



Regional Service Through Unity... Meeting our Region's Needs Today and Tomorrow



FINANCE COMMITTEE

April 13, 2022

3:00 P.M.



I. CALL TO ORDER

II. PUBLIC COMMENTS

Prior to the start of the meeting, speakers must complete and submit a “Public Comment Registration Form.” During the public comment portion of the meeting, speakers will be recognized by name and asked to provide their comments. The time limit is three (3) minutes per speaker, not to exceed a total of thirty (30) minutes for all speakers. The Committee may not discuss these items but may respond with factual or policy information.

III. OPENING REMARKS

- A. Chairman/Executive Director/Committee Champion Status Report concerning legislation and regulatory matters, budgets, current projects, and ongoing programs of the District



AGENDA

IV. ACTION ITEMS

- A. Consider approval of Finance Committee meeting minutes – March 9, 2022
- B. Review and possible action on financial assistance from the Texas Water Development Board for the Buffalo Creek Wastewater Interceptor System Tunnel
- C. Review and possible action on Regional Solid Waste System Revenue Bonds, Series 2022



AGENDA

V. DISCUSSION ITEMS

- A. Discuss Strategic Financial Plans
- B. Review Retirement Fund Investment Performance by Brown Ruth Advisors, Inc.
- C. Review 2021 Retirement Fund Investment Performance by Westwood Holdings Group, Inc.
- D. Review 2021 Retiree Health Insurance Fund Investment Performance by Westwood Holdings Group, Inc.
- E. Opportunity for Committee members to provide feedback on the Finance Committee meeting or request potential future agenda items.

VI. ADJOURNMENT



AGENDA

IV. ACTION ITEMS

- A. Consider Approval of Finance Committee Minutes –
March 9, 2022

Recommend Approval of Finance Committee Minutes –
March 9, 2022



AGENDA

Erik Felthous
NTMWD – Assistant Deputy

IV. ACTION ITEMS

- B. Review and possible action for financial assistance from the Texas Water Development Board for the Buffalo Creek Wastewater Interceptor System Tunnel



BUFFALO CREEK INTERCEPTOR SYSTEM REVENUE BONDS

**Serves the Cities of
Rockwall, Forney, and Heath**



BUFFALO CREEK INTERCEPTOR SYSTEM CIP FY22 (\$MM)

PLANNED AWARDS

Parallel Interceptor Phase I - Design	\$ 0.156
Tunnel - Construction & Insp	<u>37.510</u>
TOTAL	\$ 37.666

FUNDING

2020 Bonds	\$ 0.322
2022 Bonds	<u>37.344</u>
TOTAL	\$ 37.666

Based on the 3/2022 CIP



BUFFALO CREEK INTERCEPTOR SYSTEM (TWDB) – TRANSACTION SUMMARY

- District has a current commitment from Texas Water Development Board (TWDB) for \$39,615,000 in Clean Water State Revolving Fund (CWSRF) Funding:
 - \$1,000,000 Principal Forgiveness - expires 6/30/2022
 - \$38,615,000 Buffalo Creek Interceptor System Bonds - expires 6/30/2022
- Will be brought for NTMWD Board consideration on 4/28/2022
 - For the \$38,615,000 Bonds:
 - 30-year term
 - Level annual debt service (except reduced principal in 2023-2025)
 - Estimated annual payment of approximately \$1.79MM (based on 3/31/22 rates)
 - Rate is subsidized by 1.65% below 'AA' benchmark "yield to maturity" with a floor of 1.10%
 - Estimated rate as of 3/31/2022: 2.00%
 - Estimated debt service savings versus comparable open market: \$7.9MM (considers benefit of \$1MM TWDB principal forgiveness grant)



BUFFALO CREEK INTERCEPTOR SYSTEM (TWDB) – TRANSACTION SUMMARY

Series 2022 Estimated Uses of Funds:

TWDB Origination Fee	\$675,763
Required Deposit to Debt Service Reserve Fund	1,580,581
General Costs of Issuance (\$198K to be funded with 2020 Bonds)	15,000
Deposit to Project Construction Fund	37,343,656
Total Uses of Funds	\$39,615,000

- Special Conditions
 - TWDB charges 1.75% loan origination fee (on loan only)
 - Project must adhere to Davis-Bacon wage requirements, American Iron and Steel requirements, and environmental review process
 - Additional steps when procuring architectural and engineering contracts
 - Must adhere to EPA's Disadvantaged Business Enterprise program



RECOMMENDATION

The Executive Director and NTMWD staff recommend the approval of a bond resolution and a principal forgiveness resolution for the Buffalo Creek Wastewater Interceptor System Tunnel



AGENDA

Erik Felthous
NTMWD – Assistant Deputy

IV. ACTION ITEMS

- C. Review and possible action on Regional Solid Waste System Revenue Bonds



REGIONAL SOLID WASTE SYSTEM REVENUE BONDS

**Serves the Cities of
Allen, Frisco, McKinney, Plano,
and Richardson**



RSWS CIP FISCAL YEAR 2022 (\$MM)

PLANNED AWARDS

Wylie Service Center - Design	\$ 0.407
121 RDF Heavy Equipment Shop Addition – Construction & Insp	5.068
Parkway Transfer Station Conversion to Top Load - Design	0.280
121 RDF South Slope Closure – Construction & Insp	3.906
121 RDF Fleet Maint. Facility & Fleet Maint. Annex Facility – Design	.899
North Transfer Station – Design & Property	2.532
121 RDF Sector 6B Mass Excavation - Design	0.034
Inspection Building - Design	.004
TOTAL	\$ 13.130

2022 Bonds	\$ 7.574
Capital Improvement Fund	5.556
TOTAL	\$ 13.130

Based on the 3/2022 CIP



REGIONAL SOLID WASTE SYSTEM REVENUE BONDS

Date	Project	Type	Depreciable Life of Asset	% Engineering Completed	\$MM
6/2022	121 RDF Heavy Equipment Shop Addition	Construction/ Inspection	40 years	100%	\$5.068
8/2022	121 RDF South Slope Closure	Construction/ Inspection	40 years	90%	\$2.506
Total Cost of Projects					\$7.574



REGIONAL SOLID WASTE SYSTEM REVENUE BONDS

USES OF FUNDS

	\$MM
Project Cost	\$7.574
Premium	(0.408)
Cost of Issuance	0.160
Deposit to Reserve	0.004
Rounding	\$0.005
Total	\$7.335



REGIONAL SOLID WASTE SYSTEM REVENUE BONDS

- New money financing of approximately \$7.574MM
 - 20-year term
 - Level Debt Service
 - Estimated annual payment of approximately \$520,000
- Sold via competitive sale on May 26, 2022
 - Estimated rate as of 3/31/2022: 3.27%



Regional Solid Waste Disposal System – Estimated Timeline

Mar-22						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

Apr-22						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

May-22						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

Jun-22						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

Complete By	Day	Event
11-Mar-22	Friday	Prepare initial draft of Preliminary Official Statement & send to District and Bond Counsel for comments and modifications
24-Mar-22	Thursday	Receive initial comments from the District and Bond Counsel
28-Mar-22	Monday	Provide revised draft of Preliminary Official Statement and draft Notice of Sale to District and Bond Counsel
7-Apr-22	Thursday	Receive information to complete Official Statement from District and Bond Counsel
8-Apr-22	Friday	Provide draft of Preliminary Official Statement to credit rating agencies for review
18-Apr-22	Week of	Rating Agency Calls
6-May-22	Friday	Provide Preliminary Official Statement and Notice of Sale to District and Bond Counsel for final sign off and Receive credit ratings
11-May-22	Wednesday	Finalize Preliminary Official Statement Distribute electronically through i-Deal Prospectus
26-May-22	Thursday	Bond Sale
2-Jun-22	Thursday	Print Final Official Statements
29-Jun-22	Wednesday	Bond closings and delivery of funds



RECOMMENDATION

The Executive Director and NTMWD staff recommend the approval of the Regional Solid Waste System Revenue Bonds, Series 2022



AGENDA

Jeanne Chipperfield
NTMWD – Deputy Director

V. DISCUSSION ITEMS

A. Discuss Strategic Financial Plans



STRATEGIC FINANCIAL PLANS (SFP)

All Systems SFPs

- Prepared with reasonable assumptions for inflation on operating and construction costs as well as assumptions for staffing, project timelines, and financing costs
- On-going supply chain shortages and inflation have been exacerbated by the Russia-Ukraine conflict and have driven prices for certain commodities, including chemicals, significantly higher
- Total costs may not be fully reflected in the SFP
- The FY23 budget may be significantly higher than the SFP in some systems



STRATEGIC FINANCIAL PLANS (SFP)

SFPs assume an 8.5% increase to the personnel related accounts.

Factors:

- “Great Resignation”
- NTMWD employee turnover rate has increased from 8% in FY20 to 16% in FY21
- Highest inflation numbers in 40 years

Per the U.S. Bureau of Labor Statistics, for the year ended February 2022:

- Consumer prices for food increased 7.9%
- Energy prices increased 25.6%
- Prices for meats, poultry, fish, and eggs increased 13.0%
- Fruits and vegetables prices rose 7.6 %
- Nonalcoholic beverages and beverage materials prices rose 6.7%
- U.S. Inflation Rate is 7.87%

US Inflation Rate is the percentage in which a chosen basket of goods and services purchased in the US increases in price over a year. Inflation is one of the metrics used by the US Federal Reserve to gauge the health of the economy.



NORTH
TEXAS
MUNICIPAL
WATER
DISTRICT



STRATEGIC FINANCIAL PLANS (SFP)

REGIONAL WATER SYSTEM

**Members: Allen, Farmersville, Forney, Frisco, Garland,
McKinney, Mesquite, Plano, Princeton, Richardson,
Rockwall, Royse City, Wylie**

FY23

- Wylie WTP Conversion to BAF \$37MM
- North Garland System Ground Storage Tank \$29MM
- Northeast McKinney Pump Station \$50MM
- Waterline Relocations for TxDOT Road Improvements \$29MM

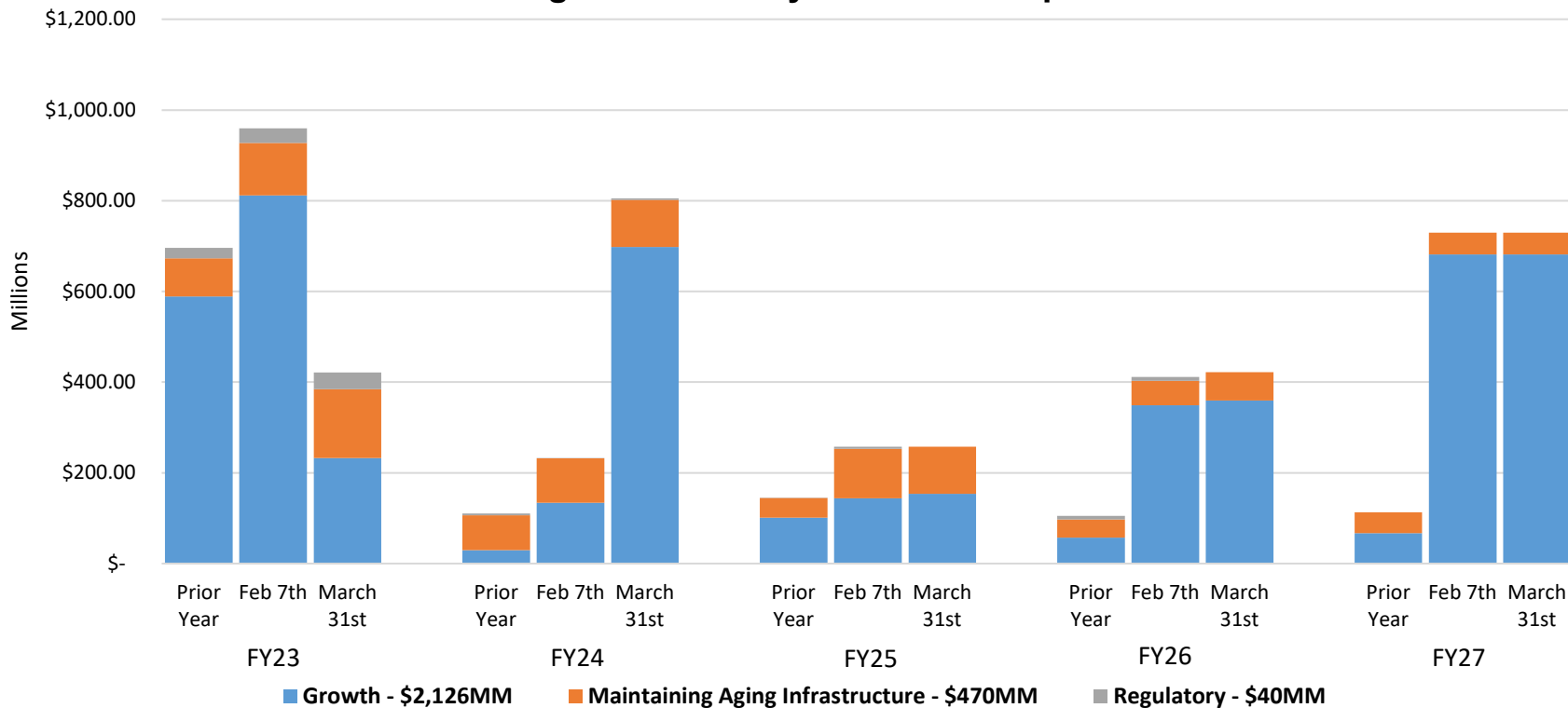
FY24

- BDL Phase II \$565MM
- System-wide Meter Vault Improvements Setpoint Control Phase V \$21MM
- WTP Site Back-Up Power Improvements Phase I \$30MM
- Future Water Supply Project \$29MM
- Wylie WTP Finished Water Storage and Equalization \$20MM
- Cooper Pipeline Extension \$17MM

FY25

- Wylie WTP II Sedimentation Basins 1, 5, 6, and 8 \$25MM
- Wylie WTP III Filters \$17MM
- Additional Clearwells at Wylie WTP 2024 \$19MM
- Future Water Supply Project \$63MM

Regional Water System CIP Comparison



FY26

- Wylie WTP IV, Backwash Pumping and Reclamation Upgrade \$12MM
- Future Water Supply \$270MM
- Wylie WTP Construction of Thickening Facilities \$36MM

FY27

- Expand Leonard WTP HSPS from 180 MGD to 270 MGD \$13MM
- Lower Bois d'Arc Creek Reservoir PS Additional Pumps to 236 MGD \$21MM
- Expand Leonard WTP by 70 MGD to 210 MGD \$378MM
- Future Water Supply \$233MM



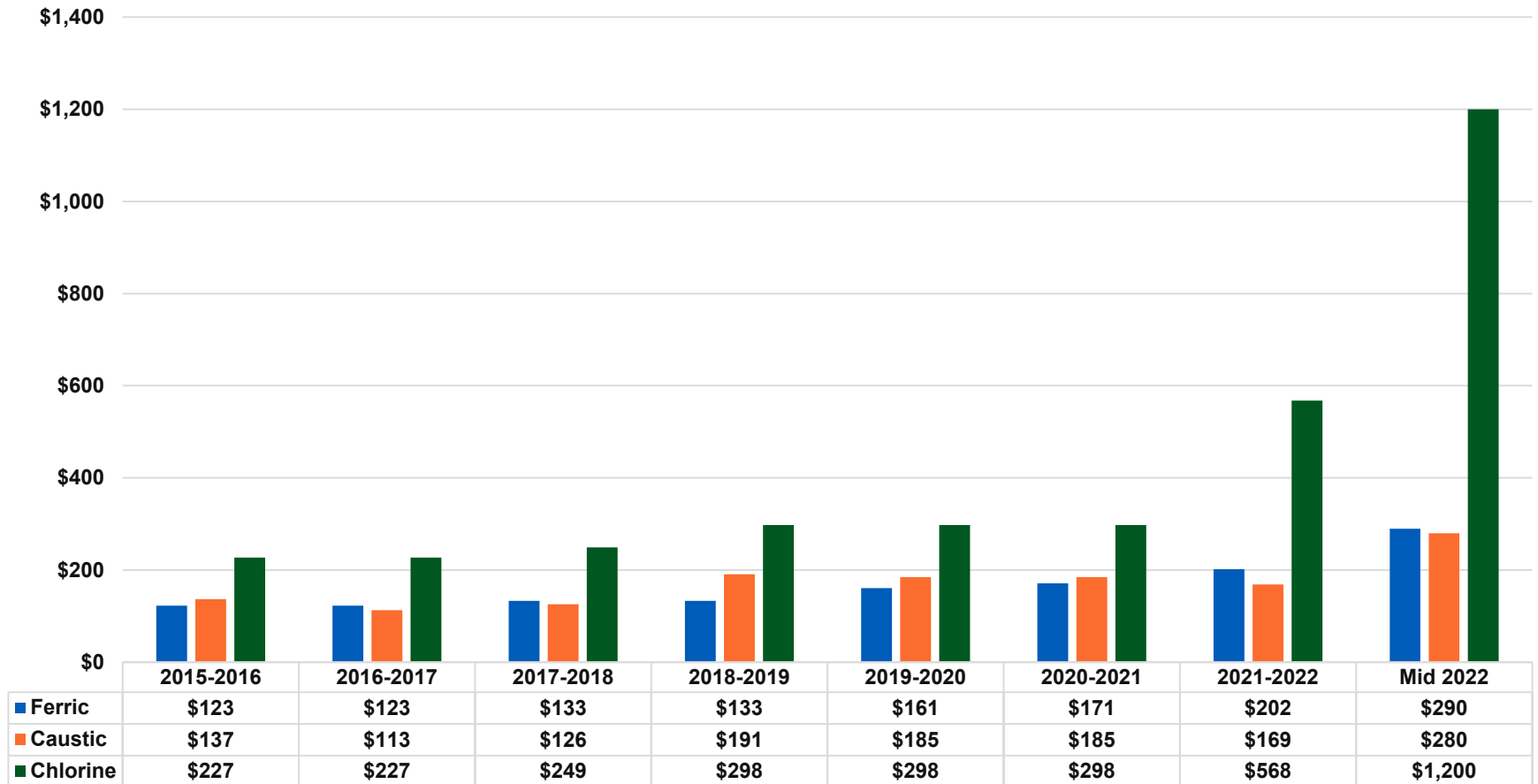
RWS CHANGES FROM MARCH 9TH FINANCE COMMITTEE PRESENTATION

- FY23 Chemicals increased from \$56MM to \$71MM
 - In response to supply chain issues, originally planned for a 10% increase to chemical costs – typical year plan is 3% increase
 - On-going pandemic and supply chain issues, exacerbated by Russia/Ukraine conflict pushed costs significantly higher
- FY23 Capital Improvement Fund budget increased from \$11MM to \$25MM
 - Additional funding allows for more cash financing with flexibility to manage additional cost increases
- Personnel increased by \$2MM due to increasing personnel escalation assumptions from 5% - 8.5% for FY23
- Bond issue to expand Leonard WTP was rescheduled from FY23 to FY24
 - Project delivery method updated from CMAR to Design Bid Build
 - Reduced debt service by \$11MM in FY23



