

## WESTWOOD MANAGEMENT CORP.

ADV PART 3: Form CRS Disclosure

December 2022

Westwood Management Corp., a New York corporation, is an SEC-registered investment adviser and wholly owned subsidiary of Westwood Holdings Group, Inc. Fees for investment advisory and management services differ. It is important for you to understand the differences. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://www.investor.gov/CRS), which also provides educational materials about investment advisers, broker-dealers and investing.

### What investment services and advice can you provide me?

We primarily offer retail clients separate account strategies through wrap fee programs and other separately managed account programs through third-party sponsors as well as through our affiliate, Westwood Advisors, L.L.C. Advisory services offered through these programs are individually tailored to clients' needs through initial and ongoing consultation between the client's sponsor representative and the client, and through coordination and customization in the relationship with us. Our minimum investment amount for accounts that we accept through these programs is generally \$100,000, but program sponsors set the minimum account size for participation in these programs. The program sponsor or the sponsor's representatives are typically primarily responsible for determining the suitability of the client's participation in the program and of the use of our or other investment managers' strategies. Sponsors generally also conduct most or all client communication and reporting. We are responsible for the day-to-day monitoring and management of the accounts and do not typically communicate or advise clients unless requested. We typically manage accounts on a discretionary basis to implement the investment strategy designated for the account by the client and/or the sponsor. The investment strategies, any restrictions and other account features are usually selected by the client and the sponsor. A limited number of our investment strategies are available to clients in these programs according to the terms of the agreement between us and the sponsor.

FOR ADDITIONAL INFORMATION, see our [Form ADV 2A Item 4 – Advisory Business and Item 7 – Types of Clients](#).

- Ask your financial professional: Given my financial situation, should I choose an investment advisory service? If so, why?
- Ask your financial professional: How will you choose investments to recommend to me?
- Ask your financial professional: What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?

### What fees will I pay?

Some of these managed account programs are structured as “wrap fee” programs while others are “dual contract” programs. In a wrap fee program, clients pay a single fee that includes investment advice, portfolio management, brokerage and custodial services. In wrap fee programs, we are usually paid by the program sponsor, not by you. Wrap fees may be higher than fees you may pay for other brokerage products and services. Your agreement with the wrap program sponsor establishes how management fees are charged.

In dual contract programs, clients typically contract with the program sponsor and separately contract with us, and clients pay us a fee that is separate from the fees paid to the sponsor for investment advice, brokerage and custody services. In dual contract programs, your agreement with us establishes how management fees are charged. Generally, you will pay fees quarterly in which may be either in advance or arrears depending on the terms of our agreement.

Our fee schedules for both wrap fee and dual contract programs are generally a flat annual management fee of 0.30% to 0.75%, depending on the strategy. Our fee varies by strategy and is subject to negotiation with program sponsors. In your agreement, you authorize us to direct your custodian to debit fees payable. Management fees increase with the

value of the assets in your account. We also offer performance-based fee arrangements for eligible clients called Westwood Sensible Fees™.

**You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.**

FOR ADDITIONAL INFORMATION ABOUT OUR FEES, see our [Form ADV Part 2A Item 5 – Fees and Compensation](#).

Ask your financial professional: Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?

**What are your legal obligations to me when acting as my investment adviser?**

**How else does your firm make money, and what conflicts of interest do you have?**

When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here is an example to help you understand what this means:

*We manage many different types of accounts including individual accounts in wrap and other separately managed account programs as well as larger institutional accounts. Institutional accounts receive a larger set of advisory services for which we typically receive a larger fee. This poses a conflict of interest, because it could create an incentive for us to favor those larger accounts.*

*We offer proprietary investment vehicles, including affiliated mutual funds and private investment funds, and therefore have a financial interest in the sales of these products.*

An investment adviser's fiduciary duty consists of a duty of care and a duty of loyalty, which means that we must act in your best interest at all times during the course of the relationship, and we may not subordinate your interests to those of our own. Accordingly, we have adopted a Code of Ethics for all supervised persons of the firm, which describes our standards of conduct and fiduciary duty to our clients.

FOR ADDITIONAL DETAILS ABOUT OUR POTENTIAL CONFLICTS OF INTEREST WITH RETAIL CLIENTS AND OUR CODE OF ETHICS, please see our [Form ADV Part 2A](#), Item 10 and Item 11, respectively.

Ask your financial professional: How might your conflicts of interest affect me, and how will you address them?

**How do your financial professionals make money?**

We compensate our financial professionals with a salary and a discretionary bonus, which is generally determined based on new account generation and account retention. Our institutional sales representatives also generally receive compensation in the form of commissions from either an unaffiliated or affiliate broker-dealer for sales of our affiliated mutual funds and other proprietary products, such as private investment funds. Financial professionals of sponsors are compensated by sponsors. You should review the Form CRS, Form ADV and other disclosures from the sponsor for more information about their compensation arrangements.

**Do you or your financial professionals have legal or disciplinary history?**

No. Please go to [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple search tool to research our financial professionals.

ADDITIONAL INFORMATION ABOUT US, our fiduciary duty to clients and the services we offer are provided in our [Form ADV 2A](#) and [2B](#). You can request a copy of Form CRS and up-to-date information by calling 214.756.6900.

- Ask your financial professional: As a financial professional, do you have any disciplinary history? For what type of conduct?
- Ask your financial professional: Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?

