

# Westwood AllCap Value

High Conviction Active Management

## Quality & Value

Team based, bottom-up fundamental strategy focused on identifying well run businesses with strong balance sheets and solid management teams.

## Asymmetric Return Focus

We believe quality and value stocks that are attractively priced offer limited downside over the long term. Strong emphasis on loss limitation by quantifying the absolute downside risk for every security throughout the process.

## High Conviction

Differentiated investment performance with historically high active share for “true active” management. Number of holdings typically ranges between 50-70.

## Strategy | 1Q17

**Objective:** We seek to outperform the Russell 3000 Value over a full market cycle while delivering an asymmetric outcome for our clients.

**Strategy:** Actively managed, utilizing a team based, fundamental bottom-up approach to identify high quality companies with undervalued earnings potential.

**Benchmark:** Russell 3000 Value

**Beta:** 0.91

**Current Yield:** 1.9%

**Assets Under Management:** \$281.5 M

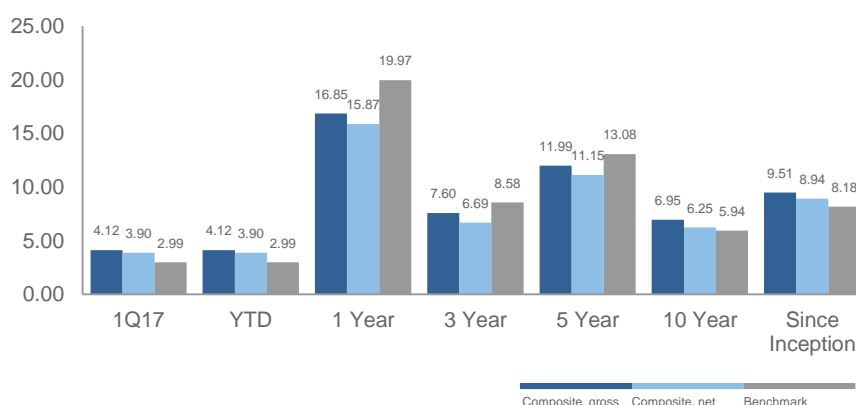
**Number of Holdings:** 53

**Active Share:** 82%

**Team:** Our U.S. Value team includes over 20 investment professionals supporting the Portfolio Team which includes four members with an average of 20 years’ industry experience and 11 years’ tenure.

**Inception Date:** July 1, 2002

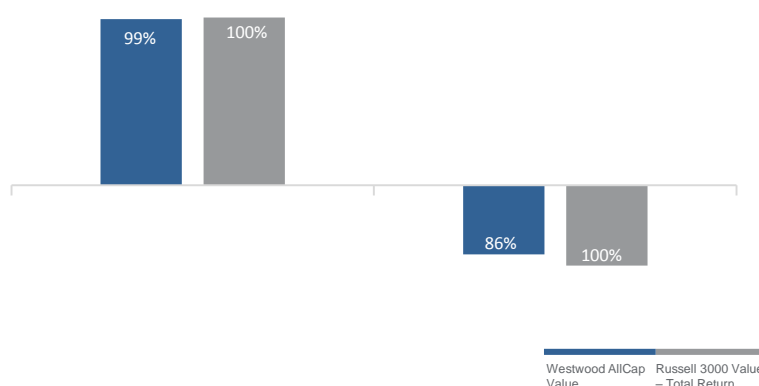
## Performance (%)



## Upside-Downside Market Capture

Upside Market Capture

Downside Market Capture



Inception date: July 1, 2002. All data as March 31, 2017, unless otherwise noted. **Past performance is not indicative of future results.** Returns are calculated in U.S. Dollars and include reinvestment of dividends.