WYLIE WTP CONTRACTUAL CHEMICAL COST

Wylie WTP Contractual Chemical Cost





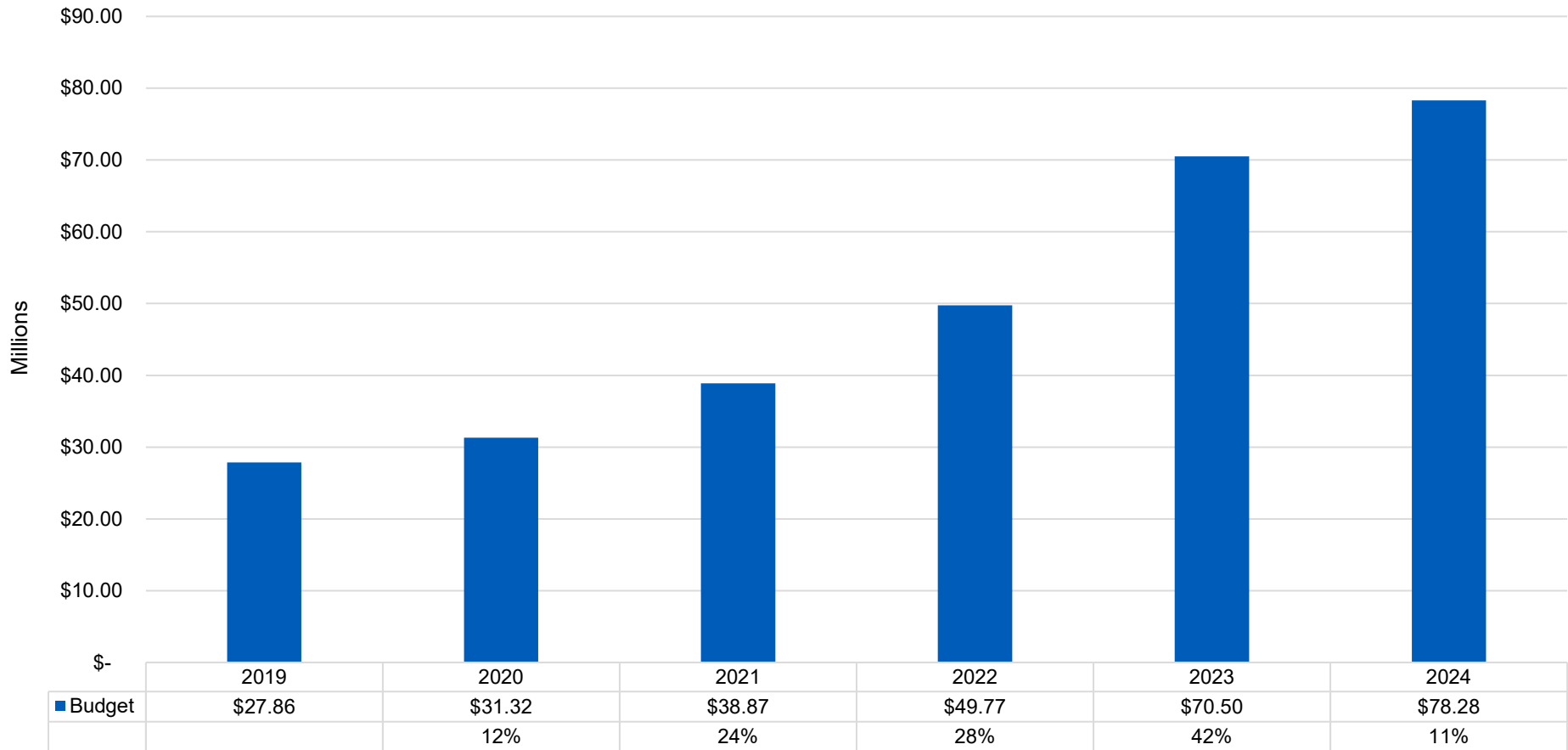
REGIONAL WATER SYSTEM CHEMICAL INCREASES (\$MM)

	FY22 Budget	Anticipated FY23 Budget	Percent Increase
Ferric	\$22.8	\$30.3	33%
Caustic	12.7	20.9	65%
Chlorine	3.2	7.2	125%
Other	11.1	12.1	9%
Total	\$49.8	\$70.5	42%



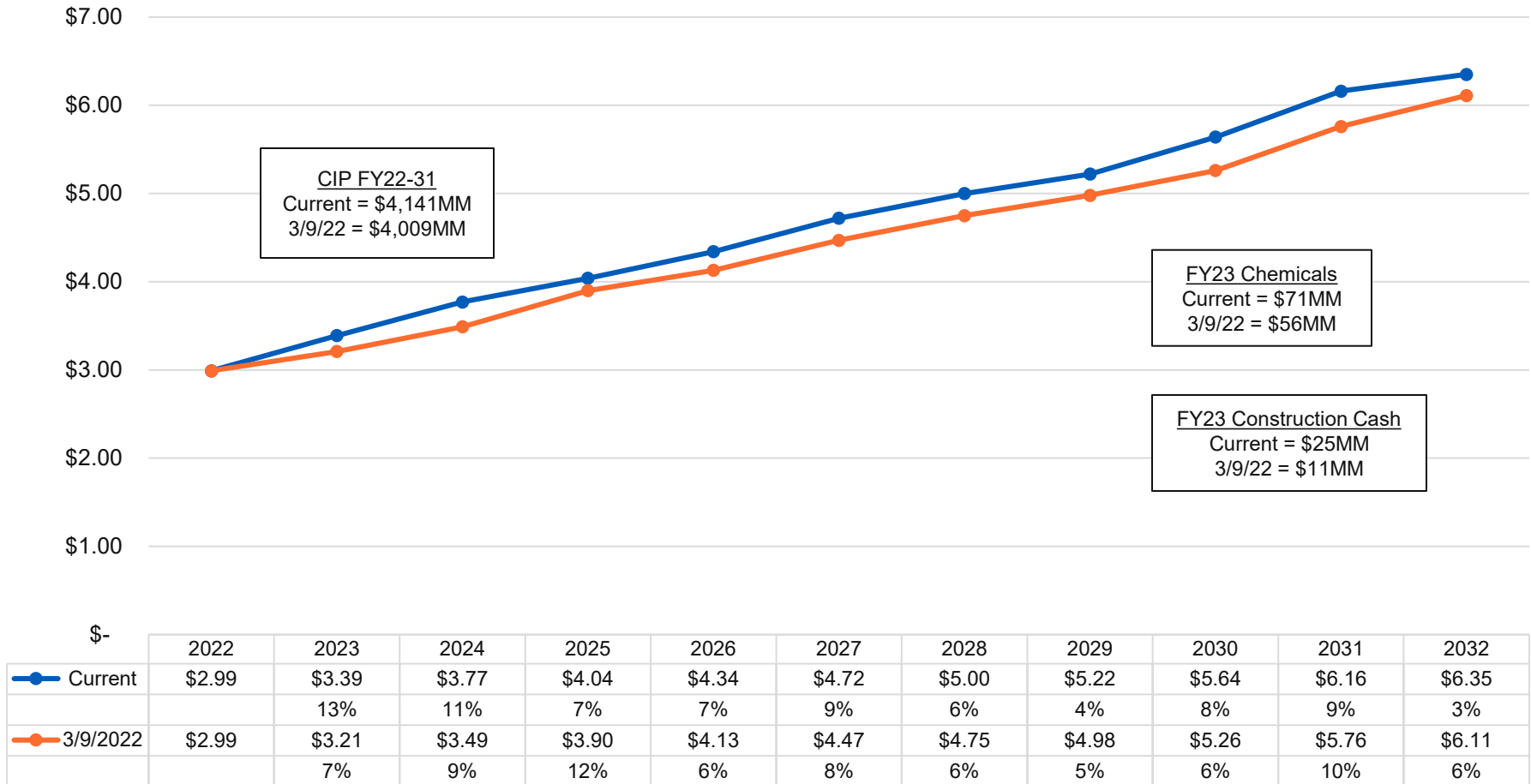
REGIONAL WATER SYSTEM CHEMICAL BUDGET PROJECTIONS

Regional Water System Chemical Budget Projections



Regional Water System updates given recent economic events

**Regional Water System
Member Cost Per 1,000 Gallons**





STRATEGIC FINANCIAL PLANS

UPPER EAST FORK INTERCEPTOR SYSTEM

Allen, Frisco, McKinney, Melissa, Plano,
Princeton, Prosper and Richardson

FY23

- McKinney East Side Extension Improvements \$23 MM

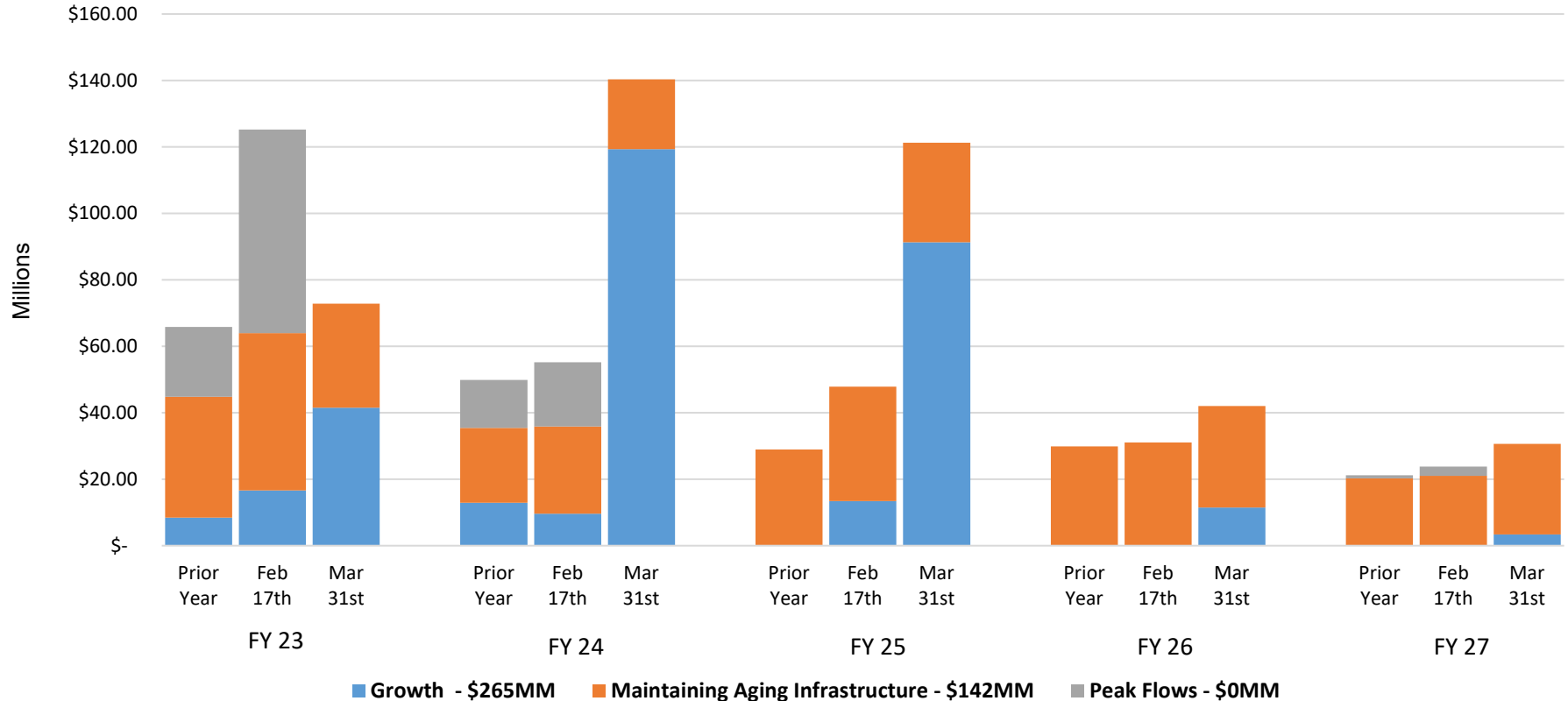
FY24

- 121 Force Main Improvements \$57MM
- Preston Road Lift Station Expansion \$44MM

FY25

- 121 Force Main Improvements \$59MM
- Princeton Lift Station Expansion \$15MM
- McKinney Prosper Parallel Sewer \$14MM

Upper East Fork Interceptor System CIP Comparison

**FY26**

- Richardson Spring Creek Lift Station Expansion to 13 MGD \$5MM
- Upper Rowlett Creek Lift Station Expansion to 60 MGD \$5MM

FY27

- UEFIS Bypass Connection and Phase III Valve Improvements \$4MM
- UEFIS Forest Grove Siphon \$3MM

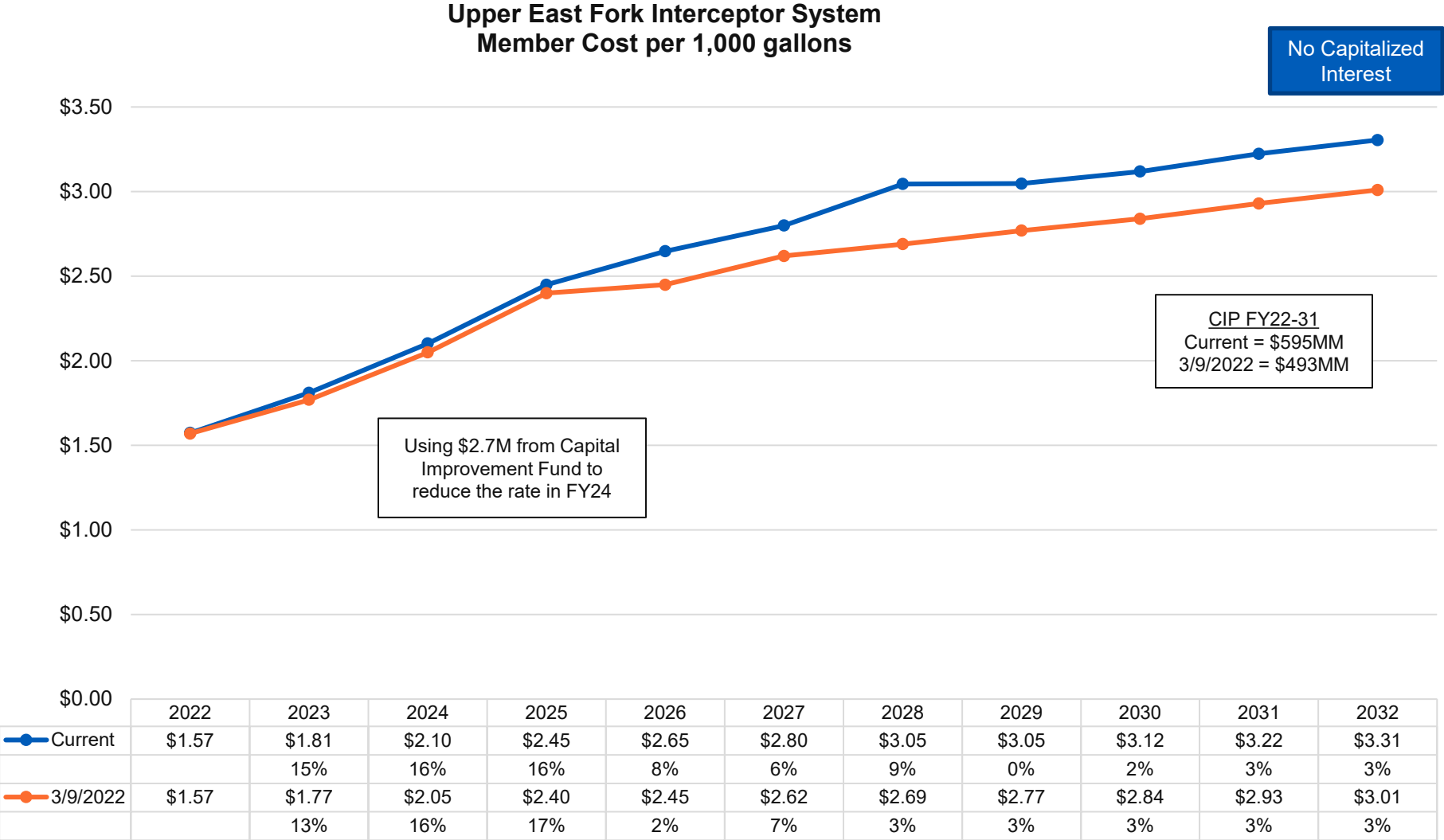


UEFIS CHANGES FROM MARCH 9TH FINANCE COMMITTEE PRESENTATION

- Personnel increased by \$200K due to increasing personnel escalation assumptions from 5% - 8.5% for FY23
- CIP projects increased from \$493MM to \$595MM during (FY22-31)



