



Westwood[®]

Investing Where It Counts

Investor Relations Presentation

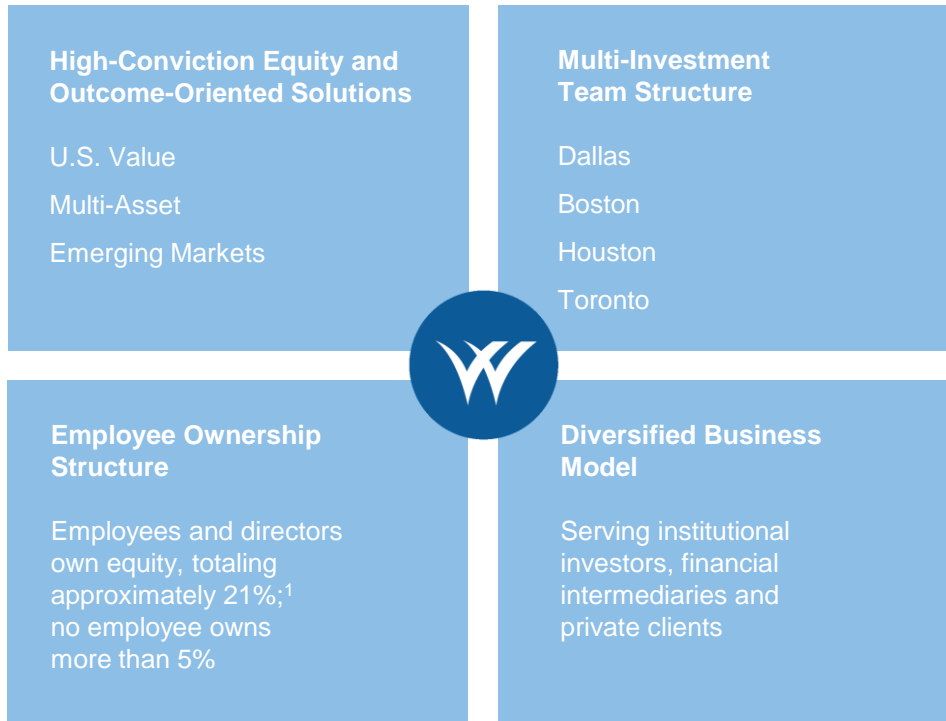
As of December 31, 2019

Overview



Firm Overview

We are a focused investment management boutique 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, Westwood Advisors, LLC, and Westwood International Advisors Inc.

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 December 9, 2019.

Investment Management
Wealth Management

Overview

Founded | 1983

AUM | \$15.2 B

Employees | 165

Publicly Traded | NYSE: WHG 2002

Signatory of:  Principles for Responsible Investment



¹As of March 4, 2019



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

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



SIX-PEAT



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 sixth year in a row.



