



Westwood[®]

Investing Where It Counts

Investor Relations Presentation

As of March 31, 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

16% of assets outside of US
\$2.7B 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 | \$16.8 B

Employees | 181

Publicly Traded | NYSE: WHG 2002

Signatory |

Signatory of:



¹As of March 31, 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!



Separately Managed Accounts

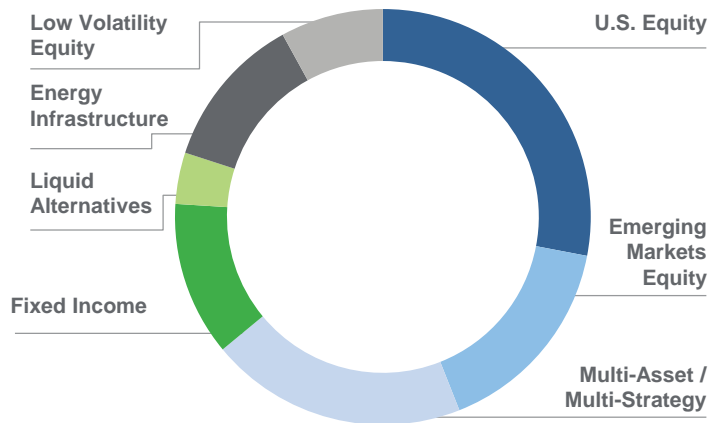
Commingled Funds

Mutual Funds

UCITS

Our Strategies

AUM: \$16.8B*



U.S. Equity

- AllCap Value
- AllCap Growth
- LargeCap Select
- 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
- Flexible Income
- Select Equity
- Enhanced Balanced

Fixed Income

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

Liquid Alternatives

- Market Neutral Income

Energy Infrastructure

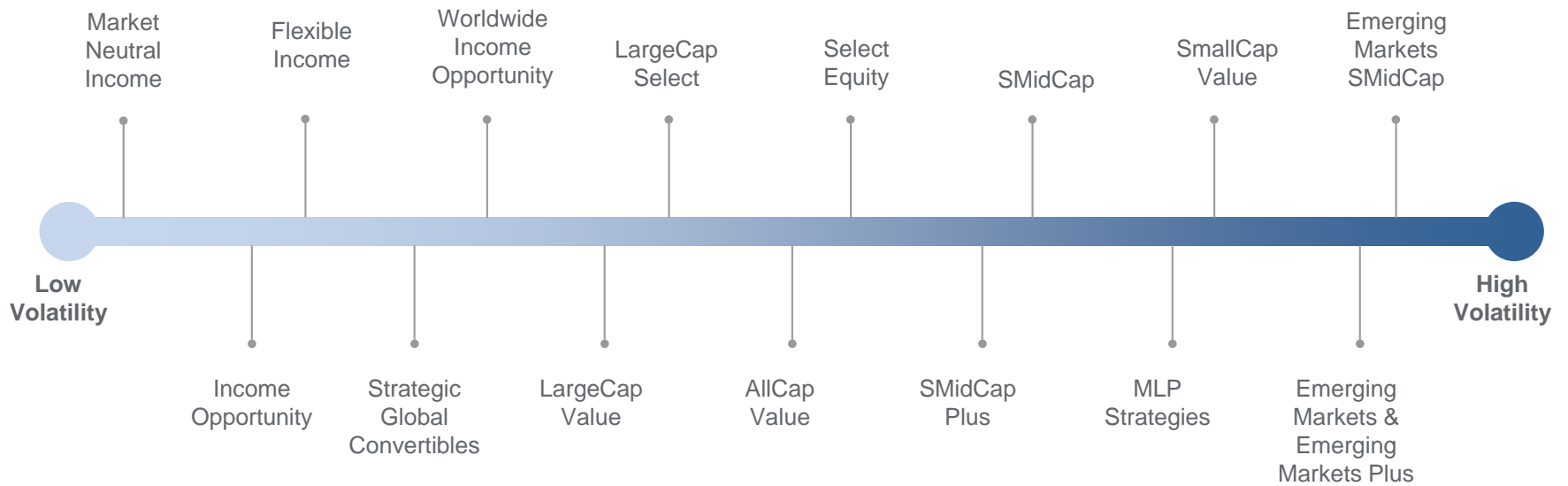
- MLP Infrastructure Renewal
- MLP Opportunities
- MLP and Strategic Energy

