

Westwood SMidCap 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 50-70.

Strategy | 3Q21

Objective: We seek to outperform the Russell 2500 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 2500 Value

Beta: 0.83

Current Yield: 1.2%

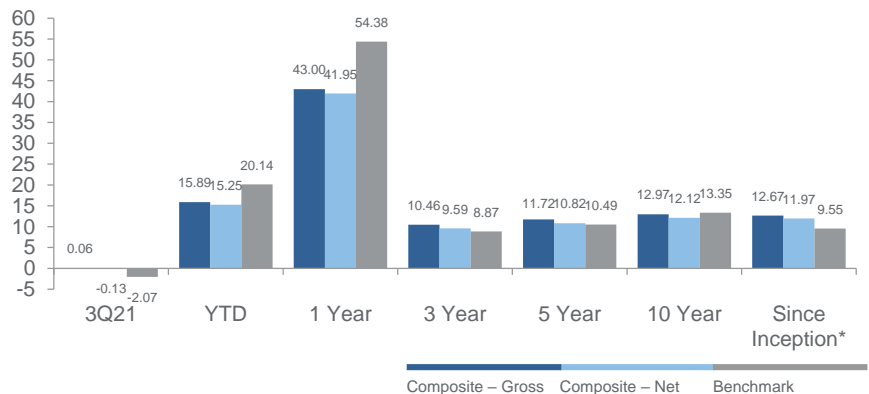
Number of Holdings: 66

Active Share: 94%

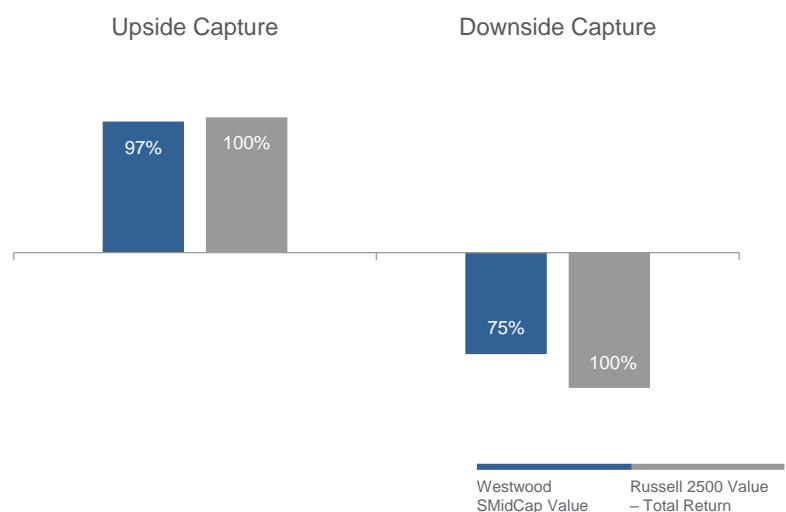
Team: Our U.S. Value team includes 12 investment professionals with an average of 20 years’ industry experience and 10 years’ tenure supporting the Portfolio Team.

Inception Date: January 1, 2002

Performance (%)



Upside-Downside Market Capture



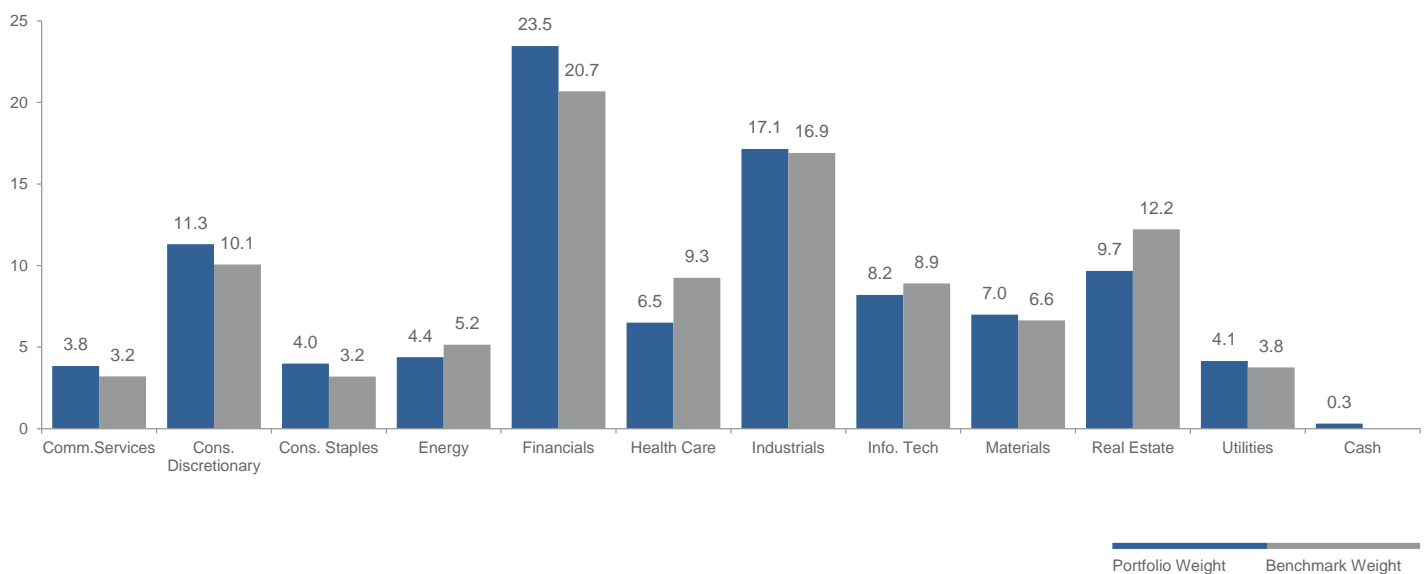
Performance provided reflects the institutional track record which started January 1, 2002. In 2001, Westwood transitioned a midcap core equity strategy to the institutional SMidCap Value strategy. The midcap core portfolio was exclusively offered to private clients of Westwood’s Trust Company. This change occurred as a result of the increased demand we observed by institutional investors. January 1, 2002 reflects the inception of the institutional SMidCap Value strategy. The true inception date of the composite is July 1, 1997. This strategy has consistently adhered to Westwood’s investment process and philosophy. All data as of September 30, 2021, unless otherwise noted. **Past performance is not indicative of future results.** Returns are calculated in U.S. Dollars and include reinvestment of dividends.