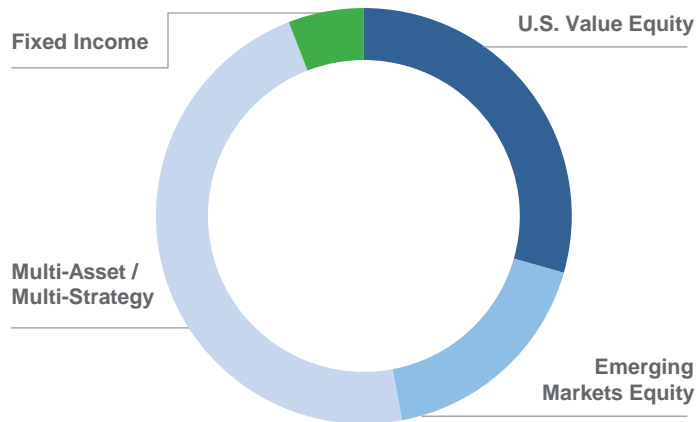
Separately Managed Accounts

Mutual Funds

UCITS

Other Pooled Vehicles

Our Strategies



U.S. Value Equity

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

Fixed Income

- Custom Solutions

Emerging Markets Equity

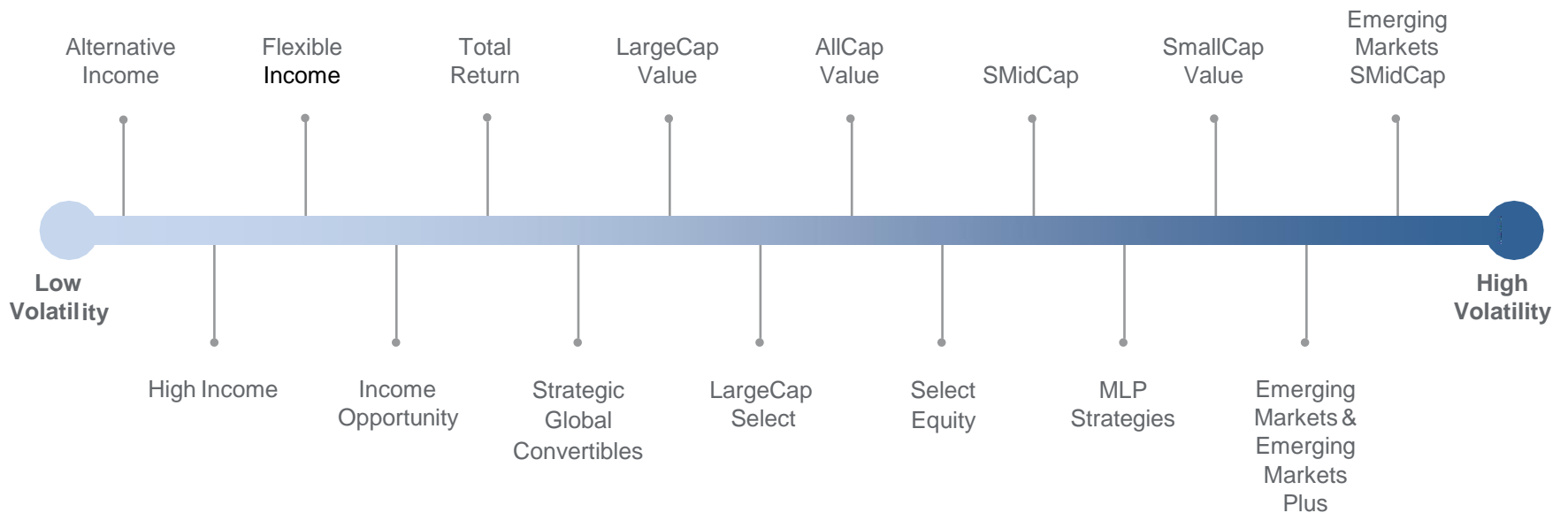
- Emerging Markets
- Emerging Markets Plus
- Emerging Markets SMidCap

Multi-Asset / Multi-Strategy

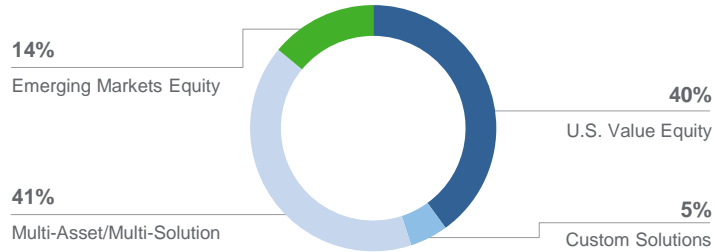
- Income Opportunity
- Flexible Income
- Select Equity
- Enhanced Balanced
- High Income
- Total Return
- Alternative Income
- Strategic Global Convertibles

*As of 12/31/2019. Reflects AUM of strategies offered through Westwood Management Corp., Westwood International Advisors Inc., Westwood Trust and Westwood Advisors LLC combined.

