



Westwood[®]

Investing Where It Counts

Investor Relations Presentation

As of September 30, 2018

Westwood | Firm Overview

Our mission is to exceed client expectations through exceptional performance and ethical conduct.

Multi-Investment Team Structure

U.S. Value
Global and Emerging Markets Equities
Global Convertible Securities



Deep, Experienced Investment Staff

Over 50 investment professionals

Employee Ownership Culture

Employees and directors own equity, totaling approximately 21%;³ no employee owns more than 5%

Thoughtful Growth Strategy

Carefully manage capacity of investment strategies

Institutional
Mutual Funds
Wealth Management

Overview¹

Founded | 1983

AUM | \$20.8 B

Employees | 175

Publicly Listed | NYSE: WHG 2002



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, Westwood Advisors, LLC, and Westwood International Advisors Inc.

²Selection criteria based 25% on corporate application and 75% on anonymous employee questionnaires within the “100-499 employees” category. Awarded on December 11, 2017.

³ As of March 05, 2018



Separately Managed Accounts

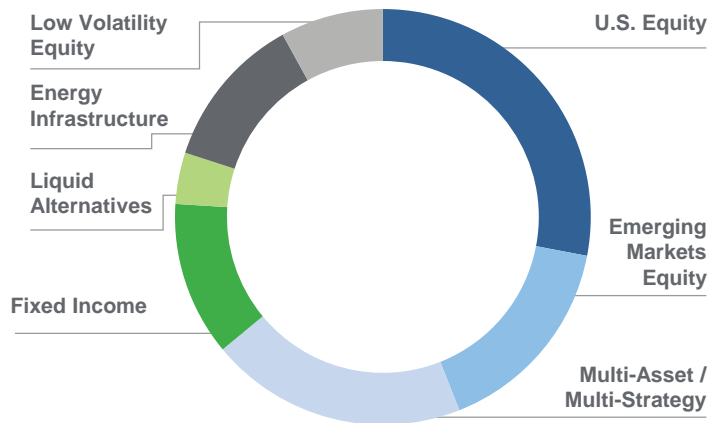
Commingled Funds

Mutual Funds

UCITS

Our Strategies

AUM: \$20.8B*



U.S. Equity

- AllCap Value
- AllCap Growth
- Concentrated LargeCap Value
- LargeCap Value
- SmallCap Value
- SMidCap Value
- SMidCap Plus

Emerging Markets Equity

- Emerging Markets
- Emerging Markets Plus
- Emerging Markets SMidCap
- International Equity

Multi-Asset / Multi-Strategy

- Income Opportunity
- Worldwide Income Opportunity
- Multi-Asset High Income
- Select Equity
- Enhanced Balanced

Fixed Income

- Opportunistic High Yield
- Short Duration High Yield
- Custom Solutions

Liquid Alternatives

- Market Neutral Income

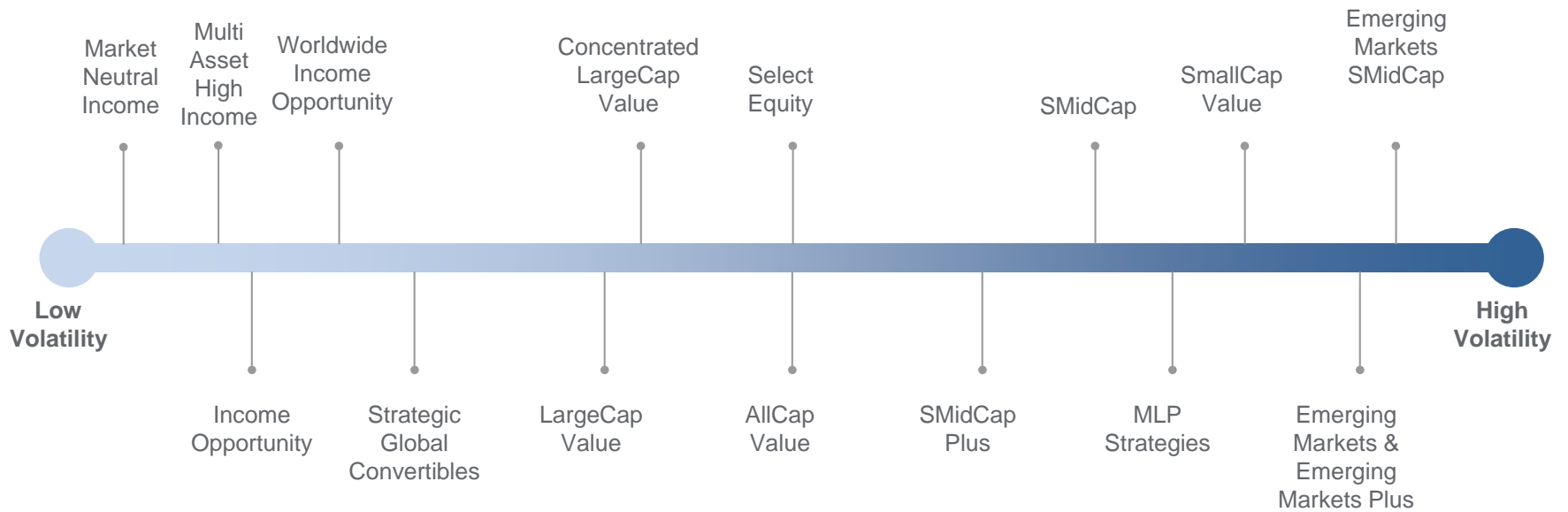
Energy Infrastructure

- MLP Infrastructure Renewal
- MLP Opportunities
- MLP and Strategic Energy

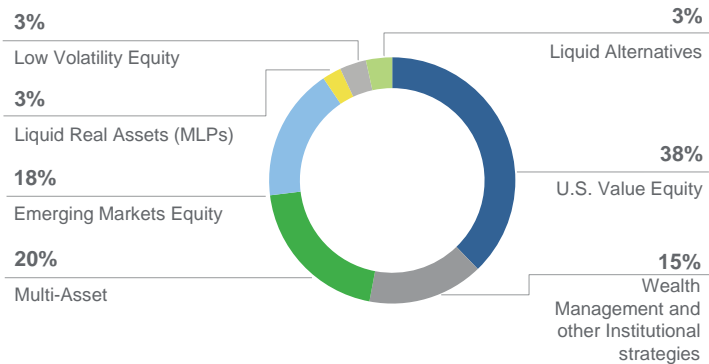
Low Volatility Equity

- Strategic Global Convertibles
- Low Volatility Equity

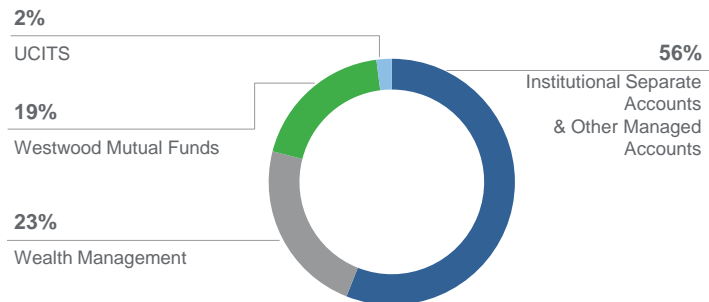
*As of 9/30/2018. Reflects AUM of strategies offered through Westwood Management Corp., Westwood International Advisors Inc., Westwood Trust and Westwood Advisors LLC combined.



