



Westwood

HOLDINGS GROUP, INC. ©

Investor Relations Presentation

As of September 30, 2016

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

Multi-Investment Team Structure

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



Deep, Experienced Investment Staff

Over 50 investment professionals

Employee Ownership Culture

Employees and directors own equity, totaling 26%³; no employee owns more than 5%

Thoughtful Growth Strategy

Estimated capacity of \$80B+ across all strategies
Manage capacity to deliver alpha

Institutional
Mutual Funds
Private Wealth

Overview ¹

Founded | 1983

AUM | \$21.3B

Employees | 177

Publicly Listed | NYSE: WHG



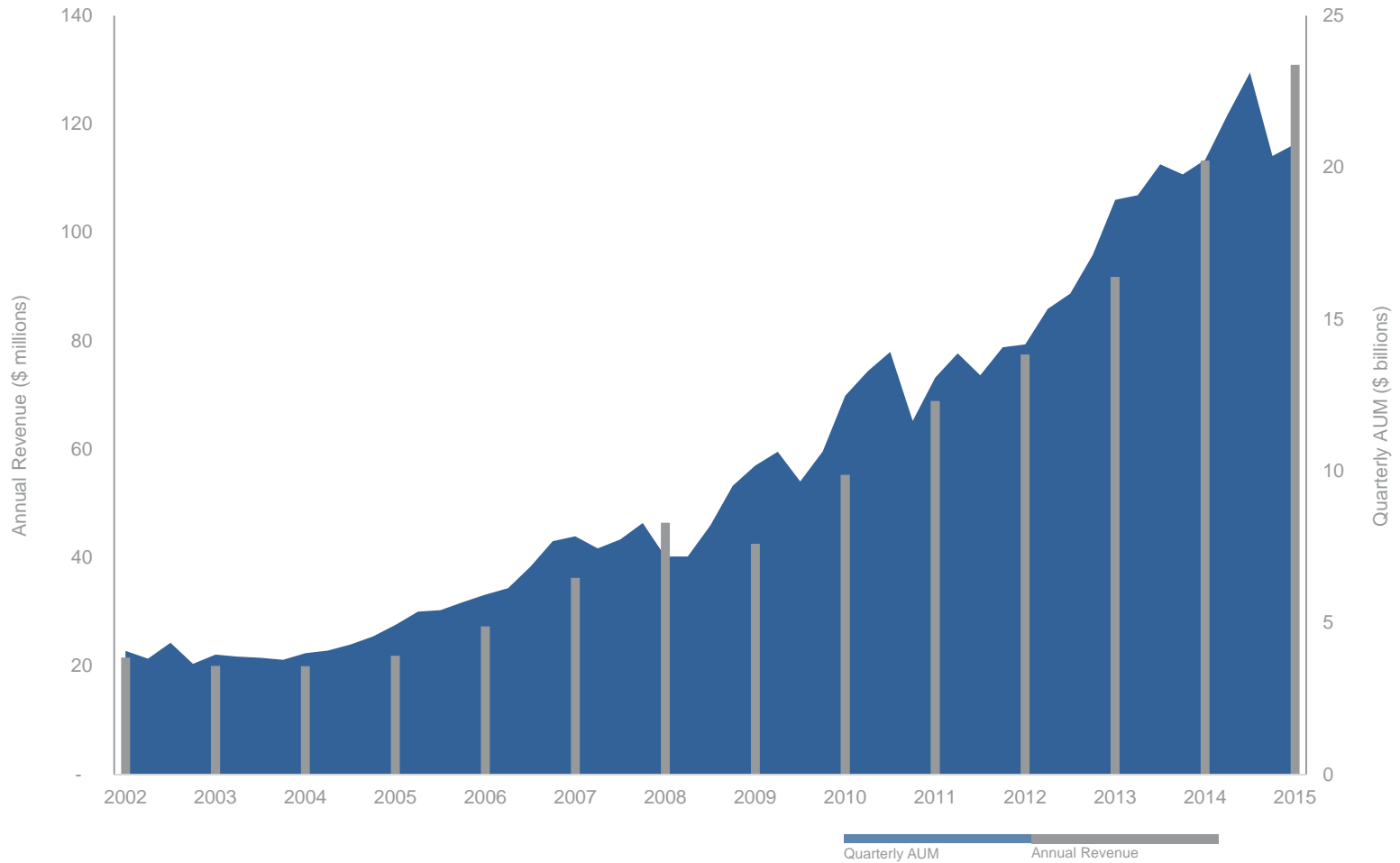
¹ Westwood Management Corp. was founded and registered with the SEC in April 1983. Its parent company, Westwood Holdings Group, Inc., was launched as a public company in 2002, trading on the New York Stock Exchange under the symbol WHG. Except as otherwise noted, all references to or information about 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.

