



# Westwood Holdings Group, Inc.

Investor Relations Presentation

# Westwood Overview



## Firm Overview

Westwood is a focused investment management boutique and wealth management firm, offering a broad array of investment solutions to institutional investors and financial intermediaries

### Core Investment Attributes

High Conviction  
Team Driven  
Risk Aware

### Investment Capabilities

U.S. Value Equity	Systematic Equity
Multi-Asset	Income Alternatives
Energy & Real Assets	Tactical Absolute Return

### Employee Ownership Structure

Employees and directors own equity, totaling approximately 24%<sup>2</sup>; no employee owns more than 5%

### Investment Vehicles

Separate Accounts	Private Funds
Mutual Funds	Collective Investment Trusts
Advisor SMA and Model Delivery	

Westwood and Westwood Management are the trade names for Westwood Holdings Group, Inc. ("WHG"), which together with its wholly owned subsidiaries, Westwood Management Corp. ("WMC"), Westwood Advisors, LLC ("WA"), Westwood Trust ("WT"), Salient Advisors, LP ("SA") and its affiliate Broadmark Asset Management, LLC ("Broadmark"), provides investment and portfolio management services to individuals, investment companies, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations, state and municipal government entities, pooled investment vehicles, and sovereign wealth funds. WMC, WA, SA and Broadmark are SEC registered investment advisors. Registration as an investment advisor does not imply any level of skill or training. WT is a Texas chartered Trust company overseen by the Texas Department of Banking. Westwood does not offer legal or tax advice. Please contact your attorney and or tax professional for advice regarding your specific situation.