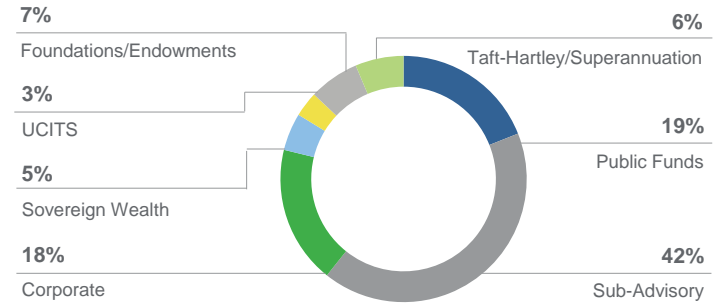
STRATEGY BREAKDOWN



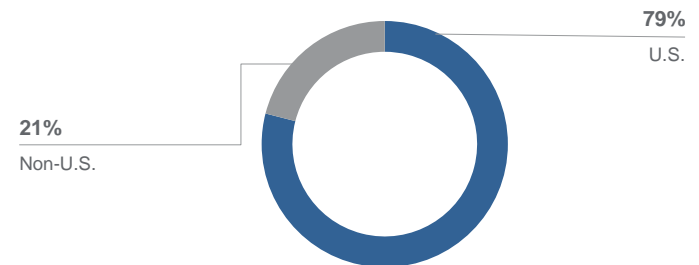
ASSETS BY ACCOUNT TYPE



INSTITUTIONAL CLIENT TYPE



ASSETS BY CLIENT DOMICILE

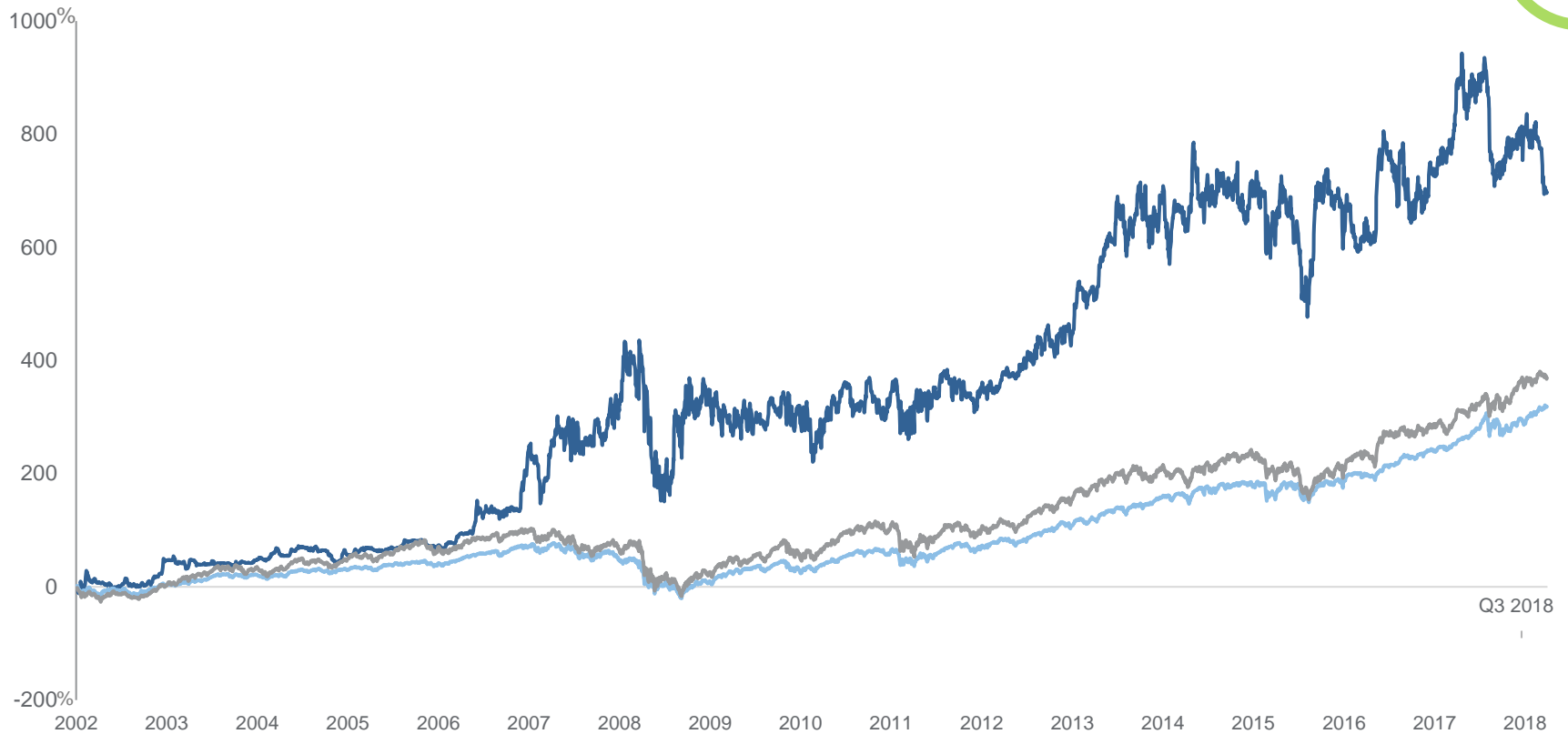


Percentages in the Strategy Breakdown, Assets by Account Type, and Assets by Client Domicile charts are based upon firm-wide assets under management as of September 30, 2018. Percentages in the Institutional Client Type chart are based upon the combined assets under management of Westwood Management Corp. and Westwood International Advisors Inc. only, less assets managed for private individuals, investment LLCs, managed accounts, and collective investment trusts.



Current Yield 6.5%*

Total Shareholder Return Comparison



Source: Bloomberg, daily data from 7.1.02 to 9.30.18
*Current yield as of October 23, 2018

