Westwood Announces Revolutionary Sensible Fees™ to Change the Probability of Winning for Active Investors

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Zero-Based and IR-Based Sensible Fees™ are designed to solve the fee problem with the goal of leveling the playing field for active investors in efficient asset classes like U.S. Large Cap

DALLAS, March 28, 2019 (GLOBE NEWSWIRE) -- Westwood Holdings Group, Inc. (NYSE: WHG), a leading investment manager to institutional investors, private wealth clients and financial intermediaries, today announced the launch of Westwood Sensible Fees™, a simple and innovative fee structure that is part of a new product initiative to solve the fee problem in efficient asset classes, particularly in U.S. Large Cap. Detailed in Westwood's latest whitepaper, *Mission [Possible]: Changing the Probability of Winning for Active Investors*, Sensible Fees™ combine a zero or passive-like base fee plus a linear fee directly linked to risk-adjusted outperformance *only* when it is earned. Sensible fees™ are offered using two different options, both integrating built-in guardrails designed to deliver the majority of value-added returns back to investors by negating unnecessary or uncompensated risk-taking in pursuit of performance fees.

"We believe Westwood's Zero-Based Sensible Fees™ are an efficient way to eliminate beta fees altogether and align manager compensation with outperformance only when a favorable outcome is achieved," said Phil DeSantis, CFA, SVP, Head of Product Management at Westwood. "Westwood's IR Sensible Fees™ are an industry first," continued DeSantis, "and take scrutiny to the highest level while aligning fees with the value-added return over the benchmark as well as active risk."

"Fees in efficient asset classes should reflect the market rate for beta at a low cost, while aligning active fees to solve for the probability of outperformance and favorable outcomes," DeSantis added.

This new, innovative approach will be offered initially in conjunction with Westwood's "best ideas" high-conviction LargeCap Select strategy, which is built on a 35-year-old investment process and maintains a five- year track record. By combining a high active share strategy, with a proven track record and Sensible Fees™ structure, we aim to change the probability of winning in the U.S. Large Cap asset class. Sensible Fees™ will initially be offered to institutional investors via separately managed accounts and eligible retail investors via SMAs.

Steve Paddon, SVP, Head of Distribution, noted, "The industry is primed for a major disruptor like Sensible Fees™ — a fee structure that will better reflect the valued-added returns of active management by creating better fee symmetry in an efficient asset class that can serve as a catalyst for investors and, in turn, radically change manager selection and asset allocation decisions."

About Westwood
Westwood Holdings Group, Inc. provides investment management services to institutional investors, private wealth clients and financial intermediaries. The firm has $16.6 billion in assets under management, of which $3.0 billion are in values-based and socially responsible investment mandates as of Dec. 31, 2018. Westwood offers a range of investment strategies including U.S. equities, Multi-Asset, Emerging Markets equities, Global Convertible securities and Master Limited Partnerships (MLPs) portfolios. Access to these strategies is available through separate accounts, the Westwood Funds® family of mutual funds, UCITS funds and other pooled vehicles. Westwood benefits from significant, broad-based employee ownership and trades on the New York Stock Exchange under the symbol "WHG." Based in Dallas, Westwood also maintains offices in Toronto, Boston and Houston.

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