² Selection criteria based 40% on corporate application and 60% on anonymous employee questionnaires within the "100-499 employees" category. Ranked 3 out of 5 and awarded on December 14, 2015.

³ As of March 7, 2016



Westwood Growth in Revenues and Assets Under Management



As of December 31, 2015



Business Growth | Shareholder Value Creation

Current Yield 4.9%*

Over \$125 million paid out in dividends since 2002

Total Shareholder Return Comparison

WHG
+648.9%
Since
Inception



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

Source: Bloomberg, daily data from 7.1.02 to 9.30.16

*Current yield as of 10.25.16

Past performance is not indicative of future results.





Experienced investment teams
managing relevant strategies
across a global
client base.

Core Focus:

Building and maintaining multiple strong investment engines to deliver top-tier performance across asset classes.

Talent management, performance management and alignment of compensation structure with strategic initiatives.

Strengthening product prioritization and innovation to capitalize on structural industry trends.

Sales and marketing excellence to accelerate global multi-channel distribution initiatives.

Preserving our culture and continuing to drive value for our shareholders.



“

Product and distribution alignment with structural industry growth themes.

Growth imperatives are concentrated in 5 key areas:

- 1 Product development** efforts focused on high conviction investing, low volatility, multi-asset, liquid alternatives and liquid real assets.
- 2** Continue growing **long-tenured relationships** with industry-leading investment management consultants, including those 60 that we currently have common clients with.
- 3** Scale our **private wealth business** organically via customized solutions and OCIO-like offering, as well as inorganically via select acquisitions.
- 4** Monetize our development of 15 **mutual funds** across the wealth advisory, defined contribution, retail and RIA channels. Build on 10 years of consecutive net inflows.¹
- 5 Non-U.S.** multi-channel distribution initiatives including UCITS and key markets across Europe, Asia and Australia.