Low Volatility Equity

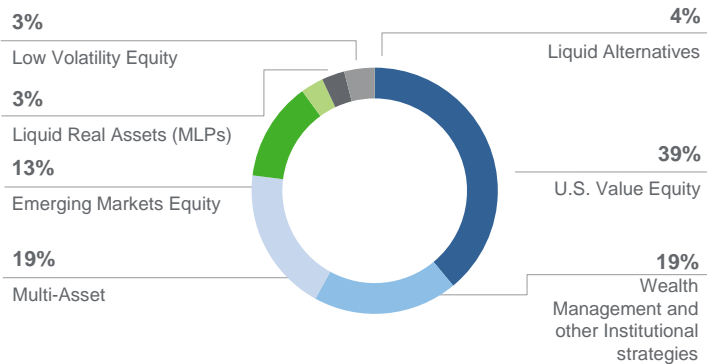
- Strategic Global Convertibles
- Low Volatility Equity

*As of 3/31/2019. Reflects AUM of strategies offered through Westwood Management Corp., Westwood International Advisors Inc., Westwood Trust and Westwood Advisors LLC combined.

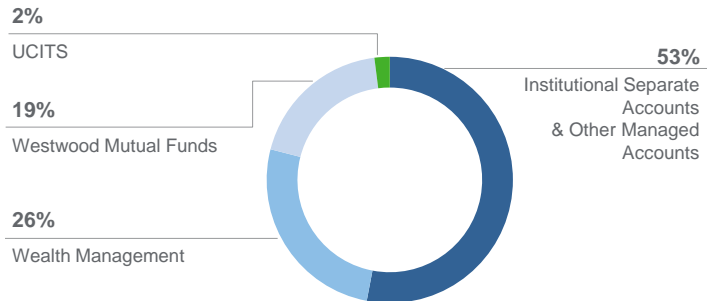




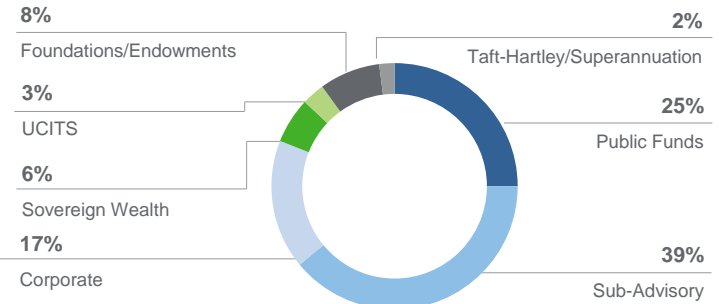
STRATEGY BREAKDOWN



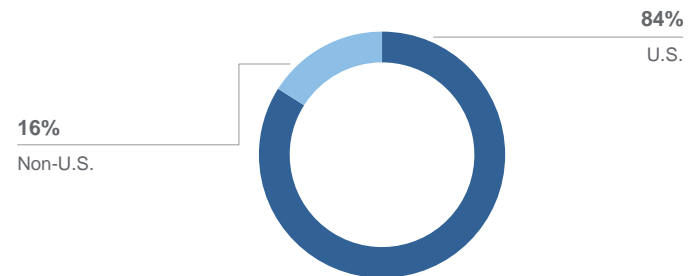
ASSETS BY ACCOUNT TYPE



INSTITUTIONAL CLIENT TYPE



ASSETS BY CLIENT DOMICILE



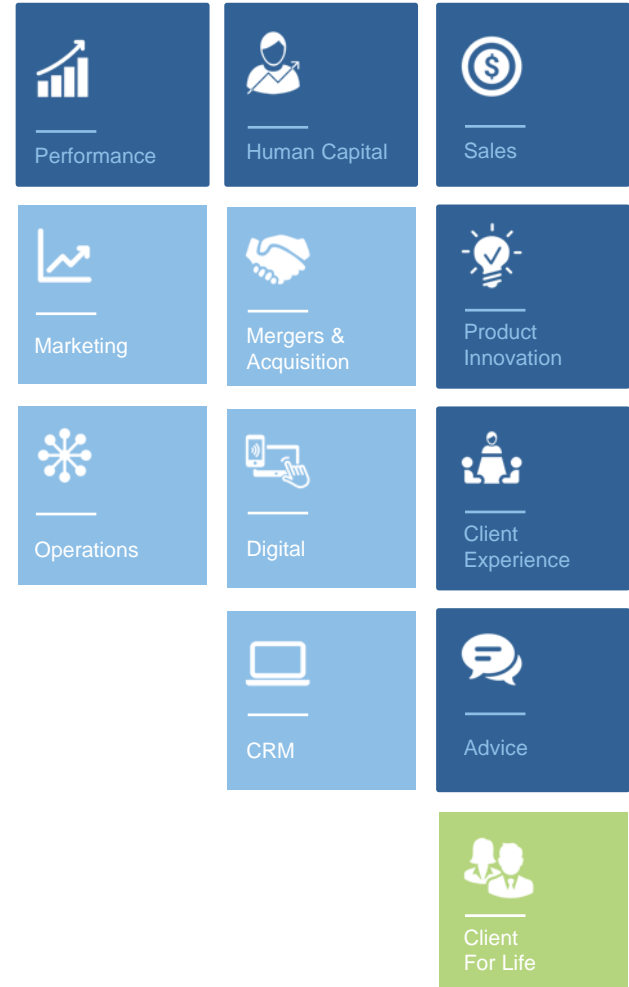
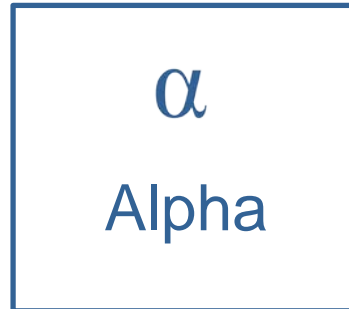
Percentages in the Strategy Breakdown, Assets by Account Type, and Assets by Client Domicile charts are based upon firm-wide assets under management as of March 31, 2019. Percentages in the Institutional Client Type chart are based upon the combined assets under management of Westwood Management Corp. and Westwood International Advisors Inc. only, less assets managed for private individuals, investment LLCs, managed accounts, and collective investment trusts.



