



Westwood®

Investing Where It Counts

Investor Relations Presentation

As of Dec. 31, 2020

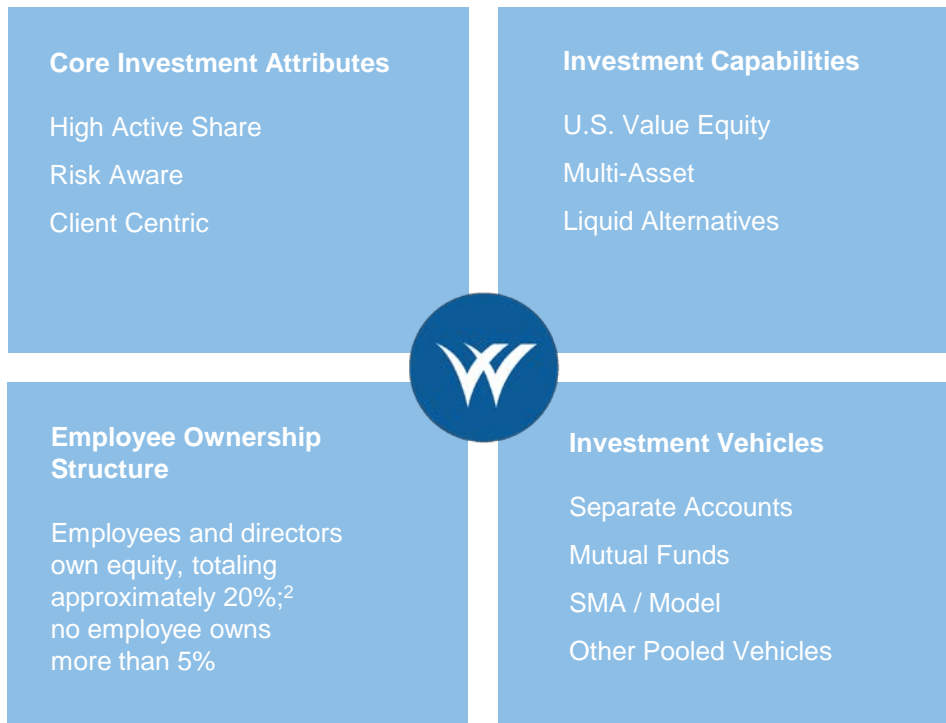
WHG
LISTED
NYSE

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.



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

AUM¹ | \$13.0 B

Employees¹ | 136

Publicly Traded | NYSE: WHG

Signatory |



¹As of December 31, 2020

²As of March 2, 2020



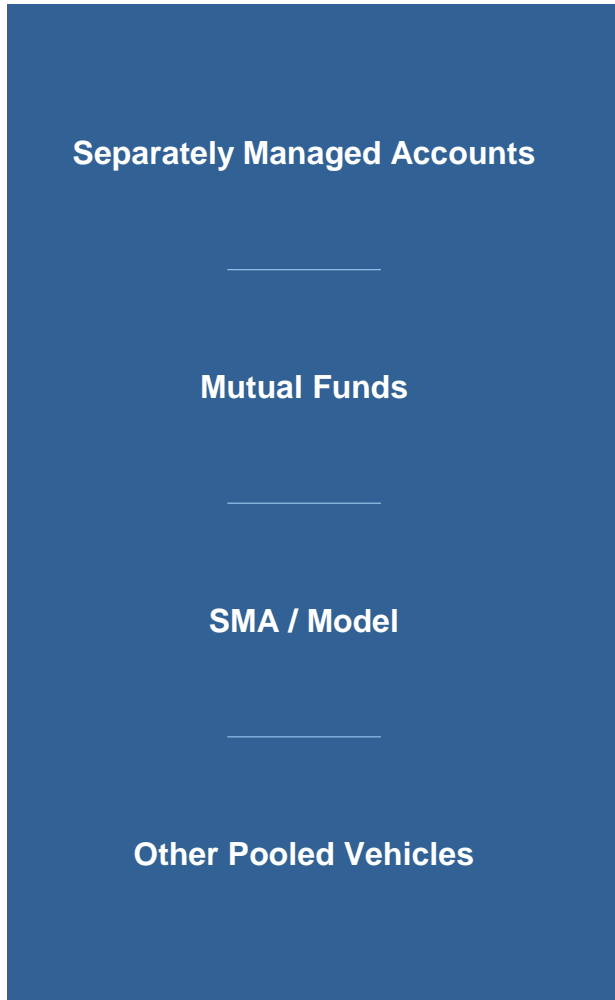
OUR EMPLOYEES: THE BUILDING BLOCKS OF OUR SUCCESS.

