

Westwood SmallCap 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 2000 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 2000 Value

Beta: 0.93

Current Yield: 1.7%

Assets Under Management: \$706.0 M

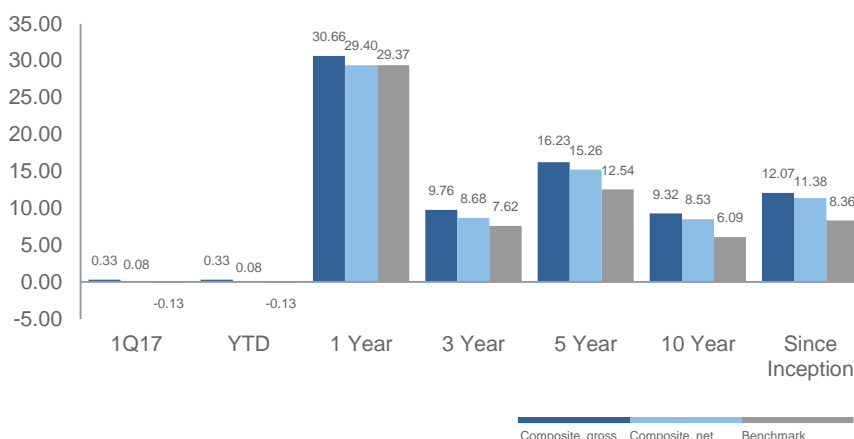
Number of Holdings: 61

Active Share: 95%

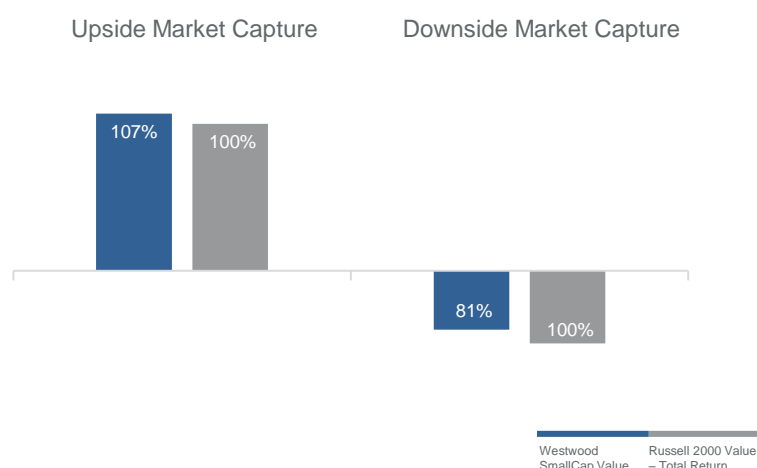
Team: Our U.S. Value team includes over 20 investment professionals supporting the Portfolio Team which includes four members with an average of 18 years’ industry experience and nine years’ tenure.

Inception Date: January 1, 2004

Performance (%)



