Westwood LargeCap Value

Investing at the Intersection of **Quality** and **Value**

Quality & Value

We believe investing in undervalued, high-quality businesses can generate a return premium resulting in lower absolute downside risk and superior risk-adjusted returns.

Asymmetric Return Focus

Strong emphasis on loss limitation by quantifying the absolute downside risk for every security throughout the process.

High Conviction

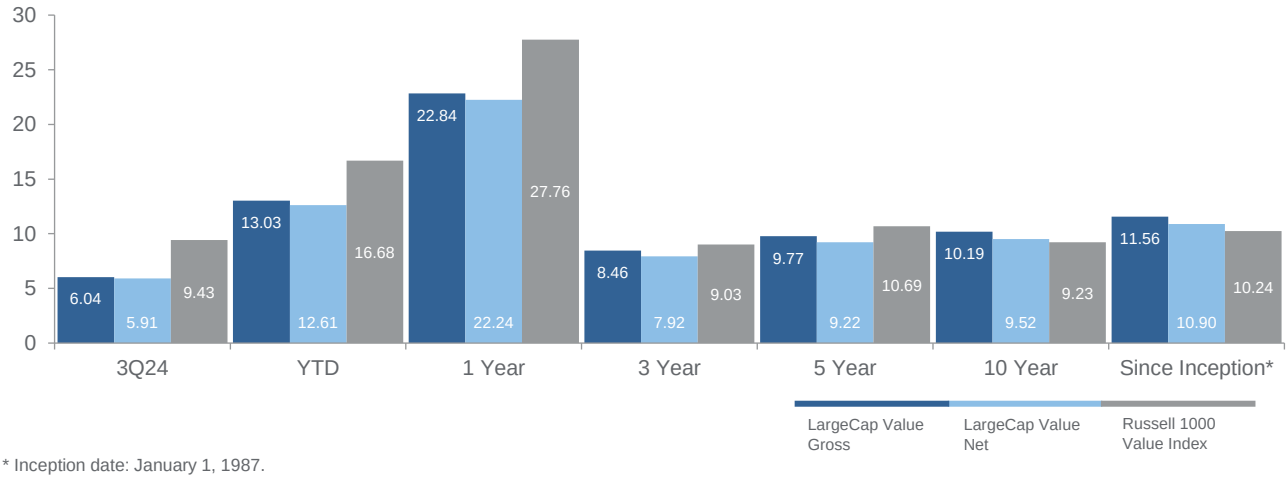
Differentiated investment performance with historically high active share for "true active" management. Number of holdings typically ranges between 40-60.

Objective: We seek to outperform the Russell 1000® Value Index 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.

Team: Our U.S. Value team includes 11 investment professionals with an average of 23 years' industry experience and 12 years' tenure supporting the Portfolio Team.

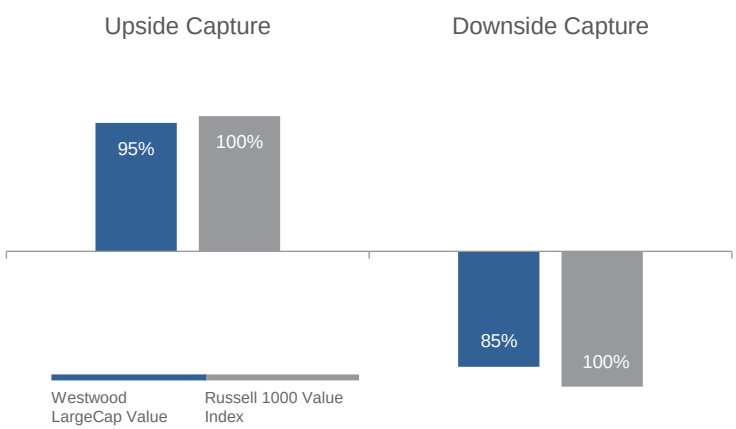
Performance (%)



* Inception date: January 1, 1987.