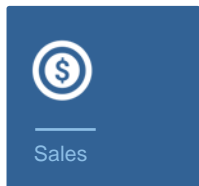
Strategic Focus | Executive Overview



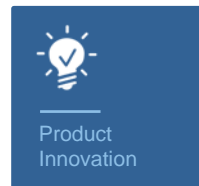
- Distribution “alpha” focused on differentiating our value proposition from pre-sale to cross-sale transcending performance cycle.
- Product innovation “alpha” focused on developing more outcome-oriented, non-commoditized strategies to offset fee compression.
- Apply transformational technology “alpha” 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.



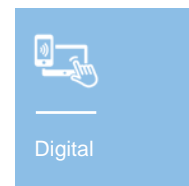
2019 growth objectives are highly focused on sales execution across our high-conviction equity and outcome-oriented investment solutions.



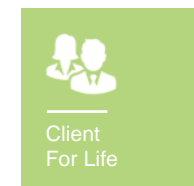
- Small Cap Value
- Emerging Markets
- Multi-Asset
- LargeCap Select
- Tax-Managed
- Global Convertibles



- 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



Investment Management | Institutional



Team alignment to improve external focus on sales and client engagement

Team Restructuring

- Hired new Head of Institutional Sales
- Created distinct external sales service roles
- Flattened reporting structure
- Centralized support infrastructure
- Created head of support team, internal project measurement and management function reporting to Head of Institutional Sales

Improvements

- Moved to a pro-active sales activity and client engagement strategy – direct prospect calling, multi-level consultant coverage
- New protocols on content customization to improve consistency and efficiency
- Centralized database and RFP functions and launched project “Phoenix” to improve content, data and messaging
- Restructured CRM functions to improve territory management and sales/client activity measurement
- Created targeted campaign/communication lists to accurately track external engagement and communication
- Real time client at risk report
- New activity and opportunity pipeline rules to better measure coverage and opportunity management



Alignment of investment franchises to be commercially competitive – U.S. Value, Emerging Markets Equity and Multi-Asset

- Successfully launch Sensible Fees™ platform in conjunction with LargeCap Select
 - Product rationalization to ensure focus on core competencies
 - Relaunch of Multi-Asset franchise around new, expanded team and strategies
-



Increased sales activity, new consultant ratings and new business opportunities, final presentations and wins

- Targeted new business campaigns around SmallCap Value, LargeCap Select and new Sensible Fees™ platform
 - Industry-standard RFPs and database coverage to improve discoverability and advance sales opportunities
 - Targeted conference sponsorships and PR
 - Expanded communications footprint with clients, prospects and consultants
-



Proactive client engagement versus reactive client service

- Non-review discovery meetings
 - Cross-selling initiatives
 - Westwood “brand” building communications and thought leadership
-



Targeted international opportunities

- Relunched The Cardinal Partners (TCP) third party marketing initiative in Europe focused on EM UCITS



Opportunity to build a new brand of **active investing**

Level the playing field vs. the Indexers.

Stand with our investors with high conviction and share risk.

Create demand.

Be the catalyst.

Win Big.





Changing the probability of winning for active investors

Our innovative, risk-based alignment fees are designed to serve as a long-term partnership and level the playing field for investors.



Alpha-Based Fees

Combines the low fees of passive management with a compensation structure that will result in investors paying for alpha only when it is earned.



