



Westwood
HOLDINGS GROUP, INC. ©

Investing Where It Counts

Investor Relations Presentation

As of March 31, 2017

Westwood | Firm Overview

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

Multi-Investment Team Structure

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



Employee Ownership Culture

Employees and directors own equity, totaling approximately 23%;³ no employee owns more than 5%

Deep, Experienced Investment Staff

Over 50 investment professionals

Thoughtful Growth Strategy

Carefully manage capacity of investment strategies

Institutional
Mutual Funds
Private Wealth

Overview¹

Founded | 1983

AUM | \$22.1 B

Employees | 174

Publicly Listed | NYSE: WHG 2002



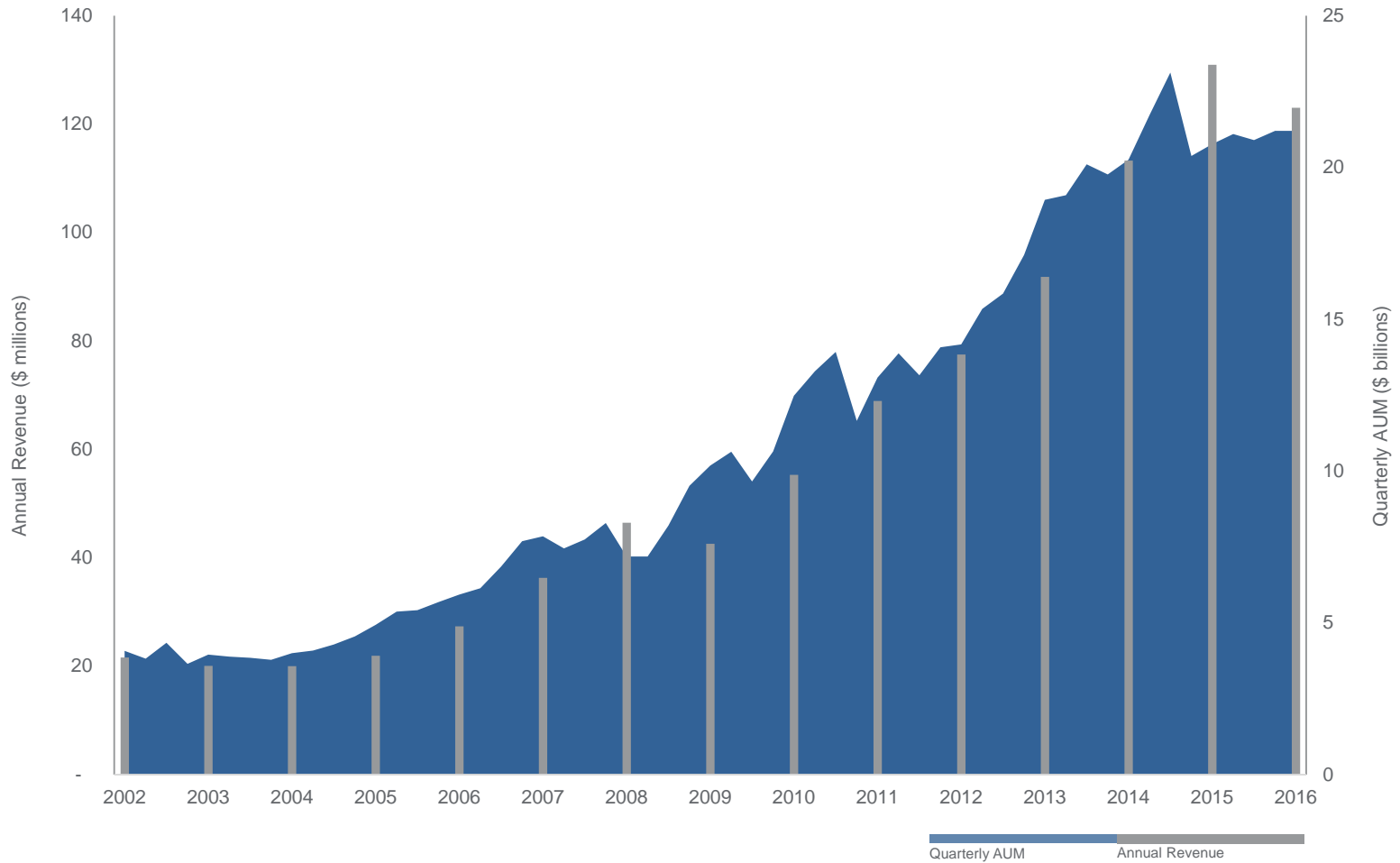
¹Westwood Management Corp. was founded and registered with the SEC in April 1983. Its parent company, Westwood Holdings Group, Inc., was launched as a public company in 2002, trading on the New York Stock Exchange under the symbol WHG. Except as otherwise noted, all references to or information about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

²Selection criteria based 25% on corporate application and 75% on anonymous employee questionnaires within the "100-499 employees" category. Ranked top nine and awarded on December 12, 2016.

