



## Westwood Launches Global ETF Aimed at Limiting Exposure to Authoritarian Regimes by Licensing TOBAM Index

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### Westwood LBRTY Global Equity ETF (BFRE) Seeks to Reduce Autocracy-Related Risks While Maintaining Broad Market Diversification

DALLAS, March 27, 2025 (GLOBE NEWSWIRE) -- [Westwood Holdings Group \(WHG\)](#), a publicly traded investment management boutique and wealth management firm, today announced the launch of the Westwood LBRTY Global Equity ETF (NYSE: BFRE). The latest [Westwood Exchange-Traded-Fund \(ETF\)](#) offers a distinctive, data-driven approach to global equity investing by seeking to limit exposure to authoritarian regimes while maintaining broad market exposure.

BFRE employs TOBAM's LBRTY methodology, an innovative approach that aims to generate performance by systematically reducing exposure to companies that can be subjected to the economically irrational, unpredictable and corrupt behavior of autocratic governments. This strategy aligns with investors who prioritize risk management and recognize the long-term economic benefits of investing in countries with strong institutions, civil liberties and rule of law.

BFRE takes a distinctive approach with the goal of reducing the unrewarded risks from countries with oppressive regimes and arbitrary rule while staying aligned with global market benchmarks. This strategy helps mitigate the impact of geopolitical risks and market volatility tied to countries operating under authoritarian rule.

Synthesizing multi-dimensional datasets from independent sources that measure global democracy, BFRE reduces the direct and indirect exposure to authoritarian countries, such as China and Russia. Unlike traditional exclusion-based strategies, this methodology provides a more comprehensive assessment than the simple removal of a country from the investable universe. The approach operates on two levels: at the country level, it excludes stocks listed in nations that lack democratic governance, an independent judiciary and strong civil liberties; at the stock level, it prioritizes companies listed in democratic countries with minimal reliance on authoritarian regimes.

The ETF is designed to provide broad market coverage by including global developed and emerging markets, offering a wider investment scope than many existing alternatives. This design simplifies investment allocation by reducing the need for multiple funds and strategies while providing a dynamic investment option.

"Investors are increasingly seeking solutions that solve for the interconnected nature of global economies. BFRE works to minimize direct and indirect exposure to authoritarian regimes while aligning with investor's goals and objectives. Traditional exclusion-based approaches often result in unintended exposures and uncompensated risks, whereas BFRE takes a more nuanced and comprehensive approach," said Greg Behar, Head of Managed Investment Solutions at Westwood. "By systematically assessing both direct and indirect ties to authoritarian regimes, BFRE offers investors a more precise and effective way to reduce exposure while maintaining a well-diversified, global equity portfolio."

Brian Casey, CEO of Westwood Holdings Group added: "BFRE is designed to offer investors a forward-thinking solution that helps mitigate exposure to the geopolitical risks tied to authoritarian regimes while ensuring alignment with global equity benchmarks. By leveraging TOBAM's proprietary LBRTY approach, we are providing a strategy that prioritizes financial resilience and democratic investment."

"Geopolitical risk is coming back with a vengeance, making this a dangerous time to be exposed to autocratic countries" said Yves Choueifaty, CEO of TOBAM and a pioneer in risk factor investing. "BFRE is backed by a wealth of academic research proving the economic superiority of democratic countries. It leverages this research to build sophisticated portfolios designed to improve the long-term risk-reward of our investors by mitigating their exposure to autocratic governments that are prone to destroy value creation."

TOBAM is an investment management firm running systematic approaches for leading asset owners since 2006. TOBAM is SEC-registered and invented the Diversification Ratio<sup>®</sup>, which is now part of the Chartered Financial Analyst (CFA) curriculum worldwide.

BFRE's methodology is rooted in TOBAM's extensive research, which highlights the long-term financial advantages of investing in democratic markets. Historical data indicates investors in countries with oppressive regimes and arbitrary rules are exposed to unrewarded risks and will underperform in the long run.

For more information on the Westwood LBRTY Global Equity ETF and other investment solutions offered by Westwood, please visit [westwoodetfs.com](#).

#### ABOUT WESTWOOD HOLDINGS GROUP, INC.

**Westwood Holdings Group, Inc.** (NYSE: WHG) is a boutique asset management firm that offers a diverse array of actively-managed and outcome-oriented investment strategies, along with white-glove trust and wealth services, to institutional, intermediary and private wealth clients. For over 40 years, Westwood's client-first approach has fostered strong, long-term client relationships due to our unwavering commitment to delivering bespoke investment strategies with a vehicle-optimized approach, exceptional counsel and unparalleled client service. Our flexible and agile approach to investing allows us to adapt to constantly changing markets, while continually seeking innovative strategies that meet our investors' short and long-term needs.