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.





U.S. Value Equity

- LargeCap Value
- LargeCap Select
- SMidCap
- SmallCap Value
- AllCap Value

Multi-Asset / Multi-Strategy

- Income Opportunity
- High Income
- Total Return
- Enhanced Balanced®*
- Select Equity*
- Credit Opportunities*

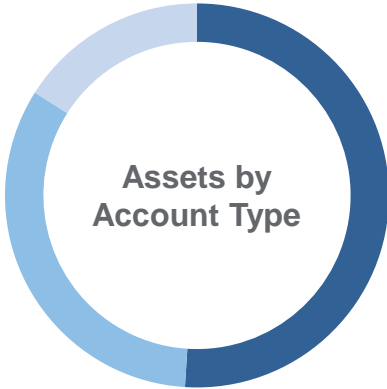
Liquid Alternatives

- Alternative Income





46%	43%
U.S. Value Equity	Multi-Asset/ Multi-Strategy
3%	8%
Convertibles	Liquid Alternatives



51%	33%	16%
Institutional Separate Accounts & Other Managed Accounts	Wealth Management	Westwood Mutual Funds



1%	36%	44%
Taft-Hartley	Public Funds	Sub-Advisory
13%	6%	
Corporate	Foundations/ Endowments	

Percentages in the Strategy Breakdown and Assets by Account Type charts are based upon firm-wide assets under management as of December 31, 2020. 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





Largest Distribution team in Westwood history

Increasing new sales in institutional and intermediary with slowing outflows

Positive net mutual fund flows

Increased overall opportunity pipeline including jumbo mandates

Launched SmallCap mutual fund and SMA on leading wirehouse platform

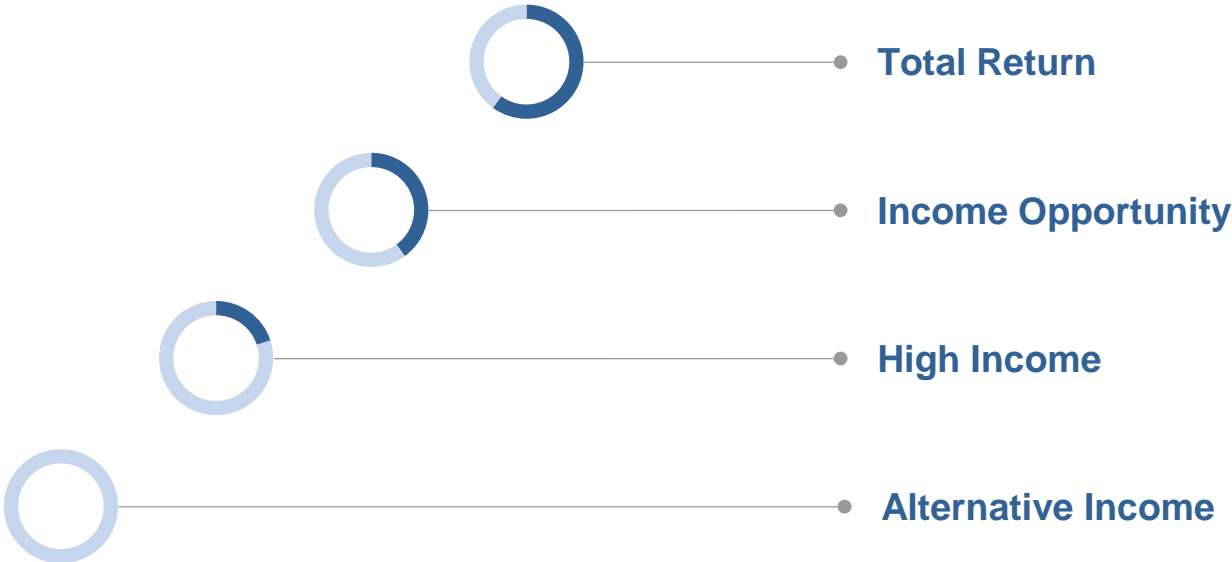
Continued automation of sales and client support infrastructure



