



**Westwood®**

Investing Where It Counts

# Westwood Investor Relations Presentation

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**A Time Like No Other. Forward With Resolve.**

As of June 30, 2021

**WHG**  
**LISTED**  
**NYSE**

# Westwood Holdings Group, Inc. | **Overview**



## Firm Overview

We are a focused investment management boutique and wealth management firm offering high-conviction equity and outcome-oriented solutions. Our investment services can address a wide range of investment objectives and challenges for institutional investors, financial intermediaries and private clients.

### Core Investment Attributes

High Conviction  
Outcome Oriented  
Risk Aware

### Investment Capabilities

U.S. Value Equity  
Multi-Asset  
Liquid Alternatives

### Employee Ownership Structure

Employees and directors own equity, totaling approximately 19%<sup>2</sup>; no employee owns more than 5%

### Investment Vehicles

Separate Accounts  
Mutual Funds  
SMA / Model  
Other Pooled Vehicles

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 and Westwood Advisors, LLC.

Best Places to Work Selection criteria based 25% on corporate application and 75% on anonymous employee questionnaires within the "100-499 employees" category. Awarded on Dec. 14, 2020.

Investment Management

Wealth Management

Founded | 1983

AUM<sup>1</sup> | \$14.4 B

Employees<sup>1</sup> | 125

Publicly Traded | NYSE: WHG

Signatory |

Signatory of:  
 **PRI** Principles for Responsible Investment



<sup>1</sup>As of June 30, 2021

<sup>2</sup>As of March 2, 2021



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

Thank you for making Westwood one of the best places to work for the **seventh** 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.

We are lucky to have a dedicated team and are thankful for every employee.



Best Places to Work Selection criteria based 25% on corporate application and 75% on anonymous employee questionnaires within the "100-499 employees" category. Awarded on Dec. 14, 2020.



LUCKY  
NUMBER  
7



**Institutional Separate Accounts**

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**Mutual Funds**

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**SMA / Model**

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**Other Pooled Vehicles**

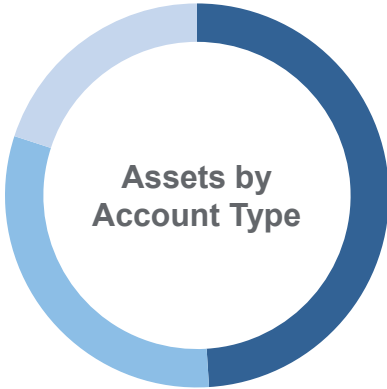


U.S. Value Equity	Multi-Asset	Liquid Alternatives	Wealth Solutions
LargeCap Value SMidCap SmallCap Value AllCap Value	Income Opportunity High Income Total Return Credit Opportunities*	Alternative Income	Enhanced Balanced Select Equity Tax-Managed Select Equity Taxable High Alpha Dividend Select





<b>59%</b>	<b>40%</b>	<b>1%</b>
U.S. Value Equity	Multi-Asset/Multi-Strategy	Liquid Alternatives



<b>49%</b>	<b>31%</b>	<b>20%</b>
Institutional Separate Accounts & Other Managed Accounts	Wealth Management	Westwood Mutual Funds



<b>39%</b>	<b>29%</b>	<b>27%</b>
Public Funds	Sub-Advisory	Corporate
<b>4%</b>	<b>1%</b>	
Foundations/Endowments	Taft-Hartley	

Percentages in the Strategy Breakdown and Assets by Account Type charts are based upon firm-wide assets under management as of June 30, 2021. Percentages in the Institutional Client Type chart are based upon the assets under management of Westwood Management Corp only, less assets managed for private individuals, managed accounts and collective investment trusts.





