securities, groups of securities or indices tracking multiple securities or markets. Both debt securities and debt-related derivative instruments may be exposed to one or more of the following risks:

• **Credit Risk:** Credit risk refers to the possibility that the issuer of the security will not be able to make principal and interest payments when due. Changes in an issuer's credit rating or the market's perception of an issuer's creditworthiness may also affect the value of the Portfolio's investment in that issuer. The degree of credit risk depends on both the financial condition of the issuer and the terms of the obligation. Securities rated by the rating agencies in the four highest categories (Fitch, Inc. ("Fitch") (AAA, AA, A, and BBB), Moody's Investors Service, Inc. ("Moody's") (Aaa, Aa, A, and Baa) or S&P® Global Ratings ("S&P") (AAA, AA, A, and BBB)) are considered investment grade, but they may also have some speculative characteristics, meaning that they carry more risk than higher rated securities and may have problems making principal and interest payments in difficult economic climates. Investment grade ratings do not guarantee that bonds will not lose value.

• **Extension Risk:** Extension risk is the risk that, when interest rates rise, certain obligations will be paid off by the issuer (or obligor) more slowly than anticipated, causing the value of these securities to fall. Rising interest rates tend to extend the duration of securities, making them more sensitive to changes in interest rates. The value of longer-term securities generally changes more in response to changes in interest rates than shorter-term securities. As a result, in a period of rising interest rates, securities may exhibit additional volatility and may lose value.

• **Interest Rate Risk:** The yields for certain securities are susceptible in the short-term to fluctuations in interest rates, and the prices of such securities may decline when interest rates rise. Interest rate risk in general is the risk that prices of fixed-income securities generally increase when interest rates decline and decrease when interest rates increase. The Portfolio may decline in value or suffer losses if short-term or long-term interest rates rise sharply or otherwise change in a manner not anticipated by the Advisor.

• **Prepayment Risk:** Prepayment risk is the risk that certain debt securities with high interest rates will be prepaid by the issuer before they mature. When interest rates fall, certain obligations will be paid off by the obligor more quickly than originally anticipated, and an investor may have to invest the proceeds in securities with lower yields. In periods of falling interest rates, the rate of prepayments tends to increase (as does price fluctuation) as borrowers are motivated to pay off debt and refinance at new lower rates. During such periods, reinvestment of the prepayment proceeds by the management team will generally be at lower rates of return than the return on the assets that were prepaid. Prepayment reduces the yield to maturity and the average life of the security.

Derivatives Risk – The Strategy's use of futures contracts, options and swaps is subject to market risk, leverage risk, correlation risk, hedging risk and liquidity risk. Market risk is the risk that the market value of an investment may move up and down, sometimes rapidly and unpredictably. Leverage risk is the risk that the use of leverage may amplify the effects of market volatility on the Strategy's share price and may also cause the Strategy to liquidate portfolio positions when it would not be advantageous to do so in order to satisfy its obligations. Correlation risk is the risk that changes in the value of the derivative may not correlate perfectly or at all with the underlying asset, rate or index. Hedging risk is the risk that derivative instruments used for hedging purposes may also limit any potential gain that may result from the increase in value of the hedged asset. To the extent that the Strategy engages in hedging strategies, there can be no assurance that such strategy will be effective or that there will be a hedge in place at any given time. Liquidity risk is described elsewhere in this section. The Strategy's use of forwards and swaps is also subject to credit risk and valuation risk. Credit risk is the risk that the counterparty to a derivative contract will default or otherwise become unable to honor a financial obligation. Valuation risk is the risk that the derivative may be difficult to value. Each of these risks could cause the Strategy to lose more than the principal amount invested in a derivative instrument.

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 Securities Risk – Investments in emerging markets securities are considered speculative and subject to heightened risks in addition to the general risks of investing in foreign securities. Unlike more established markets, emerging markets may have governments that are less stable, markets that are less liquid and economies that are less developed. In addition, the securities markets of emerging market countries may consist of companies with smaller market capitalizations and may suffer periods of relative illiquidity; significant price volatility; restrictions on foreign investment; and possible restrictions on repatriation of investment income and capital. Furthermore, foreign investors may be required to register the proceeds of sales, and future economic or political crises could lead to price controls, forced mergers, expropriation or confiscatory taxation, seizure, nationalization or creation of government monopolies.

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.

ETF Risk – ETFs are pooled investment vehicles, such as registered investment companies and grantor trusts, whose shares are listed and traded on U.S. stock exchanges or otherwise traded in the over-the-counter market. To the extent that a Strategy invests in ETFs, the Strategy will be subject to substantially the same risks as those associated with the direct ownership of the securities comprising the index on which the ETF is based and the value of the Strategy's investment will fluctuate in response to the performance of the underlying index. ETFs typically incur fees that are separate from those of the account. Accordingly, a Strategy's investments in ETFs will result in the layering of expenses such that clients will indirectly bear a proportionate share of the ETFs' operating expenses, in addition to paying asset management fees. Because the value of ETF shares depends on the demand in the market, shares may trade at a discount or premium to their net asset value. Westwood may not be able to liquidate the Strategy's holdings at the most optimal time, which could adversely affect the Strategy's performance.

Exchange-Traded Notes ("ETNs") Risk – 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 applicable interest rates, and changes in the issuer's credit rating. A portfolio that invests in ETNs will bear its proportionate share of any fees and expenses associated with investment in such securities, which will reduce the amount of return on investment at maturity or redemption. There may be restrictions on a portfolio's right to redeem its investment in an ETN meant to be held to maturity. There are no periodic interest payments for ETNs and principal is not protected. It may be difficult for a portfolio to sell its ETN holdings due to limited availability of a secondary market.

