

Part 2A of Form ADV: Firm Brochure

Item 1 Cover Page

Westwood Management Corporation

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Peter L. Goldman, President
and Contact Employee

Disaster Recovery Website:
www.westwood-management.com

June 9, 2023

This brochure provides information about the qualifications and business practices of Westwood Management Corporation (the “Firm”). If you have any questions about the contents of this brochure, please contact us at (312) 236-3336. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about the Firm is also available on the SEC’s website at www.adviserinfo.sec.gov.

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

Item 2 Material Changes

This brochure, dated June 9, 2023, updates the brochure dated March 23, 2023 to reflect changes to the Firm and its operations arising from the death of Michael Perlow, the Firm’s founder and principal, on May 4, 2023. There are no other material changes made to the brochure between March 23, 2023 and June 9, 2023.

To the extent that we materially amend our Brochure in the future, you will receive either an amended Brochure or a summary of any material changes to the annual update within 120 days of the close of our fiscal year. We may also provide you with an interim amended Brochure based on material changes or new information. Upon request, we will provide you with a current Brochure, at any time, without charge. Our current Brochure is publicly available at www.adviserinfo.sec.gov or you may contact us at (312) 236-3336.

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Item 4 Advisory Business

The Firm has been in business since 1976.

ADVISORY SERVICES

General Policy

Peter Goldman, the Firm's Portfolio Manager, makes recommendations designed for certain categories of Firm Clients, and generally implements these recommendations, where appropriate, for particular Clients. Mr. Goldman has succeeded to this role following the death of Michael Perlow in May 2023. Mr. Goldman joined the Firm in May, 2014. Mr. Goldman reviews client portfolios and analyzes securities for possible inclusion (or removal) from client portfolios. In some instances, Mr. Goldman will make recommendations directly to certain Clients for those Clients to implement independently directly with their custodians.

The Firm tailors its advisory services to the individual needs of clients, in that the Firm considers the investment objectives of individual clients when it constructs portfolios for its clients. The Firm generally uses a growth style strategy in investing client funds. There is no model portfolio for clients but, by design, there is substantial overlap across client portfolios in the stocks that are held. In constructing such portfolios, the Firm may use equity securities, preferred stocks, municipal bonds, government bonds and/or corporate bonds but the Firm's growth style strategy will generally mean that client portfolios are primarily invested in equity securities. While the Firm generally seeks to follow the companies that are among the leaders in their specific industries, the specific securities that the Firm follows varies over time and there is no specific criteria or formula that determines which companies the Firm follows closely.

While the Firm tailors allocations among stocks held in client portfolios according to individual client investment objectives, the Firm's growth style strategy may have the effect of limiting the extent to which a portfolio may be tailored.

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

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

Notwithstanding the above, Mr. Goldman may implement such recommendations or selections in a different order of priority due to the timing and nature of its investment decisions.

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

IPOs and Private Offerings

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

Publicly Traded Clients

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

Client Instructions

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

Cross Trading

The Firm does not effect cross trades between Client accounts.

BUSINESS CONTINUITY – SUCCESSION PLAN

Michael Perlow, formerly the Firm's majority owner and the Firm's Chief Executive, died in May 2023. Peter Goldman succeeded to the role of President and Chief Executive Officer at that time. The Firm anticipates that a succession plan addressing what would happen in the event Mr. Goldman were incapacitated or unable to continue in his current role will be created in the near future.

BUSINESS CONTINUITY – EMERGENCY CONTACT INFORMATION

In the event of a disruption, we can be contacted by e-mail at: info@westwood-management.com (Please note this email address is not regularly monitored except during times of disruption)

Westwood maintains a website and email address **solely for disaster recovery purposes:** You can obtain information regarding a disruption by checking our disaster recovery web site at: www.westwood-management.com

NO WRAP FEE ACCOUNTS

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

DISCRETIONARY MANAGEMENT

As of December 31, 2022, the Firm manages approximately \$799,271,165 in regulatory assets under management on a discretionary basis.

CONFLICTS OF INTEREST

A “conflict of interest” exists when the interests of the client and the Firm diverge. As a fiduciary to its clients, the Firm has an obligation to eliminate or make full and fair disclosure of all conflicts of interest that might cause it to render advice which is not disinterested such that a client can provide informed consent to the conflict. As a general matter, Westwood personnel meet with outside counsel at least annually to discuss and identify potential conflicts of interest and to determine ways to eliminate, disclose or mitigate any potential conflicts that are found.

Item 5 Fees and Compensation

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

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

Billing rates for new Clients are as follows:

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

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

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

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

Because our fees are based on the total amount of assets under management, we have an incentive to encourage you to place more assets under management with us.