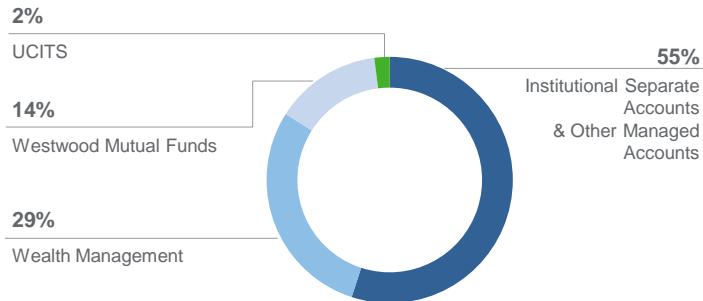




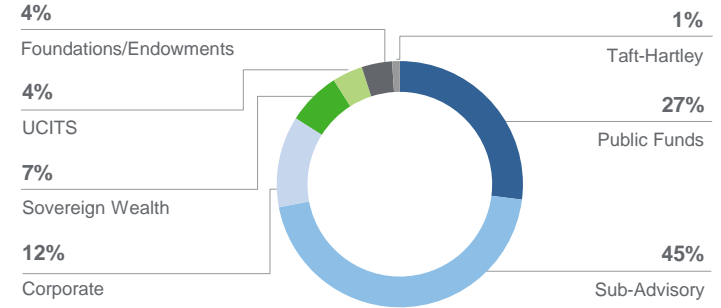
STRATEGY BREAKDOWN



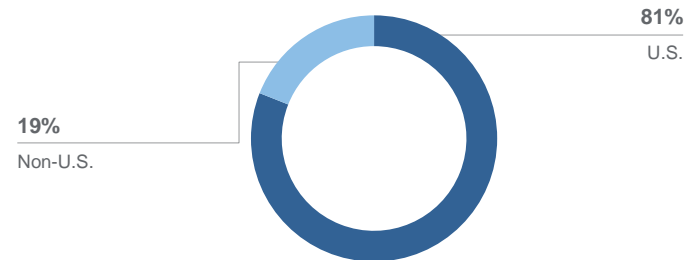
ASSETS BY ACCOUNT TYPE



INSTITUTIONAL CLIENT TYPE



ASSETS BY CLIENT DOMICILE



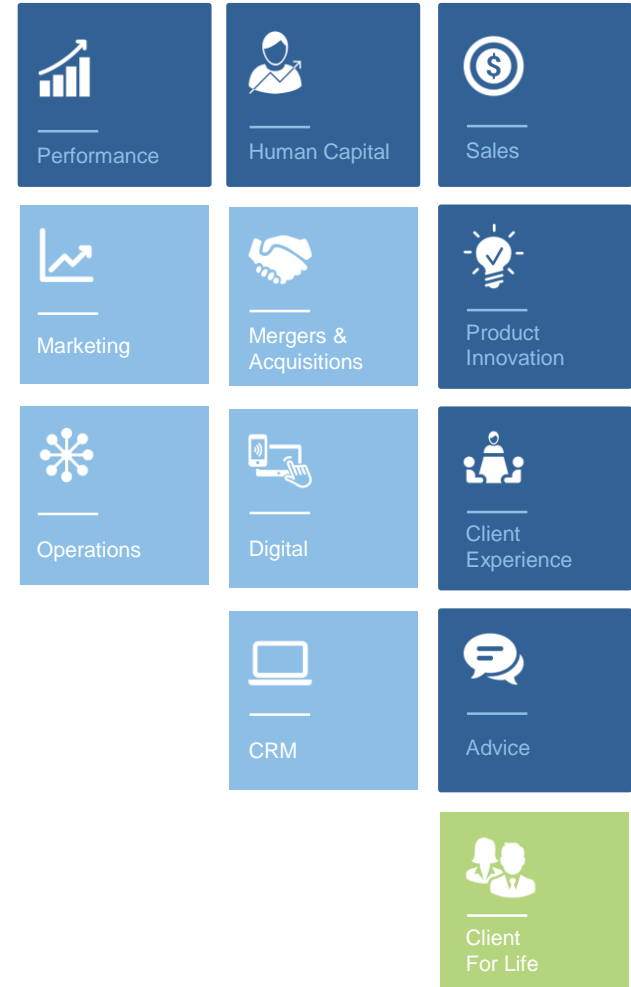
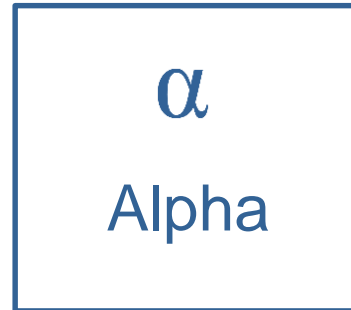
Percentages in the Strategy Breakdown, Assets by Account Type, and Assets by Client Domicile charts are based upon firm-wide assets under management as of December 31, 2019. Percentages in the Institutional Client Type chart are based upon the combined assets under management of Westwood Management Corp.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