All data as of September 30, 2024, unless otherwise noted. Returns are calculated in U.S. Dollars and include reinvestment of dividends and other income. Indices are unmanaged, do not incur management fees, costs and expenses, and cannot be invested in directly. **Past performance is not indicative of future results.**

Upside-Downside Market Capture



LargeCap Value: September 30, 2024

Inception Date: January 1, 1987

Benchmark: Russell 1000® Value Index

Beta: 0.90

Current Yield: 1.9%

Number of Holdings: 47

Active Share: 77%

All data as of September 30, 2024

Inception date: January 1, 1987. All data as of September 30, 2024, unless otherwise noted. **Past performance is not indicative of future results.** All data is net of management fees. Returns are calculated in U.S. Dollars and include reinvestment of dividends. Indices are unmanaged, do not incur management fees, costs and expenses, and cannot be invested in directly.

Westwood LargeCap Value

Characteristics	Portfolio	Benchmark
Free Cash Flow Margin*	13.2%	8.7%
Free Cash Flow Yield/EV*	3.6%	2.6%
Return on Equity	21%	16%
Net Debt/EBITDA	1.7x	2.1x
Average Market Cap (Weighted)	$418.1B	$171.7B
Median Market Cap	$148.6B	$14.3B
Portfolio Turnover**	24%	N/A
Westwood Forecasted Growth Rate	12.4%	10.5%
Westwood Forward P/E Ratio	17.2x	16.3x
Westwood P/E to Growth	1.4x	1.6x

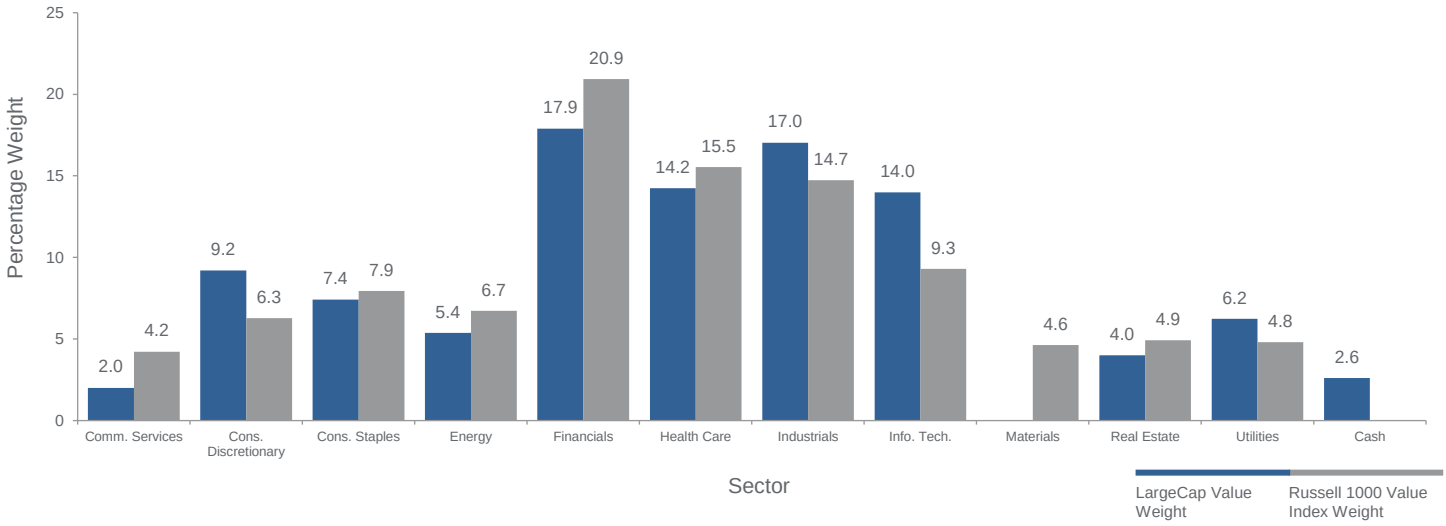
Inception date: January 1, 1987. All data as of September 30, 2024, unless otherwise noted. Benchmark for the Westwood LargeCap Value strategy is the Russell 1000 Value Index.

*NM = Not Meaningful as number is negative
Past performance is not indicative of future results. All data is net of management fees. Indices are unmanaged, do not incur management fees, costs and expenses, and cannot be invested in directly. Note: Portfolio forecasted growth rate and P/E reflect Westwood's analysts' estimates. There is no guarantee 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 and index free cash flow excludes financial services and REITs due to cash flow statement calculation method within the sector. EBITDA Volatility and Return on Capital also exclude financial services. Free cash flow metrics are equally weighted. **Portfolio Turnover is on a trailing 12-month, name-in/name-out basis. ROE, Free Cash Flow Margin and Free Cash Flow Yield metrics are calculated using actual reported trailing 12-month results. Data Source: © 2024 FactSet Research Systems Inc.