³ As of March 06, 2017



Westwood Growth in Revenues and Assets Under Management



Business Growth | Shareholder Value Creation

Current Yield 4.4%*

Over \$145 million paid out in dividends since 2002

Total Shareholder Return Comparison

WHG
+669.25%
Since
Inception



Source: Bloomberg, daily data from 7.1.02 to 3.31.17

*Current yield as of 04.25.17

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 approximately 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.
- 5 Non-U.S.** multi-channel distribution initiatives including UCITS and key markets across Europe, Asia and Australia.



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

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

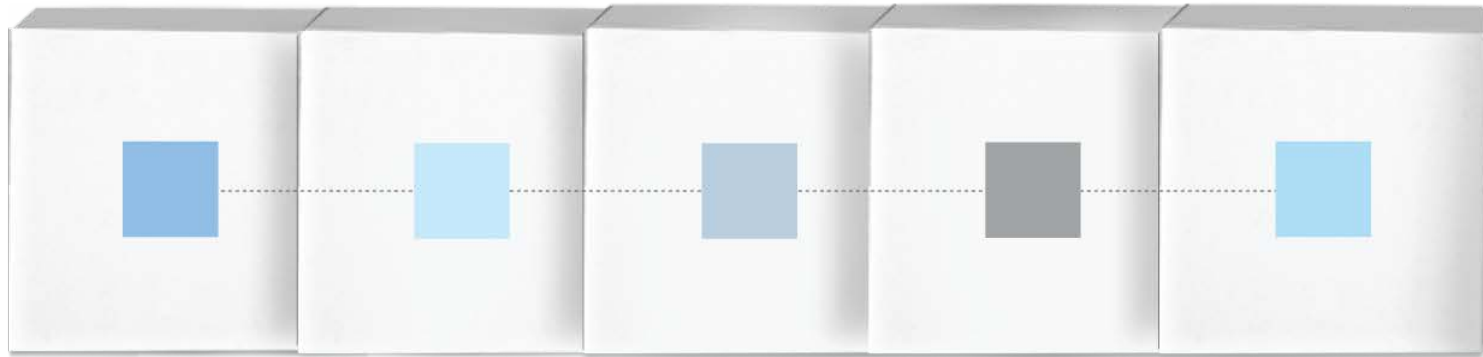