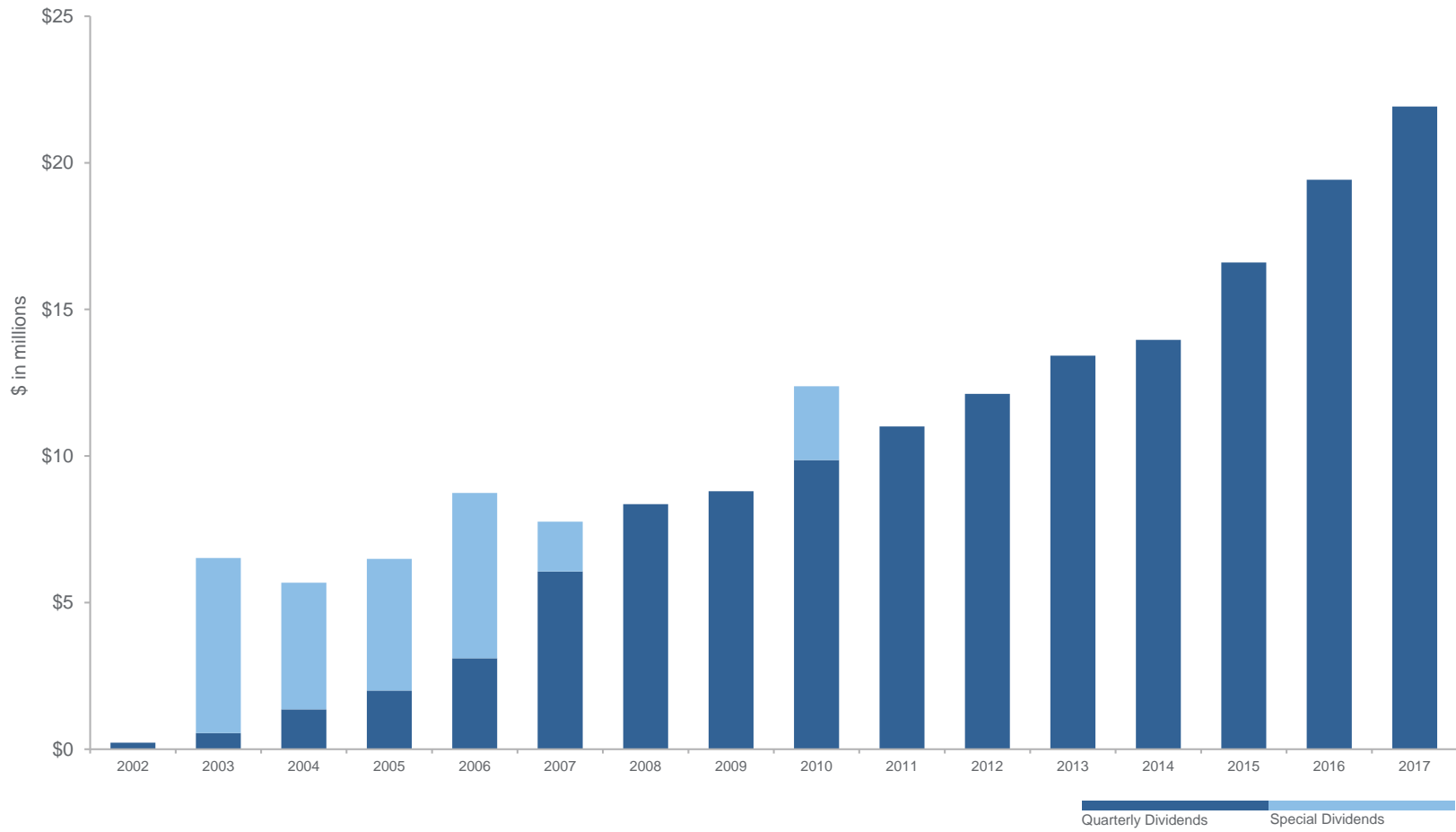
Westwood Holdings Group, Inc. – Total Return
Russell 2000 (TR) – Total Return
S&P 500 (TR) – Total Return

Past performance is not indicative of future results.



Annual Dividends

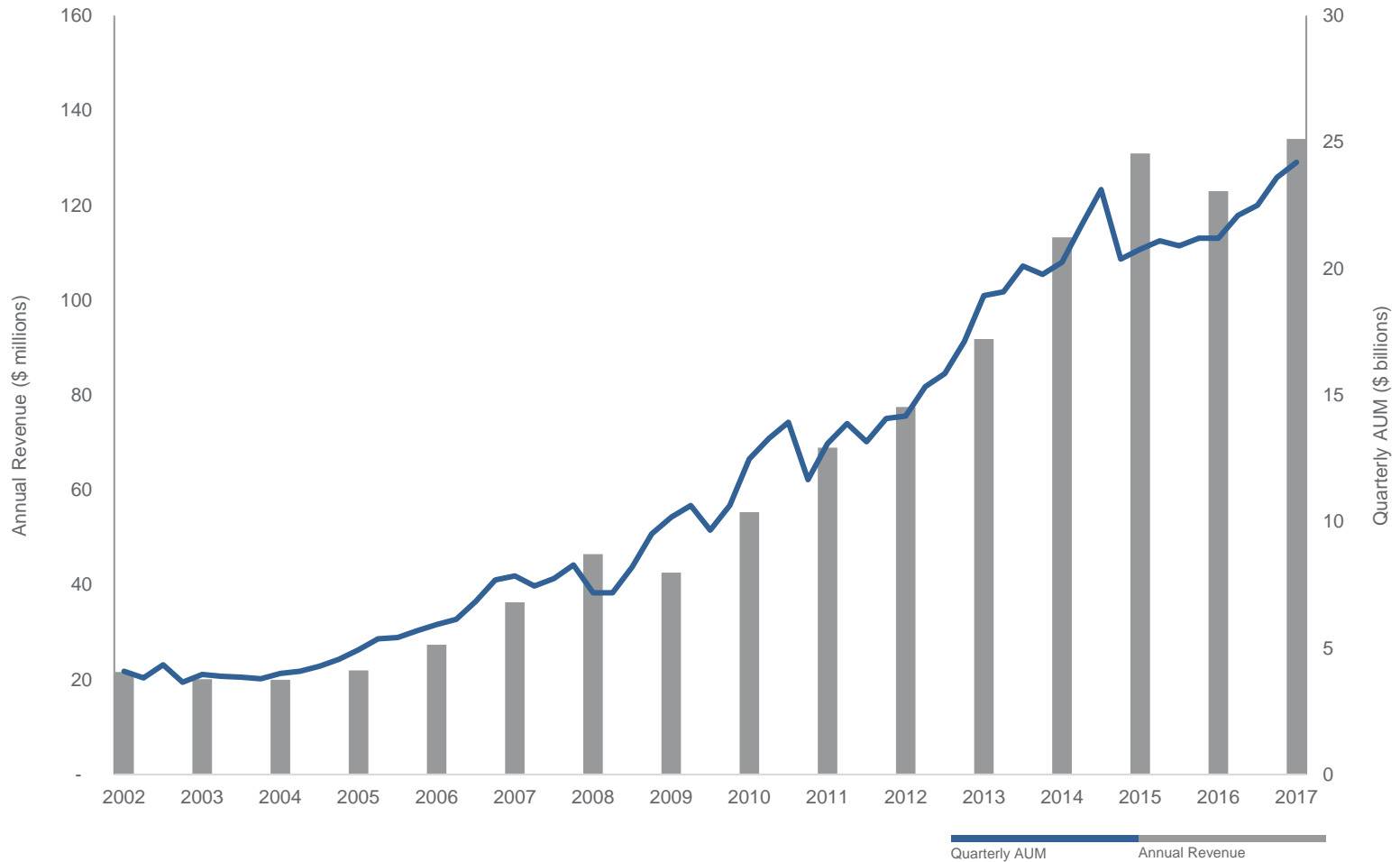
Over \$165 million of dividends paid out from 2002 to 2017



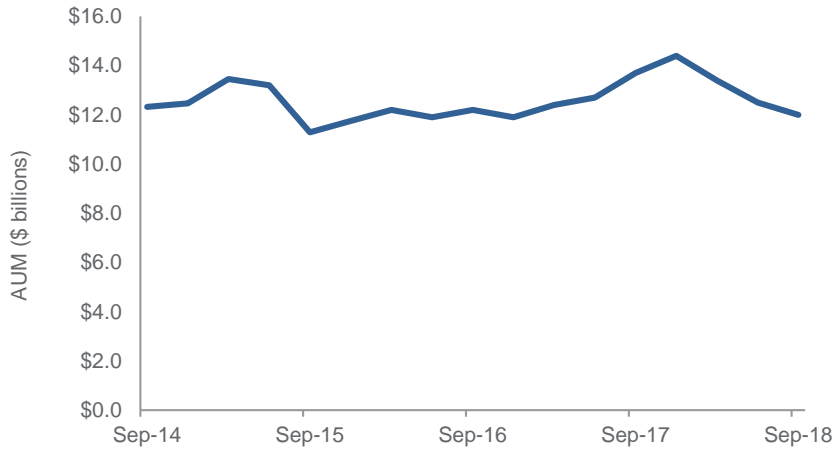
As of December 31, 2017.