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

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

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

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

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

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

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

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

The Firm does not accept performance based fees.

Item 7 Types of Clients

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

A minimum asset valuation of \$1,000,000 is generally required for the establishment of an investment advisory relationship. An advisory relationship may consist of one or more accounts which, in total, meet established minimum value requirements. Westwood may waive the minimum or Westwood may aggregate accounts of family members for determining if the minimum is met.

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

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

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

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

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

CYBERSECURITY

Information security concerns impact every user of the internet, and investment advisers such as the Firm are no exception. The Firm recognizes the importance of protecting clients' personal information as well as the confidential and proprietary information of the Firm and its employees, and has established procedures it deems to be reasonably designed to protect this information. While the Firm employs resources (both internal and external) it deems reasonable relative to its size and complexity to protect this information, the Firm cannot guarantee the protection of all such information, nor can the Firm assure against all related losses, in consideration of the real and evolving cybersecurity risks in existence (now or in the future).

The Firm further believes clearly communicated information represents a critical control in identifying and managing cybersecurity risks, and has encouraged employees to communicate early and often regarding any potential cybersecurity risk. As such, the Firm encourages all clients to promptly communicate with the Firm if they detect or suspect that any cybersecurity risk or breach may have occurred that is related to the Firm.

Item 9 Disciplinary Information

None.

Item 10 Other Financial Industry Activities and Affiliations

None.

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

CODE OF ETHICS

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

- Employees are prohibited from disclosing confidential client information to any non-affiliated third party without the express consent of the client except for information necessary for effecting transactions.
- Employees are prohibited from trading on material non-public information.
- Employees are required to report all personal securities transactions to the Firm. (The Firm’s procedures require review of employee personal transactions and prior approval for certain transactions.)
- Employees are prohibited from trading in conflict with client transactions if it would disadvantage the client.
- Employees may not accept gifts or entertainment in excess of \$100 per year from one provider of goods or services.

The Code also prohibits other material conflicts of interest with clients absent client written consent. Because the Firm does not provide services (or seek to provide services) to any

“governmental client,” the Code does not restrict or require that Employees report any personal political contributions to the Firm.

A copy of the Code may be obtained by contacting the Firm.

PERSONAL TRADING OF FIRM EMPLOYEES

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

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

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

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

The Firm maintains a retirement account under ERISA for Firm employees. This retirement account is managed by Mr. Goldman. The Firm’s retirement account may hold securities that are also held for client accounts. If the Firm retirement account holds the same securities as client accounts, Mr. Goldman will always seek to trade the retirement account behind client accounts in implementing any investment decision involving securities held in common. The Firm retirement account is reviewed and monitored by Firm supervisory personnel to the same extent as any personal account of a Firm employee.

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

Item 12 Brokerage Practices

Research and Other Soft Dollar Benefits

The Firm receives proprietary research reports, analysis and materials, along with admission to investment conferences (“Research”) from certain broker-dealers that execute transactions on behalf of Clients of the Firm. When the Firm receives such Research at no cost from broker-dealers that receive brokerage commissions from Clients of the Firm, the Firm benefits because it does not have to produce or pay for such Research. This presents a conflict of interest, as the Firm may have an incentive to select or recommend a broker-dealer to Clients or prospective Clients based upon the Firm’s interest in receiving the Research, rather than strictly on a Client’s interest in receiving the most favorable execution. (See “Recommendation Requests” below and “Conflicts of Interest” at Item 4 above). Further, Research provided by a broker-dealer may be used in decision-making for management of any or all of the accounts managed by the Firm, so there is no assurance that the benefits from any particular Research could be limited to or allocated among the account(s) that pay commissions to the specific broker-dealer furnishing such Research.

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

In determining whether to effect Adviser-selected brokerage transactions for its Clients through broker-dealers who provided the Firm with “brokerage or research services”, as that term is used in Section 28(e)(3) of the Securities Exchange Act of 1934 regarding “soft dollar payments”, the Firm will determine in good faith that the amount of the commission or mark-up/mark-down paid is reasonable in relation to the value of the Research received from such broker-dealer. This value will be viewed in terms of either that particular transaction or the Firm’s overall responsibilities to all of its Clients. The reasonableness of broker commissions has been evaluated on an ongoing basis through a periodic review of the general level of commissions paid and services received. For a number of years, the Firm engaged an outside consultant on a bi-annual basis to assist in evaluating the reasonableness of commissions in relation to the Research received. The last such evaluation was done in 2016. The Firm did not engage the outside consultant in 2018 or 2019 due to European regulatory changes requiring “unbundling” of brokerage execution fees and research. While such “unbundling” is not required in the United States, the Firm believes that the European requirement may lead to greater transparency regarding the cost of obtaining research. Accordingly, the Firm determined to refrain from engaging the outside consultant for a time pending any developments in this area from Europe. The Firm initially anticipated engaging the outside consultant in 2020, but did not engage the outside consultant in 2020 or 2021 due to the COVID-19 global pandemic. While the Firm anticipates continuing to engage an outside consultant in the future to assist in evaluating the reasonableness of commissions in relation to the Research received, there is no assurance that this evaluation will continue to be conducted on a bi-annual cycle in the future.