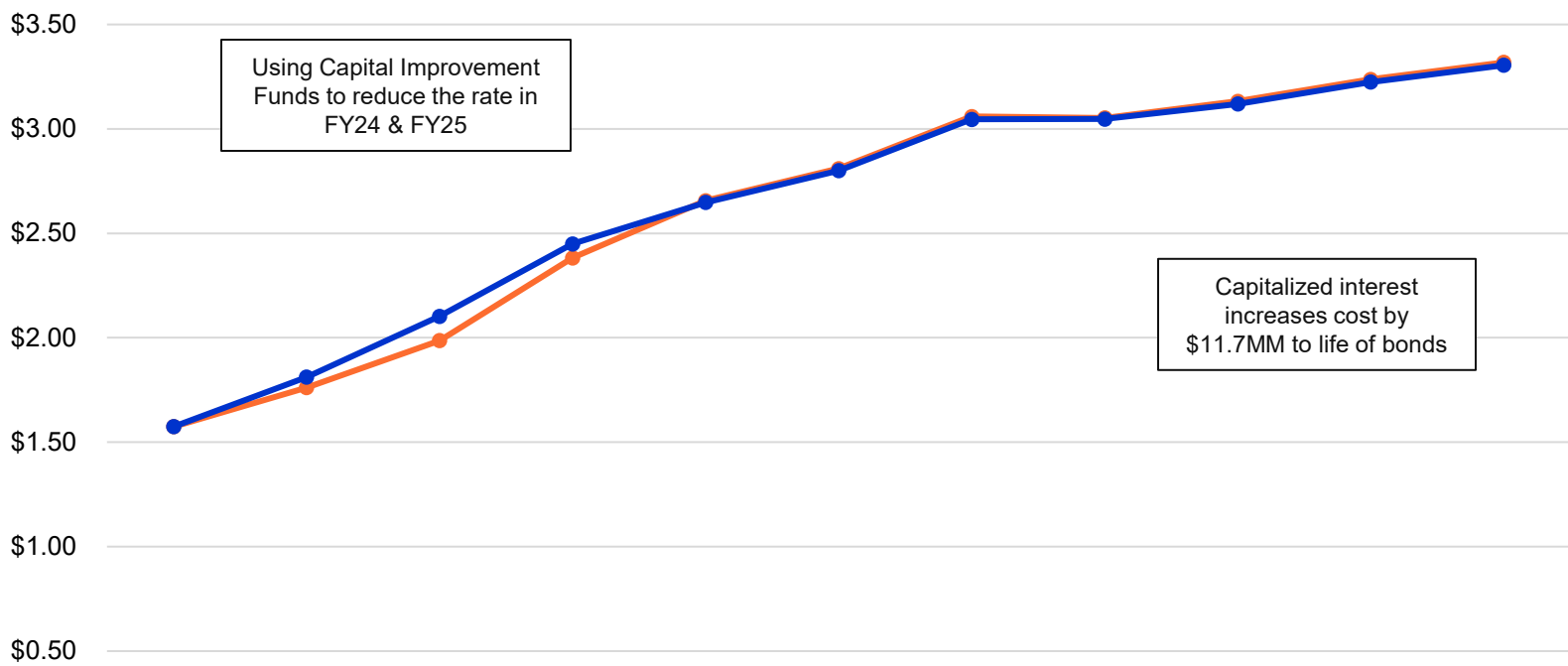
Upper East Fork Interceptor System Strategic Financial Plan compared to last month





Upper East Fork Interceptor System Strategic Financial Plan considering Capitalized Interest

Upper East Fork Interceptor System
Member Cost Per 1,000 Gallons



	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Current with CAPI Thru 2025	\$1.57	\$1.76	\$1.99	\$2.38	\$2.66	\$2.81	\$3.06	\$3.05	\$3.13	\$3.24	\$3.32
		12%	13%	20%	11%	6%	9%	0%	3%	3%	3%
Current with \$75MM ECP	\$1.57	\$1.81	\$2.10	\$2.45	\$2.65	\$2.80	\$3.05	\$3.05	\$3.12	\$3.22	\$3.31
		15%	16%	16%	8%	6%	9%	0%	2%	3%	3%



STRATEGIC FINANCIAL PLANS (SFP)

Summary

SFP assumption changes due to

- Personnel costs affected by “Great Resignation” and staff turnover
- Chemical cost increases
- Bond sale schedule adjustments and CIP updates

Next Steps

Share SFP’s with cities

Build FY23 Budgets from SFP’s

Note: All systems’ SFP impacts listing by city/utility provided as separate attachment



AGENDA

V. DISCUSSION ITEMS

- B. Review Retirement Fund Investment Performance by Brown Ruth Advisors, Inc.

North Texas Municipal Water District Retirement Fund

Annual Committee Review
April 13, 2022

Presented by
Ken Brown and Peter Ruth



5910 N. Central Expressway, Suite 1660 - Dallas, TX 75206 - 214.750.3730

Securities and advisory services offered through Commonwealth Financial Network®, Member FINRA/SIPC, a Registered Investment Advisor.

Fixed insurance products and services offered through Brown Ruth Advisors or CES Insurance Agency.

Portfolio Value

Value as of 12/31/21 = \$61,397,791.74

- Since Inception ('98)

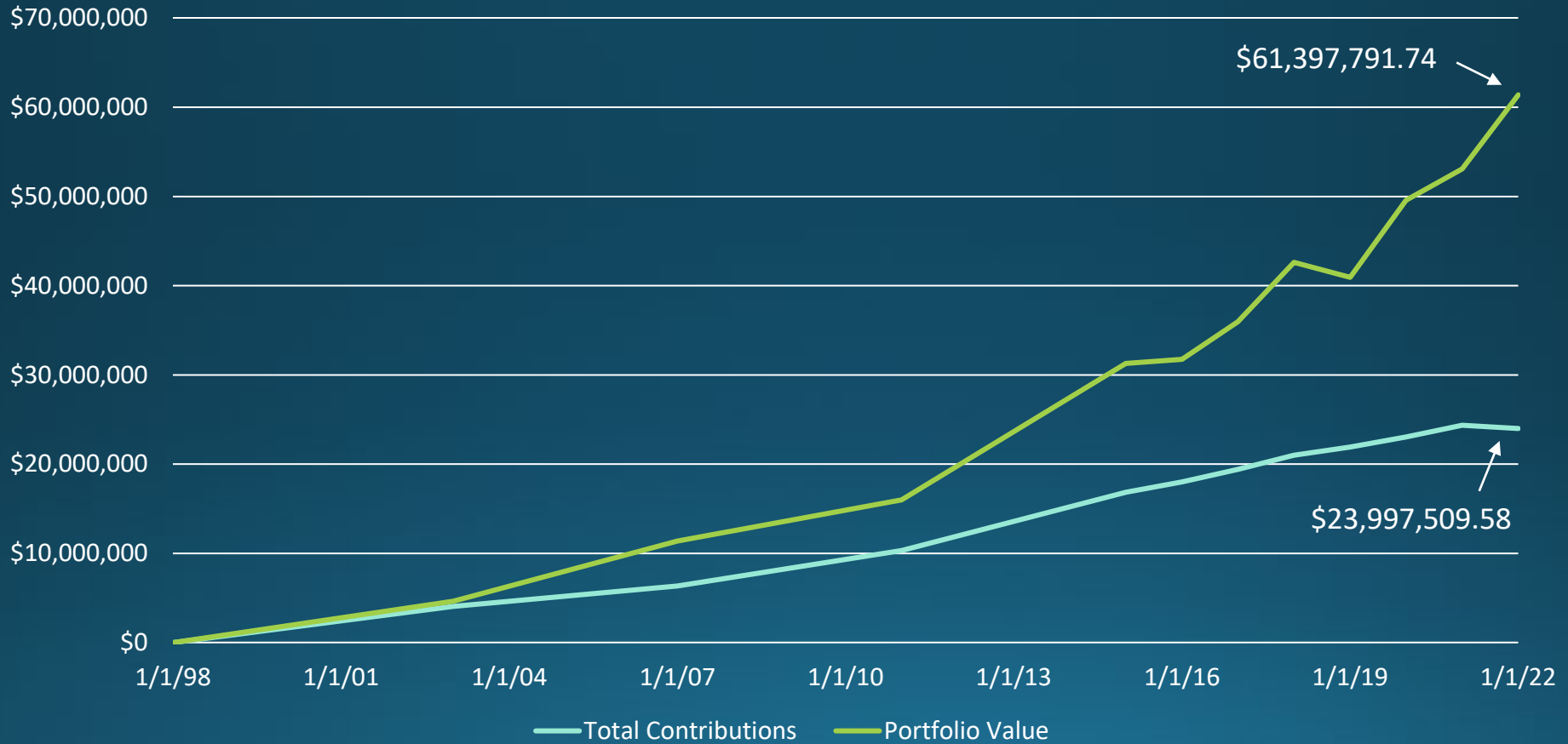
Beginning Value =	\$0.00
Total Net Contributions =	\$23,997,509.58
Investment change* =	\$37,400,282.15
Total Portfolio Value =	\$61,397,791.74

- 2021

Beginning Value =	\$53,082,985.64
'21 Net Contributions =	(\$355,000.00)
Investment change* =	\$8,669,806.09
Total Portfolio Value =	\$61,397,791.74

**net investment change after any fees and expenses*

Portfolio History



Portfolio Results

2021 Total Return = 16.35%

Relative Indices – 2021 Returns*

S&P 500	=	28.71%
MSCI ACWI (GR) ex US	=	7.82%
Bloomberg Barclays U.S. Agg.	=	-1.54%

**Indices return data taken from American Funds Advisor Site*

Annualized Return since inception = 7.58%~

~Time-weighted, net of fees

Portfolio Analysis

- **Portfolio:**

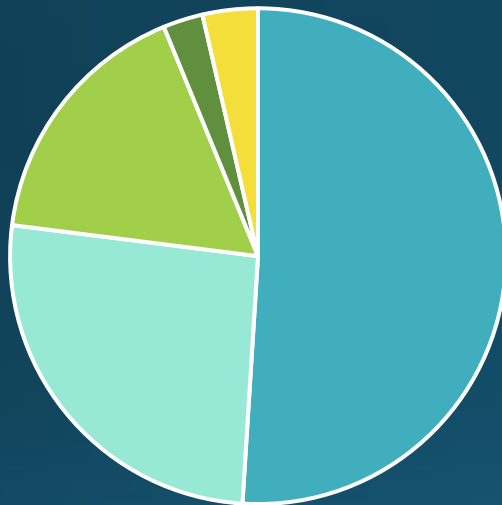
- More than 371 companies
- More than 928 bonds issues
- 23 Portfolio managers with average of 31 years of industry experience
- Total Annual Expense = 0.50%
 - Mutual Fund average expense ratio = 0.30%
 - Advisory management fee = 0.20%

- **Fund Breakdown:**

- Capital Income Builder = 46.45%
- Income Fund of America = 53.45%
- Fidelity Money Market = 0.10%

Portfolio Analysis

Asset Mix



- U.S. Stocks = 51.0%
- Non-U.S. Stocks = 26.0%
- U.S. Bonds = 16.8%
- Non-U.S. Bonds = 2.6%
- Cash & equiv. = 3.6%

- Equity Market Capitalization
 - 81.5% Large
 - 16.9% Medium
 - 1.6% Small
- Bond Quality Summary
 - 75.3% Investment Grade
 - 23.0% Below Invest. Grade
 - 1.7% Unrated

Portfolio Breakdown

- **Fund Overview**
- **2021 Market Review**
- **Interesting facts:**
 - Downside protection (Capture Ratio)
 - Concentration risk
 - Income production
 - 2022 outlook and update

Additional Data & Questions

See Appendix for backup and extra info.

- Appendix
 - Brown Ruth Advisors year-end statement through NFS and year-end portfolio review.
 - Portfolio analysis through AF Portfolio Analyzer
- Questions?

Thank you

Investments are subject to risk, including the loss of principal. Because investment return and principal value fluctuate, shares may be worth more or less than their original value. Some investments are not suitable for all investors, and there is no guarantee that any investing goal will be met. Past performance is no guarantee of future results. Talk to your financial advisor before making any investing decisions.



AGENDA

V. DISCUSSION ITEMS

C. Review Retirement Fund Investment Performance by Westwood Holdings Group, Inc.



Westwood
Wealth Management®

Putting Clients First

February 28, 2022

North Texas Municipal Water Retirement Plan

Presenters

J. Porter Montgomery

President
Westwood Wealth Management



200 Crescent Court, Suite 1200, Dallas, TX 75201
T 214 756 6900 | F 214 756 6979 | westwoodgroup.com

WHG
LISTED
NYSE

Agenda

Account Summary

Market Performance

Investment Outlook

Appendix



Product and Benchmark

Investment Objectives

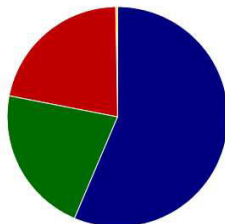
Enhanced Balanced® vs Global 60/40 (60% ACWI IMI Net/40% BC US Universal)

- Achieve a long-term total rate of return, net of manager fees, that meets or exceeds the established target rate.
- Maintenance of sufficient income and liquidity to fund distribution payments.
- Preserve the principal value of the Fund.
- To earn an average rate of return, net of manager fees, over the long term (three to five years) which exceeds the return of a Target Index.
- In addition, it is expected that the total rate of return, net of manager fees, earned by the Fund will rank above average when compared to a representative universe of other, similarly managed portfolios.

Asset Class	Strategic Allocation (at market)	Tactical Range (at market)
Equity	50%	30%-70%
Fixed Income/Cash Equivalents	30%	20%-60%
Specialty	20%	0%-40%

Asset Allocation

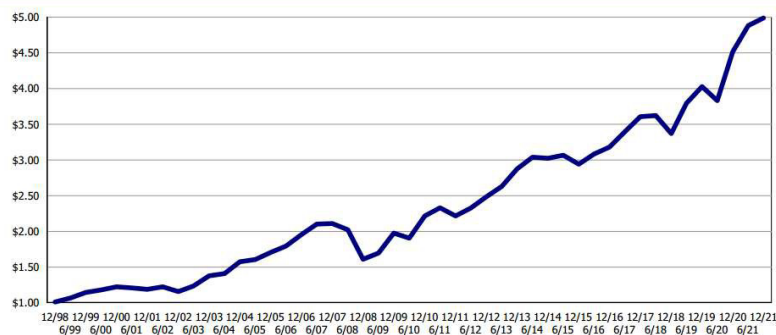
Category	% Acct	% Target
Equities	56.3	56.0
Fixed Income	21.8	22.0
Specialty	21.8	22.0
Cash & Equivalents	0.2	0.0
Miscellaneous	0.0	0.0
Other	0.0	0.0
Total	100.0%	100.0%



Account Information

Total Market Value	\$60,175,765.05
Estimated Annual Income	\$1,065,198.46
Estimated Portfolio Yield	1.77%

Growth of \$1



Account

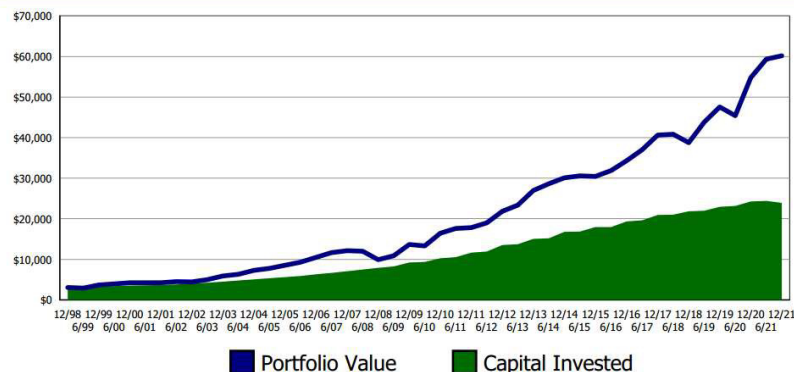
Account Flows

Flow Type	YTD	Inception
Beginning Market Value	\$ 54,776,392.18	\$ 2,929,032.94
Net Contributions Less Withdrawals	-355,000.00	21,001,324.75
Net Investment Change	5,754,372.87	36,245,407.36
Ending Market Value	\$ 60,175,765.05	\$ 60,175,765.05
Account	10.50%	7.13%

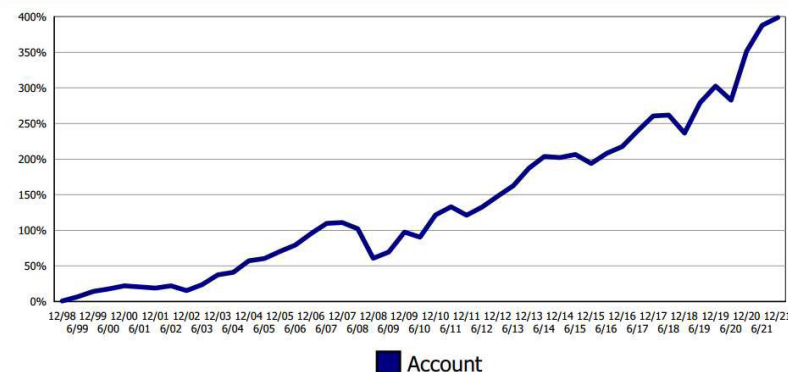
Market values include accruals; The Total Account returns presented on this report are calculated net of fees. Fees are not prorated across asset classes; Total performance class used is Total Managed; Target account is WW Portfolio Series (Active CTF-EB) - Enhanced Balanced Model.