Fixed Income Risk – Fixed income securities are subject to a number of risks, including credit and interest rate risks. Credit risk is the risk that the issuer or obligor will not make timely payments of principal and interest. Changes in an issuer's credit rating or the market's perception of an issuer's creditworthiness may also affect the value of the Strategy's investment in that issuer. The account is subject to greater levels of credit risk to the extent it holds below investment grade debt securities, or "junk bonds." Interest rate risk is the risk that the value of a fixed income security will fall when interest rates rise. In general, the longer the maturity and the lower the credit quality of a fixed income security, the more likely its value will decline.

Foreign Currency Risk – As a result of the investments in securities or other investments denominated in, and/or receiving revenues in, foreign currencies, the Strategy will be subject to currency risk. Currency risk is the risk that foreign currencies will decline in value relative to the U.S. dollar, in which case, the value of an account managed in the Strategy would be adversely affected.

Foreign Securities Risk – Investing in foreign companies, including direct investments and through ADRs and Global Depository 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. Securities of foreign companies may not be registered with the U.S. Securities and Exchange Commission (the "SEC") and foreign companies are generally not subject to the regulatory controls imposed on U.S. issuers and, as a consequence, there is generally less publicly available information about foreign securities than is available about domestic securities. Income from foreign securities may be reduced by a withholding tax at the source, which tax would reduce income received from the securities comprising a client's portfolio. Foreign securities may also be more difficult to value than securities of U.S. issuers. While ADRs provide an alternative to directly purchasing the underlying foreign securities in their respective national markets and currencies, investments in ADRs continue to be subject to many of the risks associated with investing directly in foreign securities.

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

Growth Investing Risk – Growth stocks tend to be more expensive relative to the issuing company's earnings or assets compared with other types of stocks, reflecting investors' expectations of future earnings and assets. As a result, they tend to be more sensitive to changes in, or investors' expectations of, the issuing company's earnings and can therefore be more volatile.

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.

Industry Specific Risk – The MLPs and Energy Infrastructure Companies, including Midstream MLPs and Energy Infrastructure Companies, in which the portfolio invests, are subject to risks specific to the industry they serve, including, but not limited to the following:

- Fluctuations in commodity prices may impact the volume of commodities transported, processed, stored or distributed.
- Reduced volumes of natural gas or other energy commodities available for transporting, processing, storing or distributing may affect the profitability of a company or MLP.
- Slowdowns in new construction and acquisitions can limit growth potential.
- A sustained reduced demand for crude oil, natural gas and refined petroleum products that could adversely affect revenues and cash flows.
- Depletion of the natural gas reserves or other commodities if not replaced, which could impact the ability of an Energy Infrastructure Company or MLP to make distributions.
- Changes in the regulatory environment could adversely affect the profitability of Energy Infrastructure Companies and MLPs.
- Extreme weather or other natural disasters could impact the value of Energy Infrastructure Company and MLP securities.

- Rising interest rates which could result in a higher cost of capital and divert investors into other investment opportunities.
- Threats of attack by terrorists on energy assets could impact the market for Energy Infrastructure and MLP securities.
- Global events, including particularly in Russia, Ukraine, Western Europe and the Middle East and including government stability specifically, could have significant adverse effects on the U.S. economy, and financial and commodities markets.

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. In addition, there is also a risk that participation in IPOs may have an outsized effect on performance of strategies with lower assets under management that may not be replicable as the assets in such strategies increases.

Inflation-Linked Securities Risk – The value of inflation-linked securities is expected to change in response to changes in real interest rates (the market rate of interest less the anticipated rate of inflation). Real interest rates change over time as a result of many factors, such as currency exchange rates, central bank monetary policies and general economic conditions. In general, the price of an inflation-linked security tends to decrease when real interest rates increase and can increase when real interest rates decrease. Interest payments on inflation-linked securities are unpredictable and will fluctuate as the principal and interest are adjusted for inflation. Any increase in the principal amount of an inflation-linked debt security will be considered taxable ordinary income, even though a Fund will not receive the principal until maturity. Repayment of the original bond principal upon maturity (as adjusted for inflation) is guaranteed in the case of TIPS. For bonds that do not provide a similar guarantee, the adjusted principal value of the bond repaid at maturity may be less than the original principal. There can also be no assurance that the inflation index used will accurately measure the real rate of inflation in the prices of goods and services. A Account's investments in inflation-linked securities may lose value in the event that the actual rate of inflation is different than the rate of the inflation index. In addition, inflation-linked securities are subject to the risk that the CPI or other relevant pricing index may be discontinued, fundamentally altered in a manner materially adverse to the interests of an investor in the securities, altered by legislation or Executive Order in a materially adverse manner to the interests of an investor in the securities or substituted with an alternative index.

Interest Rate Risk – Changes in interest rates are a factor that could affect the value of an investment. Rising interest rates tend to cause the prices of fixed income securities (especially those with longer maturities) to fall. Risks associated with rising interest rates are heightened given that interest rates in the U.S. are at, or near, historic lows. The concept of duration is useful in assessing the sensitivity of a fixed income investment to interest rate movements, which are usually the main source of risk for most fixed income investments. Duration measures price volatility by estimating the change in price of a debt security for a 1% change in its yield. For example, a duration of five years means the price of a debt security will change about 5% for every 1% change in its yield. Thus, the longer the duration, the more volatile the security. Fixed income debt securities have a stated maturity date when the issuer must repay the principal amount of the bond. Some fixed income debt securities, known as callable bonds, may repay the principal earlier than the stated maturity date. Fixed income debt securities are most likely to be called when interest rates are falling because the issuer can refinance at a lower rate.

Investment in Money Market Mutual Funds Risk – The portfolio invests in money market mutual funds. While government money market funds seek to transact at a $1.00 per share stable net asset value, certain other money market funds transact at a fluctuating net asset value, and it is possible to lose money by investing in money market funds. Further, money market funds may impose a fee upon redemption or may temporarily suspend redemptions if the fund's liquidity falls below a required minimum because of market conditions or other factors. Investments in money market funds are not insured or guaranteed by the FDIC or any other government agency.