Low Volatility Equity

LIQUID ALTERNATIVES

Market Neutral Income



Core Growth Theme | **Product Development 2013-2017**



High-Conviction Equity

Emerging Markets SMidCap
9/1/2013

Concentrated LargeCap Value
1/1/2014

Select Equity
1/1/2017

Multi-Asset

Worldwide Income Opportunity
4/1/2015

Low Volatility Equity

Strategic Global Convertibles
10/1/2014

Low Volatility Equity
1/1/2016

Liquid Alternatives

Market Neutral Income
10/1/2014

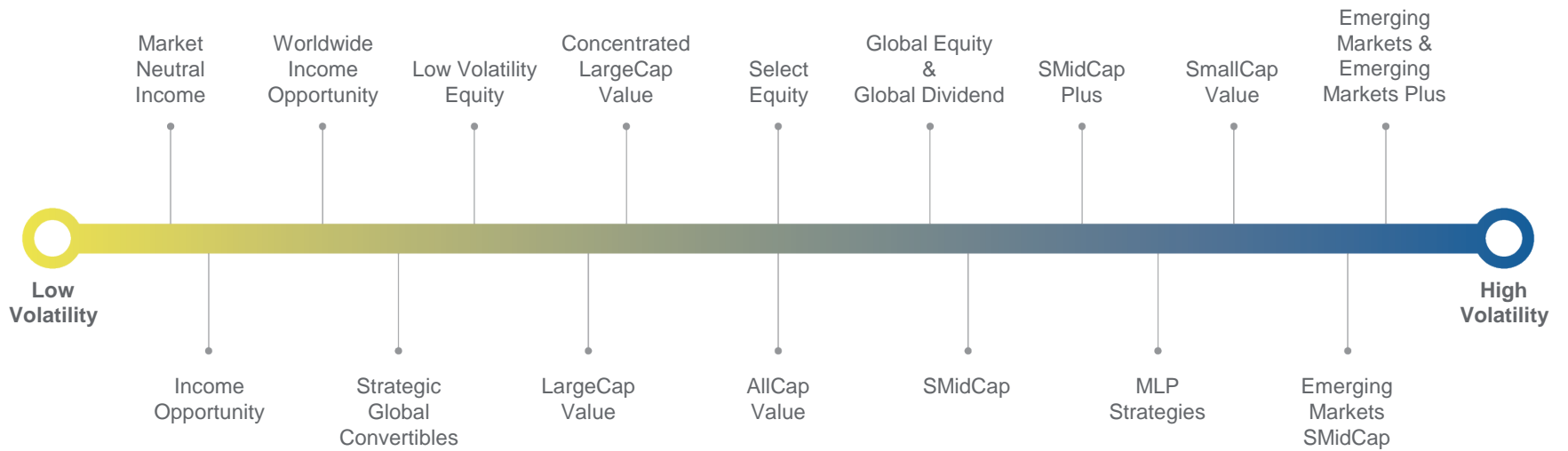
Liquid Real Assets

MLP Opportunities
1/1/2014

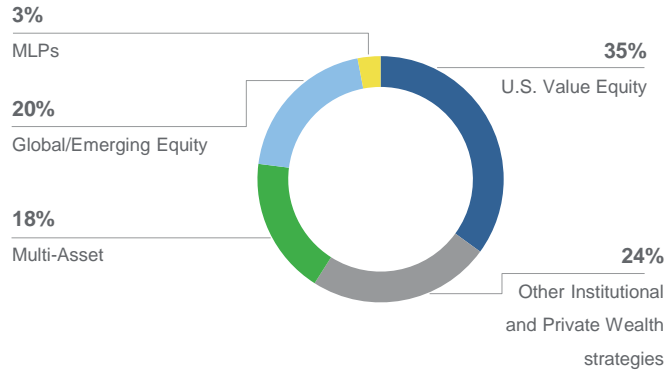
MLP and Strategic Energy
1/1/2015



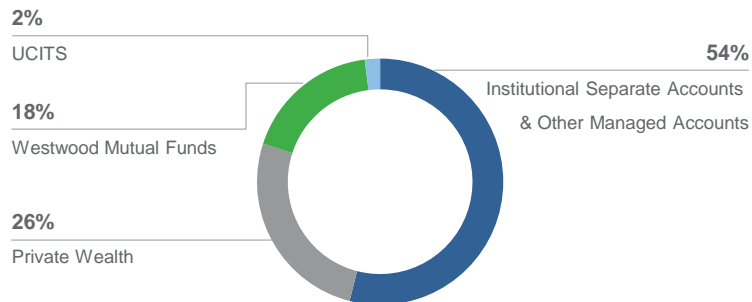
Core Growth Theme | Product Offerings Across the Risk Spectrum