¹ As of December 31, 2015



Westwood | High-Conviction and Outcome-Oriented Solutions

Separately Managed Accounts | Mutual Funds | Collective Funds | UCITS

U.S. VALUE EQUITY

LargeCap Value

Concentrated LargeCap Value

AllCap Value

Concentrated AllCap Value

SMidCap

SMidCap Plus

SmallCap Value

MULTI-ASSET

Income Opportunity

Worldwide Income Opportunity

LIQUID REAL ASSETS

MLP Infrastructure Renewal

MLP Opportunities

MLP and Strategic Energy

GLOBAL & EMERGING MARKETS EQUITY

Global Dividend

Global Equity

Emerging Markets

Emerging Markets Plus

Emerging Markets SMidCap

LOW VOLATILITY EQUITY

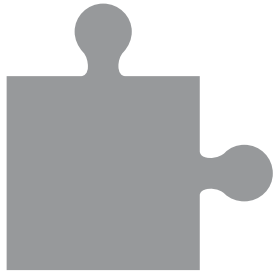
Strategic Global Convertibles

U.S. Low Volatility Equity

LIQUID ALTERNATIVES

Market Neutral Income



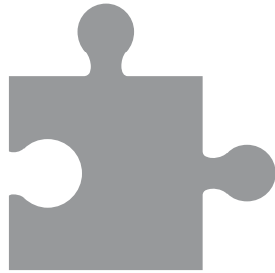


High Conviction Equity

Emerging Markets SMidCap
9/1/2013

Concentrated LargeCap Value
1/1/2014

Concentrated AllCap Value
1/1/2014



Multi-Asset

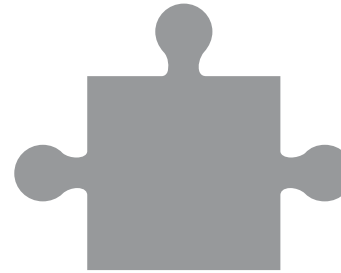
Worldwide Income Opportunity
4/1/2015



Low Volatility Equity

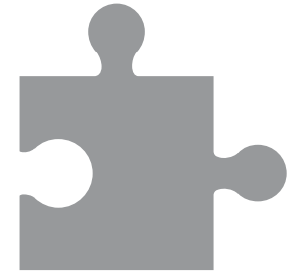
Strategic Global Convertibles
10/1/2014

U.S. Low Volatility Equity
1/1/2016



Liquid Alternatives

Market Neutral Income
10/1/2014



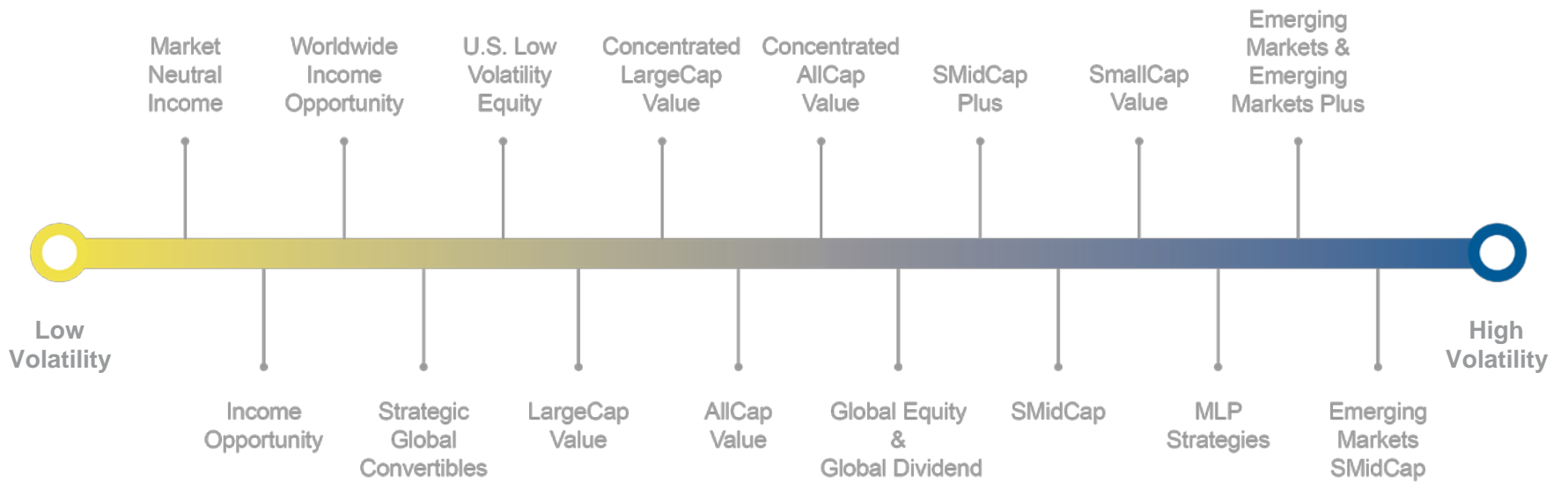
Liquid Real Assets

MLP Opportunities
1/1/2014

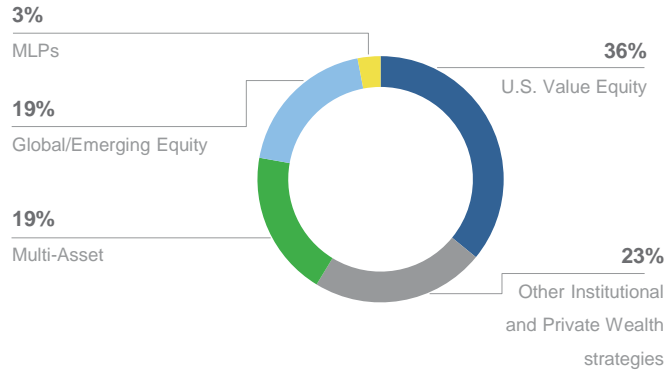
MLP and Strategic Energy
1/1/2015



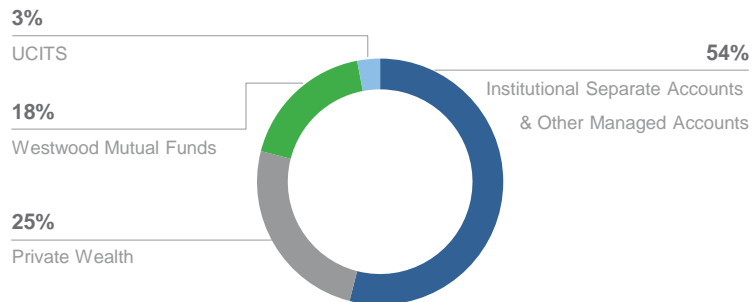
Core Growth Theme | **Product Offerings Across the Risk Spectrum**