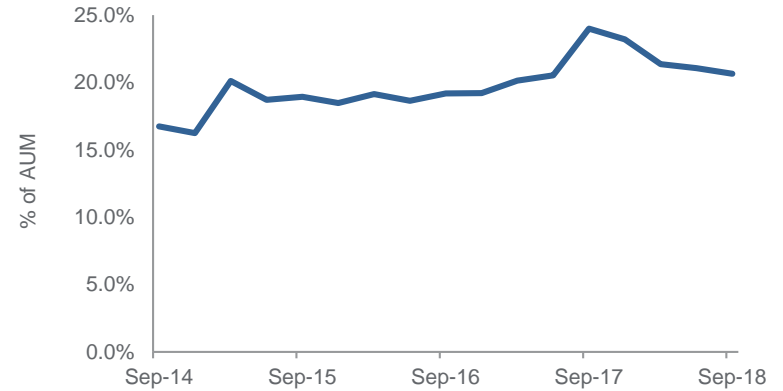
Westwood Growth in Revenues and Assets Under Management



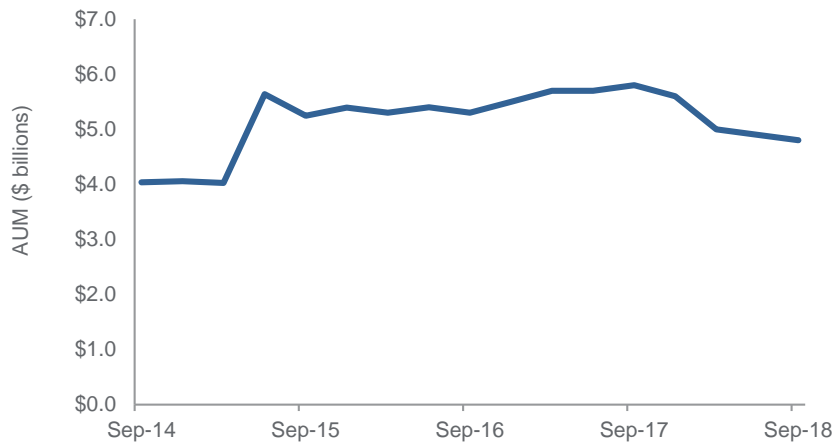
Institutional AUM



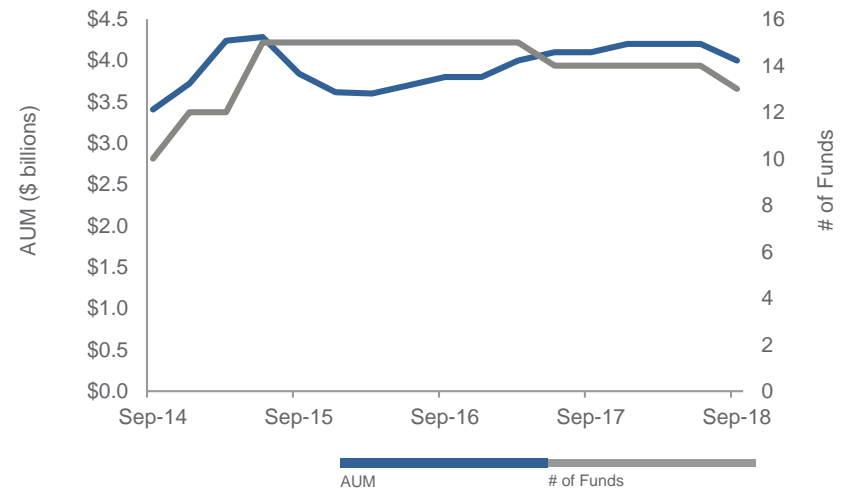
Non-U.S. Client Assets



Wealth Management AUM



Mutual Funds AUM



Please see mutual fund disclaimer in the Disclosures section of this presentation.
As of September 30, 2018



OUR EMPLOYEES:
**THE BUILDING BLOCKS
OF OUR SUCCESS.**



FOUR-PEAT



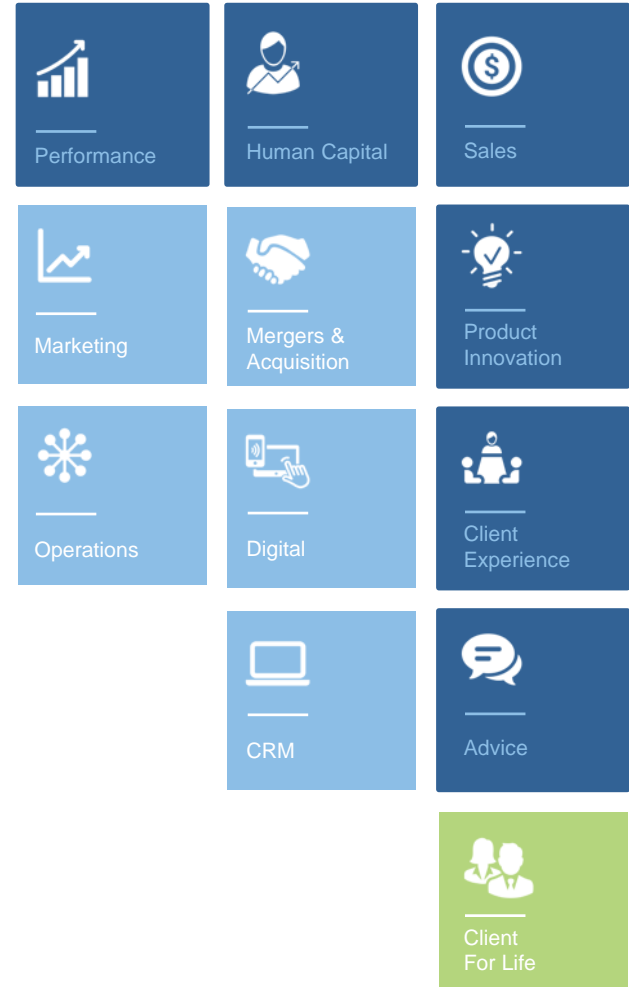
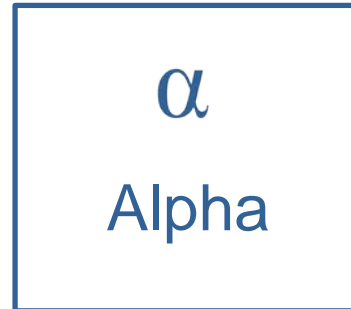
At Westwood, **we are fiercely committed** to our culture and putting clients first. We are so proud to be recognized by P&I as a top place to work for the fourth year in a row.



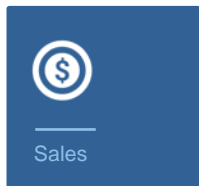
Strategic Focus | Executive Overview



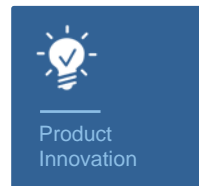
- Distribution “alpha” focused on differentiating our value proposition from pre-sale to cross-sale transcending performance cycle.
- Product innovation “alpha” focused on developing more outcome-oriented, non-commoditized strategies to offset fee compression.
- Apply transformational technology “alpha” across the enterprise to drive deeper customer engagement, data, operational efficiency, client experience, regulatory and reporting.
- Continue to transform our wealth management model focused on planning & advice. Develop a robust digital client experience, and segmentation models, based on generation and level of wealth.



