



Westwood[®]

Investing Where It Counts

Investor Relations Presentation

As of September 30, 2019

Overview



Investing Where It Counts

Our commitment to investment excellence transcends our investment discipline to encompass the principles that guide our culture and help us evolve our services to meet each client's unique needs.

High Conviction Equity, Outcome Oriented Solutions

Serving institutional investors, intermediaries and financial advisors

Diversified Global Asset Management

18% of assets outside of US
\$2.3B of our assets are in values-based and socially responsible mandates

Multi-Investment Team Structure

U.S. Value
Multi-Asset
Emerging Markets
Global Convertible Securities

Employee Ownership Structure

Employees and directors own equity, totaling approximately 21%;² no employee owns more than 5%



Investment Management Wealth Management

Overview¹

Founded | 1983

AUM | \$15.0 B

Employees | 167

Publicly Traded | NYSE: WHG

Signatory |

Signatory of:



¹As of September 30, 2019

²As of March 04, 2019



OUR EMPLOYEES: THE BUILDING BLOCKS OF OUR SUCCESS.

Thank you for making Westwood
one of the best places to work
for the fifth year in a row!



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 fifth year in a row.



Separately Managed Accounts

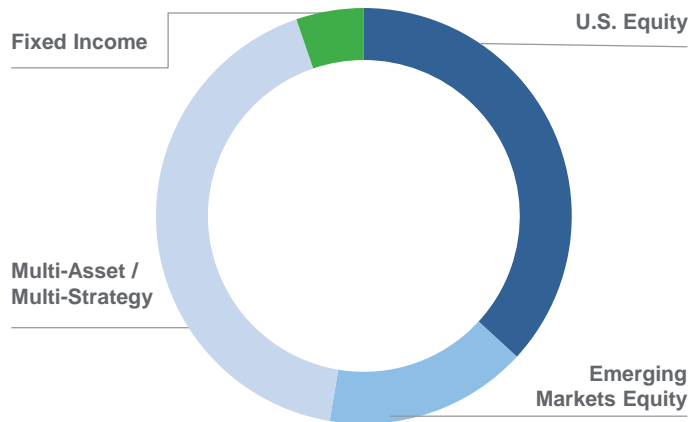
Mutual Funds

UCITS

Other Pooled Vehicles

Our Strategies

AUM: \$15.0B*



U.S. Equity

- AllCap Value
- AllCap Growth
- LargeCap Select
- LargeCap Value
- SmallCap Value
- SMidCap Value
- MLP Infrastructure Renewal