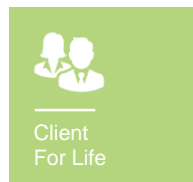
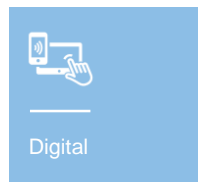
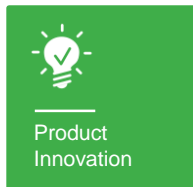
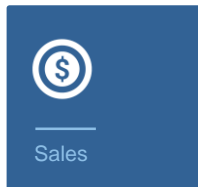
Investment Management



- 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 2020 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 build brand awareness and improve discoverability

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 within our wealth management business to a goals-based approach where financial planning plays a more central role; addressing complexities across segments including UHNW and HNW segments

Deploy a multi-generational segmentation approach across all levels of wealth



Flexible Fee Approach

Aligning with Investors to Provide Greater Flexibility

Offering New, Innovative Performance Fee Solutions Based on Deconstructing Alpha and Beta

Building a New Brand of Active Management





Strategy Execution to Scale the Business

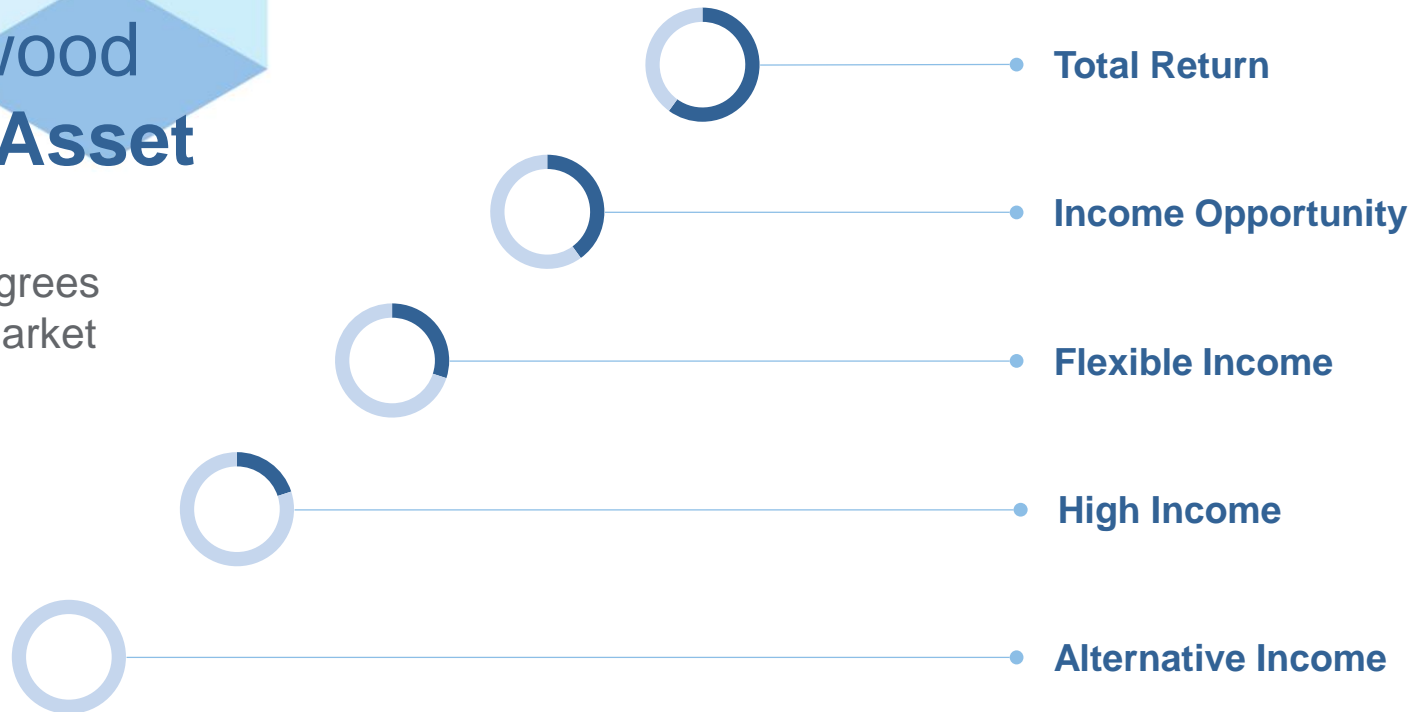
- Consolidated fund lineup
- Salesforce CRM dashboard and territory build-out with OpportunityHunter analytics
- Using SMA and model delivery to accelerate growth and mutual fund adoption on third-party platforms
- New A and C share classes have expanded customer base for core product offerings
- Building 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.