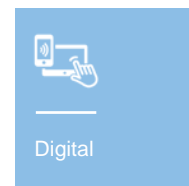
2019 growth objectives are highly focused on sales execution across our high-conviction equity and outcome-oriented investment solutions.



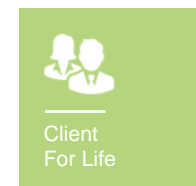
- Small Cap Value
- Emerging Markets
- Multi-Asset
- Concentrated LargeCap Value
- Tax-Managed
- Global Convertibles



- Expand multi-asset product & capabilities across channels
- Commercialize our high conviction brand of active management
- Evaluate and rationalize current products to ensure available suite is competitive and positioned to grow future sales



- Enhance Automation / Efficiency across the enterprise
- Complete migration to InvestCloud through digitizing our front office applications, portfolio accounting systems, performance measurement and client reporting



- Shift from a pure investment management focus to a goals-based approach where financial planning plays a more central role addressing complexities across segments including UHNW and HNW segments
- Model multi-generational segmentation strategy across all levels of wealth



Financial | Highlights



“Our U.S. Value products performed very well, with solid security selection driving outperformance, as high-quality companies were rewarded.”

Assets Under Management

- Total AUM of \$20.8 billion and AUA of \$268 million at September 30, 2018

Investment Strategies

- Our Emerging Markets and Emerging Markets SMid strategies delivered top decile peer rankings, and our LargeCap Value and Emerging Markets Plus strategies achieved top quartile peer rankings.
- Nearly all of our U.S. Value and Emerging Markets strategies beat their primary benchmarks for the quarter.

Operating Results

- Total revenues of \$29.9 million for Q3 2018
- Net income of \$5.4 million and Economic Earnings of \$9.5 million¹ for Q3 2018

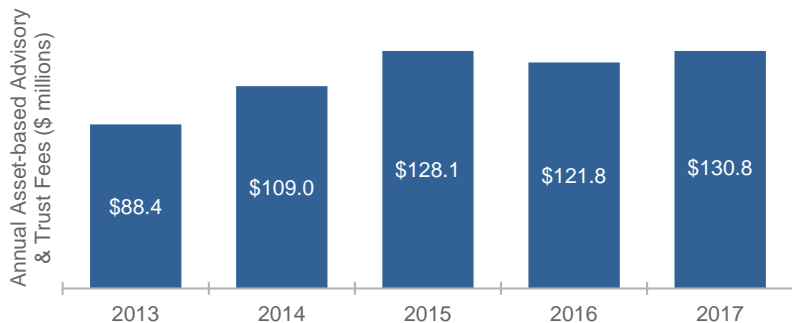
Capital Management

- Quarterly dividend of \$0.72 per share declared in October 2018, at a current yield of 6.5%²
- Liquid cash and investments of \$119.1 million at September 30, 2018

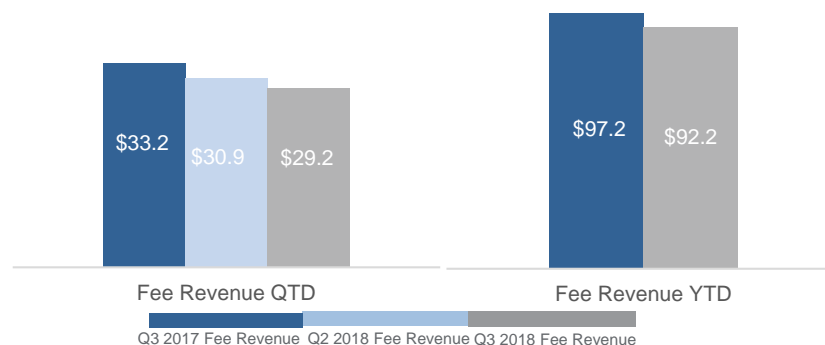
1. See the Reconciliation of Net Income to Economic Earnings on slide 17 of this presentation.
2. As of October 23, 2018



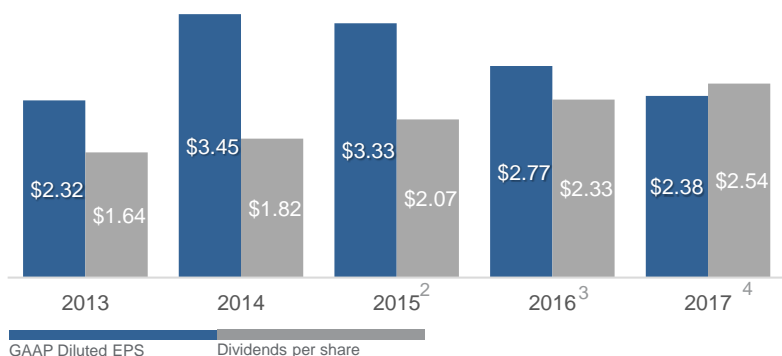
Fee Revenue¹ - Historical



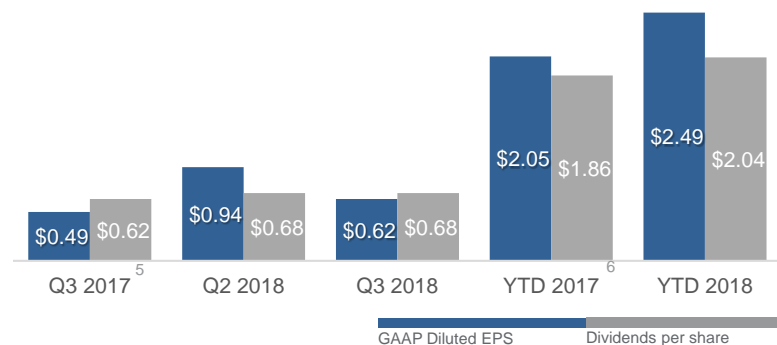
Fee Revenue¹ - QTD and YTD



Earnings and Dividends Per Share - Historical



Earnings and Dividends Per Share - QTD and YTD



1. Asset-based fee revenue, excluding performance fees.

2. 2015 GAAP Diluted EPS includes a \$0.10 negative tax adjustment and an \$0.08 non-cash compensation charge, net of taxes.

3. 2016 GAAP Diluted EPS includes a \$0.16 one-time information technology implementation costs charge, net of taxes.

4. 2017 GAAP EPS includes a \$0.30 one-time legal settlement charge, net of insurance recovery and taxes, and a \$0.40 incremental income tax expense related to tax reform.

5. 3Q 2017 GAAP EPS includes a \$0.30 one-time legal settlement charge, net of insurance recovery and taxes.

6. YTD 2017 GAAP EPS includes a \$0.31 one-time legal settlement charge, net of insurance recovery and taxes.



Reconciliation of **Net Income to Economic Earnings**

We are providing a performance measure that we refer to as Economic Earnings. Both our management and Board of Directors review Economic Earnings to evaluate our ongoing performance, allocate resources and determine our dividend policy. We also believe that this performance measure is useful for management and investors when evaluating our underlying operating and financial performance and our available resources. We do not advocate that investors consider these non-GAAP measures without also considering financial information prepared in accordance with GAAP.