Top 10 Holdings	(%)
Johnson & Johnson	3.57
UnitedHealth Group Inc.	3.48
JPMorgan Chase & Co.	3.29
Abbott Laboratories	3.24
Microsoft Corp.	3.11
Union Pacific Corp.	2.96
Bank of America Corp.	2.77
Visa Inc.	2.56
Goldman Sachs Group Inc.	2.39
Salesforce Inc.	2.25

Holdings as of 09/30/2024. The securities identified and described do not represent all the securities purchased, sold or recommended for client accounts. Actual portfolio holdings may vary for each client and there is no guarantee that a particular client's account will hold any, or all, of the securities identified. The reader should not assume that an investment in the securities identified was or will be profitable.

Sector Weight Distribution



The Portfolio Sector Allocation (%) share shows sector weightings for a representative account as of the period end date. The representative account was selected by the firm as it was deemed to best represent the Westwood 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. Indices are unmanaged, do not incur management fees, costs and expenses, and cannot be invested in directly.

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Risk/Reward Statistics	Portfolio	Benchmark
Alpha	1.55	N/A
Beta	0.90	1.00
R-Squared	0.91	1.00
Standard Deviation	15.09	15.91
Tracking Error	4.78	N/A
Information Ratio	0.14	N/A
Sharpe Ratio	0.52	0.45

Data Set: January 1, 1987 – September 30, 2024 (Quarterly)
Risk Free Proxy: FTSE (3 M) Treasury Bill (LOC)
Market Proxy: Russell 1000 Value Index

Past performance is not indicative of future results. Returns are calculated in U.S. Dollars and include reinvestment of dividends. All data is net of management fees. Indices are unmanaged, do not incur management fees, costs and expenses, and cannot be invested in directly. The risk-free rate of return is the theoretical rate of return of an investment with zero risk. The risk-free rate represents the interest an investor would expect from a risk-free investment over a specified period of time. Please see definitions in the disclosure section.

Investment Team

Westwood believes that team management creates a sense of ownership, accountability, and consistency in the investment process. Westwood's U.S. Value team includes 11 investment professionals conducting cross capitalization research of specific sectors/industries.

The LargeCap Value team members are:

Name	Industry Experience	Firm Tenure
Matt Lockridge	23 years	2010
Lauren Hill, CFA®	21 years	2015
Michael Wall	28 years	2004

Important Information

The opinions expressed in these materials represent the personal views of Westwood's investment professionals and are based on their broad investment knowledge, experience, research and analysis. However, market conditions, strategic approaches, return projections and other key factors upon which the views presented in these materials are based remain subject to fluctuation and change. Consequently, it must be noted that no one can accurately predict the future of the market with certainty or guarantee future investment performance.

This presentation contains "forward-looking statements." Forward-looking statements can be identified by the words "may," "will," "intend," "expect," "estimate," "continue," "plan," "anticipate," "could," "should," and similar terms and the negative of such terms. By their nature, forward-looking statements involve risks and uncertainties, and actual results could vary significantly from those contemplated by the forward-looking statements. Several factors that could materially affect actual results are the performance of the portfolio securities, the condition in the U.S. and international financial, and other markets and factors. Actual results could differ materially from those projected or assumed in our forward-looking statements.

This presentation does not constitute an offering of any security, product, service or fund. No investment strategy can guarantee performance results. Past performance is no guarantee of future results. All investments are subject to investment risk, including loss of principal invested.

This presentation is provided without regard to the specific investment objectives, financial situation or particular needs of any specific recipient and does not contain investment recommendations. This publication is also designed to provide general information about economics, asset classes and strategies. All sector and asset allocation recommendations must be considered in the context of an individual investor's goals, time horizon and risk tolerance. Not all asset classes and strategies will be suitable for all investors.

The securities owned by the Westwood U.S. Value Equity strategy ("Strategy") are subject to material risks. Strategy returns have the potential to be volatile, and are also subject to equity risk, in which investment 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. The U.S. Value strategies are also subject to both large-capitalization company risk and small- and mid-capitalization risk. The large capitalization companies in which the Strategy 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. 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.