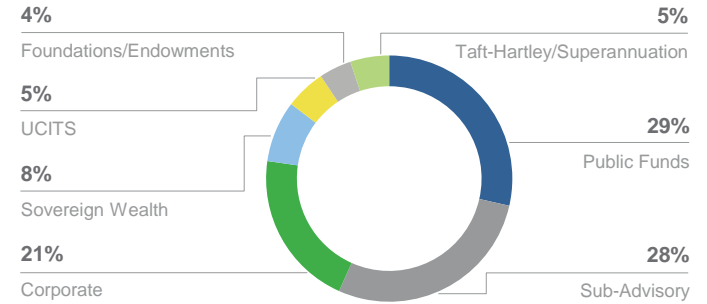
STRATEGY BREAKDOWN



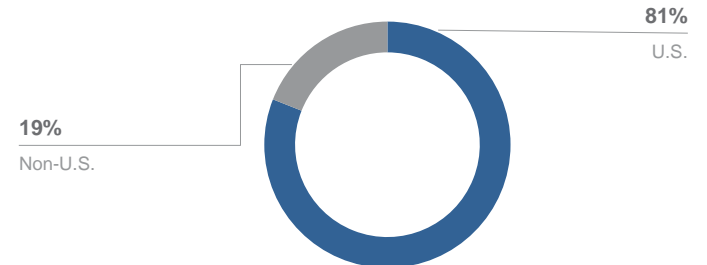
ASSETS BY ACCOUNT TYPE



INSTITUTIONAL CLIENT TYPE



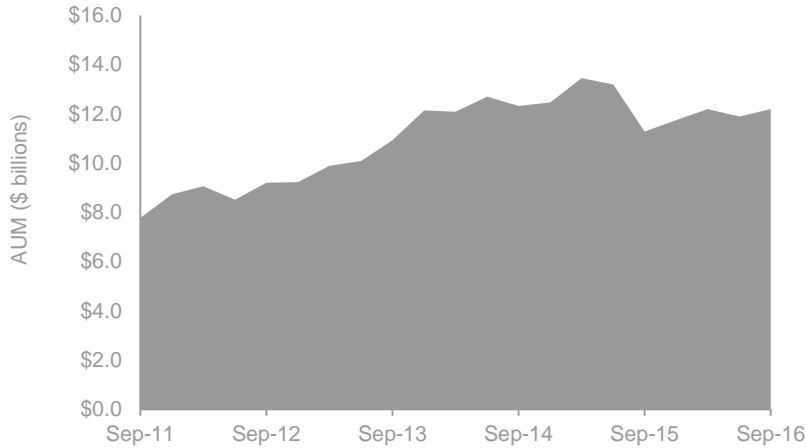
ASSETS BY CLIENT DOMICILE



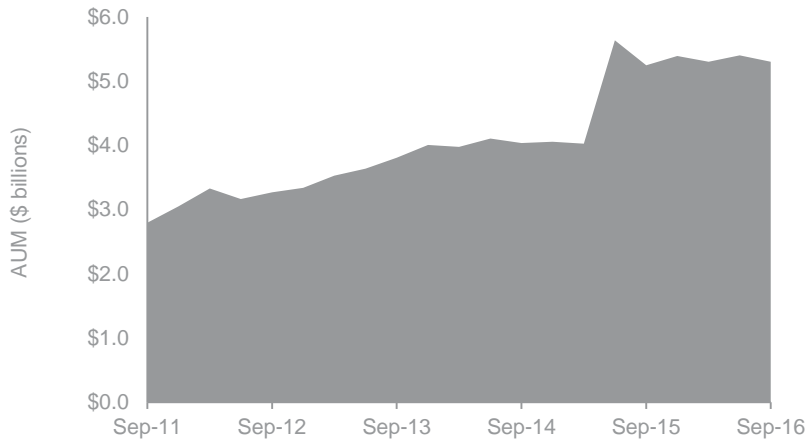
Percentages in the Strategy Breakdown, Assets by Account Type, and Assets by Client Domicile charts are based upon firm-wide assets under management as of September 30, 2016. Percentages in the Institutional Client Type chart are based upon the combined assets under management of Westwood Management Corp. and Westwood International Advisors Inc. only, less assets managed for private individuals, investment LLCs, managed accounts, and collective investment trusts.