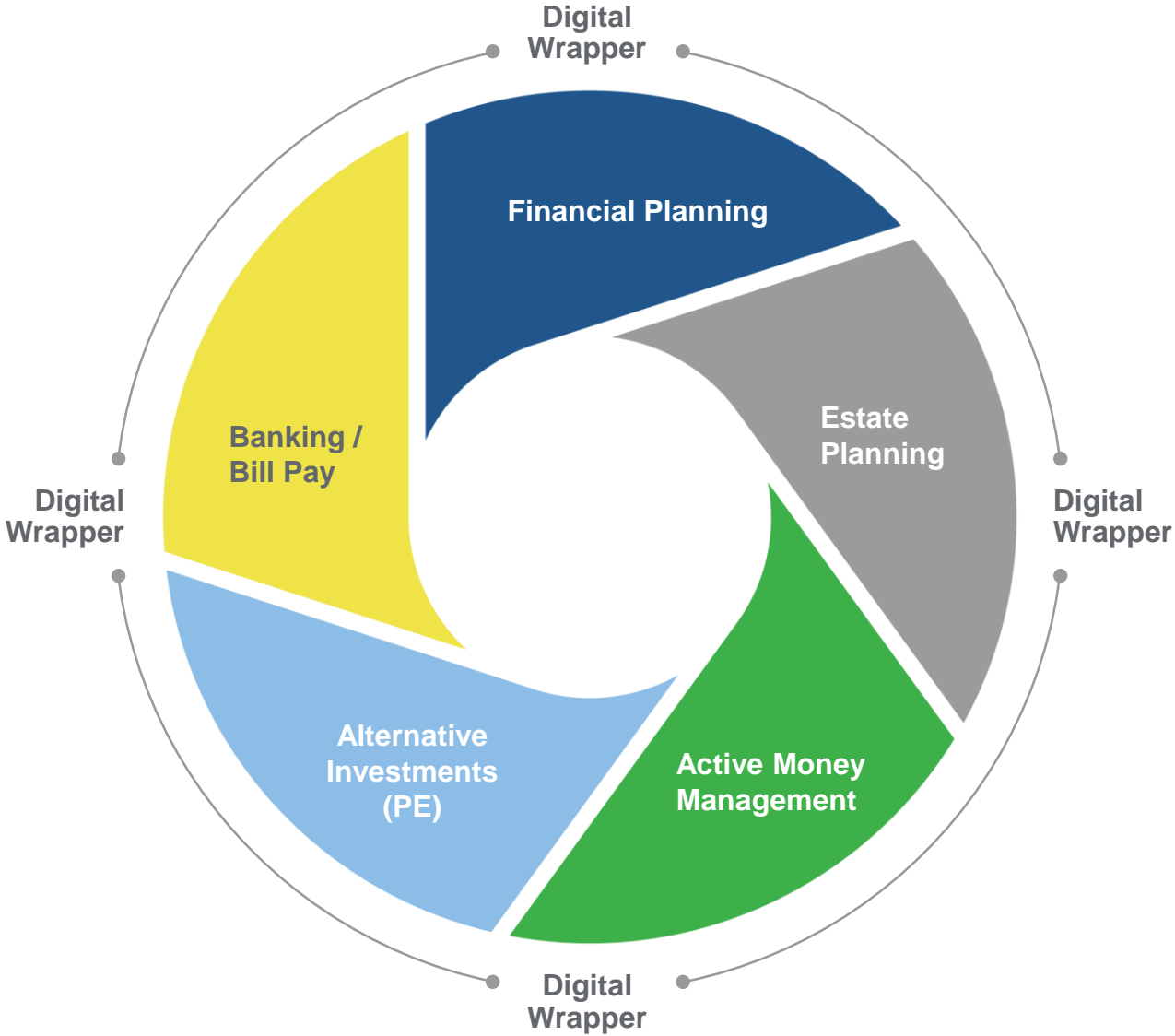
Westwood Multi-Asset

Varying degrees
of equity market
sensitivity



Wealth Management





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



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 and concierge service



Financials | Highlights



“We were very pleased to see all of our US Value and Multi-Asset strategies delivering some of their best years of outperformance.... We are very encouraged that attractive M&A opportunities continue to surface, and our business platform is well positioned for an accretive acquisition. We fully expect our business to resume its growth trajectory through emerging and proven avenues.”

Assets Under Management

- Total AUM of \$15.2 billion and AUA of \$283 million at December 31, 2019