Some information contained herein has been obtained from third party sources and has not been independently verified by Westwood. Westwood makes no representations as to the accuracy or the completeness of any of the information herein. The information in this material is only as current as the date indicated and may be superseded by subsequent market events or for other reasons. Any statements of opinion constitute only current opinions of Westwood, which are subject to change and which Westwood does not undertake to update.

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Westwood Investment Glossary

- **Alpha** is the excess return of the fund relative to the return of the benchmark index's return.
- **Active Share** is a measurement of active management based on the differences within the portfolio as compared to the stated benchmark.
- **Annualized Total Return** is the geometric average of returns on an investment over a given time period. The annualized return shows what an investor would earn over a period of time if the annual return was compounded.
- **Beta** is a measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole. A beta of 1 indicates that the security's price will move with the market. A beta of less than 1 means that the security will be less volatile than the market. A beta of greater than 1 indicates that the security's price will be more volatile than the market.
- **Compound Annual Growth Rate (CAGR)** is a measure of the rate of return that would be required for an asset or investment to grow from a beginning balance to an ending balance, assuming profits are reinvested.
- **Consumer Price Index (CPI)** is a measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food and medical care. Changes in CPI are used to assess price changes associated with the cost of living.
- **Correlation** is a statistical measure of how two securities move in relation to each other. Correlation ranges between -1 and +1. Perfect positive correlation (a correlation co-efficient of +1) implies that as one security moves, either up or down, the other security will move in the same direction. Perfect negative correlation means that if one security moves in either direction the security that is perfectly correlated will move in the opposite direction. A correlation of 0 means the movements of securities are independent of each other.
- **Cumulative Return** is the aggregate amount that an investment has gained or lost over time, independent of the period of time involved.
- **Discounted Cash Flow (DCF)** is a valuation method that estimates the value of an investment using its expected future cash flows.
- Dispersion is a statistical term describing the size of the range of values expected for a particular variable.
- **Dividend Discount Model (DDM)** is a method of valuing a company's stock price based on the theory that its stock is worth the sum of all of its future dividend payments, discounted back to their present value.
- **Dividend** refers to payments that a company makes to its shareholders.
- **Downside Market Capture** evaluates how an investment manager performed relative to an index during periods when that index has dropped.
- **Downside Deviation** measures the standard deviation of returns below a given threshold.
- **Drawdown or Maximum Drawdown** is defined as the maximum loss from the most recent high to the low in a trough for a portfolio before a new peak is attained.
- **Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)** is a measure of a company's operating performance.
- **Enterprise Value to EBITDA (EV/EBITDA)** is a ratio used to determine the value of a company.
- **Forecasted Growth Rate** is a measure of a company's earnings growth potential, using a multitude of factors, including current and forecasted revenue, which is used to estimate future valuation of a company.
- **Forward P/E Ratio** is a measure of the ratio between the current share price and its forecasted earnings per share.
- **Free Cash Flow Margin** is a measure of a company's net cash flow provided by operating activities less capital expenditures for a calendar year in the performance period, which is expressed as a percentage of the company's net sales for such calendar year. This is generally used to indicate or measure performance and/or profitability.
- **Free Cash Flow Yield** is a measure that compares the free cash flow per share a company is expected to earn against its market value per share. This is generally a measure of profitability that excludes the non-cash expenses of the income statement and includes spending on equipment and assets as well as changes in working capital from the balance sheet.
- **Internal Rate of Return (IRR)** is the interest rate at which the net present value of all the cash flows (both positive and negative) from a project or investment equal zero. Internal rate of return is used to evaluate the attractiveness of a project or investment.
- **Information Ratio** is a ratio of portfolio returns above the returns of a benchmark, compared to the volatility of those returns.
- **Market Capitalization (market cap)** is the market value of a company's outstanding shares. This figure is found by taking the stock price and multiplying it by the total number of shares outstanding.
- **Moody's Credit Ratings** are opinions of the relative credit risk of fixed-income obligations issued by companies and governments with an original maturity of one year or more. The rating is an assessment of the possibility of default by the issuer.
- **Max Drawdown** is the maximum peak-to-trough decline during a specific record period for an investment of fund.
- **Maximum Run-Ups:** The trough-to-peak increase during a specific record period of an investment or fund.
- **MSCI World Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets, and is considered representative of global equity markets.
- **Net Debt/EBITDA Ratio** is a measure of a company's ability to pay down its debt, comparing debt to current earnings. A low ratio is preferred and indicates that the company is not excessively indebted.
- **Price-to-Earnings (P/E) Ratio** measures the relationship between a company's earnings and its share price and is calculated by dividing the current price per share by the earnings per share over the past year.
- **Price-to-Book Value (P/B)** is the ratio of a company's share price to the book value of equity, expressed as the value of a company's assets on its balance sheet.
- **R-Squared** is a statistical measure that explains how much of a portfolio's movements can be explained by movements in a benchmark index. A high R-squared indicates the portfolio moves generally in line with the index, while a low R-squared indicates the security does not generally follow the movements of the index.
- **Return on Assets (ROA)** is a type of return on investment (ROI) metric that measures the profit (net income) a company generates relative to the capital it has invested in assets.
- **Return on Equity (ROE)** measures the financial performance of a company, calculated by dividing the company's net income by shareholders' equity.
- **Return on Invested Capital (ROIC)** is the percentage return that a company makes over its invested capital.
- **Russell 1000® Value Index** is an unmanaged index considered representative of U.S. large-cap value stocks.
- **Russell 2000® Value Index** is an unmanaged index considered representative of U.S. small-cap value stocks.
- **Russell 2500® Value Index** is an unmanaged index considered representative of U.S. small- and mid-cap value stocks.
- **Russell 3000® Value Index** is an unmanaged index considered representative of value stocks in the U.S. overall, including large-, mid- and small-cap stocks.
- **Russell 3000® Index** is an unmanaged index considered representative of the U.S. stock market overall, including large-, mid- and small-cap stocks. of market capitalization.