Past performance is not indicative of future results.

Portfolio Growth (\$'000s)



Cumulative Investment Performance



Account Flows

Flow Type	YTD	2020	2019	2018	2017	Inception
Beginning Market Value	\$ 54,776,392.18	\$ 47,539,163.77	\$ 38,762,892.98	\$ 40,592,020.43	\$ 34,316,513.67	\$ 2,929,032.94
Net Contributions Less Withdrawals	-355,000.00	1,307,500.00	1,138,500.00	902,500.00	1,605,000.00	21,001,324.75
Net Investment Change	5,754,372.87	5,929,728.41	7,637,770.79	-2,731,627.45	4,670,506.76	36,245,407.36
Ending Market Value	\$ 60,175,765.05	\$ 54,776,392.18	\$ 47,539,163.77	\$ 38,762,892.98	\$ 40,592,020.43	\$ 60,175,765.05
Account	10.50%	12.13%	19.56%	- 6.60%	13.43%	7.13%

Market values include accruals; The Total Account returns presented on this report are calculated net of fees. Fees are not prorated across asset classes; Inception date is 08/31/1998.

Past performance is not indicative of future results.

Historical Holdings Details as of 12/31/2021

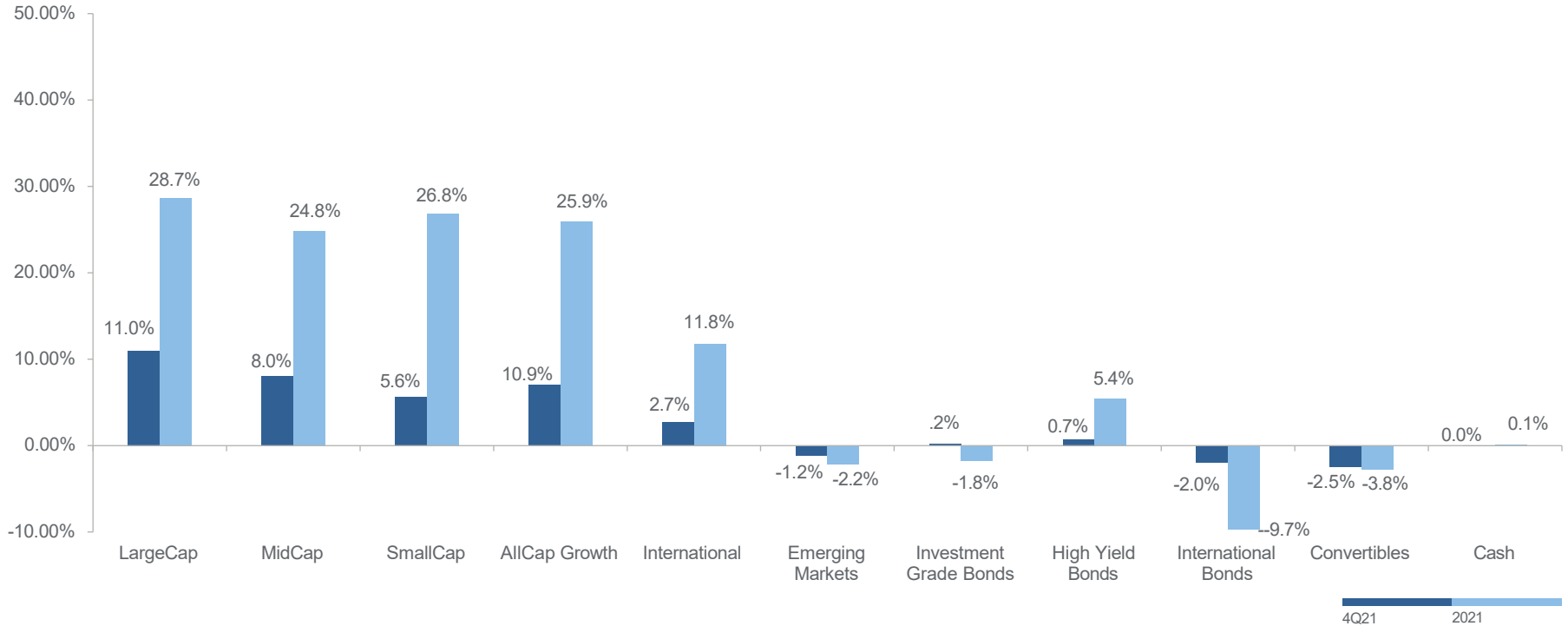
NTMWD RET PL

Asset	Market Value	Est. Income	Current Yield	% Total
Equities				
ALLCAP GROWTH EQUITY - EB	5,982,817.33	28,941.04	0.48	9.94
BARON EMERGING MARKETS FUND INSTITUTIONAL SHARES	4,217,523.96	79,076.42	1.87	7.01
ISHARES RUSSELL 1000 VALUE INDEX FUND	3,639,211.03	59,118.49	1.62	6.05
JOHCM INTL SELECT FUND CLASS I	1,815,523.61	17,992.22	0.99	3.02
LARGCAP VALUE EQUITY - EB	6,079,290.43	93,354.27	1.54	10.10
SMALLCAP VALUE EQUITY - EB	4,263,526.80	57,515.61	1.35	7.09
SMIDCAP VALUE EQUITY - EB	3,053,002.94	37,063.50	1.21	5.07
VANGUARD FTSE DEVELOPED MARKETS INDEX FUND ETF SHARES	3,608,257.02	114,056.54	3.16	6.00
VANGUARD SCOTTS DAL VNG RUS2000GRW	1,192,032.16	6,476.49	0.54	1.98
Total Equities	\$33,851,185.28	\$493,594.58	1.46%	56.25
Fixed Income				
CORE INVESTMENT GRADE BOND - EB	8,923,953.47	152,558.89	1.71	14.83
WESTWOOD HIGH INCOME - INSTL	4,170,913.95	144,107.42	3.46	6.93
Total Fixed Income	\$13,094,867.42	\$296,666.31	2.27%	21.76
Specialty				
INCOME OPPORTUNITY - EB	4,195,572.17	119,557.57	2.85	6.97
WESTWOOD ALTERNATIVE INCOME - ULTRA	2,974,011.96	36,797.56	1.24	4.94
WESTWOOD TOTAL RETURN - INSTL	5,956,601.73	118,469.27	1.99	9.90
Total Specialty	\$13,126,185.87	\$274,824.40	2.09%	21.81
Cash & Equivalents				
WESTWOOD TRUST FDIC INSURED SWEEP	103,526.49	113.18	0.11	0.17
Total Cash & Equivalents	\$103,526.49	\$113.18	0.11%	0.17
Grand Total	\$60,175,765.05	\$1,065,198.46	1.77%	100.00

Market values include accruals.

Market Snapshot | Asset Class Performance

December 31, 2021



Large Cap Large Cap – S&P 500	Mid Cap Mid Cap – S&P 400	Small Cap Small Cap – S&P 600	All Cap Growth Russell 3000 Growth	International International Equity – MSCI EAFE	Emerging Markets Emerging Markets – MSCI Emerging Markets Index
Investment Grade Bonds Bloomberg BCG/C	High Yield Bonds High Yield Bond – BofA ML High Yield Master II	International Bonds FTSE Non-U.S. WGBI Unhedged	Convertibles Refinitiv Global Focus Convertible Bond Index	Cash 90-day U.S. Treasury Bills	

Past performance is not indicative to future results. All information provided herein 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.



Portfolio Performance Detail as of 12/31/2021

NTMWD RET PL

	QTD	1 Year	3 Year	5 Year	7 Year	10 Year	Since Inception	Inception Date
Total	3.73%	10.88%	14.54%	10.00%	7.96%	9.06%	8.02%	08/31/1998
Total Net of Fees	3.64%	10.50%	13.99%	9.43%	7.41%	8.46%	7.13%	08/31/1998
60% ACWI IMI (Net)/40% BBG BC US Universal Index	3.66%	10.22%	14.34%	10.19%	8.03%	8.58%	6.91%	08/31/1998
Equities	5.57%	15.51%	19.30%	13.13%	10.51%	12.21%	10.63%	12/31/2010
Fixed Income	0.53%	0.20%	5.00%	3.93%	3.58%	3.44%	3.66%	12/31/2010
Specialty	2.47%	8.94%	9.67%	6.39%	4.69%	6.90%	6.96%	01/31/2004

Market values include accruals.

Past performance is not indicative of future results.

Past performance is not indicative of future results.

Capital Markets Outlook | Scenario Assessment

As of March 2022

OPERATIVE Scenario: Higher risk but known Unknowns 60% Probability

- **Geopolitical risk premium all of 2022.**
- **Uncertainty** in fiscal outlook and rising rates a source of **market volatility**.
- **US Federal Reserve lifts off (hikes) this year** with elevated inflation and heightened jobs demand.
- **Improving global immunity and lower virus concern** drives consumer confidence and heightens consumption from increased consumer savings.
- *Economic growth falls from 2021 but remains above trend. Inflation remains elevated.*

Scenario #2: Cessation of risk and hostilities 25% Probability

- **Less concern of broadening hostilities.**
- **Some fiscal** impulse passes through Congress with **less tax** increase.
- Labor and consumer mobility improves sharply, and **supply chain bottlenecks alleviated, reducing high inflation.**
- Federal Reserve responds with **measured rate hikes**, dependent on market response.
- **Increased consumer confidence** leads to spending their heightened savings.
- *Economic growth continues well above trend; global economy operating to capacity.*

Scenario #3: The unknown unknowns 15% Probability

- **Fears** of Central Bank tightening **slow prospective growth** impacting markets.
- **Any** broadening of the war in Ukraine beyond the Ukrainian border.
- **High inflation continues, forcing the Fed's hand to tighten financial conditions**
- **Higher U.S. Dollar**, global decline in export demand and **supply chain problems.**
- Rising risk-free yields leads to a **negative response** cycle from **equities.**
- *Economic output drops while inflation remains elevated. Stagflation concern.*

Assumptions — End 2022

Real GDP	+3.7% vs 3.6% consensus
Core Inflation	3.5% vs 3.3% consensus
Fed Funds Rate	1.25%-1.50% (5 hikes)
Oil (WTI)	\$80/bi 2022e
Unemployment Rate	3.6% vs 3.6% consensus
S&P 1y Fwd P/E Ratio	20.0x

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The scenarios shown above reflect Westwood estimates. Current readings from S&P and Bloomberg data.

Investing Where It Counts



Equity Market Outlook

Mild positive outlook;
Heightened market volatility from higher rates and geopolitical conflict/concern

RATIONALE

- **Growth above trend** and inflation remains elevated
- High savings and consumer sentiment leads to spending.
- **Central bank tightening policy** will add market volatility and value outperforms growth.

Credit Outlook

Positive on Credit;
Preference for crossover quality selections; energy and securitized sectors improving

RATIONALE

- **Credit spreads cheap**
- Healthy balance sheets
- Default compensation still government suppressed.
- **Offers good risk-return** even if valuations become stretched as spreads are at 5-years low

Rates Outlook

Underweight duration
2-5 year yields rise.
10y yields remain range bound as tightening impacts growth outlook.

RATIONALE

- Federal Reserve hiking cycle to raise front end yields
- Impact of monetary action and fiscal inaction impacts intermediate (10yr +) rates
- **"Insurance policy" of holding some duration still valuable**

Thematic and Sector Outlook

Remain constructive on Emerging Markets, Chips, mRNA vaccines for the future.
Quality/Value orientation

RATIONALE

- Rising rates impacting the discounting of high-growth stocks' long-term cash flows
- Hunt for yield positive for EM
- Chip supply/demand imbalance=Long-term demand
- mRNA advances to find inroads to other medicines

Equity markets continued to rise quickly; This will be the year the punchbowl gets pulled.

Number of Rate Hikes Expected by the end of 2022



Source: Bloomberg - As of 03/16/22

The outlooks described above reflect Westwood estimates. Source: Bloomberg. All data as of March 15, 2022.

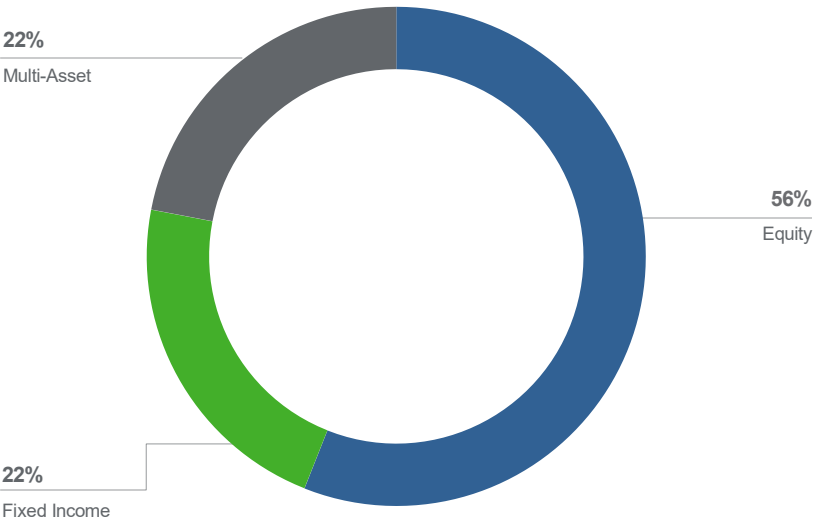
Investing Where It Counts

Equity Markets	Year-To-Date	Trailing 1 Yr
S&P 500 Index	-10%	9%
NASDAQ Composite	-17%	4%
Europe	-10%	7%
Emerging Markets	-16%	-22%
Bond Markets		
2-Year Tsy Yield Change	+1.12%	+1.70%
10-Year Tsy Yield Change	+0.63%	+0.54%
High Yield Returns	-6.5%	-2.0%
5 year expected inflation	+0.61%	+0.92%
Currencies		
U.S. Dollar (USD)	4%	8%
Euro (EUR)	-4%	-8%
Japanese Yen (JPY)	-3%	-8%
Bitcoin (BTC)	-15%	-30%

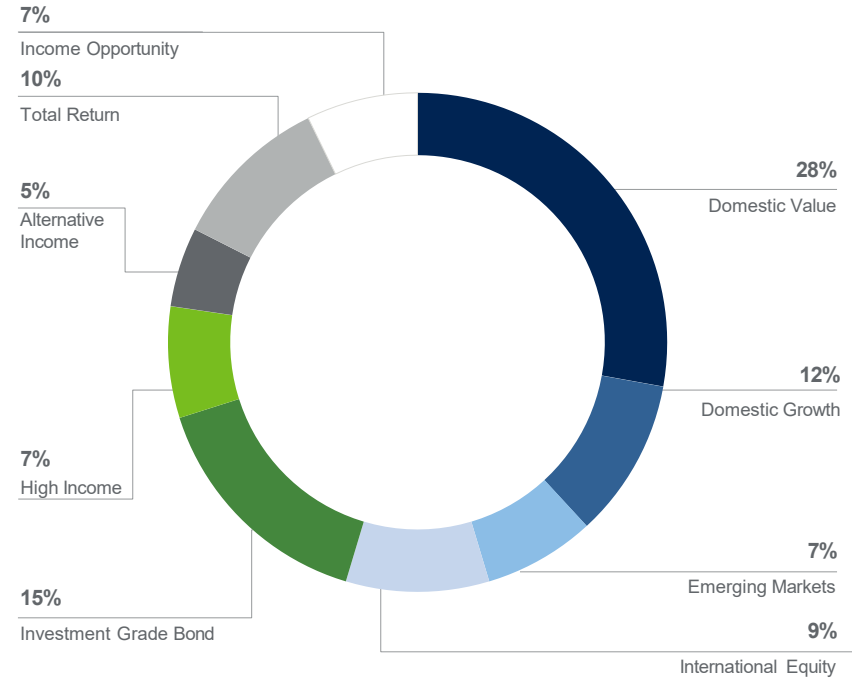
Commodities	Year-To-Date	Trailing 1 Yr
WTI Oil	30%	63%
Copper	2%	8%
Gold	5%	11%
S&P Sectors		
Real Estate	-11%	20%
Health Care	-6%	17%
Financials	-4%	10%
Energy	30%	43%
Technology	-16%	11%
Industrials	-6%	4%
Utilities	0%	16%
Materials	-9%	7%
Cons. Discretionary	-17%	0%
Cons. Staples	-4%	16%