# Westwood | Investment Management





Significant investment in Distribution

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Increased sales growth since strategy implemented

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New jumbo separate account wins in Institutional

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Expanded platform availability in Intermediary

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Automation of sales support infrastructure

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Net positive flows in 2Q 2021 (excluding global convertibles transition)





Absolute Return. Total Return. **Outcome Oriented.**

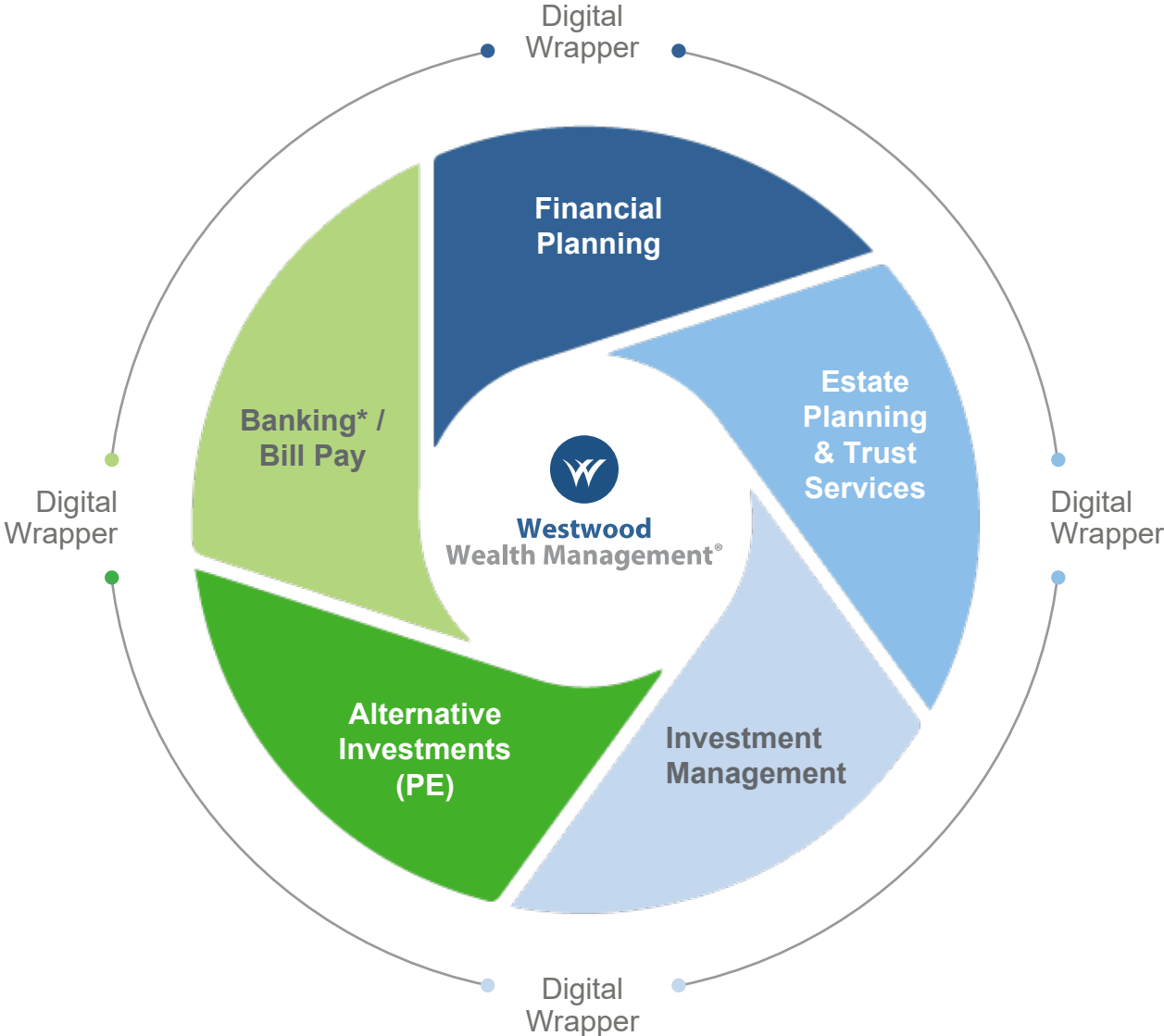
## Westwood Multi-Asset

Varying degrees  
of equity market  
sensitivity



# Westwood | **Wealth Management**





\*Banking services are provided through Westwood Private Bank, a branch of Charis Bank.





**Ultra High  
Net Worth**

**\$10M+**

**High Touch  
Personal Approach**

- Strong planning focus
- Estate / third party interaction
- Private equity tracking
- Looking for expertise and flexibility to navigate complex financial considerations



**Active  
Engaged**

**\$2M-\$10M**

**Accumulator**

- Standard estate planning needs
- Philanthropy
- Tax Efficiency
- Engaged third party (CPA, attorney, etc.)