Investment Management

Wealth Management

Founded | 1983

AUM<sup>1</sup> | \$16.2 B

Employees<sup>3</sup> | 147

Publicly Traded | NYSE: WHG

Signatory |

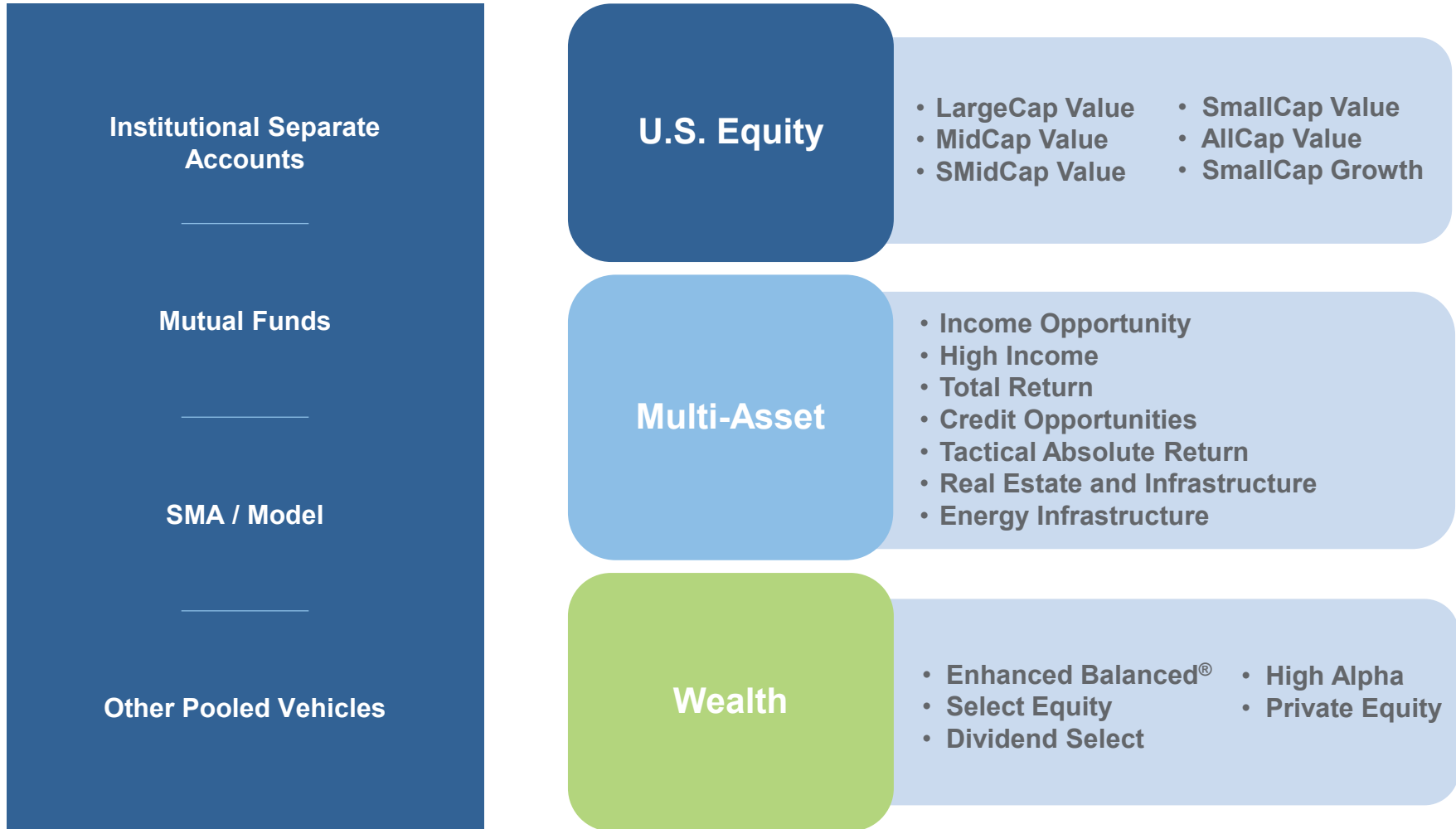


<sup>1</sup>March 31, 2023 firm wide AUM consisted of AUM of \$15.0 billion and AUA of \$1.2 billion.

<sup>2</sup>As of March 6, 2023

<sup>3</sup>As of March 31, 2023







<b>49%</b>	<b>31%</b>	<b>20%</b>
U.S. Value Equity	Multi-Asset/Multi-Strategy	Wealth



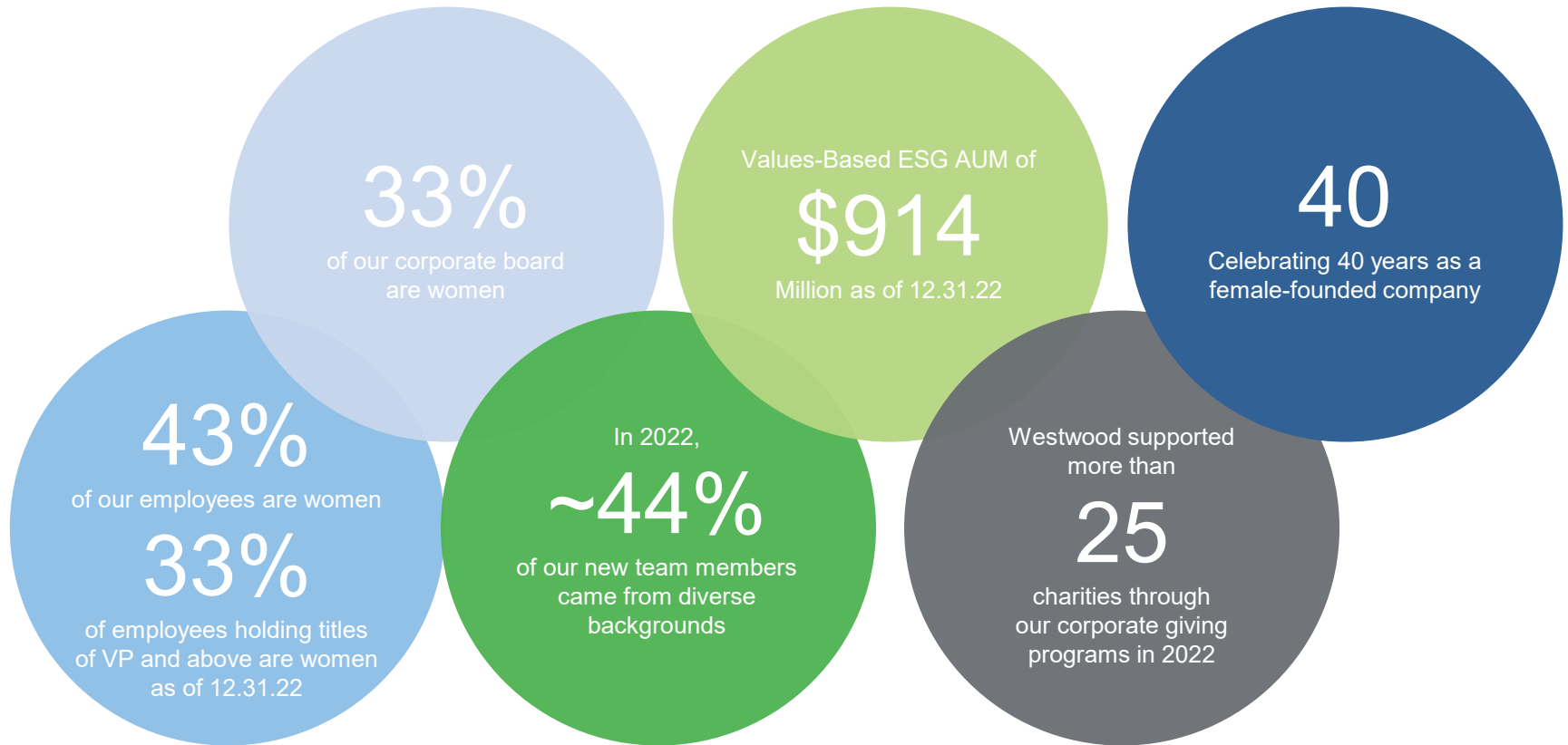
<b>47%</b>	<b>25%</b>	<b>28%</b>
Institutional Separate Accounts & Other Managed Accounts	Wealth Management	Westwood Mutual Funds