We define Economic Earnings as net income plus non-cash equity-based compensation expense, amortization of intangible assets and deferred taxes related to goodwill. Although depreciation on fixed assets is a non-cash expense, we do not add it back when calculating Economic Earnings because depreciation charges represent an allocation of the decline in the value of the related assets that will ultimately require replacement. In addition, we do not adjust Economic Earnings for tax deductions related to restricted stock expense or amortization of intangible assets.

The following table provides a reconciliation of net income to Economic Earnings for the three months ended September 30, 2018 (\$ thousands):

	9/30/2018
Net Income	\$ 5,368
Add:	
Stock Based Compensation Expense	3,695
Intangible Amortization	419
Tax Benefit from Goodwill Amortization	59
Economic Earnings	\$ 9,541

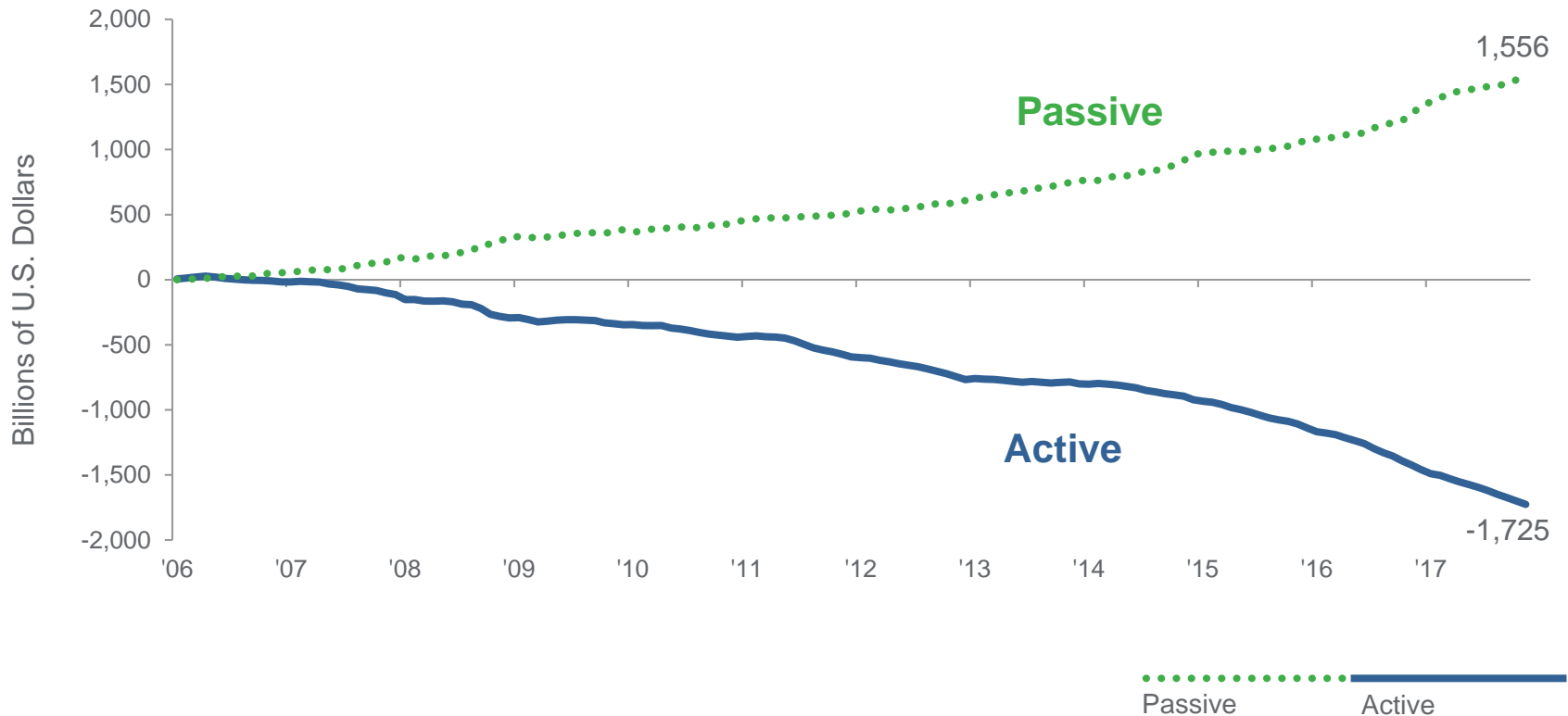


Appendix



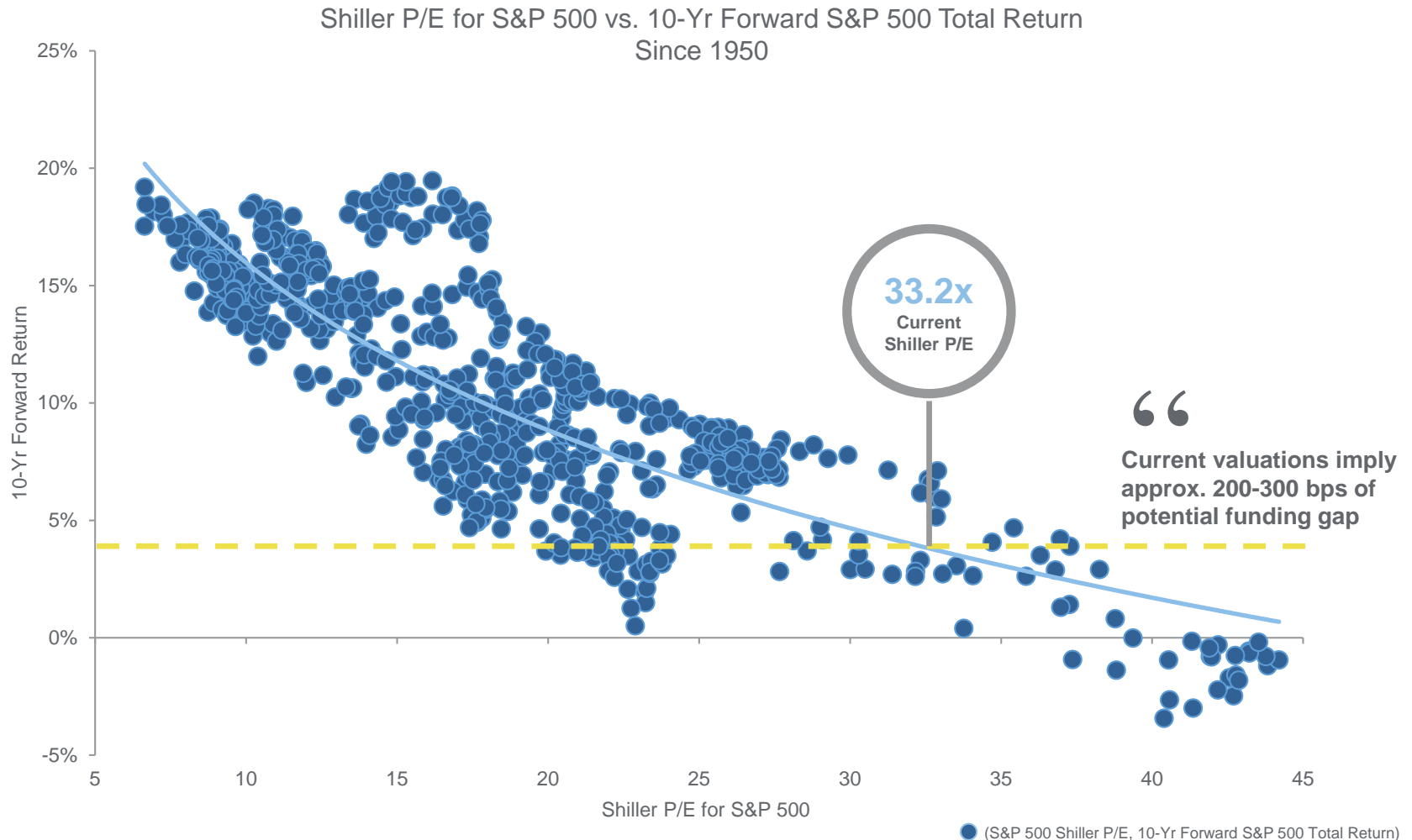
The Shift from Active to Passive **Continued in 2017**

Flows from Active to Passive Funds in U.S. Equities



The Challenge | The Need for Alpha May be Greater in Future Periods

Alpha may appear more attractive going forward at current valuation levels in a low return environment.