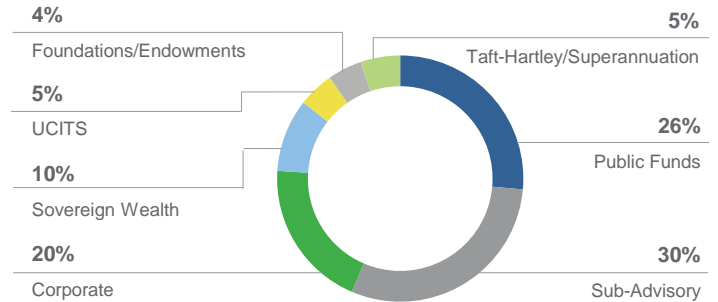
STRATEGY BREAKDOWN



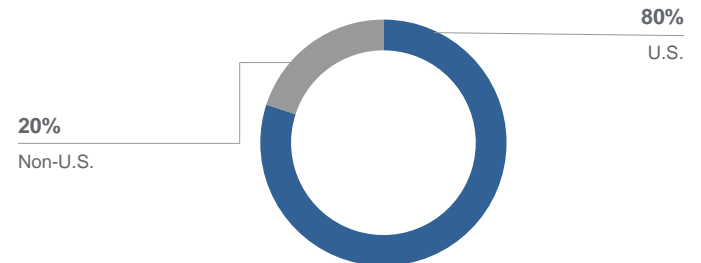
ASSETS BY ACCOUNT TYPE



INSTITUTIONAL CLIENT TYPE



ASSETS BY CLIENT DOMICILE

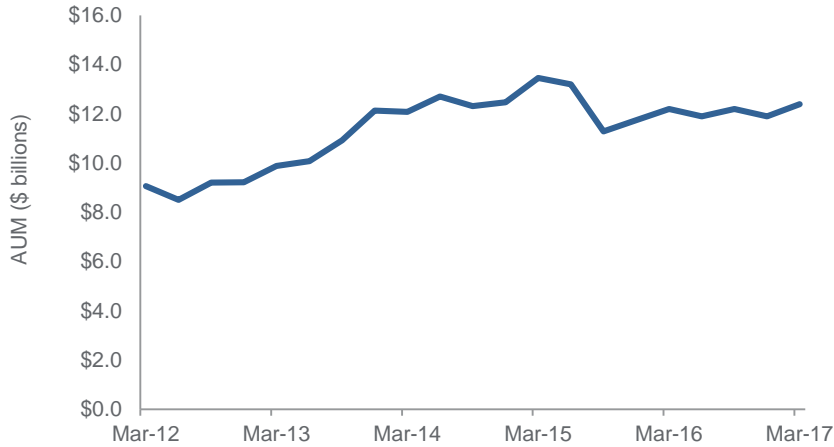


Percentages in the Strategy Breakdown, Assets by Account Type, and Assets by Client Domicile charts are based upon firm-wide assets under management as of March 31, 2017. Percentages in the Institutional Client Type chart are based upon the combined assets under management of Westwood Management Corp. and Westwood International Advisors Inc. only, less assets managed for private individuals, investment LLCs, managed accounts, and collective investment trusts.

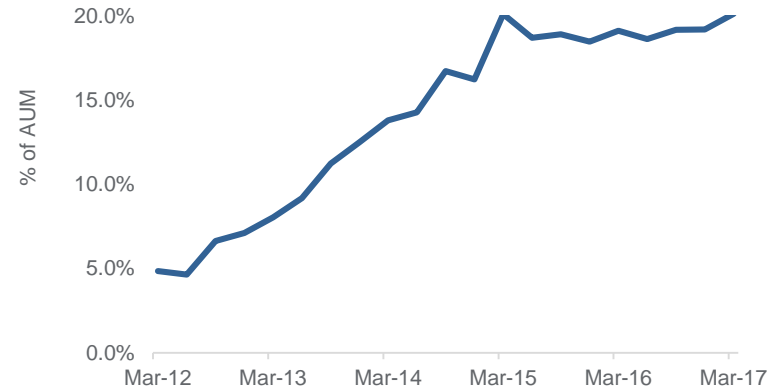


Distribution | Multi-Channel Focus

Institutional AUM



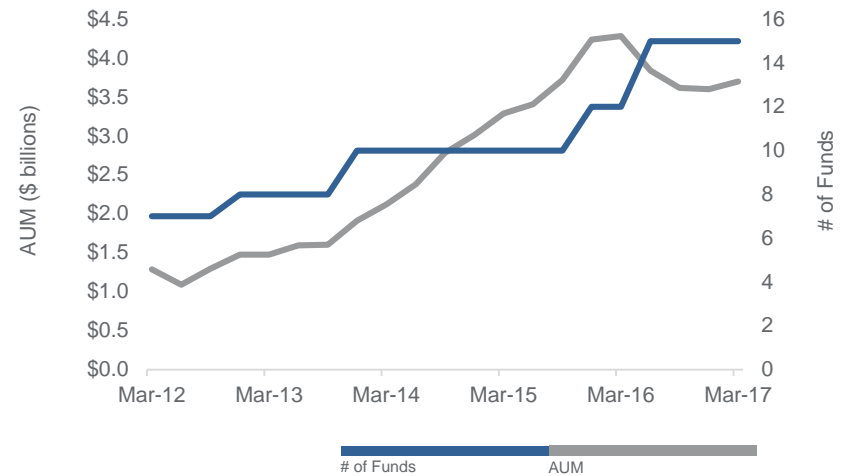
Non-U.S. Client Assets



Private Wealth AUM



Mutual Funds AUM



Financial | **Highlights**

Westwood strategies remain well-positioned to deliver excess returns and specific outcomes for our clients.