Fixed Income

- Custom Solutions

Emerging Markets Equity

- Emerging Markets
- Emerging Markets Plus
- Emerging Markets SMidCap

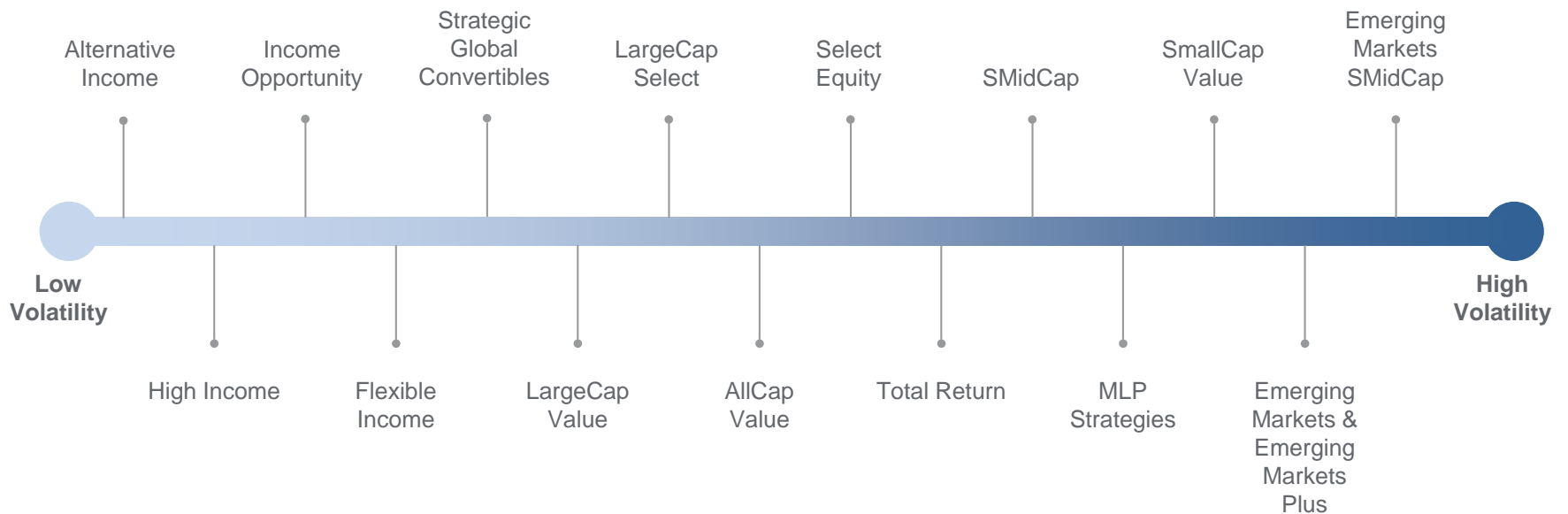
Multi-Asset / Multi-Strategy

- Income Opportunity
- Flexible Income
- Select Equity
- Enhanced Balanced
- High Income
- Total Return
- Alternative Income
- Strategic Global Convertibles

*As of 9/30/2019. Reflects AUM of strategies offered through Westwood Management Corp., Westwood International Advisors Inc., Westwood Trust and Westwood Advisors LLC combined.

*Pending final effective date Nov. 1, 2019

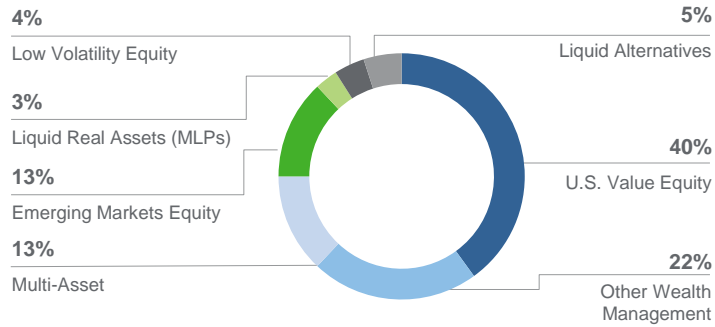




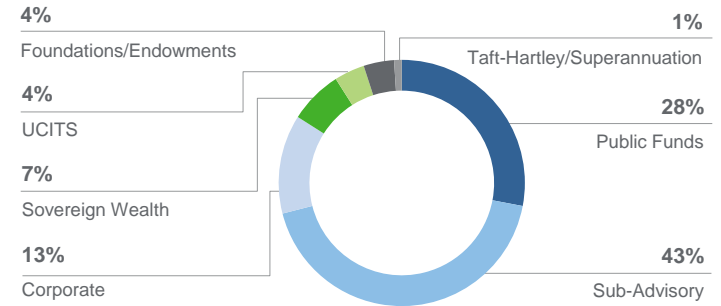
**Pending final effective date Nov. 1, 2019*