Absolute Return. Total Return. Income Oriented.

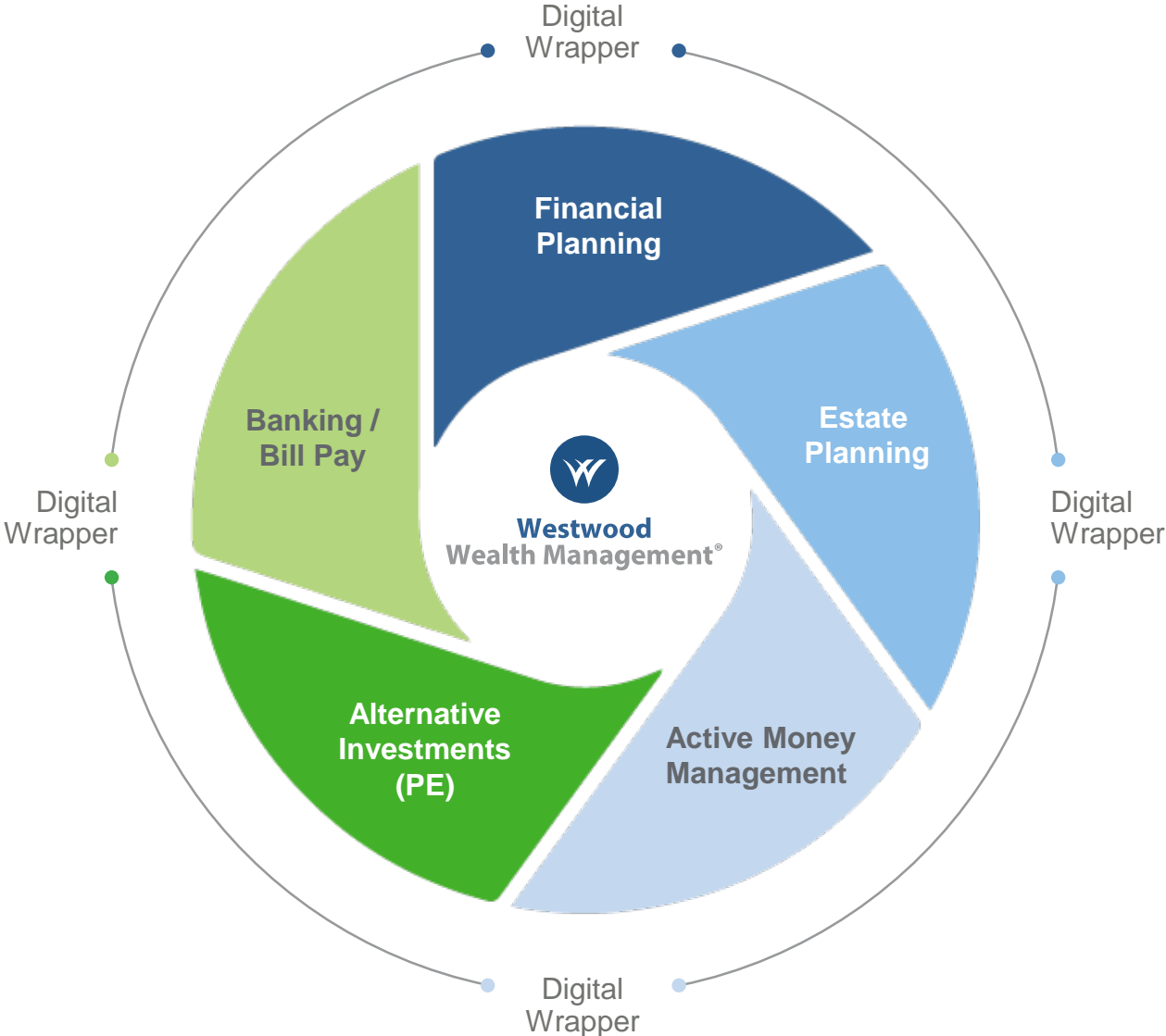
Westwood Multi-Asset

Varying degrees
of equity market
sensitivity



Westwood | **Wealth Management**







**Ultra High
Net Worth**

\$10M+

**High Touch
Personal Approach**

Strong planning focus

Estate / third party
interaction

Private equity tracking

Looking for someone
to make it simple
for them



**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



Institutional

**Consultant or
Asset Owner**





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, including checking, savings and lending



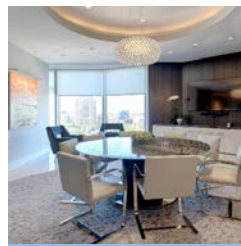
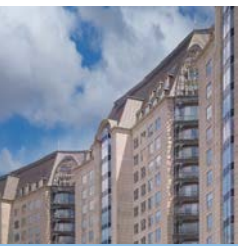
Highly personalized service