DIVERSIFICATION BY ASSET CLASS



DIVERSIFICATION WITHIN ASSET CATEGORIES



Why Diversify With Multi-Asset? | Performance Varies from Year to Year

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021 ¹	Annualized Since Inception ²
Highest	EM 39.8%	FI 5.7%	EM 79.0%	MC 26.6%	FI 8.7%	EM 18.6%	SC 41.3%	LC 13.7%	LC 1.4%	SC 26.6%	EM 37.8%	CASH 1.9%	LC 31.5%	EM 18.7%	LC 28.7%	MC 12.0%
	INTL 11.6%	CASH 1.8%	HY 57.5%	SC 26.3%	HY 4.4%	INTL 17.9%	MC 33.5%	MC 9.8%	FI 0.2%	MC 20.7%	INTL 25.6%	FI -0.4%	MC 26.2%	LC 18.4%	SC 26.8%	SC 11.4%
	WT 8.4%	WT -23.1%	MC 37.4%	EM 19.2%	LC 2.1%	MC 17.9%	LC 32.4%	WT 6.1%	CASH 0.0%	HY 17.5%	LC 21.8%	HY -2.3%	SC 22.8%	MC 13.7%	MC 24.8%	LC 10.8%
Returns	MC 8.0%	HY -26.4%	INTL 32.5%	HY 15.2%	SC 1.0%	SC 16.3%	INTL 23.3%	FI 6.0%	INTL -0.4%	LC 12.0%	MC 16.2%	LC -4.4%	INTL 22.7%	WT 12.2%	INTL 11.8%	WT 9.1%
	FI 7.2%	SC -31.1%	LC 26.5%	LC 15.1%	WT 0.4%	LC 16.0%	WT 15.4%	SC 5.8%	WT -1.7%	EM 11.6%	WT 13.5%	WT -5.8%	WT 19.6%	SC 11.3%	WT 10.9%	EM 7.5%
	LC 5.5%	MC -36.2%	SC 25.6%	WT 13.3%	CASH 0.1%	HY 15.6%	HY 7.4%	HY 2.5%	SC -2.0%	WT 8.1%	SC 13.2%	SC -8.5%	EM 18.9%	FI 8.9%	HY 5.4%	HY 7.4%
	CASH 4.7%	LC -37.0%	WT 22.8%	INTL 8.2%	MC -1.7%	WT 12.7%	CASH 0.1%	CASH 0.0%	MC -2.2%	FI 3.1%	HY 7.5%	MC -11.1%	HY 14.4%	INTL 8.3%	CASH 0.1%	INTL 6.8%
	HY 2.2%	INTL -43.1%	FI 4.5%	FI 6.6%	INTL -11.7%	FI 4.8%	EM -2.3%	EM -1.8%	HY -4.6%	INTL 1.5%	FI 4.0%	INTL -13.4%	FI 9.7%	HY 6.2%	FI -1.8%	FI 5.3%
Lowest	SC -0.3%	EM -53.2%	CASH 0.2%	CASH 0.1%	EM -18.2%	CASH 0.1%	FI -2.4%	INTL -4.5%	EM -14.6%	CASH 0.3%	CASH 0.8%	EM -14.3%	CASH 2.3%	CASH 0.6%	EM -2.2%	CASH 2.3%

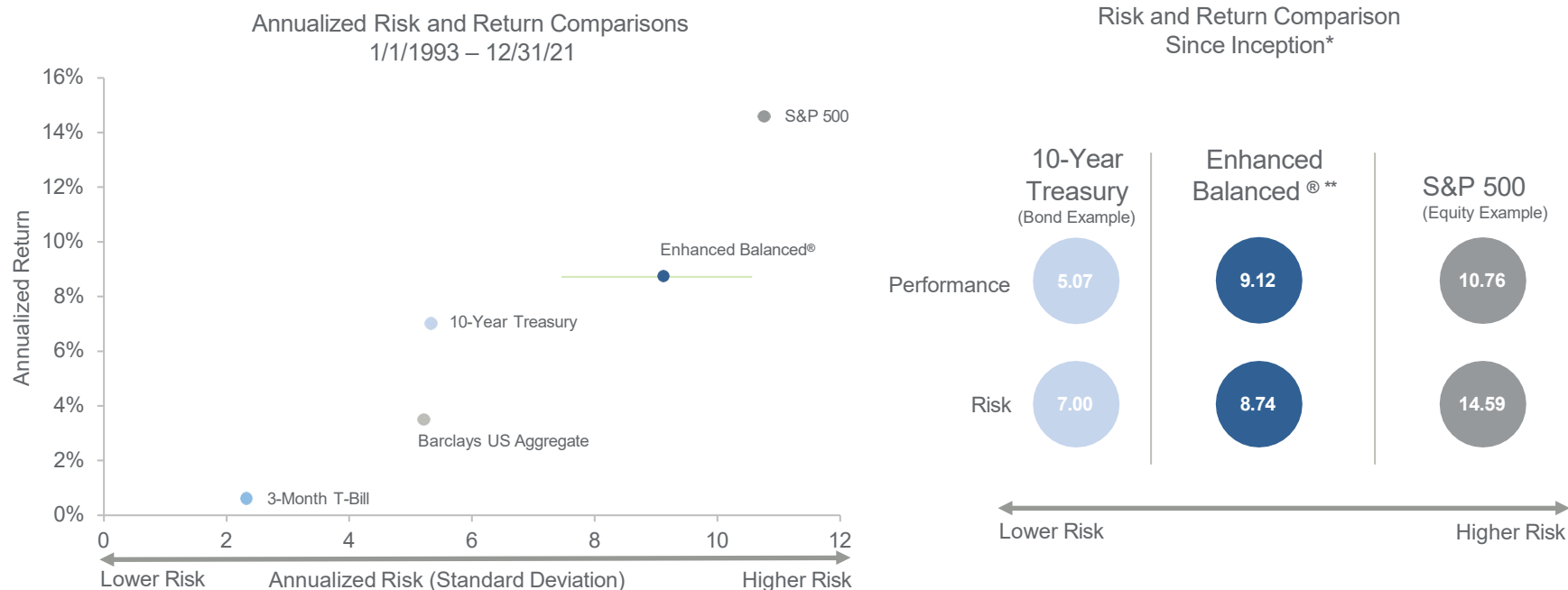
Annualized Returns

WT: Westwood Trust Enhanced Balanced® ³	SC: SmallCap – S&P 600	INTL: International Equity – MSCI EAFE	FI: Fixed Income – Barclays Capital Government/Credit	MC: MidCap – S&P 400
LC: LargeCap – S&P 500	EM: Emerging Markets – MSCI Emerging Markets Index	CASH: 90-day US Treasury Bills	HY: High Yield Bond – BofA ML High Yield Master II	

¹Through 12/31/21. ²Inception: 1/1/93. ³The composite performance shown above, which is gross of management fees, represents accounts invested in the Westwood Trust Enhanced Balanced® Employee Benefit strategy. Please see appendix for full performance disclosures. **Past performance is not indicative of future results.** Stock market conditions vary from year to year and can result in a decline in market value. This information is provided for clients and prospective clients of Westwood Management Corp. and Westwood Trust only. This is not an offer or recommendation to buy or sell a security or an economic sector.



Westwood's Enhanced Balanced® has equity-like returns with approximately ½ the equity risk.



*Inception Date: 1/1/1993. Time Period: 1/1/1993 – 12/31/2021; Annualized returns and Standard Deviation calculated based on monthly data. Data as of 12/31/2021 Frequency: Monthly. **The composite performance shown above, which is gross of management fees, represents accounts invested in the Westwood Trust Enhanced Balanced® Employee Benefit strategy. Past performance is not indicative of future results. Portfolio returns reflect the reinvestment of dividend and interest income. Please see appendix for full performance disclosures. The disclosures provided are considered an integral part of this presentation. Benchmark Data Source: ©2021 FactSet Research Systems Inc. All Rights Reserved. Standard & Poor's is the source and owner of the trademarks, service marks, and copyrights related to their respective indexes.



Performance Update | Westwood Trust EB Common Trust Funds

As of December 31, 2021

		Performance		Calendar Year Performance					Trailing Performance					Since Inception
	Inception Date	4Q21	YTD	2020	2019	2018	2017	2016	1 Year	3 Years	5 Years	10 Years	15 Years	Annualized
LargeCap Value	3/1/1993	9.00%	23.93%	4.18%	28.30%	-5.25%	21.80%	11.64%	23.93%	18.32%	13.84%	14.02%	9.10%	11.86%
Benchmark		7.77%	25.16%	2.80%	26.54%	-8.27%	13.66%	11.96%	25.16%	17.64%	11.16%	12.90%	8.33%	9.22%
SmidCap	7/1/1997	5.61%	22.59%	9.48%	31.49%	-10.17%	11.41%	12.43%	22.59%	20.84%	12.05%	12.32%	10.62%	12.98%
Benchmark		6.36%	27.78%	4.88%	26.04%	-10.00%	16.81%	17.59%	27.78%	19.09%	12.17%	13.35%	9.16%	10.56%
SmallCap Value	1/1/2004	8.01%	29.65%	2.78%	28.17%	-13.24%	13.74%	30.04%	29.65%	19.53%	11.01%	15.04%	10.20%	11.96%
Benchmark		4.36%	28.27%	4.63%	22.39%	-12.86%	7.84%	31.74%	28.27%	17.99%	9.07%	12.03%	7.19%	8.69%
AllCap Growth	1/1/2000	7.42%	20.73%	35.06%	34.25%	-2.31%	24.90%	0.50%	20.73%	29.84%	21.71%	17.22%	11.85%	6.21%
Benchmark		10.89%	25.85%	38.26%	35.85%	-2.12%	29.59%	7.39%	25.85%	33.21%	24.56%	19.39%	13.46%	6.05%

Performance shown is gross of management fees. **Past performance is not indicative of future results.**

¹Through 12/31/21. For periods of less than one year, performance is cumulative. ³Current and Historic Benchmark Data is available on page B-1.

Benchmark Data Source: © 2021 FactSet Research Systems Inc. All Rights Reserved.



Performance Update | Westwood Trust EB Common Trust Funds

As of December 31, 2021

		Performance		Calendar Year Performance					Trailing Performance					Since Inception
	Inception Date	4Q21	YTD	2020	2019	2018	2017	2016	1 Year	3 Years	5 Years	10 Years	15 Years	Annualized
Fixed Income (Core bond EB)	3/1/1993	0.07%	-2.11%	8.28%	7.71%	-0.13%	4.22%	3.58%	-2.11%	4.51%	3.51%	2.85%	4.09%	5.05%
Benchmark		0.18%	-1.75%	8.93%	9.71%	-0.42%	4.00%	3.05%	-1.75%	5.50%	3.99%	3.13%	4.26%	5.21%
Income Opportunity	1/1/2003	2.72%	9.22%	11.78%	18.17%	-3.90%	12.04%	6.62%	9.22%	12.99%	9.21%	8.87%	7.54%	9.10%
New Benchmark		4.37%	9.81%	12.53%	17.62%	-1.47%	10.55%	6.44%	9.81%	13.28%	9.63%	8.41%	6.99%	7.23%
Previous Benchmark		6.92%	15.48%	6.75%	17.52%	-1.32%	8.13%	5.37%	15.48%	13.15%	9.10%	8.11%	6.48%	7.60%
Enhanced Balanced	1/1/1993	3.75%	10.86%	12.67%	20.20%	-6.04%	14.02%	8.32%	10.86%	14.51%	9.97%	9.04%	7.02%	9.12%
Benchmark		3.66%	10.22%	13.49%	19.51%	-6.04%	15.63%	6.72%	10.22%	14.34%	10.19%	8.58%	6.35%	7.49%

Performance shown is gross of management fees. **Past performance is not indicative of future results.**

¹Through 12/31/21. For periods of less than one year, performance is cumulative. ² The Enhanced Balanced composite performance, which is gross of management fees, represents accounts invested in the Westwood Trust Enhanced Balanced® Employee Benefit strategy. For the period from 1/1/93 to 12/31/12, the Enhanced Balanced performance shown is that of a representative client who has been diversified among the available Westwood commingled funds throughout their term with Westwood. Since 12/31/12, the Enhanced Balanced performance shown is a composite of several clients who have been diversified among the available Westwood commingled funds throughout their term with Westwood. ³Current and Historic Benchmark Data is available on page B-1. Benchmark Data Source: © 2021 FactSet Research Systems Inc. All Rights Reserved.



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We are focused on investing where it counts to improve client outcomes.

Multi-Investment Team Structure

U.S. Equities
Multi-Asset
Fixed Income



Employee Ownership Culture

Employees and directors own equity, currently totaling 19%³
No employee owns more than 5% equity
Deep, experienced investment and client service staff

NEPC, LLC - Independent Consulting Firm

Ongoing industry research
Manager due diligence
Asset allocation assistance

Diversified Business

Westwood serves the needs of affluent individuals and families, non-profits and foundations, and retirement plans.

¹Westwood Management Corp. was founded and registered with the SEC in April 1983. Its parent company, Westwood Holdings Group, Inc., was launched as a public company in 2002, trading on the New York Stock Exchange under the symbol WHG. Except as otherwise noted, all references to or information about the "firm" or "Westwood" throughout this presentation describe Westwood Holdings Group, Inc. and its wholly owned subsidiaries, which include Westwood Management Corp., Westwood Trust, and Westwood Advisors, LLC.

²Best Places to Work Selection criteria based 25% on corporate application and 75% on anonymous employee questionnaires within the "100-499 employees" category. Awarded on Dec. 14, 2020.

³As of March 2, 2021

⁴Chosen as one of 2021's top-75 based on online employer and employee surveys within the "50+ employees" category. Awarded on March 1, 2021.

Firm Overview¹

Institutional
Mutual Funds
Wealth Management

Overview¹

Founded | 1983

AUM | \$14.5 B

Employees | 130

Publicly Listed | NYSE: WHG



Privacy Notice

FACTS – What does Westwood do with your personal information?

WHY? Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share and protect your personal information. **Please read this notice carefully to understand what we do.**

WHAT? The types of personal information we collect and share depend on the product or service you have with us. This information may include:

- Social Security Number
- Income
- Assets
- Investment Experience
- Account Transactions
- Risk Tolerance

HOW? All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Westwood chooses to share; and, whether you can limit this sharing.

Reasons we can share your personal information

For our everyday business purposes – such as to process your transactions, maintain your account(s) or respond to court orders and legal investigations

For our marketing purposes – to offer our products and services to you

For joint marketing with other financial companies

For our affiliates' everyday business purposes – information about your transactions and experiences

For our affiliates' everyday business purposes – information about your creditworthiness

For our affiliates to market to you

For non-affiliates to market to you

Does Westwood share? Can you limit this sharing?

Yes	No
Yes	Yes
Yes	No
Yes	No
Yes	Yes
Yes	Yes
Yes	Yes

Additional information

For more details on how we protect your personal information, visit our website at <https://westwoodgroup.com/privacy-policy/>.

If you have questions or want to limit our sharing:

For Westwood Trust or Westwood Advisors, LLC clients, call Michelle Neber at 214.756.6984.

For Westwood Management clients, call Ken Nostro at 214.756.6988.

Please note: If you are a new customer, we can begin sharing your information 30 days from the date we sent this notice. When you are no longer our customer, we continue to share your information as described in this notice. However, you can contact us at any time to limit our sharing.



Privacy Notice

Who is providing this notice? Westwood Holdings Group, Westwood Management Corp., Westwood Trust, Westwood Advisors, LLC and Westwood International Advisors, Inc.

How does Westwood protect my personal information? To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.

How does Westwood collect my personal information? We collect your personal information, for example, when you:

- Open an account
- Seek financial advice
- Seek advice about your investments
- Tell us about your investment or retirement portfolio
- Give us your employment history

Why can't I limit all sharing? Federal law gives you the right to limit only:

- Sharing for affiliates' everyday business purposes – information about your creditworthiness
- Affiliates from using your information to market to you
- Sharing for non-affiliates to market to you

State laws and individual companies may give you additional rights to limit sharing.

What happens when I limit sharing for an account I hold jointly with someone else? Your choices will apply to everyone on your account – unless you tell us otherwise.