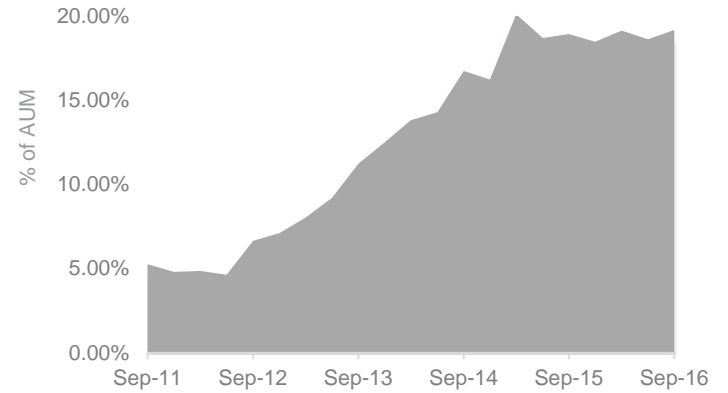
Institutional AUM



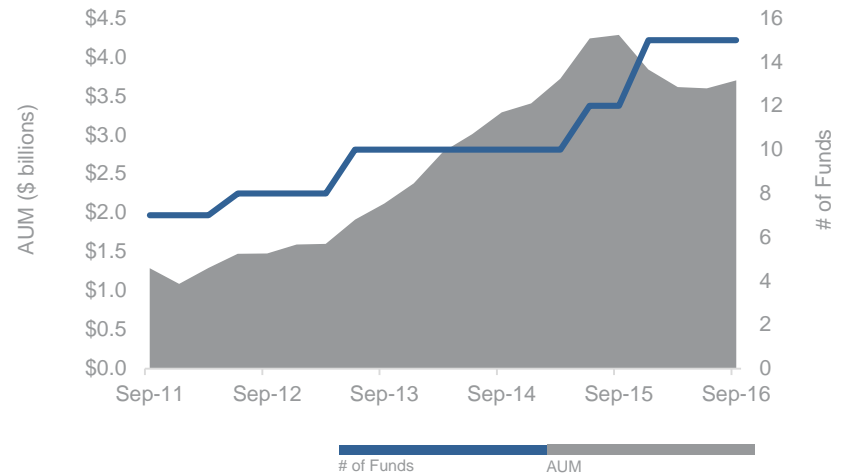
Private Wealth AUM



Non-U.S. Client Assets



Mutual Funds AUM



Financial | Highlights





All our global equity and emerging markets strategies remained ahead of their respective benchmarks, with most strategies in the top quartiles of their peer groups.

Assets Under Management

- Total AUM of \$21.3 billion and AUA of \$1.1 billion at September 30, 2016
-

Investment Strategies

- Strong performance for our Emerging Markets and Multi-Asset strategies.
 - Appointed sub-advisor of the Aviva Global Convertibles Fund. The approximate \$800 million in assets will transition to AUM upon approval by the Luxembourg fund regulator.
-

Operating Results

- Total revenues of \$31.8 million for Q3 2016
 - Net income of \$5.9 million and Economic Earnings of \$10.6 million¹ for Q3 2016
-

Capital Management

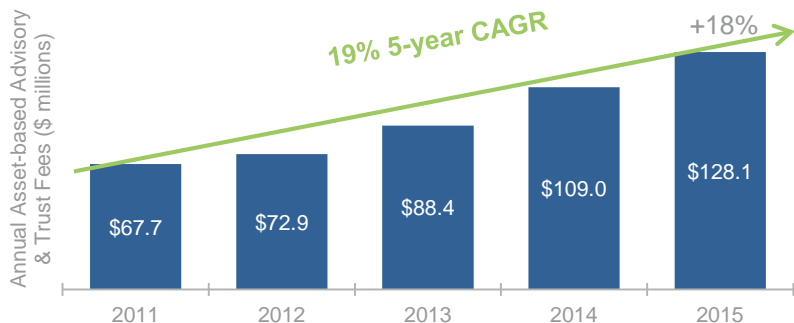
- Quarterly dividend of \$0.62 per share, an increase of 9%, declared in October 2016, at a current yield of 4.9%²
- Liquid cash and investments of \$80.5 million at September 30, 2016

1. See the Reconciliation of Net Income to Economic Earnings on slide 16 of this presentation.

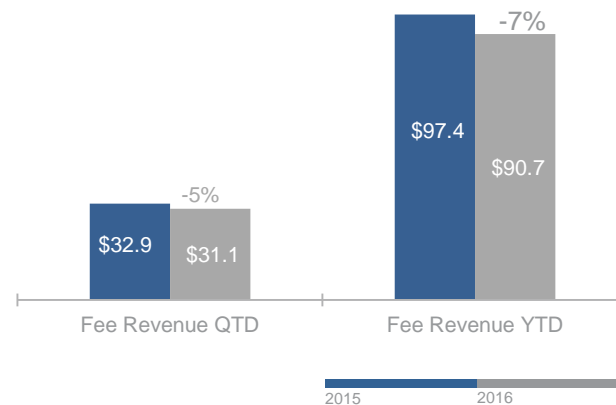
2. As of October 25, 2016.