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- **Russell Midcap® Value Index** is an unmanaged index considered representative of U.S. mid-cap value stocks.
- **S&P 500® Index** is an unmanaged index that includes the 500 largest companies in the United States, and is generally considered to be representative of the U.S. stock market. Returns include the reinvestment of dividends and distributions.
- **Semi Deviation** is an alternative to standard deviation for measuring risk, capturing only the below-average, or negative fluctuations in returns.
- **Sharpe Ratio** is a measure of risk-adjusted performance, calculated by comparing an investment's return to that of a risk-free asset. It is defined as the difference between the returns of the investment and the risk-free return, divided by the standard deviation of the investment's returns. It represents the additional amount of return that an investor receives per unit of risk.
- **Standard Deviation** is a measure of the relative riskiness of an investment, comparing the dispersion of monthly returns from the average.
- **Tracking error** measures the divergence of returns between an investment and a benchmark.
- **Yield** is the income return on an investment expressed as a ratio of income (dividends and other distributions) divided by current price of the investment, expressed as an annualized rate (annualized income/value of investment = yield).

Disclosures

Past performance is not indicative of future results. For purposes of compliance with the GIPS® standards, the firm ("Westwood" or the "Firm") is defined as the assets of Westwood Management Corp. ("WMC"), Westwood Advisors, L.L.C and Salient Advisors, L.P. WMC provides investment advisory services, primarily managing equity, fixed income, real estate and MLP portfolios, and Westwood Advisors provides investment advisory services, primarily to individual clients and entities as part of Westwood's Wealth Management division. On February 1, 2018, Westwood redefined the Firm by adding the assets of Westwood Advisors so that all SEC registered investment advisers under WHG would be included in the Firm definition. On October 1, 2020, Westwood redefined the firm to exclude the Westwood International Advisors Inc ("WIA") as this division ceased operation. Westwood Holdings Group Inc. the parent company of WMC and WA, acquired the asset management business of Salient Partners, L.P. Policies for valuing investments, calculating performance, and preparing GIPS reports are available upon request, as is a complete list and description of the Firm's composites, pooled fund descriptions and a list of broad distribution pooled funds, by contacting performance@westwoodgroup.com. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

The LargeCap Value Composite, previously known as the LargeCap Equity Composite, includes all taxable and tax-exempt, fee-paying fully discretionary accounts invested primarily in equity securities with market capitalizations above $5 billion and having comparable objectives. The minimum portfolio size for inclusion in the LargeCap Value Composite is $5 million beginning January 1, 2006. The Russell 1000 Value Index is an unmanaged market index that measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower expected growth values The Russell 1000 Index is an unmanaged market index that measures the performance of the 1000 largest companies in the Russell 3000 Index.

†"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.