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



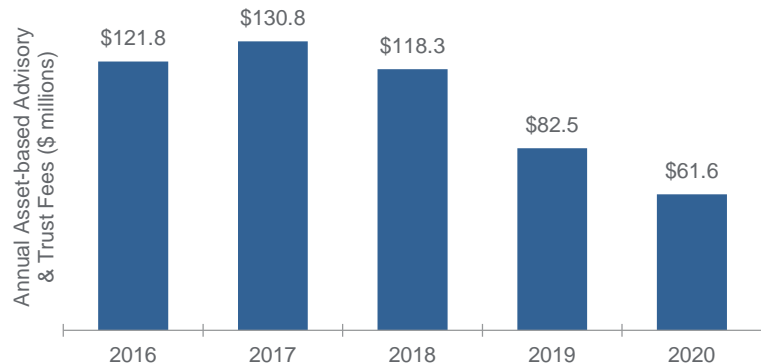
Westwood Wealth Management



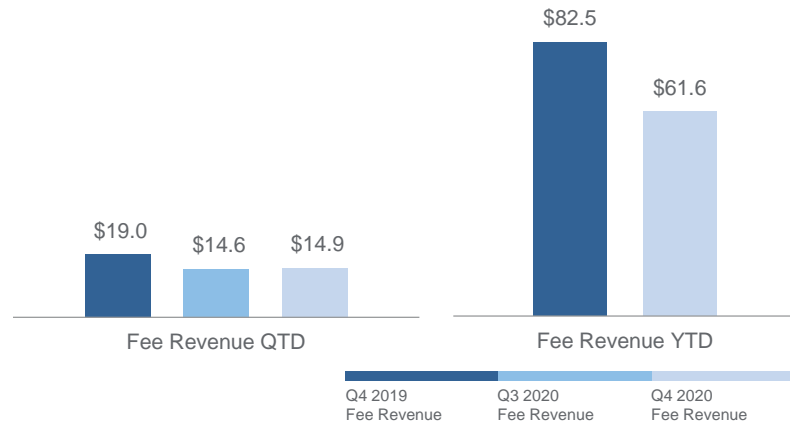
Financials | **Highlights**



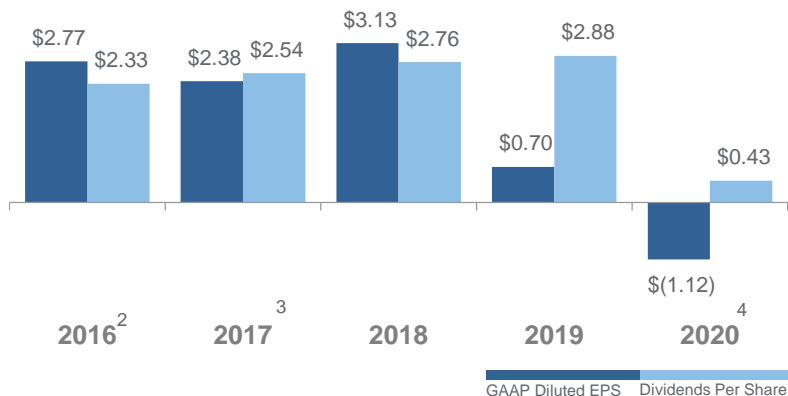
Fee Revenue¹ – Historical



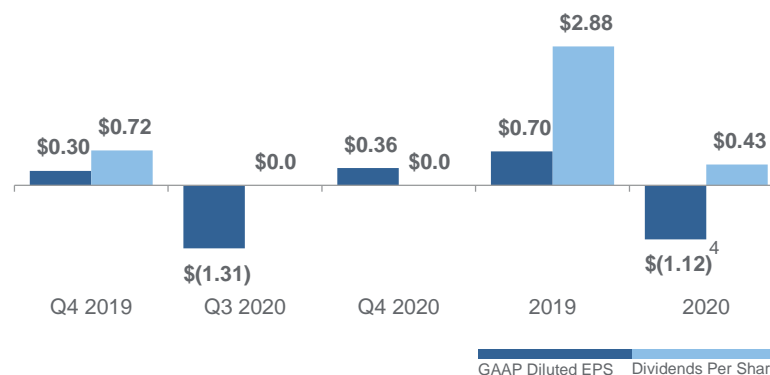
Fee Revenue¹ – QTD and YTD



Earnings and Dividends Per Share – Historical



Earnings (Loss) and Dividends Per Share – QTD and YTD



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

2. 2016 GAAP Diluted EPS includes a \$0.16 one-time information technology implementation costs charge, net of taxes.

3. 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.

4. 2020 GAAP EPS includes a \$.96 and \$.94 one-time adjustment respectively for our Goodwill Impairment on our Advisory segment and the release of our Cumulative Transaction Adjustment related to WIA.



Reconciliation of **Net Income (loss) 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 (loss) 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 loss to Economic Earnings for the twelve months ended December 31, 2020 (\$ thousands):

	<u>12/31/2020</u>
Net Loss	\$ (8,947)
Add:	
Stock Based Compensation Expense	6,701
Impairment expense	3,403
Intangible Amortization	1,721
Currency translation adjustment reclassification	4,169
Tax Benefit from Goodwill Amortization	237
Economic Earnings	<u>\$ 7,284</u>



Appendix



Technology | Modern, Scalable and Digital



**Cloud
Azure**



**FactSet /
Northfield
Risk Analytics**



**Markit
EDM**



**Bloomberg
AIM+**



**InvestCloud
Green**



**InvestCloud
Digital**



**Apple App and
WealthCoach
Next Gen**

2015

Access to world-class security protocols as they become available

Scalability and predictable cost structure

2016

Robust risk models provide risk information across asset classes

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

Uses precise market risk exposures to measure and control risk

2016

Formal data management program

Data integrity and data compliance for the firm

2016

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

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

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

2019

Cloud-based multi-currency, multi-asset class portfolio accounting and reconciliation system to support institutional and wealth business

Highly scalable as we expand to other asset classes with more complexity

2020

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

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

Integrated document storage and net worth updates

Launched WealthCoach 2.0 – new investment functionality

2021

Apple app places account details, advisor engagement and eventually transactions at the touch of a button

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

Real-life investment solutions, low-cost solutions and streamlined documentation for account opening through Apex Clearing





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 Multi-Asset Funds (I-Shares)

Name	Symbol
LargeCap Value	WHGLX
SMidCap	WHGMX
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. 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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