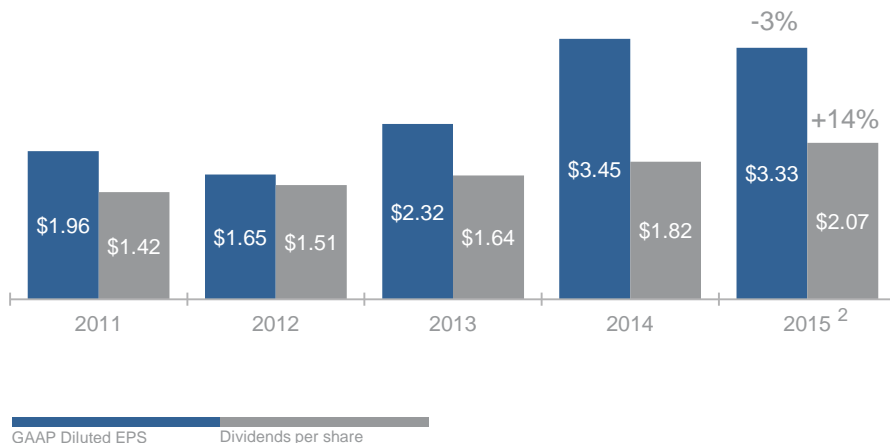
Fee Revenue¹ - Historical



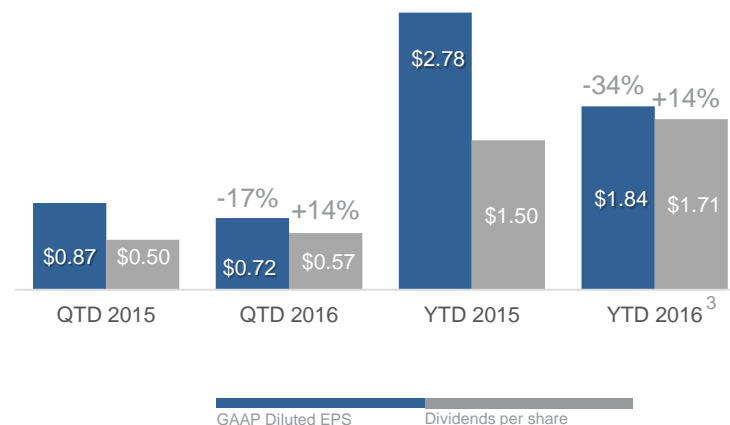
Fee Revenue¹ – QTD and YTD



Earnings and Dividends Per Share - Historical



Earnings and Dividends Per Share – QTD and YTD

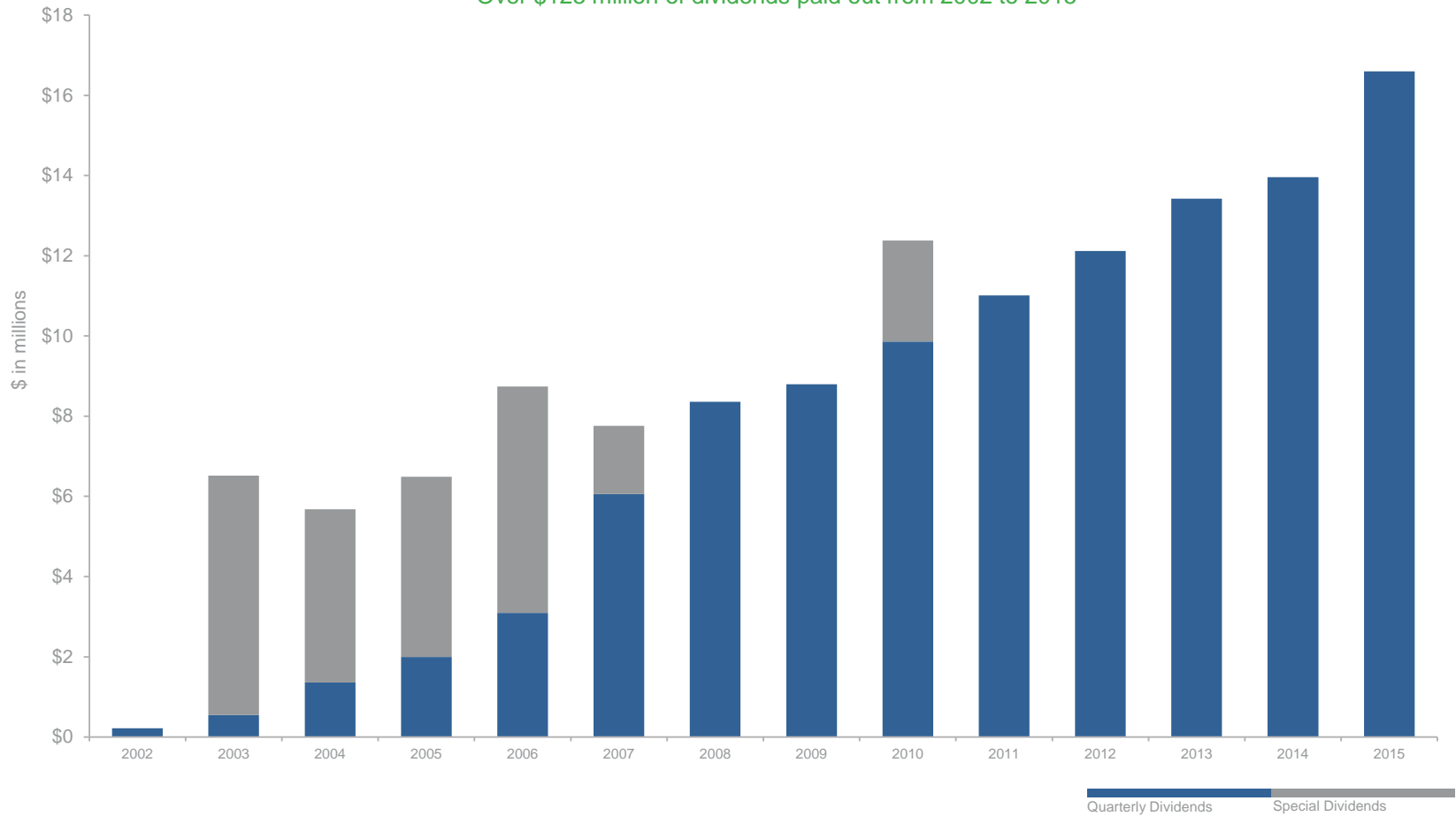


1. Asset-based fee revenue, excluding performance fees.
 2. 2015 GAAP Diluted EPS includes a \$0.10 negative tax adjustment and an \$0.08 non-cash compensation charge.
 3. 2016 GAAP Diluted EPS includes a \$0.17 one-time information technology implementation costs charge, net of taxes.



Annual Dividends

Over \$125 million of dividends paid out from 2002 to 2015



As of December 31, 2015



Reconciliation of **Net Income to Economic Earnings**

We provide a non-U.S. generally accepted accounting principles (“non-GAAP”) performance measure that we refer to as Economic Earnings. We provide this measure in addition to, but not as a substitute for, net income reported on a U.S. generally accepted accounting principles (“GAAP”) basis. Our management and the Board of Directors review Economic Earnings to evaluate our ongoing performance, allocate resources and review the dividend policy. We believe that this non-GAAP performance measure, while not a substitute for GAAP net income, 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 this non-GAAP measure without considering financial information prepared in accordance with GAAP.

In calculating Economic Earnings, we add to net income the non-cash expense associated with equity-based compensation awards of restricted stock, amortization of intangible assets and deferred taxes related to the tax-basis amortization of goodwill. Although depreciation on property and equipment is a non-cash expense, we do not add it back when calculating Economic Earnings because depreciation charges represent a decline in the value of the related assets that will ultimately require replacement.