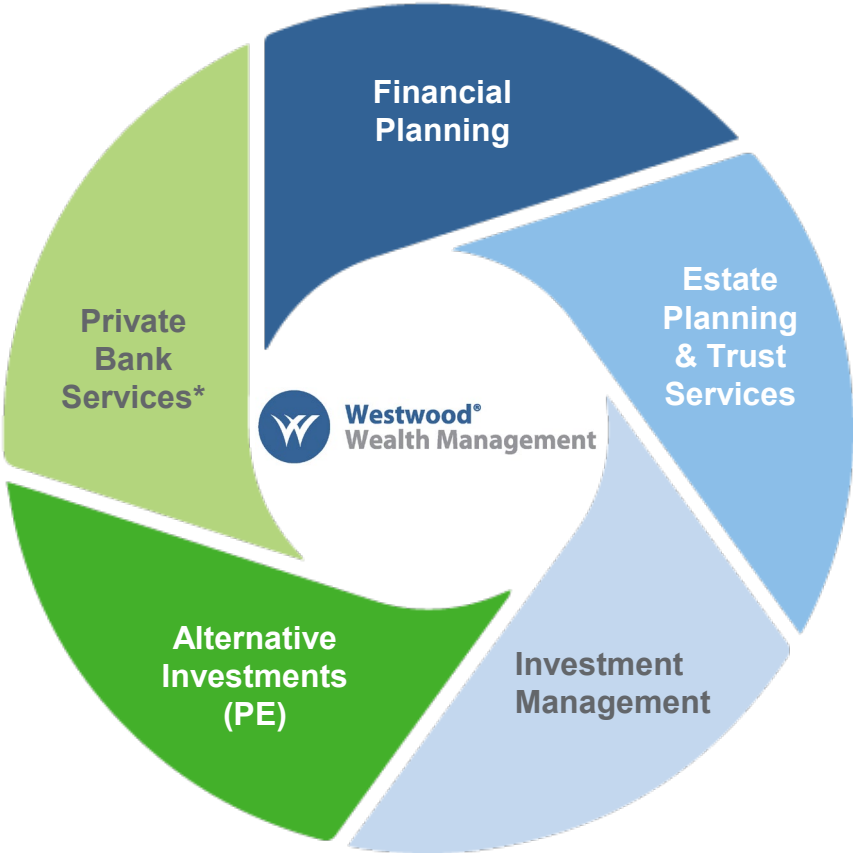


<b>48%</b>	<b>27%</b>	<b>17%</b>
Public Funds	Sub-Advisory	Corporate
<b>7%</b>	<b>1%</b>	
Foundations/Endowments	Taft-Hartley	

Percentages in the Strategy Breakdown and Assets by Account Type charts are based upon firm-wide assets under management as of March 31, 2023. 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.