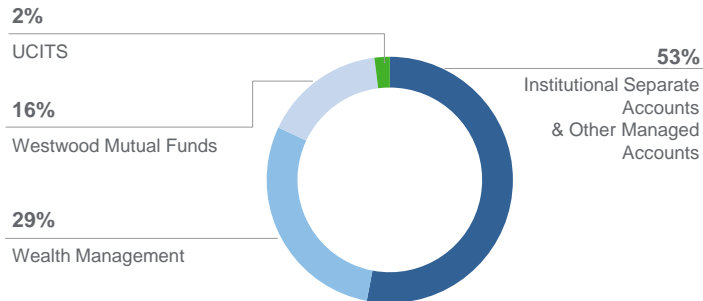
STRATEGY BREAKDOWN



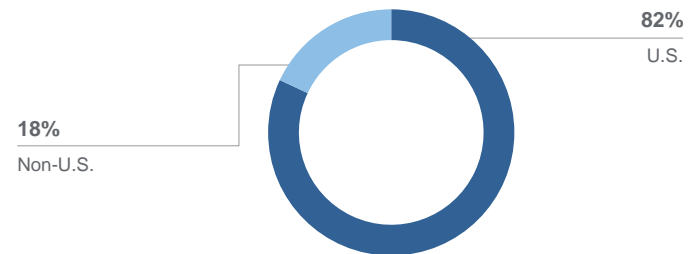
INSTITUTIONAL CLIENT TYPE



ASSETS BY ACCOUNT TYPE



ASSETS BY CLIENT DOMICILE



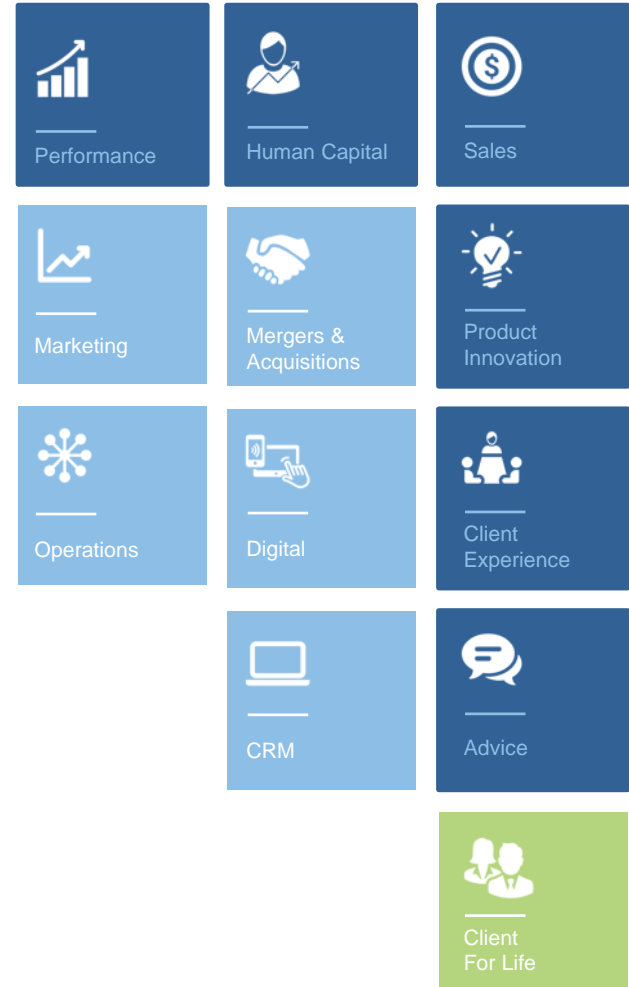
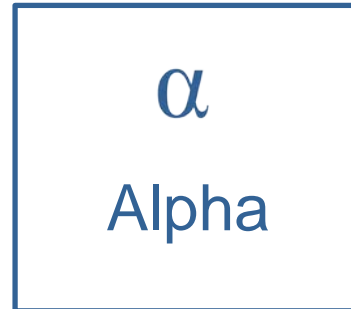
Percentages in the Strategy Breakdown, Assets by Account Type, and Assets by Client Domicile charts are based upon firm-wide assets under management as of September 30, 2019. Percentages in the Institutional Client Type chart are based upon the combined assets under management of Westwood Management Corp. and Westwood International Advisors Inc. only, less assets managed for private individuals, investment LLCs, managed accounts, and collective investment trusts.