The following table provides a reconciliation of net income to Economic Earnings for the three months ended September 30, 2016 (\$ thousands):

	<u>9/30/2016</u>
Net Income	\$ 5,887
Add:	
Stock Based Compensation Expense	4,082
Intangible Amortization	490
Tax Benefit from Goodwill Amortization	156
Economic Earnings	<u>\$ 10,615</u>



Appendix



Utilize Technology to Improve Work Flows and Data Management

- Hired first Chief Information Officer
- Upgraded Westwood Trust accounting system to provide consistency across offices and scalability for future offices
- Migrated technology infrastructure to the Microsoft Azure cloud-based platform to improve performance, security, accessibility/mobility and disaster recovery
- Converted trade order management system from Advent Moxy to Bloomberg AIM+ to better facilitate existing and future products
- Completed first phase and initiated second phase of the data architecture program to improve security, management and business intelligence

Enhance Marketing and Product Management Focus

- Hired Head of Marketing and Product Management
- Rebuilding strategic marketing content and branding initiatives to deliver a consistent client experience across channels
- Increase and improve digital presence
- Accelerate sales growth by supporting the Westwood brand globally

Transparent Goal Setting & Accountability

- Input solicited from every person in the company, members of the Board and senior management for agreed upon top goals for the firm
- Internal scorecard developed for tracking progress:
 - Investment performance (relative & peer group)
 - Sales and client service (new sales & client retention)
 - Financial results (expense control/TSR/dividend growth)
 - Strategic goals (technology investment/strategic planning/growth initiatives)