Our team at Westwood comes from varied backgrounds and life experiences, which reflects our origins as a woman-founded firm. We are committed to incorporating diverse insights and knowledge into all aspects of our services and solutions. Our culture and approach to our business reflect our core values—integrity, reliability, responsiveness, adaptability, flexibility and collaboration—and underpin our constant pursuit of excellence. For more information on Westwood, please visit [westwoodgroup.com](#)

#### ABOUT TOBAM

TOBAM is an asset management company offering innovative capabilities designed to maximize the benefits of scientific research to build efficient investment exposures. TOBAM's expertise relies on 3 core pillars:

- TOBAM's Maximum Diversification<sup>®</sup> approach, supported by original, patented research and a mathematical definition of diversification, provides clients with diversified core exposure, in equity and fixed income markets.
- TOBAMSolutions<sup>®</sup>, a research driven division, dedicated to building customized solutions and services for sophisticated institutional investors.
- A LBRTY<sup>®</sup> strategy, which aims to help investors substantially mitigate their exposure to autocratic regimes in their portfolio.
- In line with its mission statement and commitment to diversification, TOBAM also launched a satellite activity (CRYPTOBAM<sup>®</sup>) on cryptocurrencies in 2017.

For more information, please visit [www.tobam.fr](#) or [tobamdirect.com](#)

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#### Important Disclosures

Westwood ETFs are distributed by Northern Lights Distributors, LLC (Member FINRA). Northern Lights Distributors and Westwood ETFs (or Westwood Holdings Group, Inc.) are separate and unaffiliated.

To determine if this Fund is an appropriate investment for you, carefully consider the Fund's investment objectives, risk factors, charges and expenses before investing. This and other information can be found in the Fund's prospectus, which may be obtained by calling 800.994.0755. Please read the prospectus carefully before investing.

#### Important Risks

The Fund is newly formed and has no operating history.

As with any mutual fund or ETF, there is no guarantee that the Fund will achieve its investment objectives. You could lose money by investing in the Fund. Many factors influence a fund's performance. An investment in the Fund is not intended to constitute a complete investment program and should not be viewed as such. All securities investing and trading activities risk the loss of capital.

Diversification does not ensure a profit or guarantee against loss.

While the shares of ETFs are tradeable on secondary markets, they may not readily trade in all market conditions and may trade at significant discounts in periods of market stress. ETFs trade like stocks, are subject to investment risk, fluctuate in market value and may trade at prices above or below the ETF's net asset value. Brokerage commissions and ETF expenses will reduce returns.

The Fund is not "actively" managed. Therefore, it would not generally sell a security because the security's issuer was in financial trouble unless that security is removed from the Underlying Index. As a result, the Fund's performance could be lower than funds that actively shift their portfolio assets to take advantage of market opportunities or lessen the impact of a market decline or a decline in the value of one or more issuers. The Fund will not take defensive positions under any market conditions, including in declining markets.

The risks associated with investing in equity securities of companies include the financial and operational risks faced by individual companies, the risk that the stock markets, sectors and industries in which the Fund invests may experience periods of turbulence and instability, and the general risk that domestic and global economies may go through periods of decline and cyclical change.

The Fund's return may not track the return of the Underlying Index. The Fund's return may differ from the return of the Underlying Index as a result of, among other things, pricing differences (including differences between a security's price at the local market close and the Fund's valuation of a security at the time of calculation of the Fund's net asset value ("NAV")) and the inability to purchase certain securities included in the Underlying Index due to regulatory or other restrictions.

The Fund seeks to achieve returns that generally correspond, before fees and expenses, to the performance of the Index, as published by the Index Provider. There is no assurance that the Index Provider will compile the Index accurately, or that the Index will be determined, composed or calculated accurately.

Investments in foreign issuers and foreign securities (including depositary receipts) are subject to additional risks, including political and economic risks, unstable governments, civil conflicts and war, greater volatility, decreased market liquidity, expropriation and nationalization risks, sanctions or other measures by the United States or other governments, currency fluctuations, higher transaction costs, delayed settlement, possible foreign controls on investment, liquidity risks and less stringent investor protection and disclosure standards of foreign markets.

The Fund is classified as "diversified" under the 1940 Act. However, the Fund may operate as a "non-diversified" fund, as defined by the 1940 Act, to the approximate extent the Underlying Index is non-diversified. The Fund may, therefore, operate as a non-diversified fund solely as a result of a change in the relative market capitalization or index weighting of one or more constituents of the Underlying Index. A non-diversified fund may invest a greater percentage of its assets in a particular issuer or group of issuers than a diversified fund would, which may result in the Fund's Shares being more sensitive to economic results of those issuing the securities. The value of the Fund's Shares may also be more volatile than the value of a fund which invests in more securities.



Source: Westwood Holdings Group Inc