Upside-Downside Market Capture



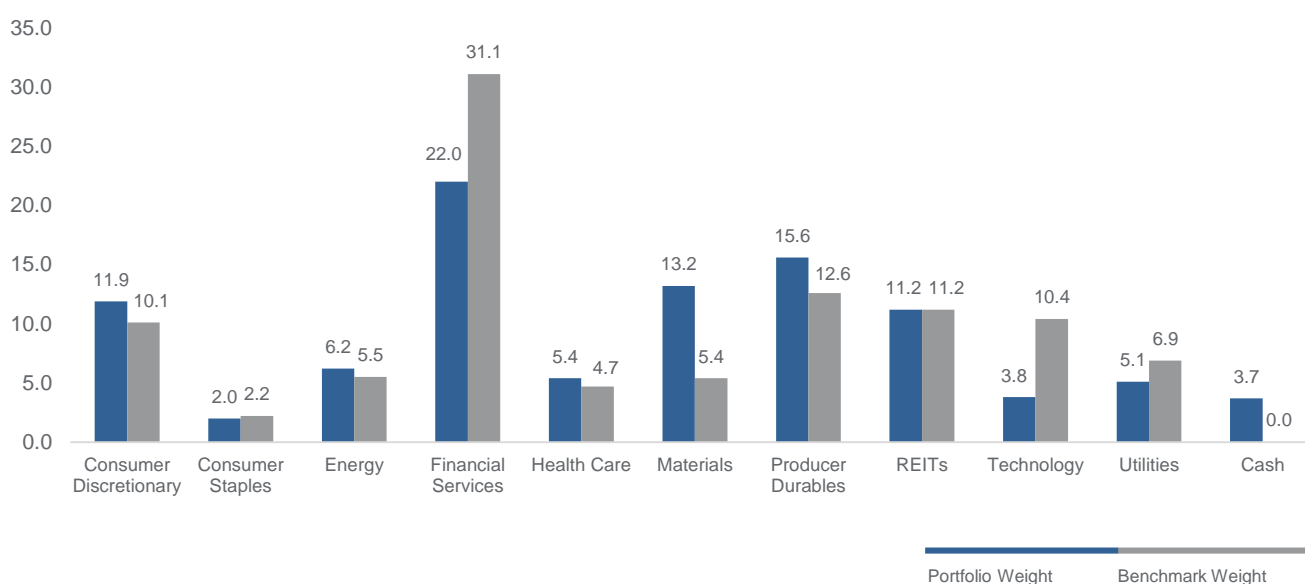
Inception date: January 1, 2004. All data as of March 31, 2017, unless otherwise noted. **Past performance is not indicative of future results.** Returns are calculated in U.S. Dollars and include reinvestment of dividends.

Westwood SmallCap Value

Characteristics	Portfolio	Benchmark	Top 10 Holdings	(%)
Free Cash Flow Margin*	5.0%	3.2%	Summit Materials Inc.	2.2
Free Cash Flow Yield*	2.8%	1.4%	Oxford Industries Inc.	2.2
Dividend Payout	31%	40%	Resolute Energy Corp.	2.1
Return on Equity	10%	5%	Sonic Corp.	2.1
Net Debt/Capital	23%	27%	Omnicell Inc.	2.1
Average Market Cap (Weighted)	\$1.8 B	\$2.1 B	Callon Petroleum Co.	2.1
Median Market Cap	\$1.6 B	\$0.7 B	ALLETE Inc.	2.0
Portfolio Turnover**	30%	--	Electronics For Imaging Inc.	2.0
Westwood Forecasted Growth Rate	19%	5%	Chemical Financial Corp.	2.0
Westwood Forward P/E Ratio	17.6x	21.1x	J&J Snack Foods Corp.	2.0
Westwood P/E to Growth	0.9x	4.2x		

*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.

Sector Weight Distribution



Westwood SmallCap Value

Risk/Reward Statistics	Portfolio	Benchmark	Investment Team		
Alpha	4.06	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	0.93	1.00			
R-Squared	0.92	1.00			
Standard Deviation	18.17	18.72			
Tracking Error	5.14	0.00	The SmallCap Value team members are:		
Information Ratio	0.72	N/A	Name	Industry Experience	Firm Tenure
Sharpe Ratio	0.60	0.38	William E. Costello, CFA	29 years	2010
Data Set: January 1, 2004 – March 31, 2017 (Quarterly)			Lisa Dong, CFA	19 years	2000
Risk Free Proxy: Citigroup (3 M) Treasury Bill (LOC)			Matthew R. Lockridge	15 years	2010
Market Proxy: Russell 2000 Value - Total Return			Frederic G. Rowsev, CFA	7 years	2010

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. Westwood claims compliance with the Global Investment Performance Standards (GIPS®).

The SmallCap Value composite includes all taxable and tax-exempt, fee-paying fully discretionary accounts whose main objective is to invest primarily in equity securities with market capitalizations between \$100 million and \$2 billion at purchase and having comparable objectives. The minimum portfolio size for inclusion in the SmallCap Value Composite is \$5 million beginning January 1, 2006. The Russell 2000 Value Index is an unmanaged index that measures the performance of those Russell 2000 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.

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