Definitions

Affiliates: Companies related by common ownership or control. They can be financial and non-financial companies. Our affiliates include Westwood Management Corp., Westwood Trust, Westwood Advisors, LLC and Westwood International Advisors, Inc.

Non-Affiliates: Companies not related by common ownership or control. They can be financial and non-financial companies. Westwood only shares information with non-affiliates with your consent or for our, or our affiliates', everyday business purposes.

Joint Marketing: A formal agreement between non-affiliated financial companies that together market financial products or services to you. Westwood Trust and Westwood Advisors, LLC enter into joint marketing agreements with unaffiliated financial companies, but these agreements prohibit disclosure of your nonpublic personal information except as may be permitted by applicable law.

Other important information

Westwood Trust Department of Banking Disclaimer: Westwood Trust is chartered under the laws of the State of Texas and by state law is subject to regulatory oversight by the Texas Department of Banking. Any consumer wishing to file a complaint against Westwood Trust should contact the Texas Department of Banking through one of the means indicated below:

- In person or U.S. Mail: 2601 North Lamar Boulevard, Suite 300, Austin, TX 78705-4294
- Fax Number: 512.475.1313
- Email: consumer.complaints@banking.state.tx.us
- Website: www.banking.state.tx.us



Disclosures

The information contained herein represents the views of Westwood Holdings Group, Inc. at a specific point in time and is based on information believed to be reliable. No representation or warranty is made concerning the accuracy or completeness of any data compiled herein. Any statements non-factual in nature constitute only current opinion, which is subject to change. Any statements concerning financial market trends are based on current market conditions, which will fluctuate. All information provided herein 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.

Enhanced Balanced® performance reflects the reinvestment of dividends and does not reflect the deduction of trust or management fees or other expenses. Trust fees are typically specified in the applicable trust or similar agreement. The deduction of fees and other expenses will tend to reduce performance over time. As with any investment strategy, this strategy involves the risk of loss. **Past performance is not indicative of future results.**

Enhanced Balanced® Representative Account and Composite Performance:

For the period from 1/1/93 to 12/31/12, the Enhanced Balanced® performance shown is that of a representative client who has been diversified among the available Westwood commingled funds throughout their term with Westwood. After 12/31/12, the Enhanced Balanced® performance shown is a composite of several clients who have been diversified among the available Westwood commingled funds throughout their term with Westwood. Additionally, commencing with August 2016 returns, it excludes accounts which are, as of the date performance is calculated, not invested consistent with the model, such as for tax or other customization purposes.

Enhanced Balanced® Benchmark:

Effective 4/1/2016, the Enhanced Balanced® strategy is benchmarked as follows:

1/1/1993 – 5/31/1994: 60% MSCI ACWI (Gross) / 40% Barclays US Universal Index

6/1/1994 – Present: 60% MSCI ACWI IMI (Net) / 40% Barclays US Universal Index

Westwood retroactively replaced the benchmark on 4/1/2016 because the existing equity portion of the benchmark did not represent the effect of withholding taxes. Additional information regarding the benchmark change is available upon request. The MSCI ACWI Investable Market Index (IMI) captures large, mid and small cap representation across 23 developed markets and 23 emerging markets countries. The comparative index returns reflect the reinvestment of dividends and other earnings, are net of withholding taxes, and do not include any trading costs, management or trust fees, or other expenses. The Barclays US Universal Index is an unmanaged market index consisting of US Dollar denominated taxable bonds that are rated either investment grade or high yield. Because the inception of the MSCI ACWI IMI (Net) is 6/1/1994, the MSCI ACWI (Gross) is used from 1/1/1993 – 5/31/1994.

Client Portfolio Reports:

Transaction data reflected herein may not be complete. For reconciliation, tax reporting, or other accounting, please refer to your client statement. This report has been prepared from sources and data believed to be reliable but is not guaranteed to or by Westwood Trust. It is provided for informational purposes only and should not be considered investment advice. These reports do not take the place of any trust account statements or the 1099 tax forms. Capital gain/loss data presented here is a general guide and should not be relied upon in the preparation of tax returns. Investment products and services are not FDIC insured, are not deposits of or other obligations of Westwood Trust, are not guaranteed by Westwood Trust, and involve investment risk, including possible loss of principal invested. Past performance is not a guarantee of future results. Westwood Trust, its affiliates, and its officers, directors, and employees may from time to time acquire, hold, or sell securities, mutual funds, or asset classes that may be referenced herein.

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Historical Benchmark Data | Westwood Trust EB Common Trust Funds

LargeCap Value

3/1/93 – 6/30/98: 90% S&P 500/10% 90-Day T-Bill

7/1/98 – 12/31/16: S&P 500

1/1/17 – Present: Russell 1000 Value

SMidCap

7/1/97 – 12/31/01: S&P 400 Barra Value

1/1/02 – 12/31/05: S&P 1000

1/1/06 – Present: Russell 2500

10/1/19 – Present: Russell 2500 Value

SmallCap Value

Russell 2000 Value

AllCap Value

Russell 3000 Value

AllCap Growth

1/1/00 – 6/30/01: Russell 3000 Tech

7/1/01 – 3/31/04: Russell 1000 Growth

4/1/04 – Present: Russell 3000 Growth

Emerging Markets

MSCI Emerging Markets Total Return Index (Net)

International Equity

MSCI EAFE (Net)

Income Opportunity

1/1/03 – 12/31/19: 25% S&P 500/25% NAREIT/25% 10-Yr Treasury/25% 3-Month T-Bill

10/1/19 – Present: 40% S&P 500/60% Bloomberg Barclay's Aggregate Bond

Fixed Income

Bloomberg BCG/C

High Income

10/1/11 – 12/31/19: ML US Corporate High Yield Cash Pay (1-3 yr)

1/1/2020 – Present: 20% S&P 500 / 80% Bloomberg Barclay's Aggregate Bond

Enhanced Balanced®

1/1/93 – 5/31/94: 60% MSCI ACWI/40% Bloomberg BC US Universal

6/1/94 – Present: 60% MSCI ACWI IMI (Net)/40% Bloomberg BC US Universal¹

¹ Effective 4/1/2016, the Enhanced Balanced® strategy is benchmarked as follows: 1/1/1993 – 5/31/1994: 60% MSCI ACWI (Gross) / 40% Bloomberg Barclays US Universal Index, 6/1/1994 – Present: 60% MSCI ACWI IMI (Net) / 40% Bloomberg Barclays US Universal Index. Westwood retroactively replaced the benchmark on 4/1/2016 because the existing equity portion of the benchmark did not represent the effect of withholding taxes. Additional information regarding the benchmark change is available upon request. The MSCI ACWI Investable Market Index (IMI) captures large, mid and small cap representation across 23 developed markets and 23 emerging markets countries. The comparative index returns reflect the reinvestment of dividends and other earnings, are net of withholding taxes, and do not include any trading costs, management fees, or other expenses. The Bloomberg Barclays US Universal Index is an unmanaged market index consisting of US Dollar denominated taxable bonds that are rated either investment grade or high yield. Because the inception of the MSCI ACWI IMI (Net) is 6/1/1994, the MSCI ACWI (Gross) is used from 1/1/1993 – 5/31/1994.

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AGENDA

V. DISCUSSION ITEMS

- D. Review Retiree Health Insurance Fund Investment Performance by Westwood Holdings Group, Inc.



Westwood
Wealth Management®

Putting Clients First

February 28, 2022

North Texas Municipal Water Retiree Health Insurance

Presenters

J. Porter Montgomery

President
Westwood Wealth Management



Agenda

Account Summary

Market Performance

Investment Outlook

Appendix



Product and Benchmark

Investment Objectives

Enhanced Balanced® vs Global 60/40 (60% ACWI IMI Net/40% BC US Universal)

- Achieve a long-term total rate of return, net of manager fees, that meets or exceeds the established target rate.
- Maintenance of sufficient income and liquidity to fund distribution payments.
- Preserve the principal value of the Fund.
- To earn an average rate of return, net of manager fees, over the long term (three to five years) which exceeds the return of a Target Index.
- In addition, it is expected that the total rate of return, net of manager fees, earned by the Fund will rank above average when compared to a representative universe of other, similarly managed portfolios.

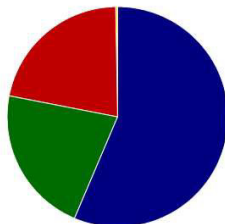
Asset Class	Strategic Allocation (at market)	Tactical Range (at market)
Equity	50%	30%-70%
Fixed Income/Cash Equivalents	30%	20%-60%
Specialty	20%	0%-40%

Executive Summary as of 12/31/2021

NTMWD RETIREE HEALTH INS. PROGRAM

Asset Allocation

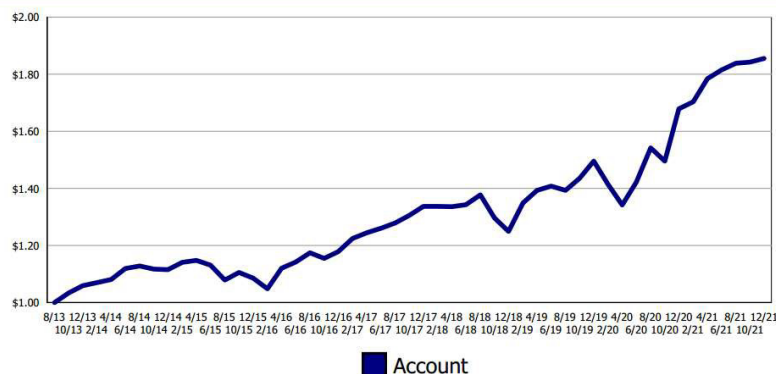
Category	% Acct	% Target
Equities	56.3	56.0
Fixed Income	21.8	22.0
Specialty	21.8	22.0
Cash & Equivalents	0.2	0.0
Miscellaneous	0.0	0.0
Other	0.0	0.0
Total	100.0%	100.0%



Account Information

Total Market Value	\$10,871,974.57
Estimated Annual Income	\$192,445.40
Estimated Portfolio Yield	1.77%

Growth of \$1



Account Flows

Flow Type	YTD	Inception
Beginning Market Value	\$ 9,838,369.17	\$ 3,000,000.00
Net Contributions Less Withdrawals	0.00	3,331,500.00
Net Investment Change	1,033,605.39	4,540,474.57
Ending Market Value	\$ 10,871,974.57	\$ 10,871,974.57
Account	10.50%	7.70%

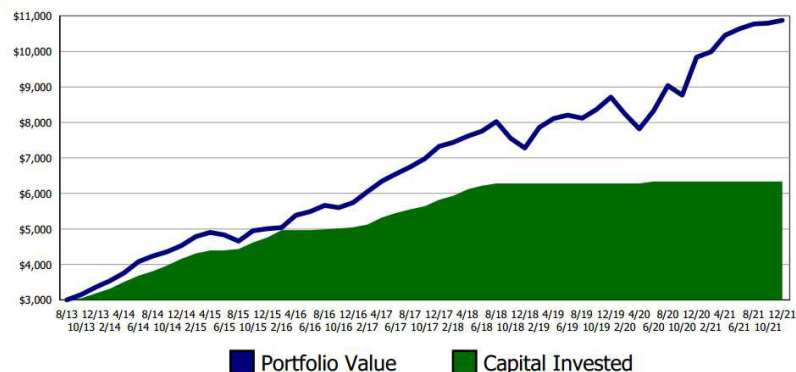
Market values include accruals; The Total Account returns presented on this report are calculated net of fees. Fees are not prorated across asset classes; Total performance class used is Total Managed; Target account is WW Portfolio Series (Active CTF-EB) - Enhanced Balanced Model.

Past performance is not indicative of future results.

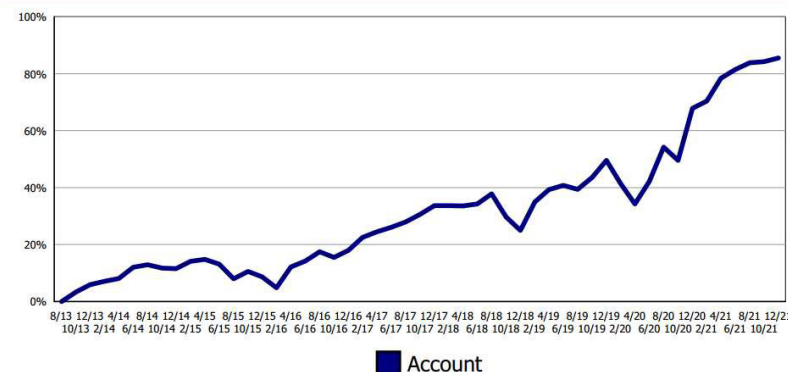
Portfolio Summary as of 12/31/2021

NTMWD RETIREE HEALTH INS. PROGRAM

Portfolio Growth (\$'000s)



Cumulative Investment Performance



Account Flows

Flow Type	YTD	2020	2019	2018	2017	Inception
Beginning Market Value	\$ 9,838,369.17	\$ 8,710,911.37	\$ 7,279,478.25	\$ 7,328,598.71	\$ 5,744,667.97	\$ 3,000,000.00
Net Contributions Less Withdrawals	0.00	50,000.00	0.00	460,500.00	775,000.00	3,331,500.00
Net Investment Change	1,033,605.39	1,077,457.81	1,431,433.11	-509,620.46	808,930.74	4,540,474.57
Ending Market Value	\$ 10,871,974.57	\$ 9,838,369.17	\$ 8,710,911.37	\$ 7,279,478.25	\$ 7,328,598.71	\$ 10,871,974.57
Account	10.50%	12.24%	19.66%	- 6.52%	13.38%	7.70%

Market values include accruals; The Total Account returns presented on this report are calculated net of fees. Fees are not prorated across asset classes; Inception date is 08/31/2013.

Past performance is not indicative of future results.

Historical Holdings Details as of 12/31/2021

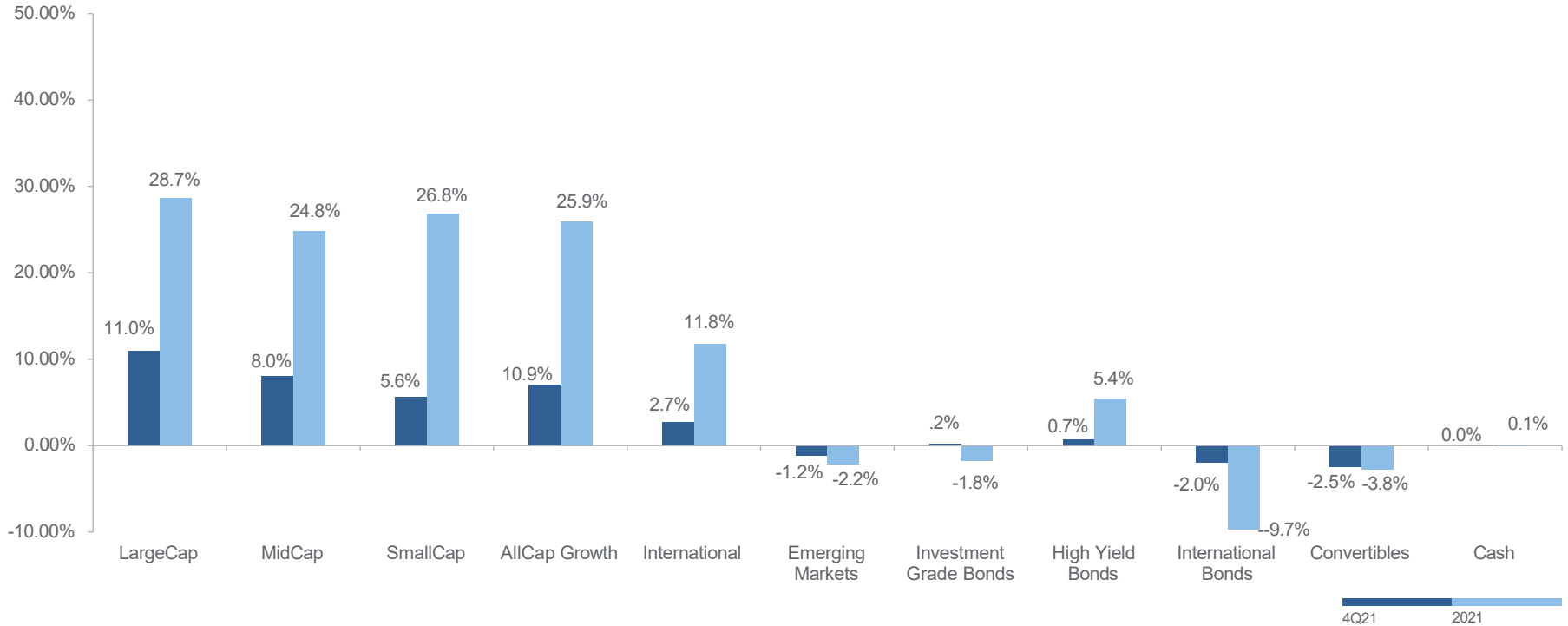
NTMWD RETIREE HEALTH INS. PROGRAM

Asset	Market Value	Est. Income	Current Yield	% Total
Equities				
ALLCAP GROWTH EQUITY - EB	1,081,308.44	5,230.68	0.48	9.95
BARON EMERGING MARKETS FUND INSTITUTIONAL SHARES	761,965.88	14,286.47	1.87	7.01
ISHARES RUSSELL 1000 VALUE INDEX FUND	657,445.95	10,680.12	1.62	6.05
JOHCM INTL SELECT FUND CLASS I	328,047.07	3,251.02	0.99	3.02
LARGCAP VALUE EQUITY - EB	1,098,419.24	16,867.45	1.54	10.10
SMALLCAP VALUE EQUITY - EB	770,226.70	10,390.47	1.35	7.08
SMIDCAP VALUE EQUITY - EB	551,475.67	6,694.92	1.21	5.07
VANGUARD FTSE DEVELOPED MARKETS INDEX FUND ETF SHARES	651,883.02	20,605.94	3.16	6.00
VANGUARD SCOTTS DAL VNG RUS2000GRW	215,453.20	1,170.59	0.54	1.98
Total Equities	\$6,116,225.17	\$89,177.66	1.46%	56.26
Fixed Income				
CORE INVESTMENT GRADE BOND - EB	1,612,305.39	27,563.07	1.71	14.83
WESTWOOD HIGH INCOME - INSTL	753,518.88	26,034.50	3.46	6.93
Total Fixed Income	\$2,365,824.27	\$53,597.57	2.27%	21.76
Specialty				
INCOME OPPORTUNITY - EB	757,972.57	21,599.28	2.85	6.97
WESTWOOD ALTERNATIVE INCOME - ULTRA	537,300.31	6,648.04	1.24	4.94
WESTWOOD TOTAL RETURN - INSTL	1,076,116.22	21,402.59	1.99	9.90
Total Specialty	\$2,371,389.10	\$49,649.91	2.09%	21.81
Cash & Equivalents				
WESTWOOD TRUST FDIC INSURED SWEEP	18,536.03	20.27	0.11	0.17
Total Cash & Equivalents	\$18,536.03	\$20.27	0.11%	0.17
Grand Total	\$10,871,974.57	\$192,445.40	1.77%	100.00

Market values include accruals.