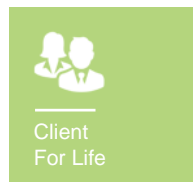
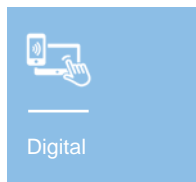
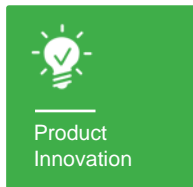
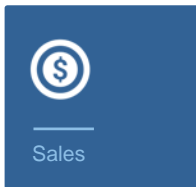
Investment Management



- Distribution “alpha” focused on differentiating our value proposition from pre-sale to cross-sale, transcending the 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 and improve data, operational efficiency, client experience, and better address regulatory and reporting requirements.
- 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.



Positioned for Long-term Sales Growth



Distribution team build-outs complete and executing on strategy; Strengthening relationships with intermediaries, clients, consultants

Increased sales activity and new business pipeline; **SmallCap** positioned for 2019 wins, **SMidCap and Multi-Asset** positioned well longer term

Commercialize our high conviction brand of active management; Expand multi-asset product & capabilities across channels

Sensible Fees™ to accelerate sales activity

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



Flexible Fee Approach

Align with Investors and Provide Greater Flexibility

Build a New Brand of Active Management

Offer Flexible Pricing Solutions to Meet Client Needs

Accelerate Asset Growth

Client-centric approach to pricing, offering both competitive fixed fee options and an innovative performance fee solution on deconstructing alpha and beta

Competitive Fixed Fees | Sensible Alpha-Based™ | Sensible Zero-Based™ | Sensible IR-Based™





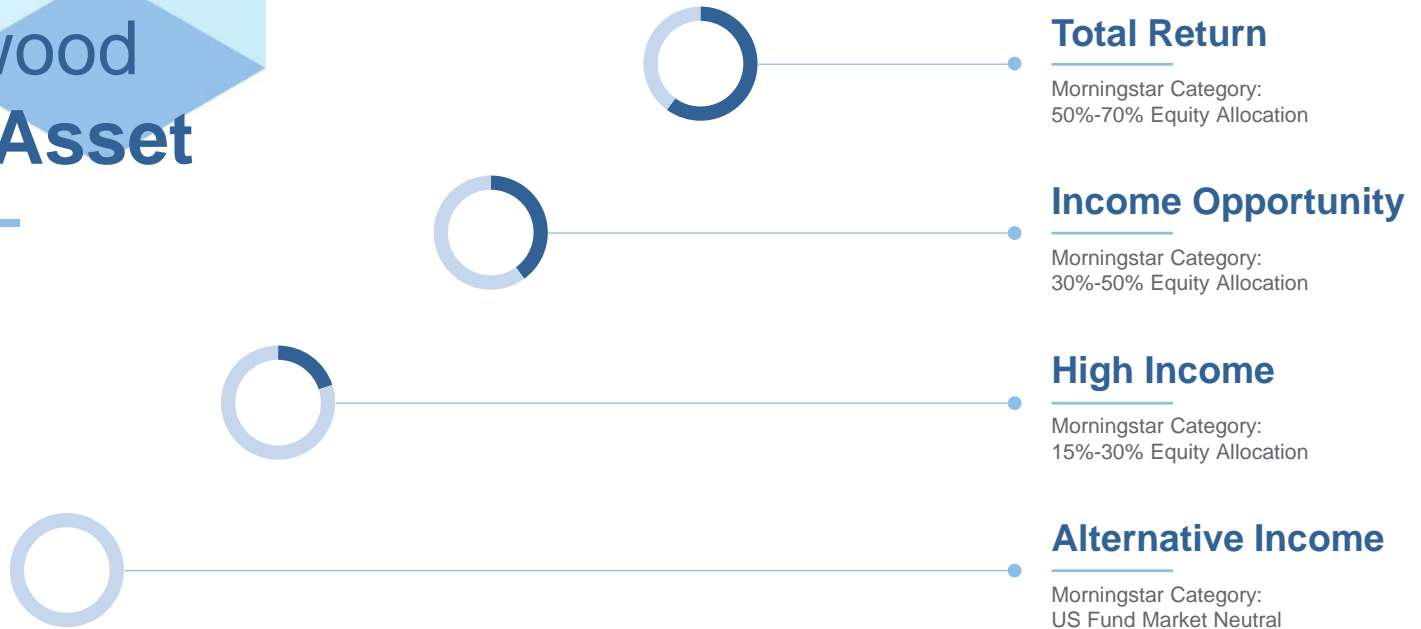
Strategy Execution to Scale the Business