In performing its good faith determination that the cost of Research provided by broker-dealers is reasonable, the Firm generally considers the value of the Research received, relative to total

commissions paid by its Clients to the broker-dealer, rather than on an individual or account-by-account trade basis. Because of this, the Firm may cause Client accounts to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits. The resulting level of commissions paid by the Firm's Clients for such Research is generally higher than the level of commissions the Firm would pay absent the receipt of such broker-dealer provided Research. However, the Firm considers the level of Research to be of great importance to its investment management processes and resulting investment performance within Client accounts.

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

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

Brokerage for Client Referrals

The Firm does not seek client referrals from broker-dealers or other third parties. In the past, clients have occasionally been referred to the Firm by broker-dealers. The Firm did not pay specific compensation for any such referral but may have directed brokerage to the referring broker-dealer if directed to do so by the referred client. See "Directed Brokerage" below.

Directed Brokerage

A Client may direct execution through a particular broker-dealer ("Client-directed brokerage") by notifying the Firm. For Client-directed brokerage, the Firm may accept the broker-dealer's rate without negotiations. While Client-directed brokerage may benefit a Client in some ways through receipt of certain additional services or benefits from such broker-dealer (for example, a Client may be receiving cash management services at a certain broker-dealer and may wish to continue to receive such services), the Client may also be paying higher commissions, so electing to direct

brokerage may increase total costs paid by a client. For Client-directed brokerage, Advisor will not undertake to negotiate commission rates with a directed broker-dealer, unless Client so authorizes Adviser in writing, in which case Adviser shall use its best efforts to negotiate such rates. As a result, a client may pay higher commissions or other transaction costs, be subject to wider spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

This presents a conflict of interest, as commissions paid for Client-directed brokerage will benefit the Firm if the Firm receives research reports from a Client-directed broker-dealer that the Firm would not otherwise have received if the Firm did not provide to that broker-dealer a level of commissions satisfactory to that broker-dealer (See “Conflicts of Interest” at Item 4 above and “Research and Other Soft Dollar Benefits”).

Recommendation Requests

If a Client requests that the Firm recommend a broker-dealer for execution (exclusive of those clients that may direct the Firm to use a specific broker-dealer), the Firm will generally provide a list of approximately three broker-dealers (“Recommended Firms”). A Client is not limited to the Recommended Firms and the Firm will provide additional recommendations upon request. This presents a conflict of interest, as such Recommended Firms will generally be broker-dealers that provide Research to the Firm, but the Firm may recommend any brokerage firm it believes to be appropriate for the particular client (See “Conflicts of Interest” at Item 4 above).

Factors that the Firm considers in suggesting any of the Recommended Firms (or any other broker-dealer/custodian to clients) include such broker-dealer/custodian’s historical relationship with the Firm, financial strength, reputation, execution capabilities, pricing, quality of Research provided, and service. Although the Firm shall review any commissions and/or transaction fees paid by the Firm's clients to any recommended executing broker in compliance with the Firm's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the Firm determines, in good faith, that the commission/transaction fee is reasonable in relation to the value of the brokerage and Research services received.

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

The Firm has an incentive to select or recommend a broker-dealer based upon the Firm’s interest in receiving Research rather than on the Client’s interest in receiving most favorable execution. As noted above, the Firm receives Research from the Recommended Firms and other broker-dealers without cost to the Firm. As described above, the Firm periodically makes good faith

determinations as to whether the amount of the commission or mark-up/mark-down paid to any such broker-dealer is reasonable in relation to the value of the Research received from such broker-dealer.

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

Adviser-Selected Brokerage

The Firm may also place orders for securities with or through such broker-dealers as the Firm may select ("Adviser-selected brokerage"). Clients' transactions will be effected through Adviser-selected brokerage, unless the Client shall elect Client-directed brokerage as described above. Subject to the Firm's duty to obtain best execution, the Firm will generally select to execute orders for a Client account at the broker-dealer where such account is carried. Brokerage commissions for Client-directed as discussed below or Adviser-selected brokerage will generally be greater than commissions charged elsewhere, although the Firm will not place orders through a broker-dealer unless the Firm believes that the commission rates are reasonable in light of the execution and research services then being received by the Firm.

