

# Westwood Income Opportunity

A Bottom-Up Approach to Multi-Asset Investing

## Bottom-Up Multi-Asset

Asset mix diversifies sources of return and is driven by in-depth fundamental bottom-up security selection.

## Asymmetric Return Focus

Participation in up markets with an emphasis on protecting capital in down markets.

## Risk-Focused Growth & Income

Navigates changing market conditions by balancing the trade-offs between capital appreciation, yield and risk.

## Strategy | 1Q17

**Objective:** We seek to achieve an attractive rate of total return while maintaining a low volatility profile by investing across a broad spectrum of income-producing securities.

**Strategy:** Allocates flexibility across asset classes, capital structures, sectors and market caps that display absolute value.

### Investment Options:

- Separately Managed Accounts
- Mutual Fund
- Other Pooled Vehicles

**Current Yield:** 2.3%

**Assets Under Management:** \$4.1 B

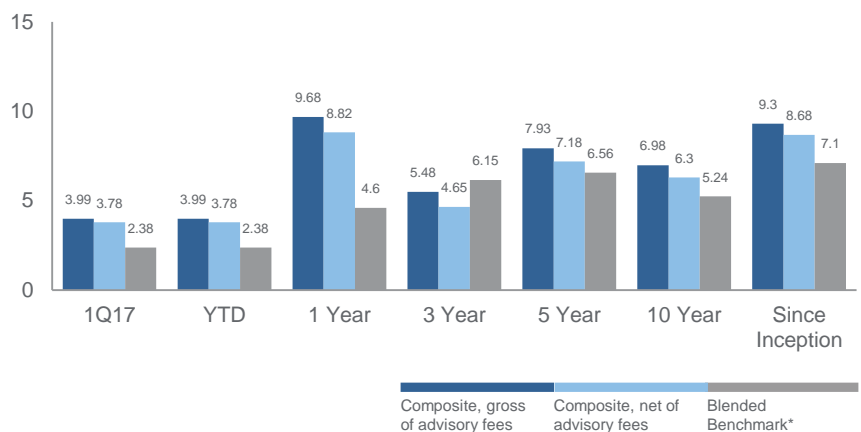
**Number of Holdings:** 70

**Team:** Our U.S. Value team includes over 20 investment professionals supporting the Portfolio team, which includes two members with an average of 25 years' industry experience and 16 years' tenure. The Income Opportunity team members are:

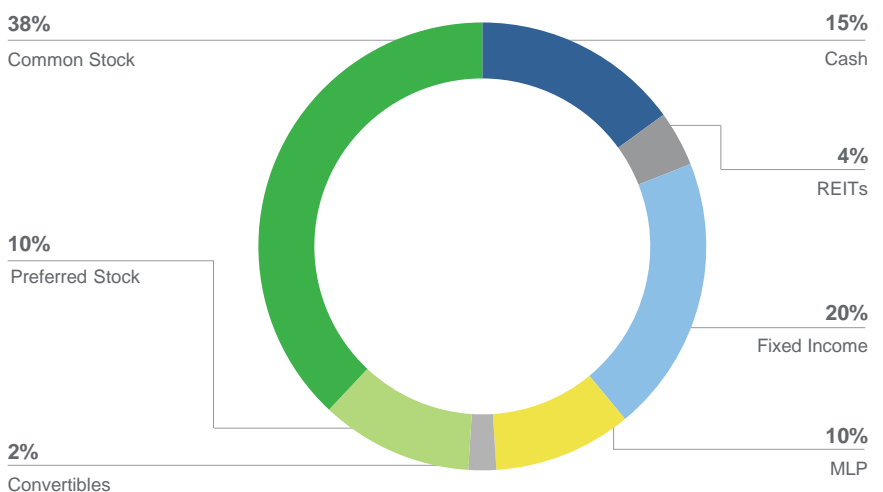
- Mark R. Freeman, CFA
- Todd L. Williams, CFA

