Westwood Evolves Sensible Fees™ Platform to include Goals-Based Option

September 10, 2019

Westwood's Goals-Based Sensible Fees framework was developed in alignment with our pension, endowment and foundation clients' custom target return goals in mind. With this model, Westwood is disaggregating fixed fees for fiduciary services paired with a flexible investment fee when it aligns with a favorable outcome.

DALLAS, Sept. 10, 2019 (GLOBE NEWSWIRE) -- Westwood Holdings Group, Inc. (NYSE: WHG), a leading investment manager to institutional investors, private wealth clients and financial intermediaries, launched Sensible Fees™ earlier in the year using a simple and innovative approach to help solve the fee problem and level the playing field versus ETFs in U.S. Large Cap. Today, Westwood is expanding the franchise for investors with total return or funding goals, specifically small pension funds, private foundations or endowments.[1]Westwood, through its Wealth Management division, which includes Westwood Trust, is offering Goals-Based Sensible Fees™ for its Enhanced Balanced® product for portfolios that are $10M or greater. The Sensible Fees™ platform is available via separately managed accounts to institutional investors and through our intermediary channel. The Goals-Based Sensible Fees program combines a low 20 basis point flat annual base fee for fiduciary and advisory services with a variable investment fee of 10% of total returns when positive total returns are achieved. Total fees for all services will be capped at 1%.

"We believe this is a game-changer in what we expect to be a low-return and low-interest-rate environment, especially at this point in the market cycle. Clients have been struggling for some time now to meet or exceed their plan funding or total return requirements," commented Porter Montgomery, President of Westwood Wealth Management in Dallas, Texas. "If these challenges persist, they will continue to have material implications long term. For example, in the case of a pension plan, the plan often requires a 7-8% rate of return in order to maintain a funding pool from which to pay its retirees each month. Unfortunately, pension plans have struggled with this, despite being in a 10-year bull market," he said. "It's very much the same with a private foundation. These clients are generally trying to achieve a 5% spending profile in order to fund their programs."

"We are building the Sensible Fees™ franchise across an array of strategies and solutions. By combining our Enhanced Balanced® strategy with Goals-Based Sensible Fees™, we believe we can give smaller plans an edge in the marketplace. Essentially, the investor will have more transparency into the cost of the fiduciary services and pay an additional fee for investment management only when it aligns with a favorable outcome," said Phil DeSantis, CFA, SVP, Head of Product Management at Westwood. "We believe Westwood's Goal-Based Sensible Fees™ are an industry first for smaller plans," continued DeSantis, "adding a level of transparency and fee alignment that can give investors an asymmetric advantage vs. a fixed fee structure to address the implications of more challenging market conditions."

About Westwood
Westwood Holdings Group, Inc. provides investment management services to institutional investors, private wealth clients and financial intermediaries. The firm has $15.4 billion in assets under management, of which $2.3 billion are in values-based and socially responsible investment mandates as of June 30, 2019. 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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[1] Plans subject to ERISA must generally have total plan assets of $50 million or more.

Source: Westwood Holdings Group Inc