\*Banking services are provided through Vista Bank.



# Financial Highlights





## 1Q 2023 Highlights

**\$22.7M**  
Revenues

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**\$16.2B**  
Assets Under  
Management<sup>1</sup>

**\$0.7M**  
Net Income<sup>2</sup>

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**-\$0.1B**  
Net Flows

<sup>1</sup> March 31, 2023 AUM consisted of AUM of \$15.0 B and AUA of \$1.2 B.

<sup>2</sup> Includes the impact of pre-tax acquisition-related expenses of \$0.2 M.



# Salient Acquisition



April 2023: Integration with Salient and Broadmark teams continues.



### **Sales Team Integration**

- Intermediary sales team is becoming well integrated and cross-training on legacy Westwood, Salient & Broadmark strategies
- Actively working to raise awareness of broader product set within our established channels and relationships
- Current environment characterized by market volatility, economic concerns and high risk-free interest rates has presented headwinds for new sales
- We are laying strong groundwork to be in position to quickly capitalize on sales opportunities once this dynamic clears



### **Product Innovation**

-As an example of our integration progress, we have seeded and are incubating several strategies that extend our energy and infrastructure expertise to strategies focused on energy infrastructure income, global listed infrastructure and sustainable energy. We are evaluating the market potential for commercial launch of these strategies.



### **Increased Ownership in Broadmark**

-Purchased additional shares in January 2023, bringing ownership to just below 80%



# 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



### Mobile Integration

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Anytime, anywhere account access, secure document vault and enhanced client engagement



### AI Guided Investing

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Financial Search Engine

Secured Key Words:

- Energy
- Multi-Asset
- Tactical



### Dakota Marketplace

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All-in-one database to help win new business.

## Foundational tech infrastructure implemented



### Azure Cloud

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On-premise and remote access incorporating world-class security protocols



### FactSet Multi-Asset Class Risk Analysis

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Enables analysis of asset types and associated risks



### 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





**Westwood Funds®**

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 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 Ultimus Fund Distributors, LLC., 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. Equity and Multi-Asset Funds (I-Shares)

Name	Symbol
Westwood Quality Value Fund	WHGLX
Westwood Quality MidCap Fund	WWMCX
Westwood Quality SMidCap Fund	WHGMX
Westwood Quality SmallCap Fund	WHGSX
Westwood Quality AllCap Fund	WQAIX
Westwood SmallCap Growth Fund	WSCIX
Westwood Total Return Fund	WLVIX
Westwood Income Opportunity Fund	WHGIX
Westwood High Income Fund	WHGHX
Westwood Alternative Income Fund	WMNIX
Westwood Salient Global Real Estate Fund	KIRYX
Westwood Salient MLP & Energy Infrastructure Fund	SMLPX
Westwood Salient Select Income Fund	KIFYX
Westwood Broadmark Tactical Growth Fund	FTGWX
Westwood Broadmark Tactical Plus Fund	SBTIX



## 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 stock-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 three months ended March 31, 2023 (\$ thousands):

	<b>March 31, 2023</b>
Net income	\$693
Add: Stock-based compensation expense	1,748
Add: Intangible amortization	1,021
Add: Tax benefit from goodwill amortization	125
Economic Earnings	<b>3,587</b>



## 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;
- risks associated with actions of activist stockholders;
- distributions to our common stockholders have included and may in the future include a return of capital;
- inclusion of foreign company investments in our AUM;
- regulations adversely affecting the financial services industry;
- our ability to maintain effective cyber security;
- litigation risks;
- 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 perform operational tasks;
- our ability to select and oversee third-party vendors;
- our dependence on the operations and funds of our subsidiaries;
- our ability to maintain effective information systems;
- our ability to prevent misuse of assets and information in the possession of our employees and third-party vendors, which could damage our reputation and result in costly litigation and liability for our clients and us;
- our stock is thinly traded and may be subject to volatility;
- competition in the investment management industry;
- our ability to avoid termination of client agreements and the related investment redemptions;
- the significant concentration of our revenues in a small number of customers;
- we have made and may continue to make business combinations as a part of our business strategy, which may present certain risks and uncertainties;
- our relationships with investment consulting firms;
- our ability to identify and execute on our strategic initiatives;
- 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; and
- our ability to maintain an effective system of internal controls.

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, 2022 which 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.







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