**Inception Date:** January 1, 2003

## Performance (%)



## Current Snapshot

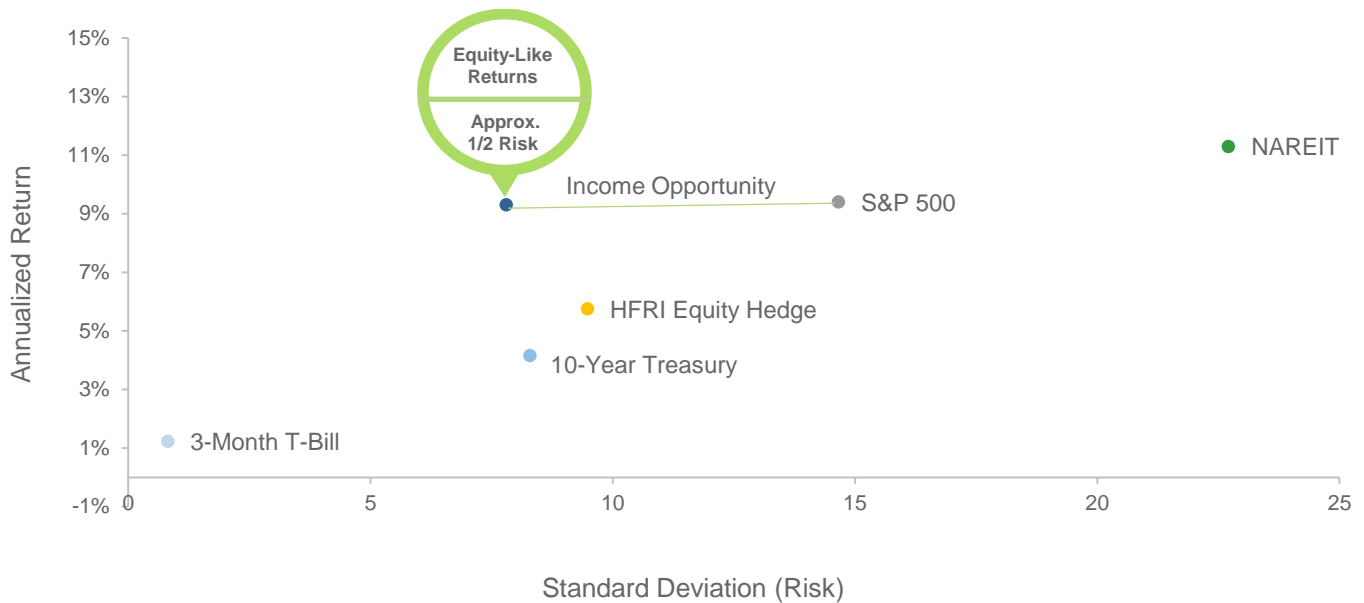


Inception date: January 1, 2003. All data as of March 31, 2017, unless otherwise noted. **Past performance is not indicative of future results.** Returns are calculated in U.S. Dollars and include reinvestment of dividends.

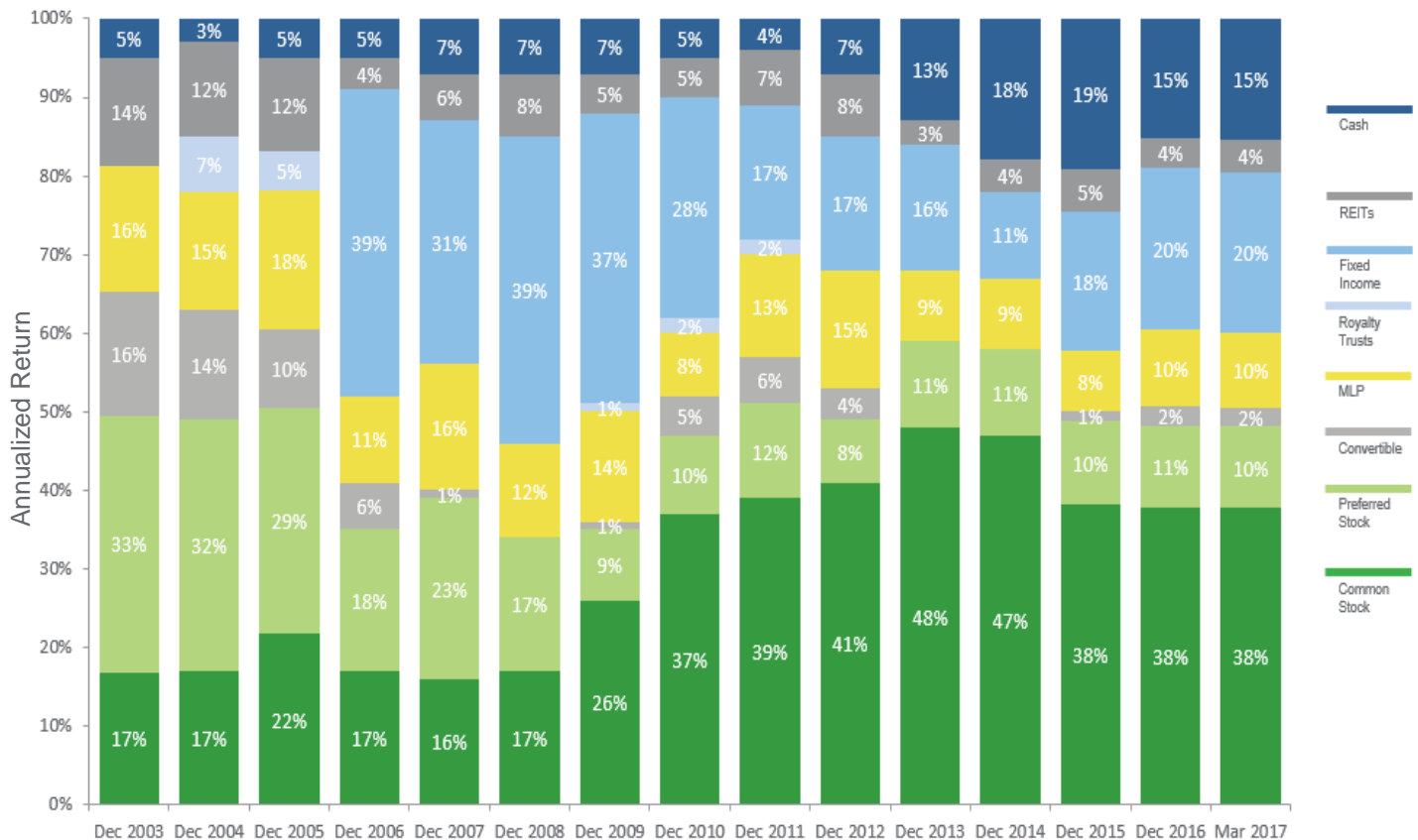
\*Blended Benchmark: 25% S&P 500, 25% FTSE NAREIT All Equity REITs, 25% Citigroup 10-Yr Treasury, 25% Citigroup 3-Month Treasury Bill.