Market Snapshot | Asset Class Performance

December 31, 2021



Large Cap Large Cap – S&P 500	Mid Cap Mid Cap – S&P 400	Small Cap Small Cap – S&P 600	All Cap Growth Russell 3000 Growth	International International Equity – MSCI EAFE	Emerging Markets Emerging Markets – MSCI Emerging Markets Index
Investment Grade Bonds Bloomberg BCG/C	High Yield Bonds High Yield Bond – BofA ML High Yield Master II	International Bonds FTSE Non-U.S. WGBI Unhedged	Convertibles Refinitiv Global Focus Convertible Bond Index	Cash 90-day U.S. Treasury Bills	

Past performance is not indicative to future results. All information provided herein 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.



Portfolio Performance Detail as of 12/31/2021

NTMWD RETIREE HEALTH INS. PROGRAM

	QTD	1 Year	3 Year	5 Year	7 Year	10 Year	Since Inception	Inception Date
Total	3.77%	10.89%	14.61%	10.05%	8.09%	---	8.27%	08/31/2013
Total Net of Fees	3.68%	10.50%	14.07%	9.48%	7.53%	---	7.70%	08/31/2013
60% ACWI IMI (Net)/40% BBG BC US Universal Index	3.66%	10.22%	14.34%	10.19%	8.03%	---	8.30%	08/31/2013
Equities	5.61%	15.49%	19.18%	13.10%	10.48%	---	11.03%	08/31/2013
Fixed Income	0.53%	0.21%	5.00%	3.92%	3.59%	---	3.42%	08/31/2013
Specialty	2.46%	8.93%	9.67%	6.43%	4.82%	---	6.40%	08/31/2013

Market values include accruals.

Past performance is not indicative of future results.

Capital Markets Outlook | Scenario Assessment

As of March 2022

OPERATIVE Scenario: Higher risk but known Unknowns 60% Probability

- **Geopolitical risk premium all of 2022.**
- **Uncertainty** in fiscal outlook and rising rates a source of **market volatility**.
- **US Federal Reserve lifts off (hikes) this year** with elevated inflation and heightened jobs demand.
- **Improving global immunity and lower virus concern** drives consumer confidence and heightens consumption from increased consumer savings.
- *Economic growth falls from 2021 but remains above trend. Inflation remains elevated.*

Scenario #2: Cessation of risk and hostilities 25% Probability

- **Less concern of broadening hostilities.**
- **Some fiscal** impulse passes through Congress with **less tax** increase.
- Labor and consumer mobility improves sharply, and **supply chain bottlenecks alleviated, reducing high inflation.**
- Federal Reserve responds with **measured rate hikes**, dependent on market response.
- **Increased consumer confidence** leads to spending their heightened savings.
- *Economic growth continues well above trend; global economy operating to capacity.*

Scenario #3: The unknown unknowns 15% Probability

- **Fears** of Central Bank tightening **slow prospective growth** impacting markets.
- **Any** broadening of the war in Ukraine beyond the Ukrainian border.
- **High inflation continues, forcing the Fed's hand to tighten financial conditions**
- **Higher U.S. Dollar**, global decline in export demand and **supply chain problems.**
- Rising risk-free yields leads to a **negative response** cycle from **equities.**
- *Economic output drops while inflation remains elevated. Stagflation concern.*

Assumptions — End 2022

Real GDP	+3.7% vs 3.6% consensus
Core Inflation	3.5% vs 3.3% consensus
Fed Funds Rate	1.25%-1.50% (5 hikes)
Oil (WTI)	\$80/bi 2022e
Unemployment Rate	3.6% vs 3.6% consensus
S&P 1y Fwd P/E Ratio	20.0x

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The scenarios shown above reflect Westwood estimates. Current readings from S&P and Bloomberg data.

Investing Where It Counts



Equity Market Outlook

Mild positive outlook;
Heightened market volatility from higher rates and geopolitical conflict/concern

RATIONALE

- **Growth above trend** and inflation remains elevated
- High savings and consumer sentiment leads to spending.
- **Central bank tightening policy** will add market volatility and value outperforms growth.

Credit Outlook

Positive on Credit;
Preference for crossover quality selections; energy and securitized sectors improving

RATIONALE

- **Credit spreads cheap**
- Healthy balance sheets
- Default compensation still government suppressed.
- **Offers good risk-return** even if valuations become stretched as spreads are at 5-years low

Rates Outlook

Underweight duration
2-5 year yields rise.
10y yields remain range bound as tightening impacts growth outlook.

RATIONALE

- Federal Reserve hiking cycle to raise front end yields
- Impact of monetary action and fiscal inaction impacts intermediate (10yr +) rates
- **"Insurance policy" of holding some duration still valuable**

Thematic and Sector Outlook

Remain constructive on Emerging Markets, Chips, mRNA vaccines for the future.
Quality/Value orientation

RATIONALE

- Rising rates impacting the discounting of high-growth stocks' long-term cash flows
- Hunt for yield positive for EM
- Chip supply/demand imbalance=Long-term demand
- mRNA advances to find inroads to other medicines

Equity markets continued to rise quickly; This will be the year the punchbowl gets pulled.

Number of Rate Hikes Expected by the end of 2022

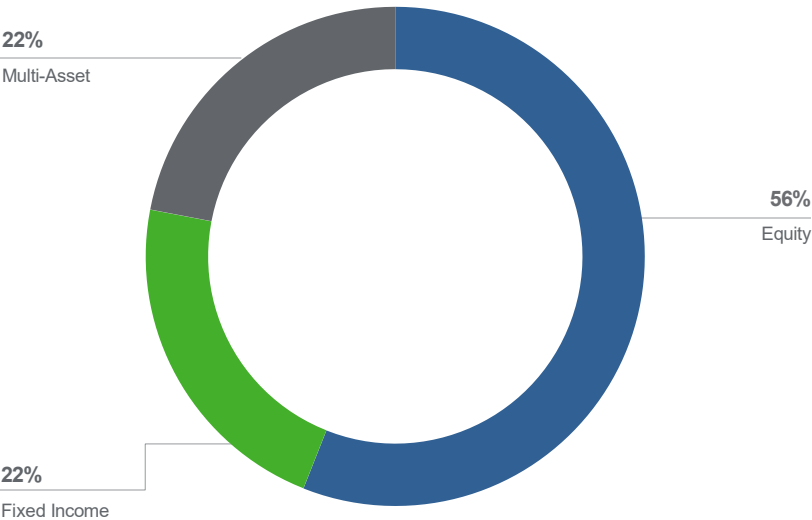


Equity Markets	Year-To-Date	Trailing 1 Yr
S&P 500 Index	-10%	9%
NASDAQ Composite	-17%	4%
Europe	-10%	7%
Emerging Markets	-16%	-22%
Bond Markets		
2-Year Tsy Yield Change	+1.12%	+1.70%
10-Year Tsy Yield Change	+0.63%	+0.54%
High Yield Returns	-6.5%	-2.0%
5 year expected inflation	+0.61%	+0.92%
Currencies		
U.S. Dollar (USD)	4%	8%
Euro (EUR)	-4%	-8%
Japanese Yen (JPY)	-3%	-8%
Bitcoin (BTC)	-15%	-30%
Commodities	Year-To-Date	Trailing 1 Yr
WTI Oil	30%	63%
Copper	2%	8%
Gold	5%	11%
S&P Sectors		
Real Estate	-11%	20%
Health Care	-6%	17%
Financials	-4%	10%
Energy	30%	43%
Technology	-16%	11%
Industrials	-6%	4%
Utilities	0%	16%
Materials	-9%	7%
Cons. Discretionary	-17%	0%
Cons. Staples	-4%	16%

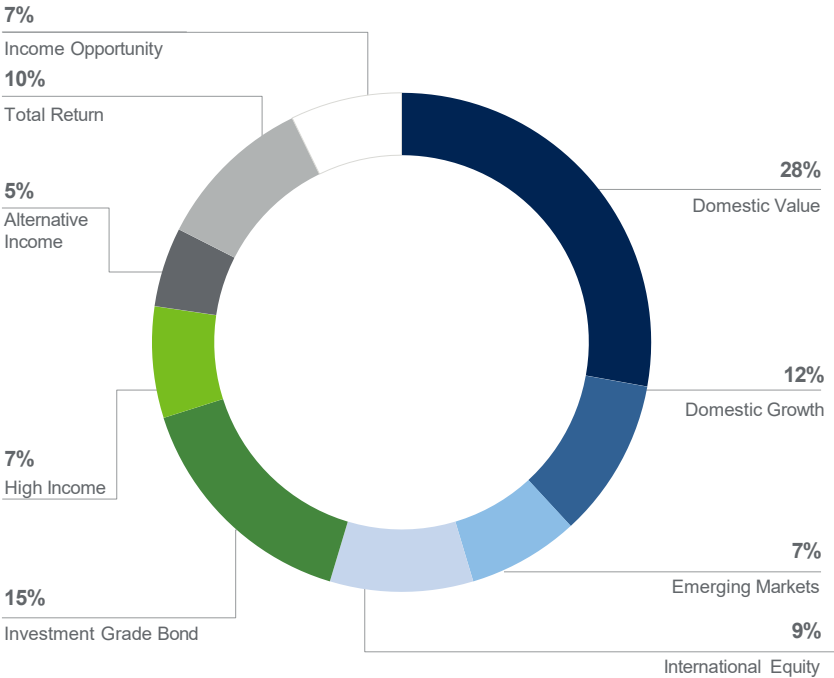
The outlooks described above reflect Westwood estimates. Source: Bloomberg. All data as of March 15, 2022.



DIVERSIFICATION BY ASSET CLASS



DIVERSIFICATION WITHIN ASSET CATEGORIES



Why Diversify With Multi-Asset? | Performance Varies from Year to Year

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021 ¹	Annualized Since Inception ²
Highest	EM 39.8%	FI 5.7%	EM 79.0%	MC 26.6%	FI 8.7%	EM 18.6%	SC 41.3%	LC 13.7%	LC 1.4%	SC 26.6%	EM 37.8%	CASH 1.9%	LC 31.5%	EM 18.7%	LC 28.7%	MC 12.0%
	INTL 11.6%	CASH 1.8%	HY 57.5%	SC 26.3%	HY 4.4%	INTL 17.9%	MC 33.5%	MC 9.8%	FI 0.2%	MC 20.7%	INTL 25.6%	FI -0.4%	MC 26.2%	LC 18.4%	SC 26.8%	SC 11.4%
	WT 8.4%	WT -23.1%	MC 37.4%	EM 19.2%	LC 2.1%	MC 17.9%	LC 32.4%	WT 6.1%	CASH 0.0%	HY 17.5%	LC 21.8%	HY -2.3%	SC 22.8%	MC 13.7%	MC 24.8%	LC 10.8%
	MC 8.0%	HY -26.4%	INTL 32.5%	HY 15.2%	SC 1.0%	SC 16.3%	INTL 23.3%	FI 6.0%	INTL -0.4%	LC 12.0%	MC 16.2%	LC -4.4%	INTL 22.7%	WT 12.2%	INTL 11.8%	WT 9.1%
Returns	FI 7.2%	SC -31.1%	LC 26.5%	LC 15.1%	WT 0.4%	LC 16.0%	WT 15.4%	SC 5.8%	WT -1.7%	EM 11.6%	WT 13.5%	WT -5.8%	WT 19.6%	SC 11.3%	WT 10.9%	EM 7.5%
	LC 5.5%	MC -36.2%	SC 25.6%	WT 13.3%	CASH 0.1%	HY 15.6%	HY 7.4%	HY 2.5%	SC -2.0%	WT 8.1%	SC 13.2%	SC -8.5%	EM 18.9%	FI 8.9%	HY 5.4%	HY 7.4%
	CASH 4.7%	LC -37.0%	WT 22.8%	INTL 8.2%	MC -1.7%	WT 12.7%	CASH 0.1%	CASH 0.0%	MC -2.2%	FI 3.1%	HY 7.5%	MC -11.1%	HY 14.4%	INTL 8.3%	CASH 0.1%	INTL 6.8%
	HY 2.2%	INTL -43.1%	FI 4.5%	FI 6.6%	INTL -11.7%	FI 4.8%	EM -2.3%	EM -1.8%	HY -4.6%	INTL 1.5%	FI 4.0%	INTL -13.4%	FI 9.7%	HY 6.2%	FI -1.8%	FI 5.3%
Lowest	SC -0.3%	EM -53.2%	CASH 0.2%	CASH 0.1%	EM -18.2%	CASH 0.1%	FI -2.4%	INTL -4.5%	EM -14.6%	CASH 0.3%	CASH 0.8%	EM -14.3%	CASH 2.3%	CASH 0.6%	EM -2.2%	CASH 2.3%

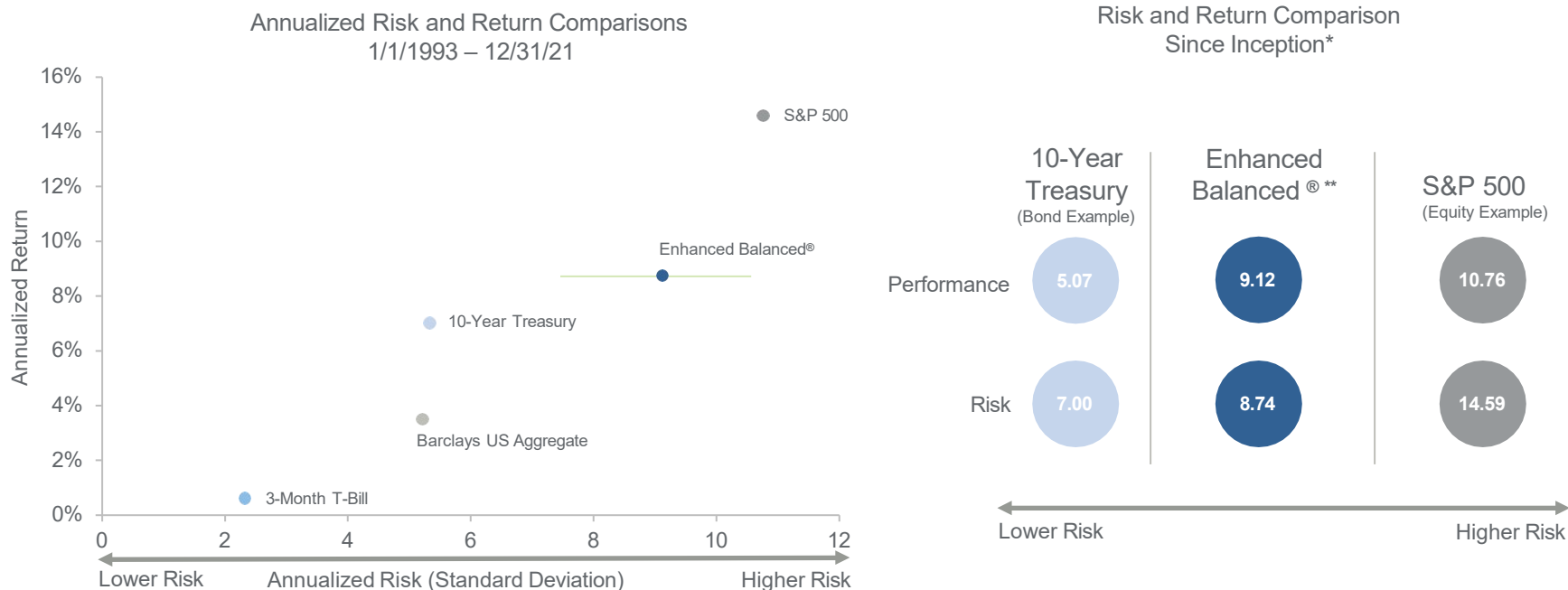
Annualized Returns

WT: Westwood Trust Enhanced Balanced® ³	SC: SmallCap – S&P 600	INTL: International Equity – MSCI EAFE	FI: Fixed Income – Barclays Capital Government/Credit	MC: MidCap – S&P 400
LC: LargeCap – S&P 500	EM: Emerging Markets – MSCI Emerging Markets Index	CASH: 90-day US Treasury Bills	HY: High Yield Bond – BofA ML High Yield Master II	

¹Through 12/31/21. ²Inception: 1/1/93. ³The composite performance shown above, which is gross of management fees, represents accounts invested in the Westwood Trust Enhanced Balanced® Employee Benefit strategy. Please see appendix for full performance disclosures. **Past performance is not indicative of future results.** Stock market conditions vary from year to year and can result in a decline in market value. This information is provided for clients and prospective clients of Westwood Management Corp. and Westwood Trust only. This is not an offer or recommendation to buy or sell a security or an economic sector.