Investment Style Risk – 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 market conditions, or a company's value or its prospects for exceeding earnings expectations is inaccurate, the client could suffer losses or produce poor performance relative to other investment strategies and products. In addition, "value stocks" can continue to be undervalued by the market for long periods of time.

Large-Capitalization Company Risk – The large capitalization companies in which the Account may invest may lag the performance of smaller capitalization companies because large capitalization companies may experience slower rates of growth than smaller capitalization companies and may not respond as quickly to market changes and opportunities

Leverage Risk – If a portfolio makes investments in futures contracts, forward currency contracts and other derivative instruments, the futures contracts and certain other derivatives provide the economic effect of financial leverage by creating additional investment exposure, as well as the potential for greater loss. If a portfolio uses leverage through activities such as borrowing, entering into short sales, purchasing securities on margin or on a "when-issued" basis or purchasing derivative instruments in an effort to increase its returns, the portfolio has the risk of magnified capital losses that occur when losses affect an asset base, enlarged by borrowings or the creation of liabilities, that exceeds the net assets of the portfolio. The net asset value of a portfolio when employing leverage will be more volatile and sensitive to market movements. Leverage may involve the creation of a liability that requires a portfolio to pay interest. A portfolio may also be required to pay fees in connection with borrowings (such as loan syndication fees or commitment and administrative fees in connection with a line of credit) and it might be required to maintain minimum average balances with a bank lender, either of which would increase the cost of borrowing over the stated interest rate.

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 accept a lower price to sell a security, sell other securities to raise cash instead or give up an investment opportunity, any of which could have a negative effect on Strategy management or performance.

Market Risk – Market risk is the risk that the markets on which the Fund's investments trade will increase or decrease in value. Prices may fluctuate widely over short or extended periods in response to company, market or economic news. Markets also tend to move in cycles, with periods of rising and falling prices. If there is a general decline in the securities and other markets, your investment in the Fund may lose value, regardless of the individual results of the securities and other instruments in which the Fund invests.

Market Events Risk – Events in the U.S. and global financial markets, including actions taken by the U.S. Federal Reserve or foreign central banks to stimulate or stabilize economic growth, may at times, and for varying periods of time, result in unusually high market volatility, which could negatively impact the account's performance and cause the account to experience illiquidity, shareholder redemptions, or other potentially adverse effects. Reduced liquidity in credit and fixed-income markets could negatively affect issuers worldwide. Banks and financial services companies could suffer losses if interest rates rise or economic conditions deteriorate.

MLP Risk – MLPs are limited partnerships in which the ownership units are publicly traded. 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 or industries, such as the energy industries, the MLP will be negatively impacted by economic events adversely impacting that industry or industries. Additional risks of investing in an MLP also include those involved in investing in a partnership as opposed to a corporation, such as limited control of management, limited voting rights or tax risks. 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. Investment in MLPs may result in the layering of expenses, such that clients will indirectly bear a proportionate share of the MLPs' operating expenses, in addition to paying asset management fees and expenses. 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.

Model and Data Risk: Given the complexity of the investments and strategies of the portfolio, Westwood and/or the Sub-Advisor, as appropriate, rely heavily on quantitative models (both proprietary models developed by Westwood and/or Sub-Advisor, and those supplied by third-party vendors) and information and data supplied by third-party vendors ("Models and Data"). Models and Data are used to construct sets of transactions and investments and to provide risk management insights.

When Models and Data prove to be incorrect or incomplete, any decisions made in reliance thereon expose the portfolio to potential risks. The success of relying on such models may depend on the accuracy and reliability of historical data supplied by third party vendors.

All models rely on correct market data inputs. If incorrect market data is entered into even a well-founded model, the resulting information will be incorrect. However, even if market data is input correctly, "model prices" will often differ substantially from market prices, especially for securities with complex characteristics, such as derivative securities.

Mortgage-Backed Securities Risk – Mortgage-backed securities are affected by, among other things, interest rate changes and the possibility of prepayment of the underlying mortgage loans. Mortgage-backed securities are also subject to the risk that underlying borrowers will be unable to meet their obligations.

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.

Options Risk – Investments in options may be subject to the risk that the adviser does not correctly predict the movement of an option's underlying stock. Option purchases may result in the loss of part or all of the amount paid for the option plus commission costs. Option sales may result in a forced sale or purchase of a security at a price higher or lower than its current market price.

Overseas Exchanges Risk – A portfolio may engage in transactions on a number of overseas stock exchanges. Market practices relating to clearance and settlement of securities transactions and custody of assets can potentially pose an increased risk to a portfolio and may involve delays in obtaining accurate information on the value of securities, A portfolio may engage in transactions in the stock markets of emerging market countries. Emerging market country stock markets, in general, are less liquid, smaller, and less regulated than many of the developed country stock markets. Purchases and sales of investments may take longer than would otherwise be expected on developed stock markets and transactions may need to be conducted at unfavorable prices.

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, interest rates or competition overbuilding; zoning changes; and losses from casualty or condemnation. REITs typically incur fees that are separate from asset management fees and expenses. Accordingly, investment in REITS will result in the layering of expenses such that investors will indirectly bear a proportionate share of the REITs' operating expenses in addition to asset management fees and expenses. Some REITs may have limited diversification and may be subject to risks inherent in financing a limited number of properties. REITs depend generally on their ability to generate cash flow to make distributions and may be subject to defaults by borrowers and to self-liquidations. In addition, a REIT may be affected by its failure to qualify for tax-free pass-through of income under the Internal Revenue Code of 1986, as amended (the "Code"), or its failure to maintain exemption from registration under the 1940 Act.