Westwood SMidCap Value

Characteristics	Portfolio	Benchmark	Top 10 Holdings	(%)
Free Cash Flow Margin*	7.3%	4.8%	Voya Financial Inc.	2.51
Free Cash Flow Yield*	3.9%	2.0%	BOK Financial Corp.	2.50
Dividend Payout	22%	25%	Dana Inc.	2.45
Return on Equity	11%	10%	IDACORP Inc.	2.26
Net Debt/EBITDA	2.5x	3.4x	Encore Wire Corp.	2.21
Average Market Cap (Weighted)	\$5.1B	\$7.0B	Huntsman Corp.	2.21
Median Market Cap	\$4.8B	\$1.7B	Sabre Corp.	2.14
Turnover**	63%	N/A	Simmons First National Corp.	2.14
Westwood Forecasted Growth Rate	15.2%	5.9%	CACI International Inc.	2.06
Westwood Forward P/E Ratio	14.8x	14.6x	ADTRAN Inc.	2.06
Westwood P/E to Growth	1.0x	2.5x		

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. Free cash flow metrics are equally weighted. **Portfolio Turnover is on a trailing 12-month, name-in/name-out basis. Data Source: © 2021 FactSet Research Systems Inc.

Sector Weight Distribution



Westwood SMidCap Value

Risk/Reward Statistics	Portfolio	Benchmark	Investment Team																	
Alpha	4.31	N/A	<p>Westwood believes that team management creates a sense of ownership, accountability, and consistency in the investment process. Westwood's U.S. Value team includes 12 investment professionals conducting cross capitalization research of specific sectors/industries.</p> <p>The SMidCap Value team members are:</p> <table border="1"> <thead> <tr> <th>Name</th> <th>Industry Experience</th> <th>Firm Tenure</th> </tr> </thead> <tbody> <tr> <td>Bill Costello, CFA</td> <td>34 years</td> <td>2010</td> </tr> <tr> <td>Prashant Inamdar, CFA</td> <td>21 years</td> <td>2013</td> </tr> <tr> <td>Grant Taber, CFA</td> <td>22 years</td> <td>2008</td> </tr> <tr> <td>Kyle Martin, CFA</td> <td>9 years</td> <td>2016</td> </tr> </tbody> </table>			Name	Industry Experience	Firm Tenure	Bill Costello, CFA	34 years	2010	Prashant Inamdar, CFA	21 years	2013	Grant Taber, CFA	22 years	2008	Kyle Martin, CFA	9 years	2016
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Beta	0.83	1.00																		
R-Squared	0.92	1.00																		
Standard Deviation	18.04	20.76																		
Tracking Error	6.23	N/A																		
Information Ratio	0.50	N/A																		
Sharpe Ratio	0.63	0.40																		

Data Set: January 1, 2002 – September 30, 2021 (Quarterly)
 Risk Free Proxy: FTSE (3 M) Treasury Bill (LOC)
 Market Proxy: Russell 2500 Value - Total Return

Disclosures

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†"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.

*NOTE: The institutional track record started January 1, 2002. In 2001, Westwood transitioned a midcap core equity strategy to the institutional SMidCap Value strategy. The midcap core portfolio had previously been offered exclusively to private clients of Westwood's affiliated trust company. The transition of the strategy occurred as a result of the increased demand Westwood observed by institutional investors. January 1, 2002 reflects the inception of the institutional SMidCap Value strategy. The true inception date of the composite is July 1, 1997. The SMidCap Value strategy, formerly known as SMidCap strategy, added Value to the name August 18, 2021.

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