**WealthCoach**

**\$50k-\$2M**

**Accumulator**

- Common goals
- No complex tax concerns
- Looking for a holistic provider



**Prospect**

**Freemium  
Offering**

- Common goals
- Use gaming theory to engage



**Small  
Institutional**

**(Foundation /  
Endowment /  
Pension)**

**Allocator**

- Have discretion over assets
- Long-term relationships





As we continue to focus on delivering services to meet our clients' needs, we have a partnership with Charis Bank that allows us to refer clients to **Westwood Private Bank** for banking services.



Traditional bank services, including checking, savings and lending



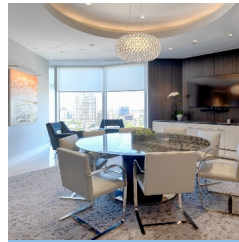
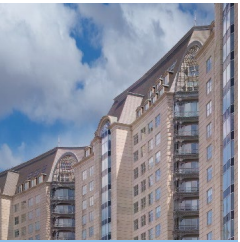
Highly personalized service



State-of-the-art digital capabilities



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



Westwood Wealth Management



# Financials | **Highlights**





## 2Q 2021 Highlights

**\$17.5M**  
Revenues

**\$14.4B**  
Assets Under  
Management

**\$1.0M**  
Earnings

**-\$722M\***  
Net Flows

- Westwood's best sales quarter since 2016
- Strong performance across multiple asset strategies
- Regular dividend of \$0.10 per share declared
- Special dividend of \$2.50 per share declared

\*Westwood made the strategic decision in 4Q2020 to exit the global convertibles business. As part of this exit, the \$1.6B in funds that we sub-advised for Aviva Investors was returned to Aviva as of April 1, 2021. Excluding this transition, positive net flows totaled nearly \$900M in 2Q2021.



## 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 June 30, 2021 (\$ thousands):

	<b>June 30, 2021</b>
Net Income	\$ 970
Add: Stock-based compensation expense	1,375
Add: Intangible amortization	406
Add: Tax benefit from goodwill amortization	59
Economic Earnings	2,810



# Appendix



## Ongoing investments in technology



### InvestCloud

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The backbone of our integrated system – seamlessly delivering data paired with client access via an intuitive digital experience



### WealthCoach

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Latest generation of our online advice tool designed to meet the needs of digitally savvy investors



### Apple App

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Account details, advisor engagement and eventually transactions at the touch of a button



### Apex Clearing

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Streamlined documentation, reporting and custodial services for digital advice

## Foundational tech infrastructure implemented beginning in 2015



### Cloud Azure

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World-class security protocols



### FactSet / Northfield Risk Analytics

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Enables analysis of market complexity and total risk



### Markit EDM

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Data integrity and compliance



### Bloomberg AIM+

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Best-in-class data for trading and portfolio management





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](http://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 Multi-Asset Funds (I-Shares)

Name	Symbol
Quality Value	WHGLX
Quality SMidCap	WHGMX
Quality SmallCap	WHGSX
Total Return	WLVIX
Income Opportunity	WHGIX
Alternative Income	WMNIX
High Income	WHGHX



## 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 AUM;
- our ability to maintain our fee structure in light of competitive fee pressures;
- the impact of the COVID-19 pandemic;
- the significant concentration of our revenues in a small number of customers;
- regulations adversely affecting the financial services industry;
- competition in the investment management industry;
- our ability to develop and market new investment strategies successfully;
- our AUM include investments in foreign companies;
- 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 declare and pay dividends;
- our ability to fund future capital requirements on favorable terms;
- 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 stock is thinly traded and may be subject to volatility;
- our organizational documents contain provisions that may prevent or deter another group from paying a premium over the market price to our stockholders to acquire our stock;
- we are a holding company dependent on the operations and funds of our subsidiaries;
- our relationships with investment consulting firms; and
- our ability to avoid termination of client agreements and the related investment redemptions.

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 Dec. 31, 2019 and our quarterly report on Form 10-Q for the quarters ended March 31, 2020, June 30, 2020, and Sept. 30, 2020, which together with our other filings can be viewed at [www.sec.gov](http://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**  
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