Westwood's Enhanced Balanced® has equity-like returns with approximately ½ the equity risk.



*Inception Date: 1/1/1993. Time Period: 1/1/1993 – 12/31/2021; Annualized returns and Standard Deviation calculated based on monthly data. Data as of 12/31/2021 Frequency: Monthly. **The composite performance shown above, which is gross of management fees, represents accounts invested in the Westwood Trust Enhanced Balanced® Employee Benefit strategy. Past performance is not indicative of future results. Portfolio returns reflect the reinvestment of dividend and interest income. Please see appendix for full performance disclosures. The disclosures provided are considered an integral part of this presentation. Benchmark Data Source: ©2021 FactSet Research Systems Inc. All Rights Reserved. Standard & Poor's is the source and owner of the trademarks, service marks, and copyrights related to their respective indexes.



Performance Update | Westwood Trust EB Common Trust Funds

As of December 31, 2021

		Performance		Calendar Year Performance					Trailing Performance					Since Inception
	Inception Date	4Q21	YTD	2020	2019	2018	2017	2016	1 Year	3 Years	5 Years	10 Years	15 Years	Annualized
LargeCap Value	3/1/1993	9.00%	23.93%	4.18%	28.30%	-5.25%	21.80%	11.64%	23.93%	18.32%	13.84%	14.02%	9.10%	11.86%
Benchmark		7.77%	25.16%	2.80%	26.54%	-8.27%	13.66%	11.96%	25.16%	17.64%	11.16%	12.90%	8.33%	9.22%
SmidCap	7/1/1997	5.61%	22.59%	9.48%	31.49%	-10.17%	11.41%	12.43%	22.59%	20.84%	12.05%	12.32%	10.62%	12.98%
Benchmark		6.36%	27.78%	4.88%	26.04%	-10.00%	16.81%	17.59%	27.78%	19.09%	12.17%	13.35%	9.16%	10.56%
SmallCap Value	1/1/2004	8.01%	29.65%	2.78%	28.17%	-13.24%	13.74%	30.04%	29.65%	19.53%	11.01%	15.04%	10.20%	11.96%
Benchmark		4.36%	28.27%	4.63%	22.39%	-12.86%	7.84%	31.74%	28.27%	17.99%	9.07%	12.03%	7.19%	8.69%
AllCap Growth	1/1/2000	7.42%	20.73%	35.06%	34.25%	-2.31%	24.90%	0.50%	20.73%	29.84%	21.71%	17.22%	11.85%	6.21%
Benchmark		10.89%	25.85%	38.26%	35.85%	-2.12%	29.59%	7.39%	25.85%	33.21%	24.56%	19.39%	13.46%	6.05%

Performance shown is gross of management fees. **Past performance is not indicative of future results.**

¹Through 12/31/21. For periods of less than one year, performance is cumulative. ³Current and Historic Benchmark Data is available on page B-1.

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Performance Update | Westwood Trust EB Common Trust Funds

As of December 31, 2021

		Performance		Calendar Year Performance					Trailing Performance					Since Inception
	Inception Date	4Q21	YTD	2020	2019	2018	2017	2016	1 Year	3 Years	5 Years	10 Years	15 Years	Annualized
Fixed Income (Core bond EB)	3/1/1993	0.07%	-2.11%	8.28%	7.71%	-0.13%	4.22%	3.58%	-2.11%	4.51%	3.51%	2.85%	4.09%	5.05%
Benchmark		0.18%	-1.75%	8.93%	9.71%	-0.42%	4.00%	3.05%	-1.75%	5.50%	3.99%	3.13%	4.26%	5.21%
Income Opportunity	1/1/2003	2.72%	9.22%	11.78%	18.17%	-3.90%	12.04%	6.62%	9.22%	12.99%	9.21%	8.87%	7.54%	9.10%
New Benchmark		4.37%	9.81%	12.53%	17.62%	-1.47%	10.55%	6.44%	9.81%	13.28%	9.63%	8.41%	6.99%	7.23%
Previous Benchmark		6.92%	15.48%	6.75%	17.52%	-1.32%	8.13%	5.37%	15.48%	13.15%	9.10%	8.11%	6.48%	7.60%
Enhanced Balanced	1/1/1993	3.75%	10.86%	12.67%	20.20%	-6.04%	14.02%	8.32%	10.86%	14.51%	9.97%	9.04%	7.02%	9.12%
Benchmark		3.66%	10.22%	13.49%	19.51%	-6.04%	15.63%	6.72%	10.22%	14.34%	10.19%	8.58%	6.35%	7.49%

Performance shown is gross of management fees. **Past performance is not indicative of future results.**

¹Through 12/31/21. For periods of less than one year, performance is cumulative. ² The Enhanced Balanced composite performance, which is gross of management fees, represents accounts invested in the Westwood Trust Enhanced Balanced® Employee Benefit strategy. For the period from 1/1/93 to 12/31/12, the Enhanced Balanced performance shown is that of a representative client who has been diversified among the available Westwood commingled funds throughout their term with Westwood. Since 12/31/12, the Enhanced Balanced performance shown is a composite of several clients who have been diversified among the available Westwood commingled funds throughout their term with Westwood. ³Current and Historic Benchmark Data is available on page B-1. Benchmark Data Source: © 2021 FactSet Research Systems Inc. All Rights Reserved.



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We are focused on investing where it counts to improve client outcomes.

Multi-Investment Team Structure

U.S. Equities
Multi-Asset
Fixed Income



Employee Ownership Culture

Employees and directors own equity, currently totaling 19%³
No employee owns more than 5% equity
Deep, experienced investment and client service staff

NEPC, LLC - Independent Consulting Firm

Ongoing industry research
Manager due diligence
Asset allocation assistance

Diversified Business

Westwood serves the needs of affluent individuals and families, non-profits and foundations, and retirement plans.

¹Westwood Management Corp. was founded and registered with the SEC in April 1983. Its parent company, Westwood Holdings Group, Inc., was launched as a public company in 2002, trading on the New York Stock Exchange under the symbol WHG. Except as otherwise noted, all references to or information about the "firm" or "Westwood" throughout this presentation describe Westwood Holdings Group, Inc. and its wholly owned subsidiaries, which include Westwood Management Corp., Westwood Trust, and Westwood Advisors, LLC.

²Best Places to Work Selection criteria based 25% on corporate application and 75% on anonymous employee questionnaires within the "100-499 employees" category. Awarded on Dec. 14, 2020.

³As of March 2, 2021

⁴Chosen as one of 2021's top-75 based on online employer and employee surveys within the "50+ employees" category. Awarded on March 1, 2021.

Firm Overview¹

Institutional
Mutual Funds
Wealth Management

Overview¹

Founded | 1983

AUM | \$14.5 B

Employees | 130

Publicly Listed | NYSE: WHG



As of December 31, 2021



Privacy Notice

FACTS – What does Westwood do with your personal information?

WHY? Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share and protect your personal information. **Please read this notice carefully to understand what we do.**

WHAT? The types of personal information we collect and share depend on the product or service you have with us. This information may include:

- Social Security Number
- Income
- Assets
- Investment Experience
- Account Transactions
- Risk Tolerance

HOW? All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Westwood chooses to share; and, whether you can limit this sharing.

Reasons we can share your personal information

For our everyday business purposes – such as to process your transactions, maintain your account(s) or respond to court orders and legal investigations

For our marketing purposes – to offer our products and services to you

For joint marketing with other financial companies

For our affiliates' everyday business purposes – information about your transactions and experiences

For our affiliates' everyday business purposes – information about your creditworthiness

For our affiliates to market to you

For non-affiliates to market to you

Does Westwood share? Can you limit this sharing?

Yes	No
Yes	Yes
Yes	No
Yes	No
Yes	Yes
Yes	Yes
Yes	Yes

Additional information

For more details on how we protect your personal information, visit our website at <https://westwoodgroup.com/privacy-policy/>.

If you have questions or want to limit our sharing:

For Westwood Trust or Westwood Advisors, LLC clients, call Michelle Neber at 214.756.6984.

For Westwood Management clients, call Ken Nostro at 214.756.6988.

Please note: If you are a new customer, we can begin sharing your information 30 days from the date we sent this notice. When you are no longer our customer, we continue to share your information as described in this notice. However, you can contact us at any time to limit our sharing.



Privacy Notice

Who is providing this notice? Westwood Holdings Group, Westwood Management Corp., Westwood Trust, Westwood Advisors, LLC and Westwood International Advisors, Inc.

How does Westwood protect my personal information? To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.

How does Westwood collect my personal information? We collect your personal information, for example, when you:

- Open an account
- Seek financial advice
- Seek advice about your investments
- Tell us about your investment or retirement portfolio
- Give us your employment history

Why can't I limit all sharing? Federal law gives you the right to limit only:

- Sharing for affiliates' everyday business purposes – information about your creditworthiness
- Affiliates from using your information to market to you
- Sharing for non-affiliates to market to you

State laws and individual companies may give you additional rights to limit sharing.

What happens when I limit sharing for an account I hold jointly with someone else? Your choices will apply to everyone on your account – unless you tell us otherwise.

Definitions

Affiliates: Companies related by common ownership or control. They can be financial and non-financial companies. Our affiliates include Westwood Management Corp., Westwood Trust, Westwood Advisors, LLC and Westwood International Advisors, Inc.

Non-Affiliates: Companies not related by common ownership or control. They can be financial and non-financial companies. Westwood only shares information with non-affiliates with your consent or for our, or our affiliates', everyday business purposes.

Joint Marketing: A formal agreement between non-affiliated financial companies that together market financial products or services to you. Westwood Trust and Westwood Advisors, LLC enter into joint marketing agreements with unaffiliated financial companies, but these agreements prohibit disclosure of your nonpublic personal information except as may be permitted by applicable law.

Other important information

Westwood Trust Department of Banking Disclaimer: Westwood Trust is chartered under the laws of the State of Texas and by state law is subject to regulatory oversight by the Texas Department of Banking. Any consumer wishing to file a complaint against Westwood Trust should contact the Texas Department of Banking through one of the means indicated below:

- In person or U.S. Mail: 2601 North Lamar Boulevard, Suite 300, Austin, TX 78705-4294
- Fax Number: 512.475.1313
- Email: consumer.complaints@banking.state.tx.us
- Website: www.banking.state.tx.us



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Enhanced Balanced® performance reflects the reinvestment of dividends and does not reflect the deduction of trust or management fees or other expenses. Trust fees are typically specified in the applicable trust or similar agreement. The deduction of fees and other expenses will tend to reduce performance over time. As with any investment strategy, this strategy involves the risk of loss. **Past performance is not indicative of future results.**

Enhanced Balanced® Representative Account and Composite Performance:

For the period from 1/1/93 to 12/31/12, the Enhanced Balanced® performance shown is that of a representative client who has been diversified among the available Westwood commingled funds throughout their term with Westwood. After 12/31/12, the Enhanced Balanced® performance shown is a composite of several clients who have been diversified among the available Westwood commingled funds throughout their term with Westwood. Additionally, commencing with August 2016 returns, it excludes accounts which are, as of the date performance is calculated, not invested consistent with the model, such as for tax or other customization purposes.

Enhanced Balanced® Benchmark:

Effective 4/1/2016, the Enhanced Balanced® strategy is benchmarked as follows:

1/1/1993 – 5/31/1994: 60% MSCI ACWI (Gross) / 40% Barclays US Universal Index

6/1/1994 – Present: 60% MSCI ACWI IMI (Net) / 40% Barclays US Universal Index

Westwood retroactively replaced the benchmark on 4/1/2016 because the existing equity portion of the benchmark did not represent the effect of withholding taxes. Additional information regarding the benchmark change is available upon request. The MSCI ACWI Investable Market Index (IMI) captures large, mid and small cap representation across 23 developed markets and 23 emerging markets countries. The comparative index returns reflect the reinvestment of dividends and other earnings, are net of withholding taxes, and do not include any trading costs, management or trust fees, or other expenses. The Barclays US Universal Index is an unmanaged market index consisting of US Dollar denominated taxable bonds that are rated either investment grade or high yield. Because the inception of the MSCI ACWI IMI (Net) is 6/1/1994, the MSCI ACWI (Gross) is used from 1/1/1993 – 5/31/1994.

Client Portfolio Reports:

Transaction data reflected herein may not be complete. For reconciliation, tax reporting, or other accounting, please refer to your client statement. This report has been prepared from sources and data believed to be reliable but is not guaranteed to or by Westwood Trust. It is provided for informational purposes only and should not be considered investment advice. These reports do not take the place of any trust account statements or the 1099 tax forms. Capital gain/loss data presented here is a general guide and should not be relied upon in the preparation of tax returns. Investment products and services are not FDIC insured, are not deposits of or other obligations of Westwood Trust, are not guaranteed by Westwood Trust, and involve investment risk, including possible loss of principal invested. Past performance is not a guarantee of future results. Westwood Trust, its affiliates, and its officers, directors, and employees may from time to time acquire, hold, or sell securities, mutual funds, or asset classes that may be referenced herein.

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Historical Benchmark Data | Westwood Trust EB Common Trust Funds

LargeCap Value

3/1/93 – 6/30/98: 90% S&P 500/10% 90-Day T-Bill

7/1/98 – 12/31/16: S&P 500

1/1/17 – Present: Russell 1000 Value

SMidCap

7/1/97 – 12/31/01: S&P 400 Barra Value

1/1/02 – 12/31/05: S&P 1000

1/1/06 – Present: Russell 2500

10/1/19 – Present: Russell 2500 Value

SmallCap Value

Russell 2000 Value

AllCap Value

Russell 3000 Value

AllCap Growth

1/1/00 – 6/30/01: Russell 3000 Tech

7/1/01 – 3/31/04: Russell 1000 Growth

4/1/04 – Present: Russell 3000 Growth

Emerging Markets

MSCI Emerging Markets Total Return Index (Net)

International Equity

MSCI EAFE (Net)

Income Opportunity

1/1/03 – 12/31/19: 25% S&P 500/25% NAREIT/25% 10-Yr Treasury/25% 3-Month T-Bill

10/1/19 – Present: 40% S&P 500/60% Bloomberg Barclay's Aggregate Bond

Fixed Income

Bloomberg BCG/C

High Income

10/1/11 – 12/31/19: ML US Corporate High Yield Cash Pay (1-3 yr)

1/1/2020 – Present: 20% S&P 500 / 80% Bloomberg Barclay's Aggregate Bond

Enhanced Balanced®

1/1/93 – 5/31/94: 60% MSCI ACWI/40% Bloomberg BC US Universal

6/1/94 – Present: 60% MSCI ACWI IMI (Net)/40% Bloomberg BC US Universal¹

¹ Effective 4/1/2016, the Enhanced Balanced® strategy is benchmarked as follows: 1/1/1993 – 5/31/1994: 60% MSCI ACWI (Gross) / 40% Bloomberg Barclays US Universal Index, 6/1/1994 – Present: 60% MSCI ACWI IMI (Net) / 40% Bloomberg Barclays US Universal Index. Westwood retroactively replaced the benchmark on 4/1/2016 because the existing equity portion of the benchmark did not represent the effect of withholding taxes. Additional information regarding the benchmark change is available upon request. The MSCI ACWI Investable Market Index (IMI) captures large, mid and small cap representation across 23 developed markets and 23 emerging markets countries. The comparative index returns reflect the reinvestment of dividends and other earnings, are net of withholding taxes, and do not include any trading costs, management fees, or other expenses. The Bloomberg Barclays US Universal Index is an unmanaged market index consisting of US Dollar denominated taxable bonds that are rated either investment grade or high yield. Because the inception of the MSCI ACWI IMI (Net) is 6/1/1994, the MSCI ACWI (Gross) is used from 1/1/1993 – 5/31/1994.

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AGENDA

V. DISCUSSION ITEMS

- E. Opportunity for Committee members to provide feedback on the Finance Committee meeting or request potential future agenda items

VI. ADJOURNMENT