- Consolidate fund lineup over the next 12 months
- Salesforce CRM dashboard and territory build-out with OpportunityHunter analytics
- Using SMA and model delivery to accelerate growth and mutual fund adoption on third-party platforms
- New A and C share classes have expanded customer base for core product offerings
- Building retail brand around Multi-Asset, Outcome-oriented solutions and U.S. Value
- Added wholesalers to achieve nationwide coverage
- Aligned compensation with sustainable, repeatable flows



Absolute Return. Total Return. Income Oriented.

Westwood Multi-Asset



Wealth Management





Westwood Trust[®]
Trust services offerings

2017

- Basic financial planning (fragmented / geographic)
- Primarily proprietary products
- Disjointed back office roles and responsibilities
- Limited visibility / advertising program



Westwood Wealth Management[®]
Trust + RIA offerings

2018

- Private Equity (basic access)
- Digital solution (basic)
- Custodian referral program (single/basic)
- Refocused COI relationships
- Product platform open architecture
- Complex Financial Planning

- Basic financial planning (centralizing)
- Centralized Wealth Operations department functions, systems and processes
- Digital advertising, increased focus on strategic event marketing, PR / visibility



Westwood Wealth Management[®]
Expanded Trust + RIA offerings

2019+

- Banking partnership
- Holistic digital wealth solution (app)
- Private Equity franchise (core & direct)
- Custodian referral programs (multiple)
- Comprehensive CRM (drive referrals)
- Consistent client experience based on tier / segment
- Strategic and refocused business development efforts

- Digital solution
- Digital advertising, increased focus on strategic event marketing, PR / visibility
- Refocused COI relationships
- Product platform open architecture
- Complex Financial Planning
- Basic financial planning (centralized)

Implementing Client Segments

<\$2M

\$2M-\$10M

>\$10M



Digital experience, touching all areas of the firm, that captures new and existing capabilities to create a one-stop shop for comprehensive financial management

Visionary strategy consisted of understanding our Why, How, and What

1 Why

Be the indispensable, holistic, and trusted financial advisor for institutions and families by providing personalized and holistic investment solutions and services

2 How

Increase the quality, frequency and value of interactions utilizing digital engagement techniques through the prospect, client and investment lifecycles

3 What

Deploy a friction-free individual and institutional digital platform for all Westwood business lines that constantly reinforces the value of delivered services

In determining the Why, How, What we created the four pillars of our digital platform

Client for Life

Comprehensive toolset / product set that delivers value to clients

Active Client Engagement

Retention by focusing on actively engaging with clients to provide the most value

Active Client Growth

Capturing the next generation through transitional wealth transfer

Amazon

Information anytime anywhere

Serving **Tomorrow's Client**

Delivering the Amazon of Advice



- The human factor
- Financial advice
- Personalized service
- Investment acumen
- Secure access



- Flexible technology, building-block approach
- Intuitive interface (Apple)
- Centralized data, multi-asset, multi-currency platform
- Digital toolset



- Digital revolution
- Serving tech-savvy investors with easy operations
- Delivering innovative solutions to institutional investors
- Custodian of choice





**Westwood
Private Bank**
A Division of Charis Bank

As we continue to focus on delivering services to meet our clients' needs, we have partnered with a local bank to launch **Westwood Private Bank.**

-
- Traditional bank services, checking, banking, lending
 - Highly personalized service
 - State-of-the-art digital capabilities

-
- Boutique space featuring very comfortable family meeting space including interactive technology, luxury coworking space reserved for clients who need it, concierge service and refreshments

Financials | Highlights



“We have been transforming in the face of industry headwinds. We have made a dedicated commitment to building distribution and spent most of the last year implementing systems and infrastructure to support the talented professionals now in the field.”