Westwood | Changes to Executive Compensation Program

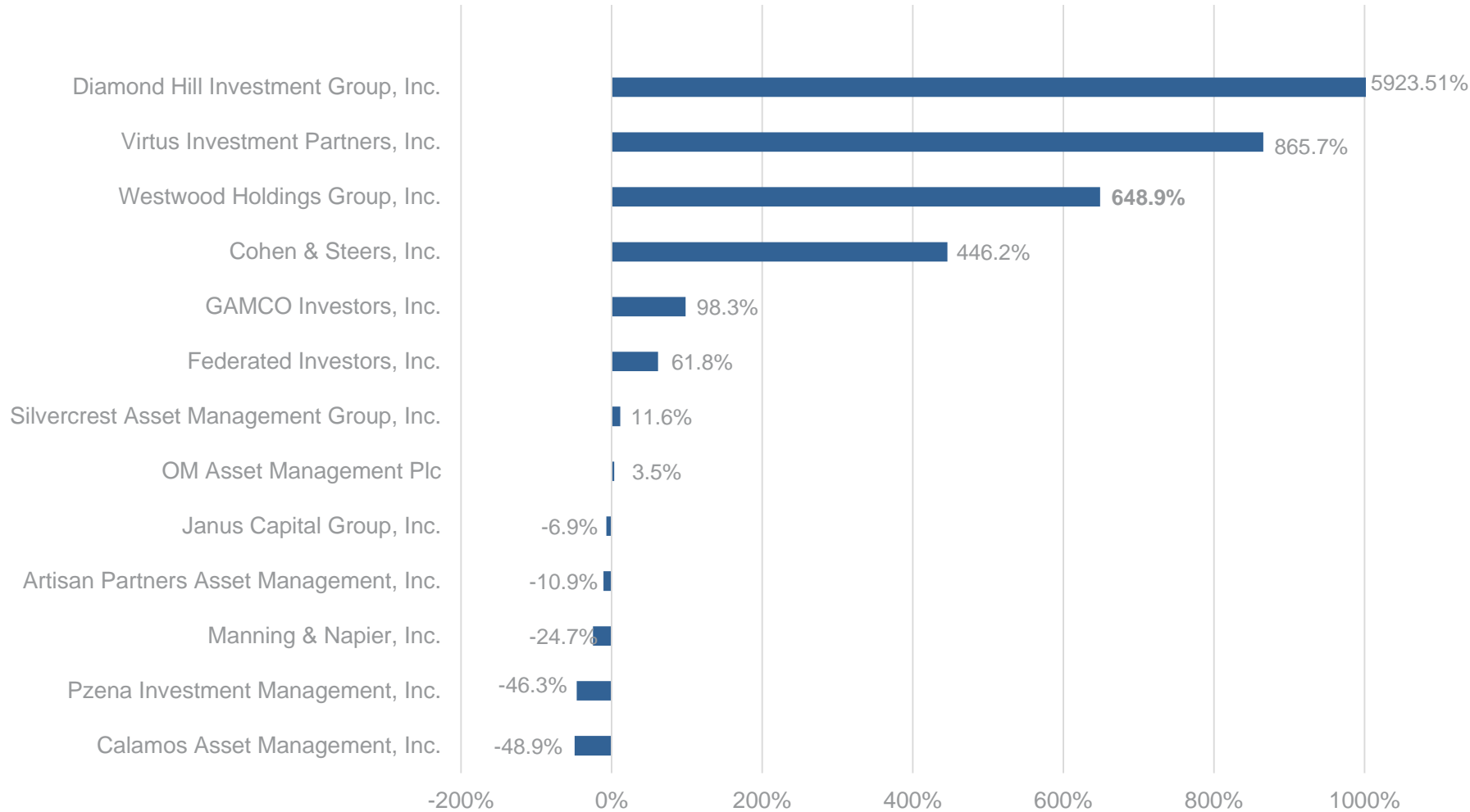
- Independent third party compensation consultant engaged
- New employment agreement for CEO which includes a three-year term, double-trigger change-in-control and no-gross up provisions for taxes
- Stock ownership guidelines adopted for the CEO (6x base salary) and certain other executives (3x base salary) and members of the Board of Directors (5x cash retainer)
- Adopted a clawback policy
- Modified CEO annual incentive plan from a fixed percentage of pre-tax income to a scorecard with multiple pre-established performance goals
- Modified CEO long-term incentive plan from a front-loaded five-year time-based equity award to annual performance-based with additional time-based vesting
- Developed anti-hedging and anti-pledging policies for executives and directors
- Implemented maximum caps on all incentive plans
- Benchmark executives against industry survey data
- Prohibition against back-dating, re-pricing or retroactive equity awards
- Updated peer group of companies to include:

Artisan Partners Asset Management, Inc.
Cohen & Steers, Inc.
Federated Investors, Inc.
Janus Capital Group, Inc.
OM Asset Management Plc
Silvercrest Asset Management Group, Inc.
Wisdom Tree Investments, Inc.

Calamos Asset Management, Inc.
Diamond Hill Investment Group, Inc.
GAMCO Investors, Inc.
Manning & Napier, Inc.
Pzena Investment Management, Inc.
Virtus Investment Partners, Inc.



Total Return Since 2002 Westwood Spin-off



Source: Bloomberg

As of September 30, 2016

Past performance is not indicative of future results.



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 investments in foreign companies;
- our ability to develop and market new investment strategies successfully;
- our ability to pursue and properly integrate acquired businesses;
- litigation risks;
- our ability to retain qualified personnel;
- our relationships with current and potential customers;
- our ability to properly address conflicts of interest;
- our ability to maintain effective information systems;
- our ability to maintain effective cyber security;
- 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, 2015 and our quarterly reports on Form 10-Q for the quarters ended March 31, 2016, June 30, 2016, and September 30, 2016 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 Value	WHGSX
Dividend Growth	WHGDX
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
Global Equity	WWGEX
Global Dividend	WWGDX
Strategic Global Convertibles	WSGCX





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