Restricted and Illiquid Securities Risk - Certain securities generally trade in lower volume and may be less liquid than securities of large established companies. These less liquid securities could include securities of small- and mid-sized non-U.S. companies, high-yield securities, convertible securities, unrated debt and convertible securities, securities that originate from small offerings, and foreign securities, particularly those from companies in emerging markets. If a security is illiquid, a portfolio may not be able to sell the security at a time and/or price at which the Advisor and/or the Sub-Advisor, as appropriate, might wish to sell, which means that the portfolio could lose money. In addition, the security could have the effect of decreasing the overall level of the portfolio's liquidity. Further, the lack of an established secondary market may make it more difficult to value illiquid securities, which could vary from the amount a portfolio could realize upon disposition.

Restricted securities are securities that are subject to legal or contractual restrictions on resale and include equity or fixed-income securities of U.S. and non-U.S. issuers that are issued through private offerings without registration with the SEC, including offerings outside the United States. Restricted securities may be illiquid. However, some restricted securities may be treated as liquid, although they may be less liquid than registered securities traded on established secondary markets.

Renewable Energy Companies Risk – Renewable energy companies may be more volatile than companies operating in more established industries. Renewable energy companies are subject to specific risks, including, among others: fluctuations in commodity prices and/or interest rates; changes in governmental or environmental regulation; reduced availability of renewable energy sources or other commodities for transporting, processing, storing or delivering; slowdowns in new construction; seasonal weather conditions, extreme weather or other natural disasters; and threats of attack by terrorists on certain renewable energy assets. Certain investments may be dependent on U.S. and foreign government policies, including tax incentives and subsidies. The above factors could also impact the ability of renewable energy companies to pay dividends comparable to those paid by other Energy Infrastructure Companies. Certain valuation methods used to value renewable energy companies have not been in widespread use for a significant period of time and may further increase the volatility of certain renewable energy company share prices.

Royalty Trust Risk – Westwood may invest in royalty trusts on behalf of client accounts. 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, in addition to paying asset management fees and expenses. Royalty trust operating expenses are not reflected in the fee table and example in the Prospectus.

Short Sale Risk – The portfolio may take a short position in a derivative instrument, such as a future, forward or swap. A short position on a derivative instrument involves the risk of a theoretically unlimited increase in the value of the underlying instrument. The portfolio may also from time to time sell securities short, which involves borrowing and selling a security and covering such borrowed security through a later purchase. A short sale creates the risk of an unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost of buying those securities to cover the short position. There can be no assurance that the securities necessary to cover a short position will be available for purchase.

Small- and Mid-Capitalization Company Risk – The small- and mid-capitalization companies in which Westwood may invest may be more vulnerable to adverse business or economic events than larger, more established companies. In particular, investments in 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. These securities may be traded over-the-counter or listed on an exchange.

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Sub-Advisor Risk: The portfolio is subject to management risk because it relies on the Sub-Advisor's ability to pursue the portfolio's objective. The Sub-Advisor will apply investment techniques and risk analyses in making investment decisions for the fund, but there can be no guarantee that these will produce the desired results.

Tax Law Change Risk – Changes in tax laws or regulations, or interpretations thereof in the future, could adversely affect the portfolio or the MLPs and Energy Infrastructure Companies in which the portfolio invests. Any such changes could negatively impact the portfolio. Legislation could also negatively impact the amount and tax characterization of distributions received by the client.

BA/Dollar Roll Risk – Although the securities that are delivered in TBA transactions must meet certain standards, there is a risk that the actual securities received by the Account may be less favorable than what was anticipated when entering into the transaction. Default by or bankruptcy of a counterparty to a TBA transaction would expose the Account to possible loss because of adverse market action, expenses or delays in connection with the purchase or sale of the pools of mortgage pass-through securities specified in the TBA transaction. Whether or not the Account takes delivery of the securities at the termination date of a TBA transaction, it will nonetheless be exposed to changes in the value of the underlying investments during the term of the agreement. Also, the Account's portfolio turnover rate and transaction costs are increased when the Account enters into dollar roll transactions.

U.S. Government Securities Risk – Investments in U.S. government obligations may include securities issued or guaranteed as to principal and interest by the U.S. government, or its agencies or instrumentalities. Payment of principal and interest on U.S. government obligations may be backed by the full faith and credit of the United States or may be backed solely by the issuing or guaranteeing agency or instrumentality itself. There can be no assurance that the U.S. government would provide financial support to its agencies or instrumentalities (including government sponsored enterprises) where it is not obligated to do so. In addition, U.S. government securities are not guaranteed against price movements due to changing interest rates.

Volatility Risk: The account may have investments that appreciate or decrease significantly in value over short periods of time. This may cause the account's value to experience significant appreciations or decreases in value over short periods of time.

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 an investment in a warrant may offer greater potential for capital loss than an investment in the underlying security. A warrant ceases to have value if it is not exercised prior to its expiration date.

Item 9 - Disciplinary Information

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

Item 10 - Other Financial Industry Activities and Affiliations

Westwood has three affiliated SEC-registered investment advisers: Westwood Advisors, L.L.C.; Salient Advisors, LP and Broadmark Asset Management, LLC. In addition, Westwood is also affiliated with Westwood Trust, a trust company chartered by the Texas Department of Banking, and Salient Capital, LP, a registered broker-dealer. Each of these affiliates is, except for Broadmark Asset Management, LLC, a wholly owned subsidiary of Westwood's parent company, WHG. WHG owns approximately 80% of Broadmark Asset Management, LLC. Westwood is the investment adviser for the Westwood Funds family of mutual funds.