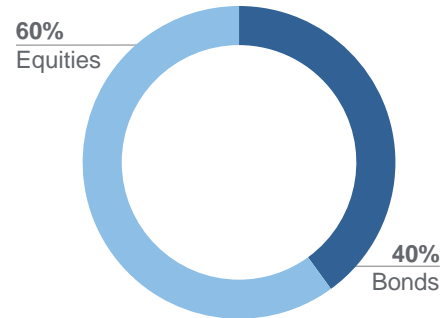


Source: Strategas Research Partners, as of 9/30/2018. Shiller P/E ratio is based on average inflation-adjusted earnings from the previous 10 years.

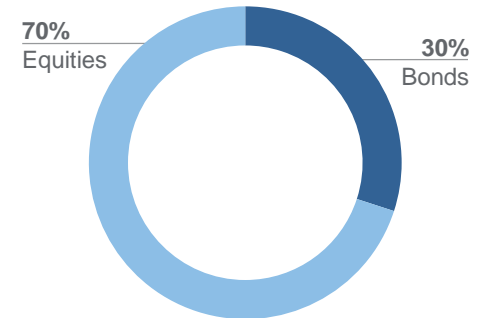


Westwood Insights | The Need for Alpha May be Greater in Future Periods

60/40 Allocation



70/30 Allocation

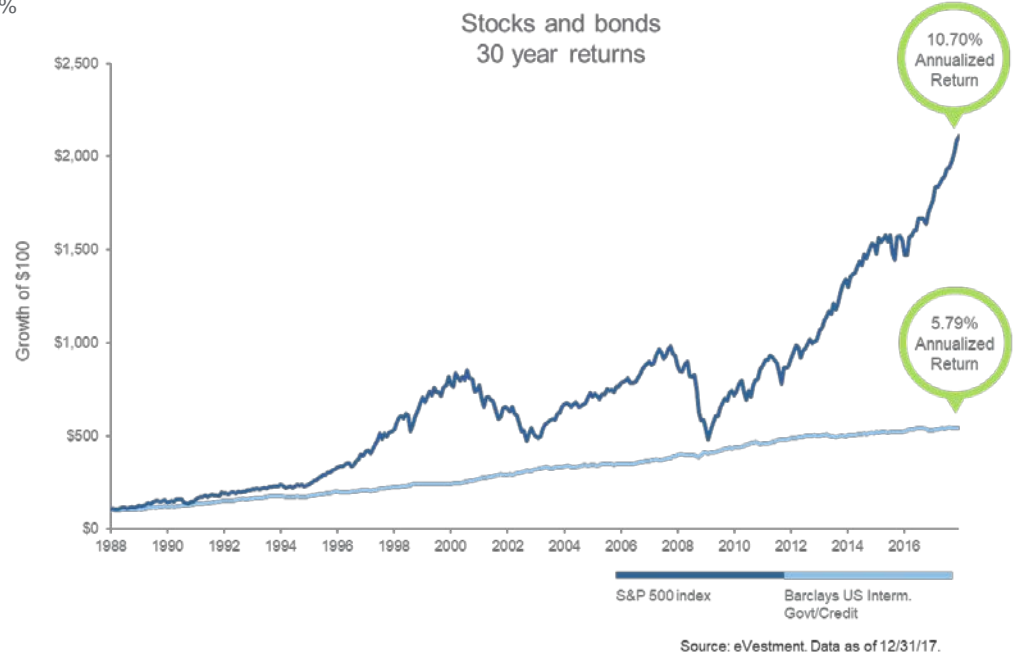
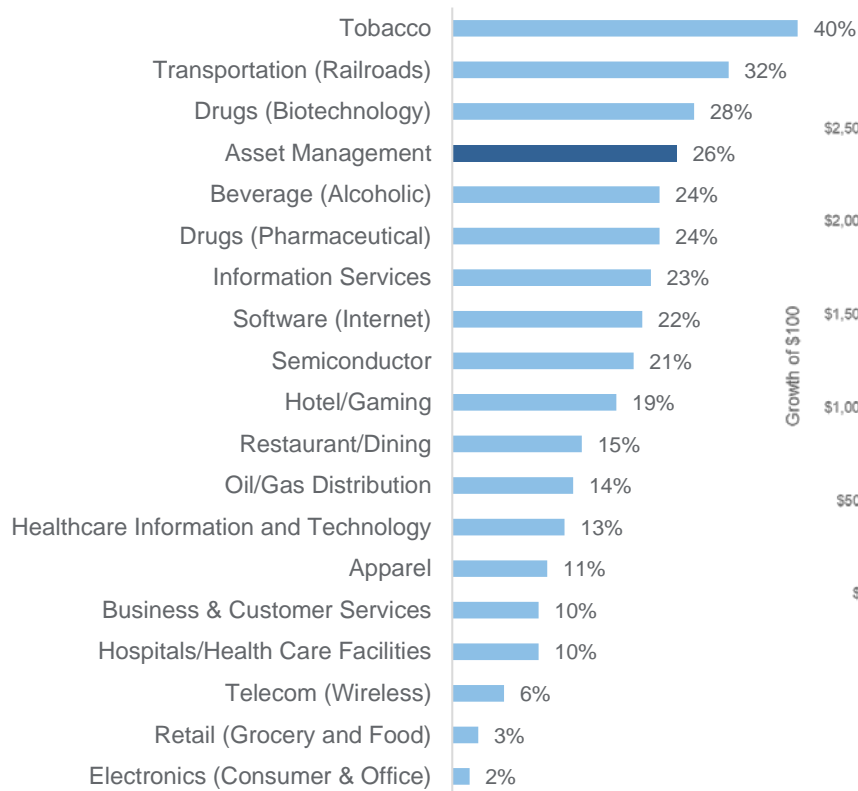


Historical bond returns (1982-2017)	7.86%	7.86%
Expected bond returns - intermediate term / up to 10 years	2.7 – 3.5%	2.7 – 3.5%
Expected annual impact on strategic policy	-1.7 to -2.1%	-1.3 to -1.6%
Cumulative impact / potential funding gap over next 10 years	-16.1 to -19.0%	-12.3 to -14.6%

Source: Historical bond returns from 1982-2017 represented by the Bloomberg Barclays US Aggregate Bond Index – Data from FactSet. Past performance is not indicative of future results. Expected bond returns from eVestment's 2018 Public Plan IQ report titled "Capital Market Assumptions: 10 Consultant Outlooks". The expected range quoted represents the minimum and maximum return percentages for 'core bonds' that were collected from participating consultants.