Assets Under Management

- Total AUM of \$15.0 billion and AUA of \$266 million at September 30, 2019

Investment Strategies

- All of our U.S. Value, Multi-Asset and Emerging Markets teams outperformed their primary benchmarks.
- Top decile performance was achieved by our Income Opportunity, LargeCap Value and Flexible Income teams, and our LargeCap Select, SMidCap Value and Select Equity teams posted top quartile performance.

Operating Results

- Total revenues of \$19.9 million for Q3 2019
- Net income of \$1.1 million and Economic Earnings of \$3.9 million² for Q3 2019

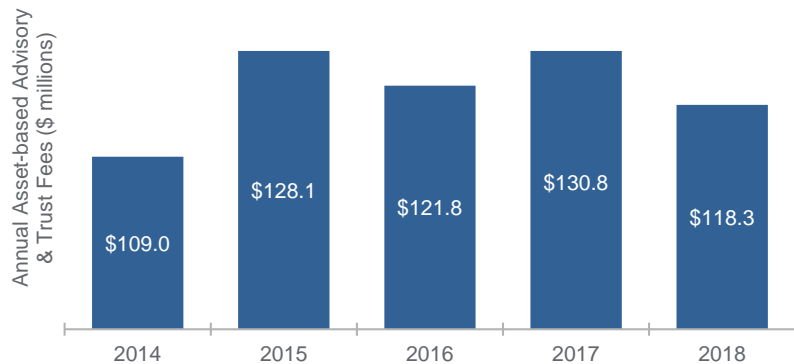
Capital Management

- Quarterly dividend of \$0.72 per share declared in October 2019, at a current yield of 10.0%³
- Liquid cash and investments of \$101.2 million at September 30, 2019

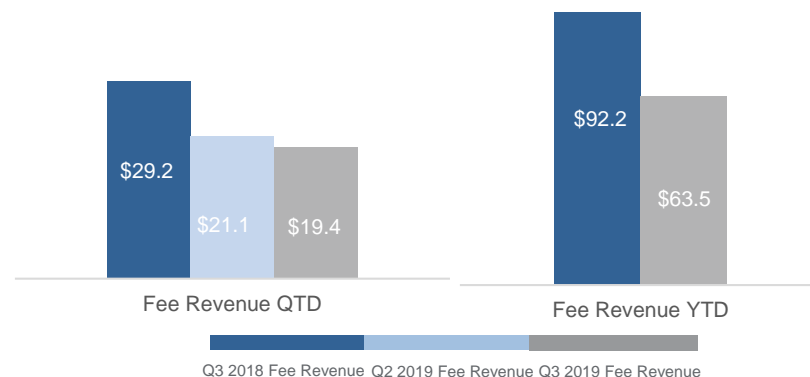
1. ©2019 Morningstar. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.
2. See the Reconciliation of Net Income to Economic Earnings on slide 22 of this presentation.
3. As of October 29, 2019