Westwood Trust provides trust and fiduciaries services including investment management to its trust clients and uses commingled common trust funds and collective investment trusts ("Westwood Trust Commingled Funds") to do so. Westwood has a sub-advisory agreement with Westwood Trust pursuant to which Westwood serves as a sub-advisor to some of the Westwood Trust Commingled Funds.

Salient Advisors, L.P. is the investment adviser to the Westwood Salient Tactical Plus Fund for which Broadmark Asset Management, LLC acts as investment sub-adviser of which Westwood Holdings Group, Inc owns approximately 79% of the equity. Salient Advisors, L.P. is registered as a Commodity Pool Operator with the National Futures Association ("NFA") and U.S. Commodity Futures Trading Commission ("CFTC"). Broadmark Asset Management, LLC, is registered as a Commodity Trading Advisor with the NFA and CFTC.

Westwood Advisors, LLC serves as the investment advisor to the Salient MLP Total Return Fund and the Salient MLP Total Return TE Fund and has delegated investment management responsibilities to Westwood. WHG PF Holdco, LLC, a direct and wholly-owned subsidiary of Westwood Holdings Group, Inc., is general partner of each of these funds. Clients are solicited to invest in the Salient MLP Total Return Fund and the Salient MLP Total Return TE Fund. Westwood's strategies are also available to managed accounts established for clients of Westwood Advisors.

Certain Westwood employees are licensed as Registered Representatives of Salient Capital, L.P., a registered broker-dealer and wholly owned subsidiary of Westwood Holdings Group, Inc. Employees who are licensed as Registered Representatives of either Foreside Fund Services, LLC or Salient Capital, L.P. receive sales compensation for investments in the Westwood Funds, in Westwood affiliated private funds and third party private funds.

Salient Capital, LP is an SEC-registered broker-dealer and FINRA member. Certain Westwood employees are also registered representatives of Salient Capital and engage in sales activities with respect to the Westwood Funds, Westwood affiliated private funds and third party private funds. Salient Capital acts as the distributor for the affiliated private funds Salient MLP Total Return Fund and the Salient MLP Total Return TE Fund as well as a placement agent for other unaffiliated private funds.

WHG GP Holdco, LLC is a wholly-owned subsidiary of Westwood Holdings Group, Inc. and is the general partner of both Salient Capital, LP and Salient Advisors, LP.

Westwood makes limited use of swaps, futures and other derivatives in its Alternative Income Strategy and potentially other Multi Asset Strategies. Westwood relies on available regulatory exemptions from registration with the U.S. Commodities Futures and Trading Commission and National Futures Associations as a Commodity Trading Advisor.

Broadmark Asset Management, LLC is an SEC-registered investment adviser and CFTC-registered commodity trading advisor. Broadmark acts as sub-adviser to Westwood or Salient Advisors for certain of the Westwood Funds as well as to other investment advisory clients whose accounts are managed in the Tactical Growth strategies. Broadmark is based in Dallas, Texas and San Francisco, California.

The Salient Zarvona Energy Fund GP, LP is an SEC-registered investment adviser and joint venture owned 50% by Westwood Holdings Group, Inc. and 50% by Zarvona Energy, LP. The Salient Zarvona Energy Fund GP, LP is the investment adviser and sponsor to certain private funds managed by Zarvona Energy and its affiliates. Neither Westwood nor any of its affiliates provide investment advice for these funds. Certain Westwood employees are members of the investment committee of the Salient Zarvona Energy Fund GP.

Clients are Solicited to Invest in Affiliated Partnerships: Affiliated persons of Westwood are members of the general partner of various private investment vehicles (as discussed above) and affiliated advisers, which themselves manage other registered investment companies and private pooled investment vehicles. Certain clients of Westwood are solicited to invest (by the affiliated persons) in such other registered investment companies or private pooled investment vehicles. In such instances, our affiliated advisers and/or affiliated persons of Westwood may receive additional compensation.

Energy Investment Team Revenue Sharing Program: Westwood has established a revenue share program in which Westwood's Energy investment team shares a portion of revenue received by Westwood and its affiliates across all investment products and services. This revenue includes investment management fees and performance fees received through investment advisory affiliates carried interest from affiliated private funds as well as placement fees and other brokerage fees received by Salient Capital, LP for third party private fund investments.

Westwood Sales Bonus Compensation Program: Westwood compensates its sales employees through a sales compensation program that is based on a combination of new sales and ongoing revenue received by Westwood and its affiliates across all investment products and services. New sales typically included new advisory assets and also sales of affiliated mutual funds, affiliated private funds and unaffiliated private funds.

Clients should be aware that the receipt of additional compensation itself creates a conflict of interest and may affect the judgment of Westwood and these individuals when making recommendations and when determining when and how to provide portfolio management services. Further, more detailed disclosure of such conflicts of interest is contained in Part 2A of Form ADV of the relevant adviser affiliate and the Private Placement Memorandum of the relevant fund or other fund disclosure materials, if applicable.

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

Westwood has adopted a Code of Ethics (the "Code") pursuant to SEC Rule 204A-1 expressing the firm's commitment to ethical conduct. The Code of Ethics is applicable to all employees of WHG and its subsidiaries and is administered on a group-wide basis. The Code is based on the principle that the officers, directors and employees of Westwood owe a fiduciary duty to clients to conduct their personal securities transactions in a manner that does not interfere with client portfolio transactions or otherwise take advantage of their relationship with clients, and which reflects the principle referenced above. The Code of Ethics requires employees to pre-clear all personal securities transactions (with certain exceptions described below), political contributions, and outside business activities, and to report gifts and entertainment through the Chief Compliance Officer (CCO).