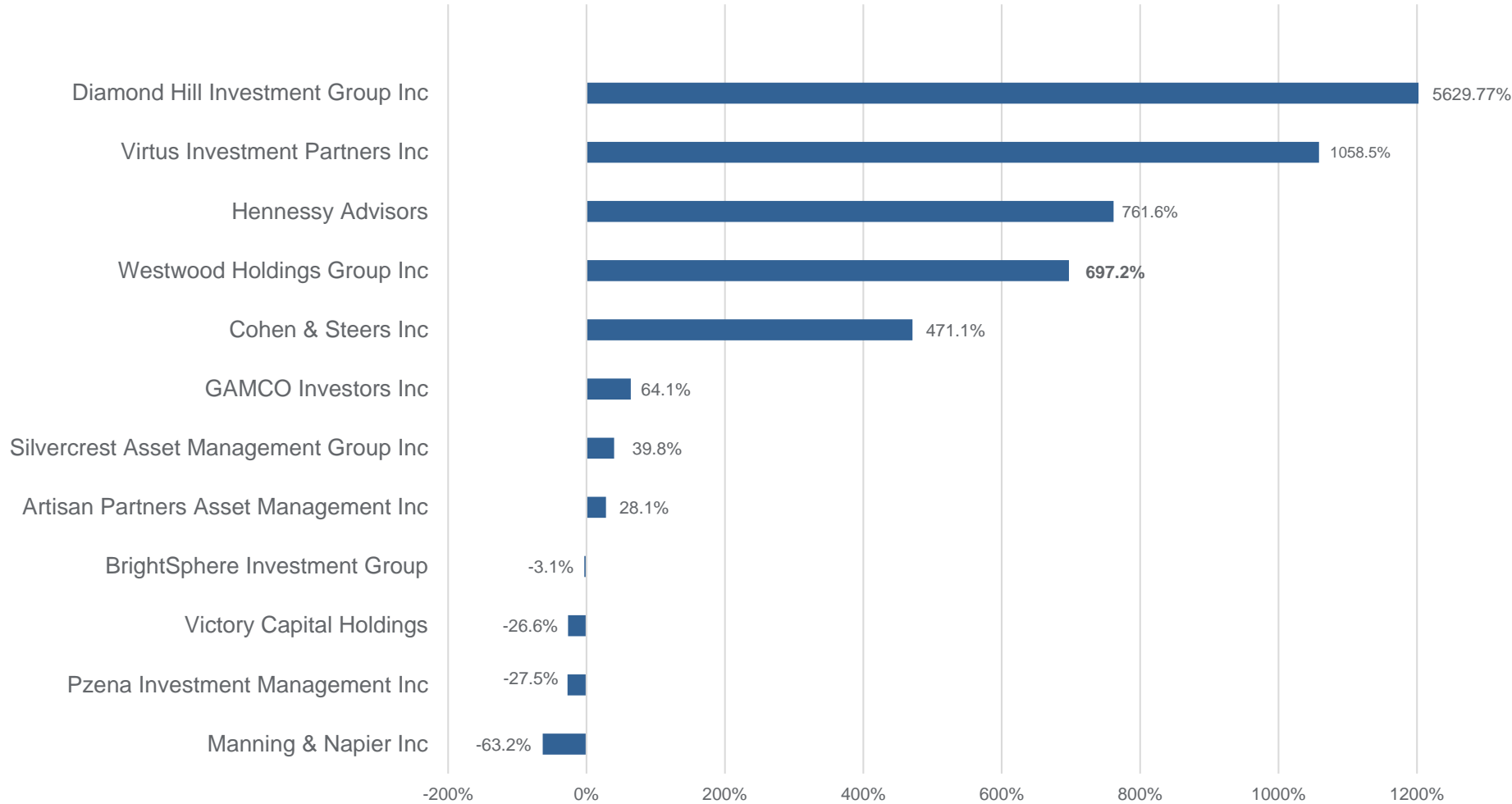
Operating Margins by Industry



Source: J.P. Morgan Asset Management; NYU Stern School of Business analysis on U.S. industry profit margins as of 1/5/17; PwC AWM Research Center analysis; Brookings Institute Global Economy and Development report
¹ AM peer group including JPM AM, BLK, IVZ, BEN, TROW, UBS AM, CS AM, BK, MS and STT



Total Return Since 2002 Westwood Spin-off



As of September 30, 2018

Source: Bloomberg

Past performance is not indicative of future results.



Westwood | Forward Looking Statements

Statements in this presentation that are not purely historical facts, including, without limitation, statements about our expected future financial position, preliminary estimates, results of operations or cash flows, as well as other statements including, without limitation, words such as “anticipate,” “believe,” “plan,” “estimate,” “expect,” “intend,” “should,” “could,” “goal,” “may,” “target,” “designed,” “on track,” “comfortable with,” “optimistic” and other similar expressions, constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Actual results and the timing of some events could differ materially from those projected in or contemplated by the forward-looking statements due to a number of factors, including, without limitation, those set forth below:

- the composition and market value of our assets under management;
- regulations adversely affecting the financial services industry;
- competition in the investment management industry;
- our assets under management includes investments in foreign companies;
- our ability to develop and market new investment strategies successfully;
- our relationships with current and potential customers;
- our ability to retain qualified personnel;
- our ability to perform operational tasks;
- our ability to maintain effective cyber security;
- our ability to identify and execute on our strategic initiatives;
- our ability to select and oversee third party vendors;
- our ability to maintain effective information systems;
- litigation risks;
- our ability to properly address conflicts of interest;
- our ability to maintain adequate insurance coverage;
- our ability to maintain an effective system of internal controls;
- our ability to maintain our fee structure in light of competitive fee pressures;
- our relationships with investment consulting firms; and
- the significant concentration of our revenues in a small number of customers.

Additional factors that could cause our actual results to differ materially from our expectations are discussed under the section entitled “Risk Factors” in our Form 10-K for the year ended December 31, 2017 and our quarterly report on Form 10-Q for the quarters ended March 31, 2018, June 30, 2018 and September 30, 2018 which together with our other filings can be viewed at www.sec.gov. You should not unduly rely on these forward-looking statements. Except as required by law, we are not obligated to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of this investor presentation or to reflect the occurrence of unanticipated events or otherwise.



Mutual Fund **Disclaimer**

To determine if a mutual 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 1.877.FUND.WHG, or by visiting our website at www.westwoodfunds.com. Read the prospectus carefully before investing or sending money.

The Westwood Funds® are distributed by SEI Investments Distribution Co., which is not affiliated with the Adviser.

Mutual fund investing involves risk, including possible loss of principal. There can be no assurance that the Fund will achieve its stated objective, which can be found in the prospectus, or that of the strategy.

U.S. Value and Income Funds (I-Shares)

Name	Symbol
LargeCap Value	WHGLX
SMidCap	WHGMX
SMidCap Plus	WHGPX
SmallCap	WHGSX
Low Volatility Equity	WLVIX
MLP and Strategic Energy	WMLPX
Income Opportunity	WHGIX
Worldwide Income Opportunity	WWIOX
Market Neutral Income	WMNIX
Short Duration High Yield	WHGHX
Opportunistic High Yield	WWHYX

Global and Emerging Markets Equity Funds (I-Shares)

Name	Symbol
Emerging Markets	WWEMX
Strategic Convertibles	WSCIX





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WHG
LISTED
NYSE