Investment Strategies

- Our LargeCap, SMidCap, SmallCap Value, Alternative Income, AllCap Value, Emerging Markets, and Emerging Markets SMid strategies beat their primary benchmarks for the year.
- Top quartile performance was achieved by our Income Opportunity, SmallCap Value, SmidCap Value strategies, and top decile performance for Alternative Income strategy.

Operating Results

- Total revenues of \$84.1 million for 2019
- Net income of \$5.9 million and Economic Earnings of \$18.2 million² for 2019

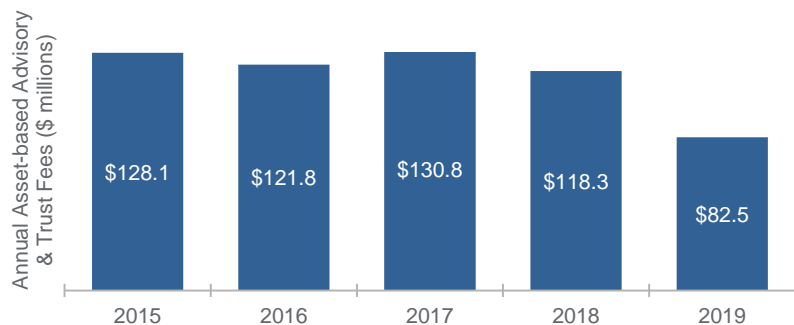
Capital Management

- Quarterly dividend of \$0.43 per share declared in February 2020, at a current yield of 6.0%³
- Liquid cash and investments of \$100.1 million at December 31, 2019