Risk-Based Fees

Our risk-based approach to fees is unparalleled in the industry, with built in guard rails for investors that inspired our Sensible Fees™ model. Investors will only pay for value added or excess return per unit of risk when earned.

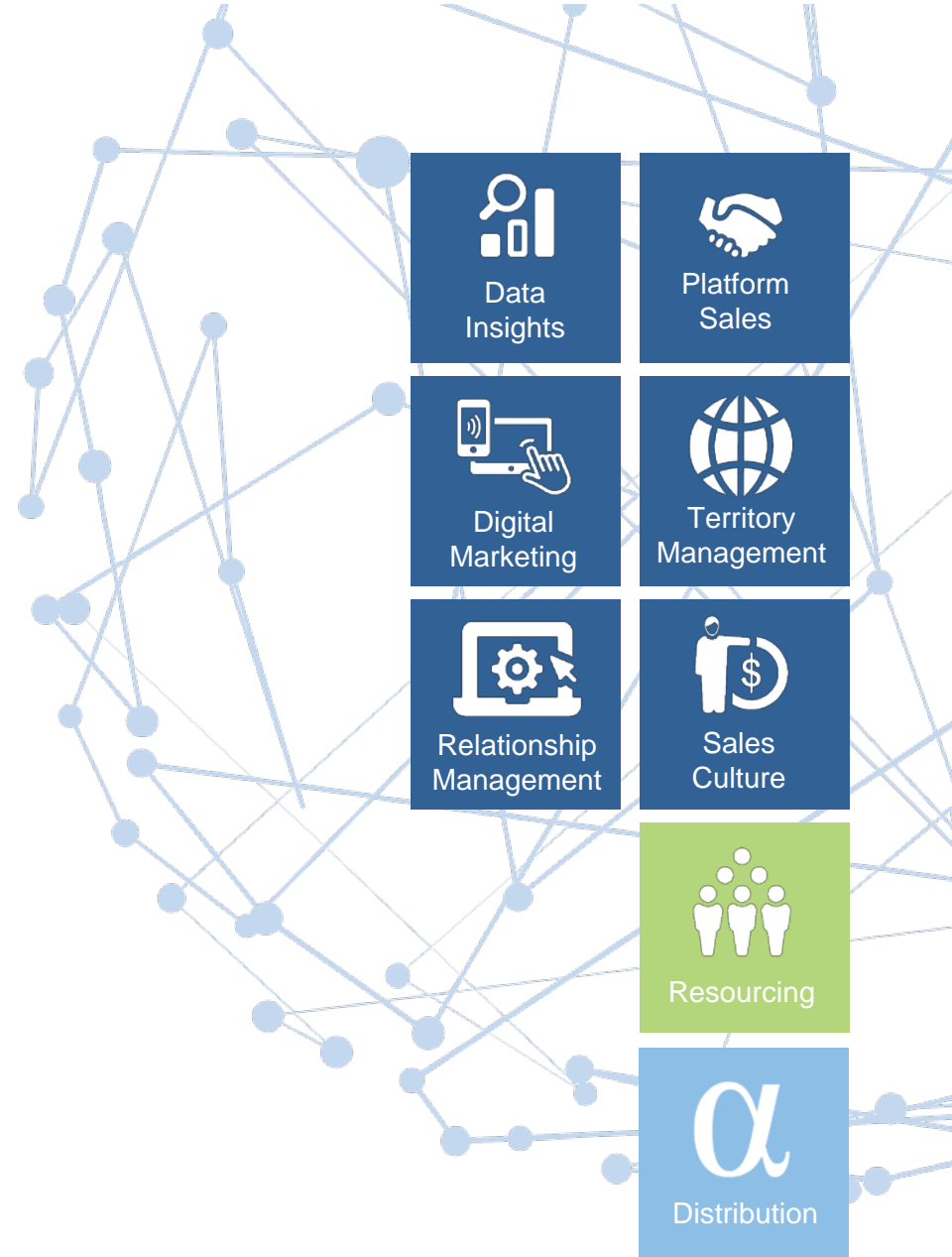


Investment Management | Intermediary and Retail



We are taking a new, more scientific approach to intermediary distribution to drive inflows.