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

The Code generally prohibits Westwood employees from purchasing or selling individual securities for their own account that are owned in a Westwood strategy, with a limited exception for *de minimis* trades. For purposes of the Code, Westwood strategies do not include Custom Asset Allocation accounts The exception allows employees to personally transact in securities that are owned in a Westwood strategy, , if the security has a market cap greater than $5 billion and the value of the trade is no more than $10,000 or 100 shares, whichever is larger. Employees limited to a maximum of three such *de minimis* trades per month; *de minimis* bond trades may be consolidated within a calendar month, with approval. While allowing Westwood employees the ability to transact in individual securities that are owned in Westwood strategy has the potential to create a conflict of interest for Westwood clients, Westwood actively addresses the conflict through the use of the above referenced *de minimis* trading rule as well as enforcing a minimum holding period for employees. Employees who purchase a security under the *de minimis* exception are prohibited from selling that security for a profit within 60-days of purchasing the security. The Code provides for "black-out periods" during which employees may not purchase or sell a stock that Westwood is in the process of purchasing or selling for Westwood strategies unless such trade qualifies for the *de minimis* exception. To monitor compliance with its Code of Ethics, the firm's CCO receives duplicate brokerage statements and transaction confirmations for every employee with personal brokerage accounts, and all employees must certify on a quarterly basis that they have reported all relevant securities transactions in compliance with the Code of Ethics. The firm's Compliance department reviews all pre-clearance requests, all initial, quarterly and annual disclosure certifications and the trading activities on behalf of all Westwood Strategies with a view to ensuring that all employees are complying with the Code. The Compliance department reviews confirmations from brokers to assure that all transactions effected for employees are effected in compliance with the Code.

The Code also requires certain employees to obtain pre-clearance for all political contributions and outside business activities. The firm's 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 or giving any gift or other item valued at more than $100 from any client, competitor, or any person or entity that does business with or on behalf of any client. Employees also must report any gift or other item that is given to any client, competitor, vendor or any person or entity that does business with or on behalf of any client. In addition, employees must report accepted offers of entertainment from all such persons or entities. The Code requires employees to certify quarterly that they have reported all gifts and entertainment.

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

Westwood also has 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. Throughout the year, Westwood's Legal and Compliance department is responsible for, among other things, reviewing employee accounts, personal trading, Code of Ethics exceptions, and employee and director transactions of WHG stock.

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

Westwood does not invest client funds in the securities of its parent company, Westwood Holdings Group, Inc.

Affiliated Private Funds: Westwood employees may, and often do, invest in affiliated private funds offered to Westwood clients or to clients of other Westwood affiliated companies, including Westwood Advisors and Westwood Trust.

Item 12 - Brokerage Practices

Westwood has engaged Northern Trust Integrated Trading Solutions (NTSI) to assume activities around trade execution, matching, settlement, transaction cost analysis and (where applicable) foreign exchange transactions on an outsourced basis. Generally, NTSI handles trading for institutional accounts and some private wealth accounts that do not direct trading to a specific broker-dealer. Westwood's internal trading team remains primarily responsible for trading certain fixed income, convertible securities, and derivative instruments, as well as trading for clients with directed brokerage arrangements and for wrap and similar separately managed accounts. Westwood is responsible for overseeing the NTSI trade activity to ensure best execution on behalf of all our clients, and to maintain compliance with all applicable ethical, legal and regulatory requirements.

In arranging for the execution of client transactions, Westwood and/or its outsourced trading partner(s) seeks to obtain best execution at favorable prices on behalf of its clients. The procedures used to direct client trades to a specific broker incorporate all information that Westwood and/or its outsourced trading partner(s) deem relevant, including, without limitation:

- price of the security;
- size and difficulty of the order;
- quality of execution and liquidity services provided by the broker-dealer;
- commission rates;
- broker-dealer's research and investment ideas;
- broker-dealer's ability to obtain a timely execution;
- broker-dealer's execution policies and commitment to providing best execution;
- size and volume of the broker-dealer's order flow;
- reliability, efficiency, accuracy, integrity of the broker-dealer's general execution and operational capabilities; and
- financial condition of broker-dealer.

Broker Selection

Brokers are chosen based on a best execution basis and on the level of research they provide to the firm.

On a semiannual basis, Westwood's research analysts rank the market data resources, research tools and data feeds they receive based on the value each adds to the analyst and investment process. The Director of Research, along with the Director of Operations & Trading, will review the current rankings from the groups, client commission directives, and existing contractual commitments, as well as approve new trading partners based on their assessment of all of these inputs.

Westwood has established two committees to oversee trading: the Trade Order Management Committee (TOMC) and the Trade Outsource Execution Committee:

- The TOMC is responsible for the periodic review of the firm's brokerage and best execution practices for trading conducted by Westwood's in-house and outsourced trading teams. The TOMC reviews commission rates on a quarterly basis, and periodically reviews the financial health of brokers. The TOMC is chaired by the Director of Operations & Trading. Membership includes representatives from Trading, Legal & Compliance, Performance & Risk Analytics, Operations and others, as needed.

- The Trade Outsource Execution Committee is responsible for the monthly review and monitoring of NTSI's trading activity and the transaction cost analysis metrics of such activity. Membership on the Trade Outsource Execution Committee is made up of representatives from Trading, Legal & Compliance, Operations, and Northern Trust, and representatives from Abel Noser (formerly Trade Informatics), the transaction cost analysis service engaged by Northern Trust, may be present.

Westwood does not choose brokers based on their referral of clients to Westwood. Westwood does not currently receive any referrals of clients from any of the brokers used for client trading or client commissions.

Westwood does not direct client trades to Salient Capital, LP.

Research and Other Soft Dollar Benefits

Westwood 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, and such commission costs are borne by the client. Westwood 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 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, and 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 allocates commissions for only those portions of the service or product that are 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 for research or brokerage execution-related services.