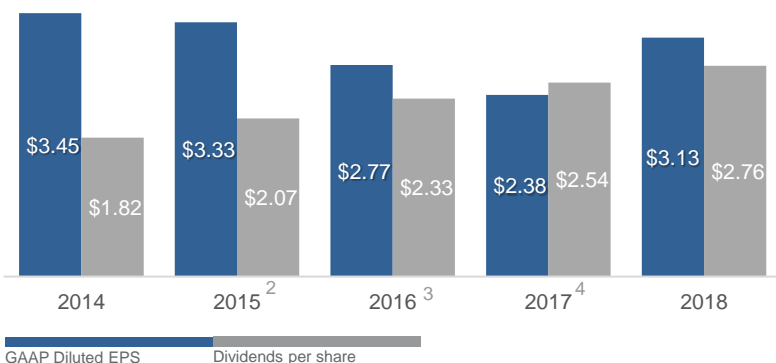
Fee Revenue¹ - Historical



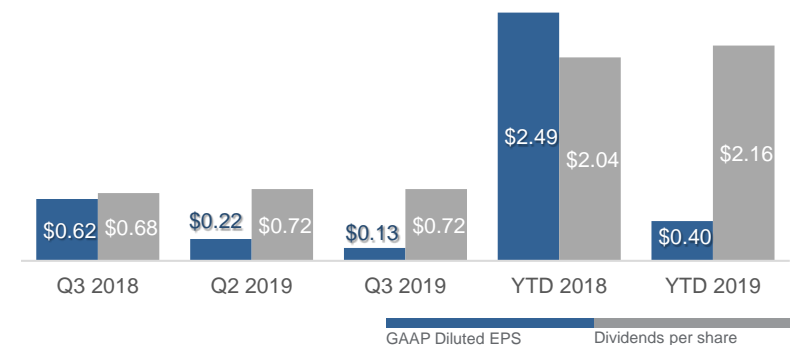
Fee Revenue¹ - QTD and YTD



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.



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, 2019 (\$ thousands):

	9/30/2019
Net Income	\$ 1,117
Add:	
Stock Based Compensation Expense	2,249
Intangible Amortization	445
Tax Benefit from Goodwill Amortization	60
Economic Earnings	\$ 3,871



Appendix



Looking Ahead | Technology Investment Cycle



Access to world-class security protocols as they become available

Scalability and predictable cost structure



Full risk distribution at the asset level across equity, fixed income, currency and commodity models

Enables analysis of market complexity and components' contribution to total risk.

Uses precise market risk exposures to measure and control risk.



Formal data management program

Provides both data integrity and data compliance for the firm



Multi-asset and multi-currency platform that will allow us to expand into other asset classes at will.

Robust portfolio compliance engine to keep up with the ever-changing regulatory landscape

Access to best-in-class data for trading and portfolio management



Create an operational digital platform that will form the backbone of our operating platform for all our business lines

A true multi-asset and multi-currency platform to support our business as we expand to other asset classes with more complexity



Online advice tool designed to meet the needs of digitally savvy investors

Real-life investment solutions, low cost solutions and concierge service

Streamlined documentation for account opening through Apex Clearing



A holistic client experience, customizable with the ability to access information easily, anytime and in any way (PC, tablet or smart phone)

A digital toolset to meet the needs of investors across the spectrum of beginner to expert