- Hired a new Head of Intermediary Sales
- Expand and target our geographic approach and focus coverage using defined advisor segmentation strategy across channels
- Integrate a digital marketing strategy into sales approach for non-core target advisors and prospecting within key segments
- Increase our sales force with tier 1 and tier 2 wholesaler talent to accelerate growth in top markets
- Integrate data driven approach to distribution to make better use of relationship management and InvestCloud technology and to incorporate market data
- Expand retail strategy by focusing on new SMA portfolios, model delivery and key broker dealers





Strategy Execution to Scale the Business

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



Intermediary and Retail | Future State Multi-Asset Fund Continuum

Alternative
Income

Conservative
Income

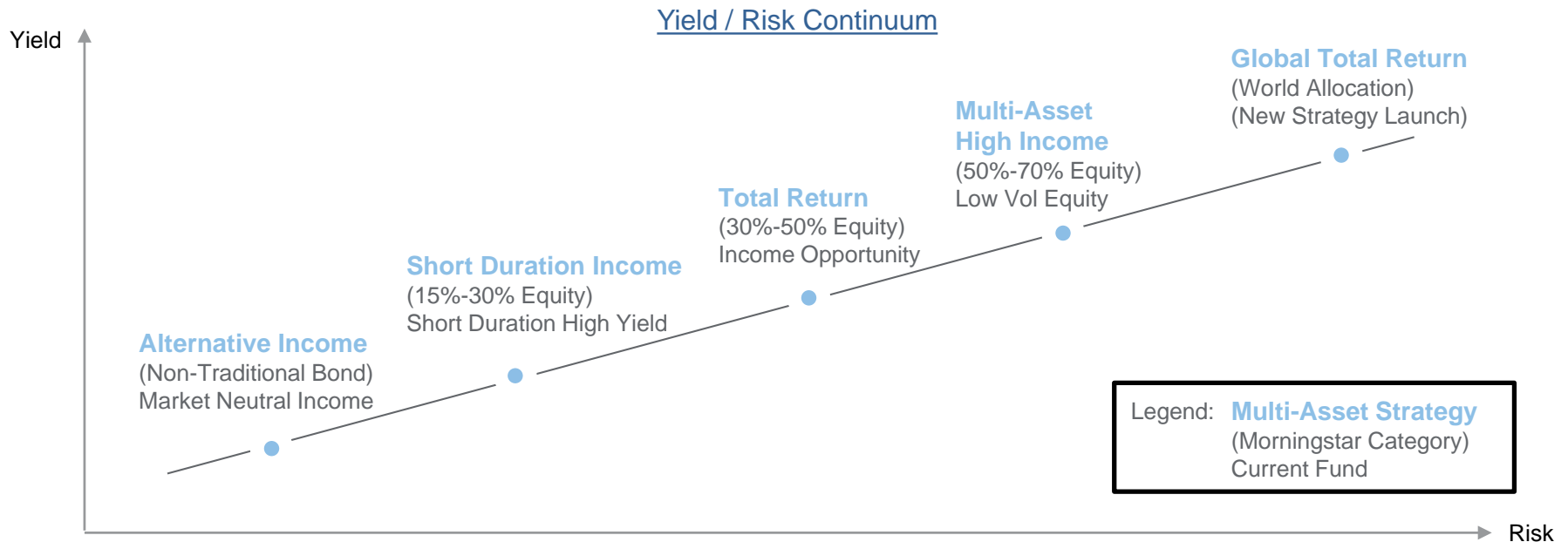
Total
Return

High
Income

Global Total
Return

Westwood's Multi-Asset Franchise

- Emphasize our expertise in multi-asset and outcome-oriented solutions within targeted categories to serve a broader continuum of advisors and clients
- Continue to leverage deep fundamental analysis in driving security selection
- Enhanced capability around sector and asset class allocation and optimal portfolio construction
- Product continuum illustrates our prospective future offerings across the spectrum of Income and Total Return strategies