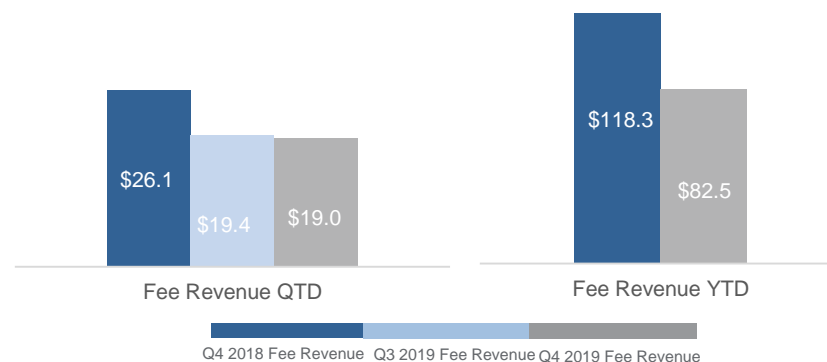
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2. See the Reconciliation of Net Income to Economic Earnings on slide 21 of this presentation.
3. As of February 4, 2020



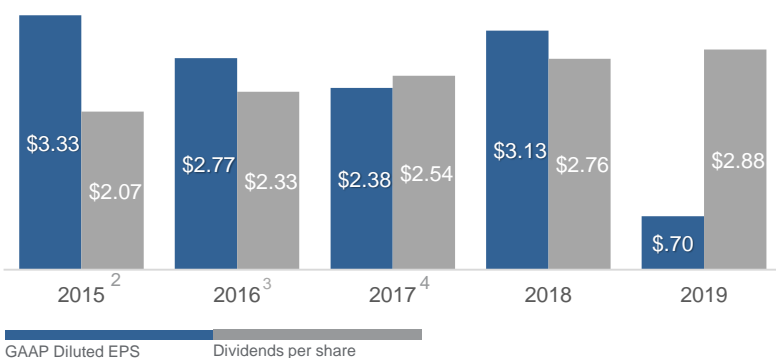
Fee Revenue¹ - Historical



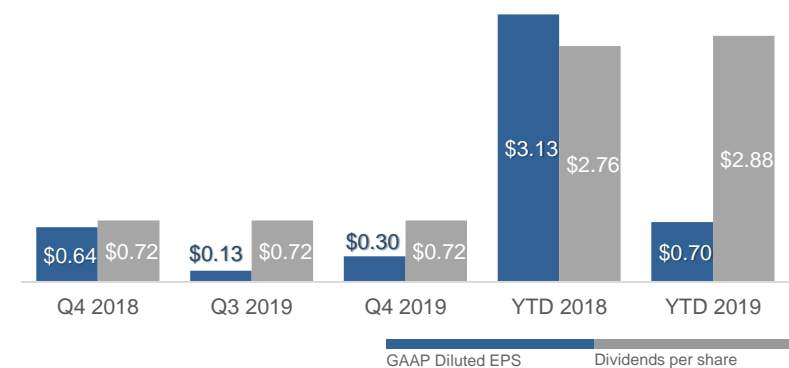
Fee Revenue¹ - QTD and YTD



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 twelve months ended December 31, 2019(\$ thousands):

	12/31/2019
Net Income	\$ 5,911
Add:	
Stock Based Compensation Expense	10,305
Intangible Amortization	1,726
Tax Benefit from Goodwill Amortization	237
Economic Earnings	\$ 18,179