## Westwood Income Opportunity

### Annualized Risk and Return Comparisons: 1/1/2003 – 3/31/2017



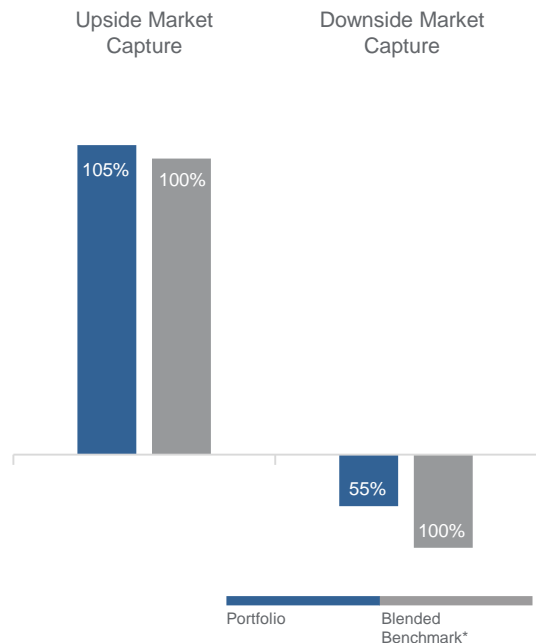
### Historical Allocation



## Westwood Income Opportunity

Risk/Reward Statistics	Portfolio	Blended Benchmark*
Alpha	4.01	0.00
Beta	0.73	1.00
R-Squared	0.63	1.00
Standard Deviation	7.68	8.30
Tracking Error	5.19	0.00
Information Ratio	0.42	N/A
Sharpe Ratio	1.05	0.71

### Asymmetric Return Focus



Data Set: January 1, 2003 – March 31, 2017 (Quarterly)

Risk Free Proxy: Citigroup (3 M) Treasury Bill (LOC)

\*Blended Benchmark: 25% S&P 500, 25% FTSE NAREIT All Equity REITs, 25% Citigroup 10-Yr Treasury, 25% Citigroup 3-Month Treasury Bill.

### Disclosures

**For 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](mailto:performance@westwoodgroup.com). Westwood claims compliance with the Global Investment Performance Standards (GIPS®).

The Income Opportunity Composite includes all taxable and tax-exempt, fee-paying fully discretionary accounts that seek to achieve an attractive rate of return while maintaining a low volatility profile. It seeks to achieve its goal by flexibility across a broad spectrum of income-producing securities. The strategy typically invests in up to 60 to 80 securities. The minimum portfolio size for inclusion in the Income Opportunity Composite is \$5 million beginning January 1, 2006. Portfolio returns reflect the reinvestment of dividend and interest income.

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. 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.

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