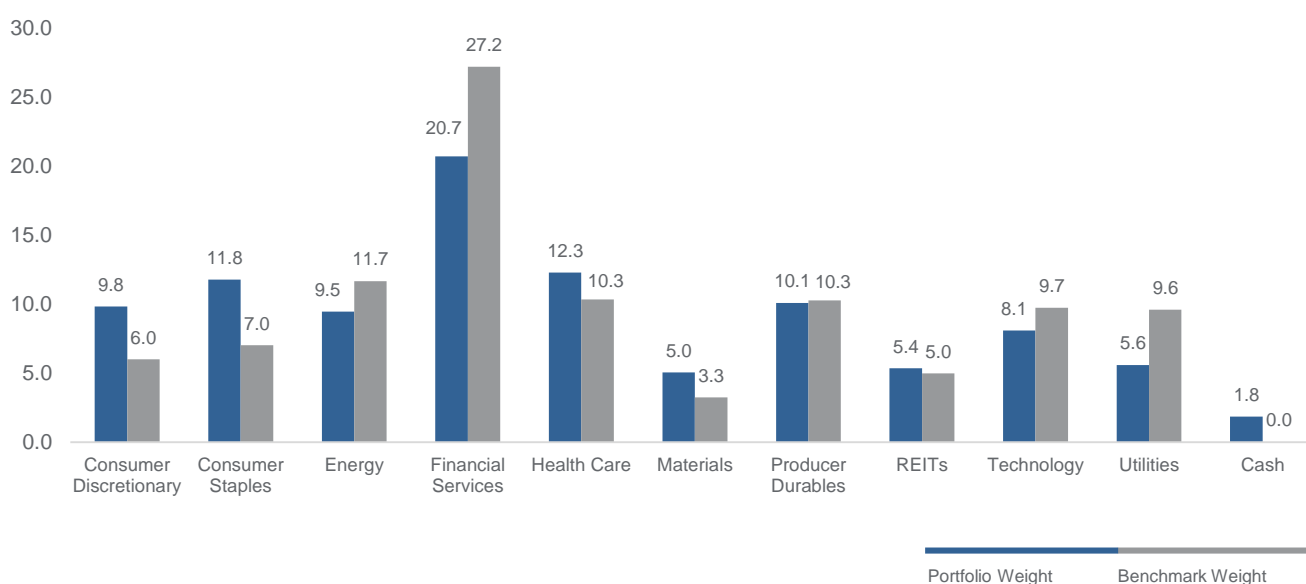
## Westwood AllCap Value

Characteristics	Portfolio	Benchmark
Free Cash Flow Margin*	8.5%	4.0%
Free Cash Flow Yield*	3.6%	2.3%
Return on Equity	14%	10%
Net Debt/Capital	25%	29%
Average Market Cap (Weighted)	\$86.8 B	\$111.6 B
Median Market Cap	\$38.5 B	\$1.5 B
Portfolio Turnover**	47%	--
Westwood Forecasted Growth Rate	17%	10%
Westwood Forward P/E Ratio	17.8x	16.9x
Westwood P/E to Growth	1.0x	1.7x

\*Portfolio and index free cash flow excludes financial services due to cash flow statement calculation methods within the sector. Portfolio forecasted growth rate and P/E reflect Westwood's analysts' estimates. There is no guaranty that these forecasts and estimates will be accurate, or even approximately accurate, and the performance of the portfolio versus the benchmark may not correlate with the financial results of constituent investments. \*\*Portfolio Turnover is on a trailing twelve month, name-in/name-out basis. Ratios are equally weighted. Benchmark Data Source: © 2017 FactSet Research Systems Inc.

Top 10 Holdings	(%)
Becton, Dickinson and Co.	3.1
Abbott Laboratories	3.0
Wells Fargo & Co.	2.9
American International Group Inc.	2.8
Home Depot Inc.	2.6
DTE Energy Co.	2.6
JPMorgan Chase & Co.	2.4
Albemarle Corp.	2.2
Colgate-Palmolive Co.	2.2
Oracle Corp.	2.2

### Sector Weight Distribution



## Westwood AllCap Value

Risk/Reward Statistics	Portfolio	Benchmark	Investment Team		
Alpha	1.96	0.00	Westwood believes that team management creates a sense of ownership, accountability, and consistency in the investment process. Westwood's U.S. Value team includes over 20 investment professionals conducting cross capitalization research of specific sectors/industries.		
Beta	0.91	1.00			
R-Squared	0.93	1.00			
Standard Deviation	15.90	16.83			
Tracking Error	4.61	0.00	The AllCap Value team members are:		
Information Ratio	0.28	N/A	<b>Name</b>	<b>Industry Experience</b>	<b>Firm Tenure</b>
Sharpe Ratio	0.52	0.41	Grant L. Taber, CFA	17 years	2008
Data Set: July 1, 2002 – March 31, 2017 (Quarterly) Risk Free Proxy: Citigroup (3 M) Treasury Bill (LOC) Market Proxy: Russell 3000 Value - Total Return			Thomas C. Lieu, CFA	19 years	2010
			Matthew R. Lockridge	15 years	2010
			Christopher J. MacDonald, CFA	27 years	1994

### Disclosures

**Institutional Use Only. Past performance is not indicative of future results.** For purposes of compliance with the Global Investment Performance Standards (GIPS®), the firm ("Westwood" or the "Firm") is defined as the assets of Westwood Management Corp. and Westwood International Advisors Inc. Westwood Management Corp. is an SEC registered investment adviser under the Investment Advisers Act of 1940 that provides investment supervisory services, managing equity and fixed income portfolios. Westwood International Advisors Inc. is a registered portfolio manager with the Ontario Securities Commission and the Autorité des marchés financiers in Quebec that provides investment supervisory services for global and emerging markets equity portfolios. Registration does not imply a certain level of skill or training. Westwood Management Corp. and Westwood International Advisors Inc. are wholly owned subsidiaries of Westwood Holdings Group, Inc. (NYSE: WHG). Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request, as is a complete list and description of the firm's composites, by contacting performance@westwoodgroup.com. Westwood claims compliance with the Global Investment Performance Standards (GIPS®).

The AllCap Value Composite includes all taxable and tax-exempt, fee-paying fully discretionary accounts generally invested in equity securities with market capitalizations greater than \$100 million at purchase and having comparable objectives. The minimum portfolio size for inclusion in the AllCap Value Composite is \$5 million beginning January 1, 2006. The Russell 3000 Value Index is an unmanaged index that measures the performance of those Russell 3000 companies with lower price-to-book ratios and lower forecasted growth values.

†"Top 10 Holdings(%)" represent the ten largest portfolio positions by market value in the representative account of the strategy as of the period end date. Each quarter, Westwood uses this same objective, non-performance based criteria to select the ten largest holdings. References to specific securities and their characteristics are examples of securities held in the portfolio and are not intended to be, and should not be interpreted as, an offer, solicitation or recommendation to purchase or sell any securities mentioned.

All information provided in this presentation is for informational purposes only and is not intended to be, and should not be interpreted as, an offer, solicitation, or recommendation to buy or sell or otherwise invest in any of the securities/sectors/countries that may be mentioned. The chart herein shows sector weightings for the representative account as of the period end date. The representative account was selected by the firm as it was deemed to best represent this strategy. Sector weights and holdings may vary from account to account, subject to any client-imposed restrictions. Westwood's analysts closely monitor the securities held in our portfolios. Should a company's underlying fundamentals or valuation measures change, Westwood may re-evaluate its position and may sell part or all of its positions. Russell Investment Group is the source and owner of the trademarks, service marks, and copyrights related to its indexes, which have been licensed for use by Westwood. Benchmark Data Source: © 2017 FactSet Research Systems Inc. All Rights Reserved.