Wealth Management





Westwood Trust[®]
Trust services offering

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

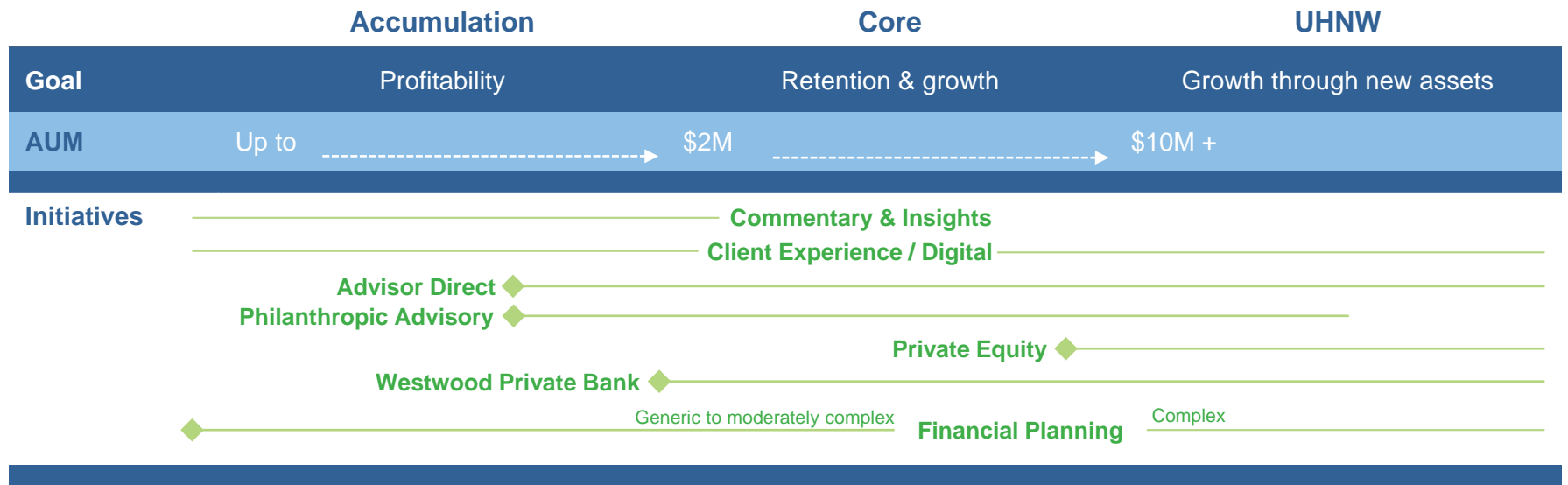
<\$2M

\$2M-\$10M

>\$10M



Defined swim lanes allow for increased efficiency, role clarity, and predictable customer service



◆ Denotes a hard stop



Financial planning is a key component of how we go to market

- Hiring two financial planners (early 2019)
- Leverage core planning expertise of Houston office
- Firm strategic rollout in Spring 2019

Business Development Committee Established

- Ensure better governance around business development efforts:
 - ✓ Strategic approach to sponsorship and promotional spending
 - ✓ Monitor business development activity and effectiveness
 - ✓ Client / prospect event ROI

Houston's theme for 2019 is to reinvest behind current momentum with new business up 40% year over year. Largest initiatives will focus on:

- Exclusive title sponsor for the Art Talk Series for the Society of Performing Arts
- NACD (National Association of Corporate Directors) sponsorship
- Advanced Estate Planning Conference series
- Chris Gardner/CHRISTUS events

Initiatives to increase client engagement:

- Advisory Committee Reunion
- Wine Tasting
- Flower Arranging for the spring
- Energy industry events
- Art/Gallery Partnerships
- Various activities with estate planning firms



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



WealthCoach 2.0

- Building on excellent content and creative developed in 2018 relaunching WealthCoach 2.0, with best of breed partners:
 - ✓ Apex Clearing – provides the custody and backbone for the best robos in the world; seamless account opening process
 - ✓ InvestCloud digital experience and maneuverability is superior to anything on the market
- Goal is to soft launch in 2019



Retains the relevancy of our existing client offerings while creating additional opportunities to interact with prospects

Opportunistic

Tech & Hospitality Fund

Purpose: provide compelling unique opportunities either exclusive or high individual minimums

Hospitality Fund I

- Sold Entrada land parcel in L.A. for significant return within six months of purchase
- Distributed cash over one year ahead of schedule

Technology Fund I

- Financial performance in 2018 came in within expectation stating revenue growth of 56% from the prior year
- 20% increase in valuation in 2019

Programmatic

iCapital

Purpose: provide lasting overall exposure to the private markets as part of an overall asset allocation strategy

Program

- Branded proprietary product
- Fund document creation, fund sourcing, portfolio construction, capital call management, administrative reporting, audit
- Portfolio construction with as much or little input from iCapital to choose 3 underlying managers

Current Situation

- Performed diligence (on-site, multiple discussions with iCapital)
- \$30M needs to be sourced from existing clients to begin the program and portfolio construction



Wealth Management | **Private Bank**

- Partnering with local bank to create Westwood Private Bank (anticipated launch Q2 2019)
- Westwood will purchase <10% stake in the bank (below bank holding company threshold)
- Objective: Extend our brand; broaden our value proposition to clients; increase client retention; expanded UHNW prospect pool
- Benefits to Westwood: Wealth Management referrals from partner bank; ability to “lead with credit” creates significant additional opportunities in UHNW market with deep view into client’s complete financial picture ; capital investment



Financials | Highlights



“We are disappointed with the levels of outflows that began during 2018, but we firmly believe that we have established the right path forward to renewed growth. We continue to make significant investments in our portfolio management, sales, distribution and infrastructure teams to support strong business development.”