Appendix



Ahead of the Curve | Technology



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



An initial 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

2016

2016

2019

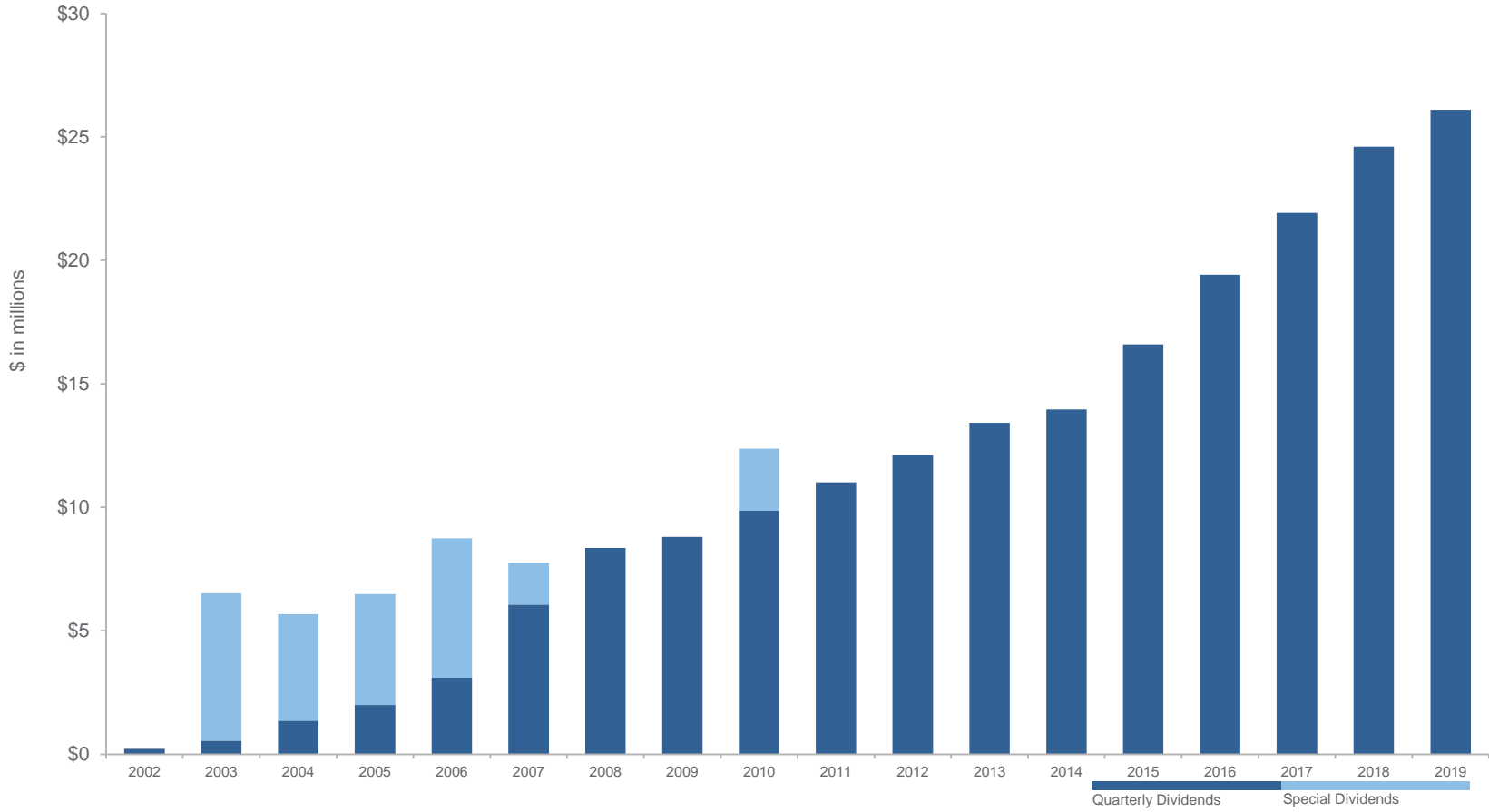
Jan. 2020

Phased Approach
2Q-4Q 2020



Annual Dividends

Over \$220 million of dividends paid out from 2002 to 2019



As of December 31, 2019.



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



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.





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