Westwood may use the products and services received from broker-dealers to service all Westwood accounts. Thus, not all such services may be used for the benefit of the client 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 and its clients because the clients pay for such products or services, which may not be exclusively for the benefit of advisory clients and which may be primarily or exclusively for the benefit of Westwood. To the extent that Westwood is able to acquire products and services without expending its own resources (including management fees paid by clients), Westwood's use of commission sharing arrangements would tend to increase its profitability. In addition, the availability of these non-monetary benefits may influence Westwood to select one broker-dealer over another to perform services for clients. Moreover, the use of "mixed-use" products or services creates a conflict to the extent that Westwood allocates the cost of the product or service to soft dollars.

Westwood 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 from broker-dealers in connection with client trades will be paid for directly by Westwood. Notwithstanding Westwood's good faith determination that certain products and services are research or brokerage-related, Westwood may inadvertently use commissions to pay for non-brokerage or non-research products or services to the extent that Westwood's good faith determination is not accurate.

Westwood intends to use commission sharing only for those products and services that fall within the safe harbor provisions of Section 28(e) of the Securities Exchange Act of 1934.

Westwood will provide a commission sharing report to clients upon request. Clients may direct Westwood as to how to prepare this report.

Directed Brokerage

Westwood permits clients to select brokers to execute securities transactions for the client's account (known as "directed brokerage"). If the client elects to direct brokerage transactions to a particular broker-dealer, Westwood may not be able to aggregate such client's order with orders for other clients. Consequently, Westwood may not be able to obtain best execution for a client that directs brokerage. Further, a client that directs brokerage may pay higher commissions because Westwood may not participate in the negotiation of commission rates for those transactions. For clients that partially direct brokerage to, or otherwise state a preference for, one or more brokers, Westwood generally establishes a percentage target for trades to direct to such brokers.

Trade Aggregation and Allocation

Pursuant to Westwood's trade allocation policy, on occasions when Westwood deems the purchase or sale of a security to be in the best interests of more than one of its clients, Westwood may aggregate multiple contemporaneous client purchase or sell orders into a block order for execution.

Client accounts 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 by a client absent the aggregation. Any transaction costs incurred in the transaction are shared pro rata based on each client's participation in the transaction. In some cases, this procedure could have an adverse effect on a particular account. In the opinion of Westwood, however, the results of such procedures will, on the whole, be in the best interests of each of its advisory accounts.

When a decision is made to aggregate orders, Westwood seeks to allocate securities among its client accounts in a fair and equitable manner. Under Westwood's trade allocation policy, securities generally are allocated among client accounts according to each account's pre-determined participation in the transaction, as Westwood 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 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. If the aggregate order is partially filled, Westwood typically will allocate trades on a pro rata basis among the client accounts in proportion to the contemplated allocation in the written record, which may be subject to rounding to ensure that each account receives round lots. Where pro rata allocation is not practicable, Westwood will allocate trades in a fair and equitable manner taking into consideration such factors as:

- The investment objective, policies and strategy of the account;
- The appropriateness of the investment to an account'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.

When aggregating trades among client accounts, retail managed account trades cannot be included in the aggregation due to the separate trading platform used for such accounts. Therefore, Westwood has chosen to utilize a trade rotation policy.

Westwood may execute transactions in the same securities on behalf of a number of accounts, including accounts in which Westwood and/or its officers or employees may have a financial interest, such as the mutual funds managed by Westwood. Thus, there may be a conflict of interest to the extent that trades are allocated to accounts in which Westwood or its officers and employees have a financial interest and are not allocated to other client accounts. These transactions may be executed separately, or they may be aggregated when, in Westwood's reasonable judgment, aggregation may result in an overall economic benefit to those accounts in terms of pricing, brokerage commissions, or other expenses. Westwood will not aggregate client trades with proprietary (insider) accounts of Westwood.

In general, trades are allocated among Westwood's investment strategies 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 across that portfolio's eligible accounts. Where pro rata allocation is not practicable, Westwood 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 has access to security distributions during an initial or secondary public offering ("IPO"). However, Westwood sometimes does not obtain access to a sufficient number of IPO shares so as to make a material allocation of such shares among all of its client accounts for which such investments otherwise might be appropriate. Westwood acknowledges the potential conflicts of interest that could arise in such a situation. For example, an account may have higher immediately available cash or buying power and be allocated IPO shares in a preferential manner, an account could be given preference based on the size of the account and the overall effectiveness of an IPO allocation on the performance of that account, or Westwood or its officers or employees may have a financial interest in an account and there may be a conflict of interest to the extent IPOs are allocated to these accounts and not allocated to other client accounts.

To mitigate these potential conflicts of interest, Westwood allocates IPO shares on a pro rata basis among participating accounts within each investment strategy whose portfolio managers have elected to participate.

The portfolio managers for each strategy have discretion to determine whether their strategy will participate in an IPO. In situations where Westwood is not allocating an IPO to all IPO-eligible strategies, Westwood will document, prior to or at the time of submitting an indication of interest, which strategies will participate in the IPO, how the decision was made, and why any strategies were omitted. Reasons for non-participation include, but are not limited to, inappropriate sector or geographic exposure, inappropriate market capitalization, inappropriate asset class, inappropriate fit with mandate, insufficient liquidity, or undesirable risk profile for the strategy. Although Westwood seeks to define reasons for non-participation in its documentation, certain biases may exist. For example, portfolio managers of a strategy that may be closing imminently may choose not to participate in an IPO for which the strategy is otherwise eligible, instead limiting participation in the IPO to other eligible Westwood strategies that will remain open.

Westwood TOMC's responsibilities include, among others, reviewing the documentation of initial IPO allocation decisions against final IPO allocations.

Clients that direct the entirety of their brokerage to a specific broker-dealer, including any wrap account clients, will not participate in IPO allocations.