Assets Under Management

- Total AUM of \$16.8 billion and AUA of \$264 million at March 31, 2019

Investment Strategies

- SmallCap Value, SMidCap, Emerging Markets, Market Neutral Income, Emerging Markets SMid, SMidCap Plus and Flexible Income all outperformed their primary benchmarks.
- Top decile performance was achieved by our Market Neutral Income and Flexible Income teams and our SmallCap Value team posted top quartile performance.

Operating Results

- Total revenues of \$23.9 million for 2019
- Net income of \$0.4 million and Economic Earnings of \$4.1 million¹ for Q1 2019

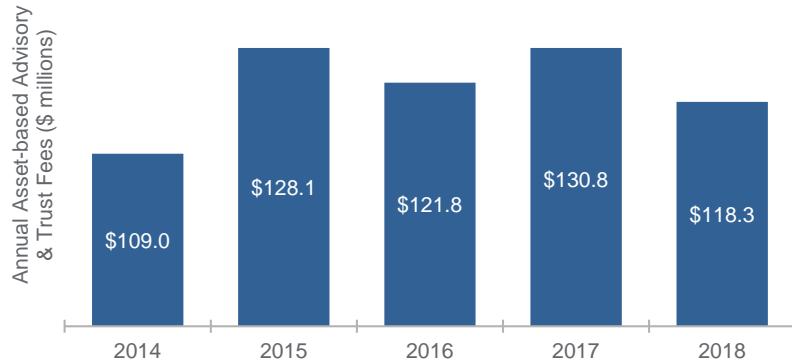
Capital Management

- Quarterly dividend of \$0.72 per share declared in April 2019, at a current yield of 7.9%²
- Liquid cash and investments of \$102.0 million at March 31, 2019

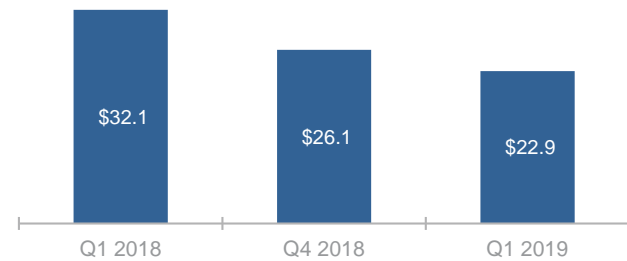
1. See the Reconciliation of Net Income to Economic Earnings on slide 31 of this presentation.
2. As of April 22, 2019



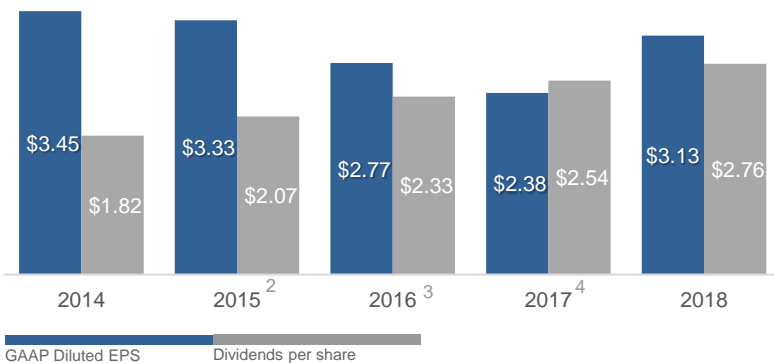
Fee Revenue¹ - Historical



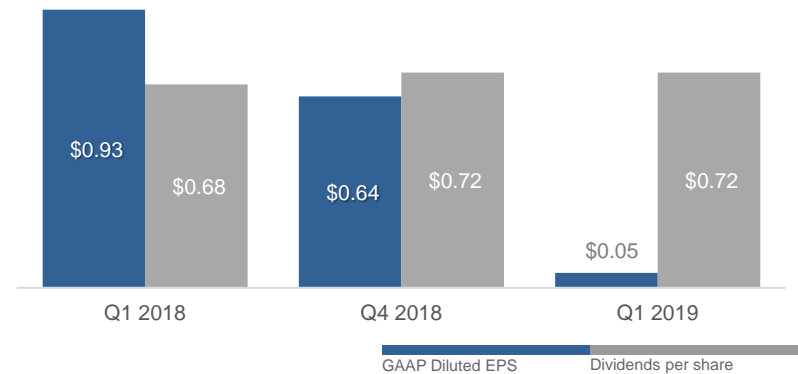
Fee Revenue¹ - QTD and YTD



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 year-ended months ended March 31, 2019 (\$ thousands):

	3/31/2019
Net Income	\$ 392
Add:	
Stock Based Compensation Expense	3,252
Intangible Amortization	413
Tax Benefit from Goodwill Amortization	59
Economic Earnings	\$ 4,116