Cloud Azure



FactSet / Northfield Risk Analytics



Markit EDM



Bloomberg AIM+



InvestCloud Green



Wealth Coach



InvestCloud Digital



2015
Start of cycle

2016

2017

June 2019
Delivery date

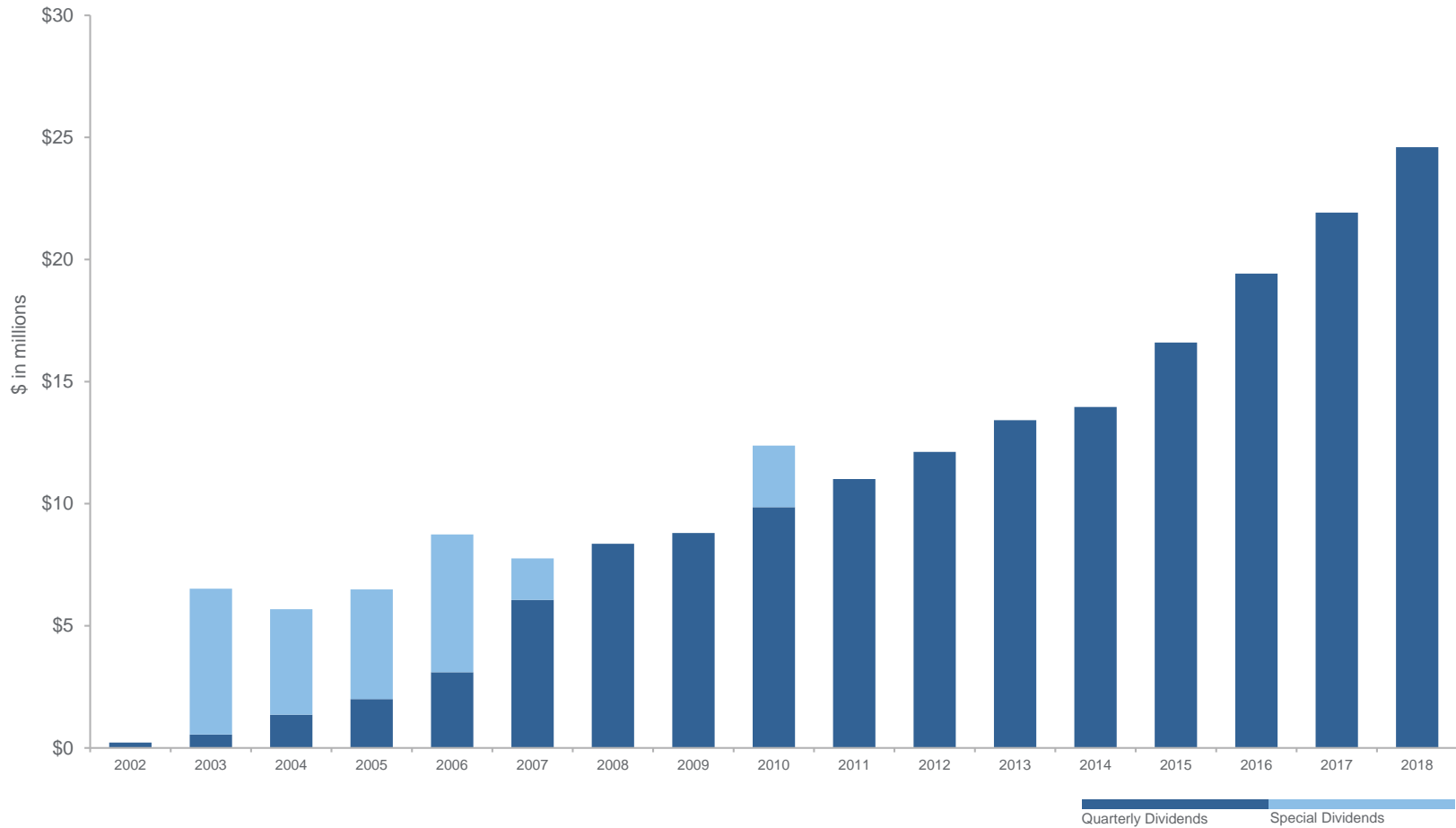
Nov. 2019

1Q2020



Annual Dividends

Over \$190 million of dividends paid out from 2002 to 2018



As of December 31, 2018.



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
SmallCap	WHGSX
Total Return	WLVIX
Income Opportunity	WHGIX
Alternative Income	WMNIX
High Income	WHGHX
Flexible Income	WFLEX

Global and Emerging Markets Equity Funds (I-Shares)

Name	Symbol
Emerging Markets	WWEMX
Strategic Convertibles	WSCIX



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 reputation and our relationships with current and potential customers;
- our ability to attract and retain qualified personnel;
- our ability to maintain effective cyber security;
- our ability to perform operational tasks;
- our ability to identify and execute on our strategic initiatives;
- our ability to maintain effective information systems;
- our ability to select and oversee third party vendors;
- 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, 2018 and our quarterly report on Form 10-Q for the quarters ended March 31, 2019, June 30, 2019, and September 30, 2019 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.





Westwood
HOLDINGS GROUP, INC ©

westwoodgroup.com

200 Crescent Court, Suite 1200 Dallas, Texas 75201

T. 214.756.6900

WHG
LISTED
NYSE