Aggregation of Orders and Allocation

"Aggregation of orders" occurs when orders for multiple clients are executed as a single order through one broker-dealer. Aggregation of transactions **may** result in lower commissions and will result in all **participating** clients receiving the same price of execution. The Firm generally places client orders individually and independently with the applicable executing broker(s) (i.e., not on an aggregated basis). If an order is executed on an aggregated basis, all participating clients of that aggregated order receive the same price of execution. The Firm does not receive any additional compensation or remuneration when orders are aggregated. There is no fixed methodology for determining when order aggregation will be done, or the precedence in which orders are entered on behalf of client accounts. Further, the Firm frequently initiates or liquidates positions for clients over a period of days or, in some cases, one or more weeks. For these reasons, except for clients whose orders have been aggregated together, clients likely will receive differing execution prices and any client may receive a better or worse execution price than any other client.

Brokerage Commissions

Except for clients that have independently negotiated brokerage rates with their broker-dealer, commissions charged by broker-dealers for accounts of the Firm's Clients generally follows a fee schedule in which stocks priced greater than \$40 per share receive execution at commissions at \$0.08 or less per share and stocks priced at \$40 or less per share receive execution at commissions

at \$0.06 or less per share. This presents a conflict of interest because, while the Firm does not share in any such brokerage commissions, the brokerage commissions paid by clients of the Firm may be treated by brokerage firms as “soft dollars” (see discussion regarding “Research and Other Soft Dollar Benefits” above). Further, broker-dealers frequently charge a minimum “ticket charge” per transaction. In any instance where a client directs Westwood to execute through a specific broker and such broker has a minimum ticket charge (or Westwood elects to use such a broker), such ticket charge may cause the effective per share commission rate to exceed the per share rates described above. As noted above, the Firm mitigates this conflict by periodically engaging an outside consultant to assist in evaluating the reasonableness of commissions in relation to the Research received

Certain brokers have, in recent years, made available commission-free trading. Westwood believes that the research and services available from brokers still charging commissions can be an important source of value to clients. Such research and other services may not be available in “commission-free” brokerage arrangements. If a client desires to enter into a commission-free arrangement, Westwood is willing to explore the feasibility of such an arrangement. However, clients desiring such an arrangement should be aware that commission-free arrangements may be limited to electronic access only and that brokerage firms offering “commission-free arrangements” may not be willing to allow a registered investment adviser such as Westwood to direct activity through a commission-free arrangement.

The Firm’s president and CEO, Peter Goldman, is available to address any questions that a client or prospective client may have regarding any of the Firm’s brokerage practices and any corresponding perceived conflict of interest such practices may create.

Item 13 Review of Accounts

Each Client portfolio representing a client relationship (which may consist of one or more separate accounts) is reviewed following each month-end. Client portfolios are informally reviewed on multiple occasions throughout each month. The frequency of such reviews may be dependent upon market activity, with such informal reviews likely to be conducted on a daily basis in active markets. Those securities which make up each portfolio are constantly and frequently monitored and informally reviewed.

Portfolios are reviewed for appropriateness in light of investment objectives and accuracy of transaction executions. Portfolio review and administration is conducted by Peter Goldman, who is also responsible for overall portfolio supervision.

Records of an individual’s past performance are available upon request by that individual client. However, in some instances the Firm may no longer have appropriate back-up documentation with respect to performance for any full year prior to 2001. Where applicable, the Firm shall not provide any past performance to any client for any period that cannot be demonstrated through appropriate

records, regardless of the length of time that the Firm has had a relationship with such client and regardless of whether the client requests any such performance presentation.

Item 14 Client Referrals and Other Compensation

The Firm does not pay referral fees (non-commission based) to independent solicitors (non-registered representatives) for the referral of clients to the Firm and does not receive client referrals from broker-dealers, except as described above at “Brokerage for Client Referrals.”

Item 15 Custody

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

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

Item 16 Investment Discretion

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

Item 17 Voting Client Securities

The Firm does not vote securities on behalf of its Clients. Clients shall retain all authority to vote securities held in or for their account. The Firm will cooperate with the Client as necessary in notifying custodians or broker-dealers where clients’ securities are held to forward proxy statements, proxies and other information to the Client.

Item 18 Financial Information

The Firm does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.

Item 19 Requirements for State-Registered Advisers

None.