Appendix



Westwood | IT Investment Cycle



- Access to world-class security protocols as they become available
- Scalability and predictable cost structure

Cloud
Azure



2015
Start of cycle



- Formal data management program that provides data integrity and data compliance for the firm

Markit
EDM



2016



- 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

Bloomberg
AIM+



2017



- 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

InvestCloud
Green



2018



- Create a holistic client experience, that is customizable based on business line, to access information easily, anytime and in any way (PC, tablet or smart phone) they like
- Deploy a digital toolset to meet the needs of investors across the spectrum of beginner to expert

InvestCloud
Digital

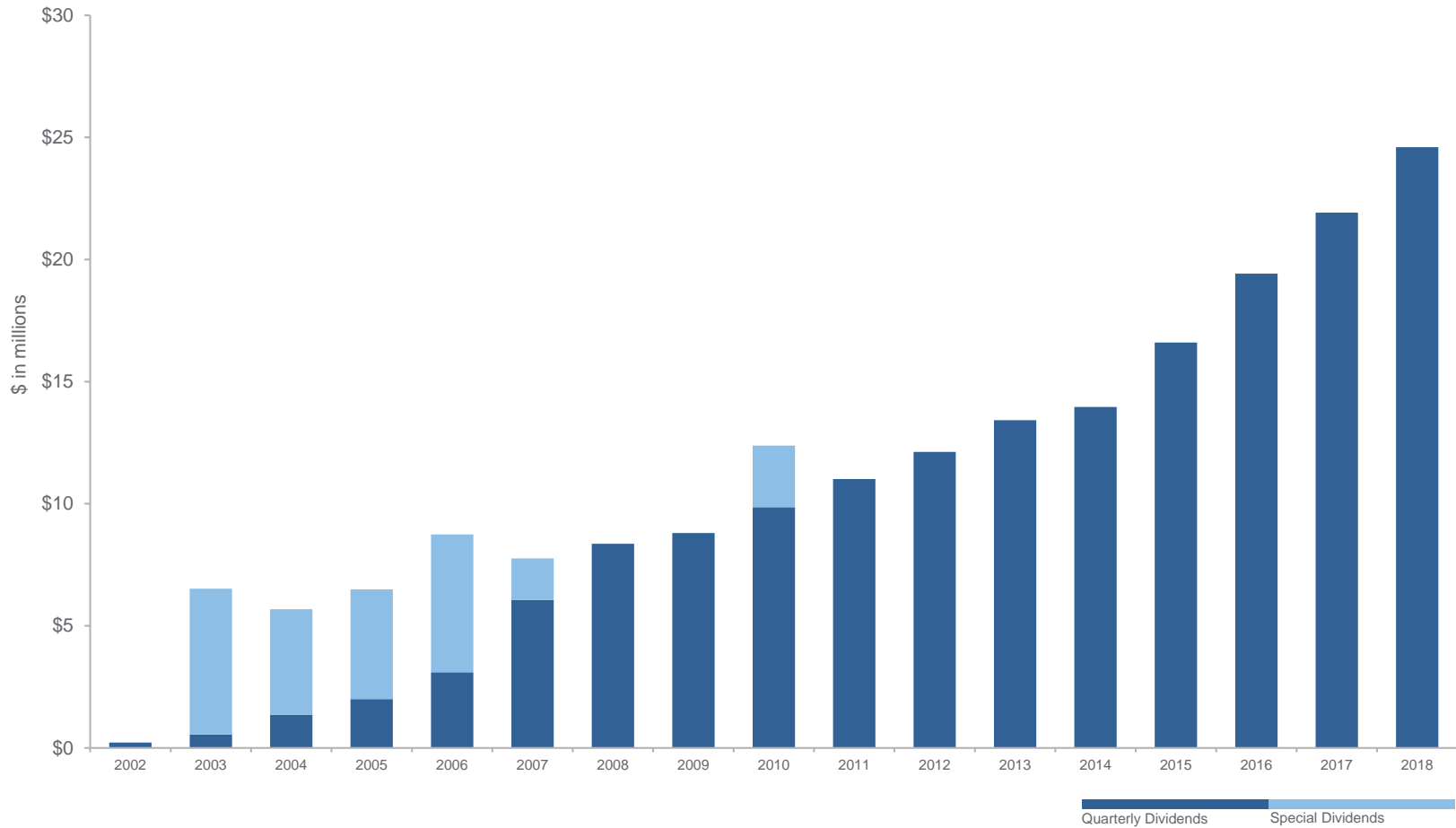


2019
Late cycle



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
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
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 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.





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