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

Step-out Transactions

The Trading Desk has the discretion to employ "step-out" procedures to accommodate all clients in an aggregated trade in certain thinly traded stocks, or where best execution would be attained by using a single broker for execution rather than several brokers. In addition, an executing broker for a block trade may step-out a portion of the aggregated trade to a broker when a client has directed that trades be executed or settled through that particular broker. In these circumstances, a broker other than the broker settling a trade may have executed the trade. As a result, clients may incur additional transaction costs.

Agency or Internal Cross Trading

As a general rule, Westwood 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 and that the proper contemporaneous documentation was maintained.

Wrap Accounts and Separately Managed Accounts

In wrap account programs and in retail separately managed account programs in which clients pay an asset-based brokerage fee, Westwood will typically send trades for these accounts to the sponsor or designated broker for execution.

Item 13 - Review of Accounts

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 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. In addition to account reviews with the client, the Portfolio Team formally reviews the portfolio on a weekly basis looking at items such as recent events, the performance of each holding, and sector and industry metrics versus the market using a variety of tools including formal attribution analysis. The Portfolio Team also reviews the portfolio to evaluate changes or additions to the portfolio that might be appropriate. The Portfolio Team meets informally to monitor the portfolio and its holdings. Westwood has also established a committee that meets regularly throughout the year to review performance dispersion for each investment management account. The committee also reviews account guidelines on an annual basis to ensure they are current and accurate.

Monthly written reports are distributed based upon client request and generally include an asset statement, performance typically for the month and quarter-to-date, and status of the portfolio. On a quarterly basis, Westwood includes all of the above information, as well as an overall review of results for the quarter, year-to-date, and inception-to-date. Westwood may also include a strategic forecast, highlighting Westwood's investment outlook for the capital markets.

Custom Asset Allocation accounts will receive statements that present account valuation and transactions from the bank or brokerage firm that acts as custodian of their securities. These statements will be provided as contracted for with the custodian. In most cases, the statements are provided monthly, but they may be provided quarterly. These clients also receive quarterly reports from Westwood that present quarter-end valuation, asset allocation, account performance information, and fees.

Item 14 - Client Referrals and Other Compensation

Westwood does not currently utilize third party placement agents or solicitors for advisory accounts but does have placement arrangements in place with respect to the Salient MLP Total Return Fund, LP and the Salient MLP Total Return Fund TE Fund, LP.

Westwood Funds Shareholder Servicing Plans and Other Payments

In certain instances, Westwood may invest client assets in the Westwood Funds. When Westwood does invest client assets in the Westwood Funds, no investment management fee is charged on those assets. The following disclosures pertain to the clients of the Westwood Funds:

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 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, 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 does not maintain custody of client funds or securities other than through the ability to debit fees from client accounts. However, an affiliate, Westwood Trust, which is a qualified custodian, maintain custody of certain common trust funds for which Westwood serves as subadvisor. Westwood reconciles these common funds monthly and reports any differences to Westwood Trust personnel for reconciliation. No other accounts managed by Westwood are custodied at Westwood Trust. In addition, Westwood Advisors, also an affiliate of Westwood, is the advisor to the Salient MLP Total Return Fund, LP and the Salient MLP Total Return TE Fund, LP, both private funds managed by Westwood. WHG PF Holdco, LLC, an affiliate of Westwood is the general partner of each of these funds. Westwood Advisors and WHG PF Holdco, LLC are deemed to have custody of the assets of the Total Return Funds by virtue of their roles with them.

Custody of Custom Asset Allocation account funds and securities is maintained by a third party custodian selected by the clients. These clients will receive monthly/quarterly account statements from both their custodian and Westwood.

Clients should carefully review the statements sent to them by Westwood and compare them with account statements sent by their custodian.

Item 16 - Investment Discretion

Westwood accepts discretionary authority to manage securities accounts on behalf of its clients pursuant to a signed investment management agreement and any necessary accompanying documentation (*e.g.*, board resolutions, list of individuals authorized to direct disbursements and/or contributions, client's driver's license in the case of individuals) and has broad authority to determine, without specific client 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.

Some common limitations on this authority are as follows:

(1) any restrictions or prohibitions as set forth in the client investment guidelines;
(2) the client's request to direct brokerage to a specific broker dealer, which Westwood would follow subject to best execution requirements; and
(3) commission rates which are competitively set by the market.

In wrap fee programs and other retail managed account programs in which clients pay an asset-based brokerage fee, Westwood typically sends trades to the program sponsor or designated broker-dealer for execution.

In model portfolio programs, Westwood provides a model update that is consistent with the corresponding strategy, but the ultimate discretion to implement those models is exercised by the sponsor or overlay manager.

Westwood offers other non-discretionary services to certain clients on request on a case-by-case basis.

Item 17 - Voting Client Securities

Westwood typically has authority to vote client securities and has engaged Broadridge Financial Solutions, Inc. for proxy voting services and Glass Lewis & Co., LLC for proxy research for its 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, Westwood agrees with the recommendations of Glass Lewis; however, ballots are reviewed bi-monthly by Westwood analysts, who may choose to vote differently than Glass Lewis if they believe it in the best interest of Westwood's clients.

Westwood maintains complete proxy record keeping files for all clients. These files include a listing of all proxy material sent on behalf of clients along with individual copies of each response. Client access to these files can be arranged upon request. A summary of voting will be furnished upon request.

Westwood will identify any conflicts of interests that exist or are perceived to exist between Westwood or its employees and the client and/or client holdings. If a material conflict exists, Westwood 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 will maintain a record of the resolution of any proxy voting conflict of interest.

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

Clients can retain the authority to vote their securities, or they can request to receive proxy research and voting recommendations and can direct Westwood as to how to vote.

Item 18 - Financial Information

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

There is no financial condition that is reasonably likely to impair Westwood's ability to meet contractual commitments to clients.

Westwood has not been the subject of a bankruptcy petition.