Assets Under Management

- Total AUM of \$22.1 billion and AUA of \$1.1 billion at March 31, 2017

Investment Strategies

- Emerging Markets strategies outperformed their benchmarks with double-digit returns in the quarter.
- New tax-efficient, high conviction Select Equity strategy is off to a solid start, outperforming its benchmark for the quarter.

Operating Results

- Total revenues of \$32.6 million for Q1 2017
- Net income of \$6.1 million and Economic Earnings of \$10.6 million¹ for Q1 2017

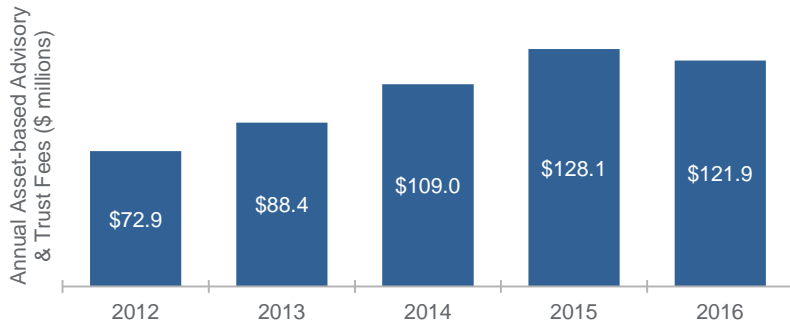
Capital Management

- Quarterly dividend of \$0.62 per share declared in April 2017, at a current yield of 4.4%³
- Liquid cash and investments of \$75.4 million at March 31, 2017

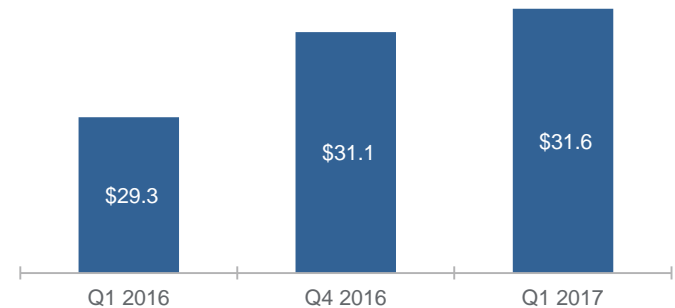
1. See the Reconciliation of Net Income to Economic Earnings on slide 16 of this presentation.
2. As of March 31, 2017
3. As of April 25, 2017.



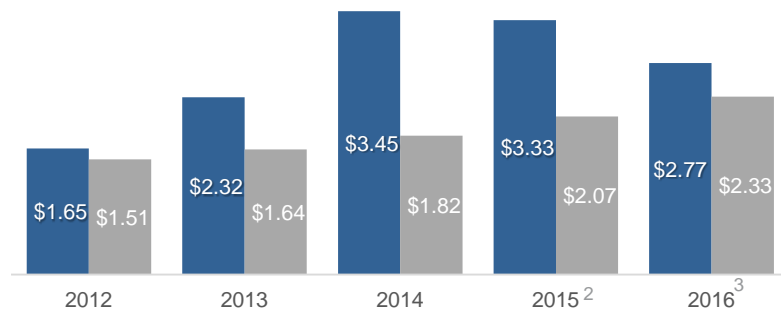
Fee Revenue¹ - Historical



Fee Revenue¹ – QTD

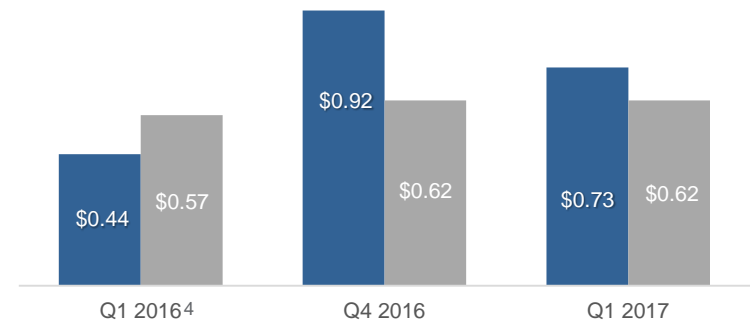


Earnings and Dividends Per Share - Historical



GAAP Diluted EPS Dividends per share

Earnings and Dividends Per Share –QTD



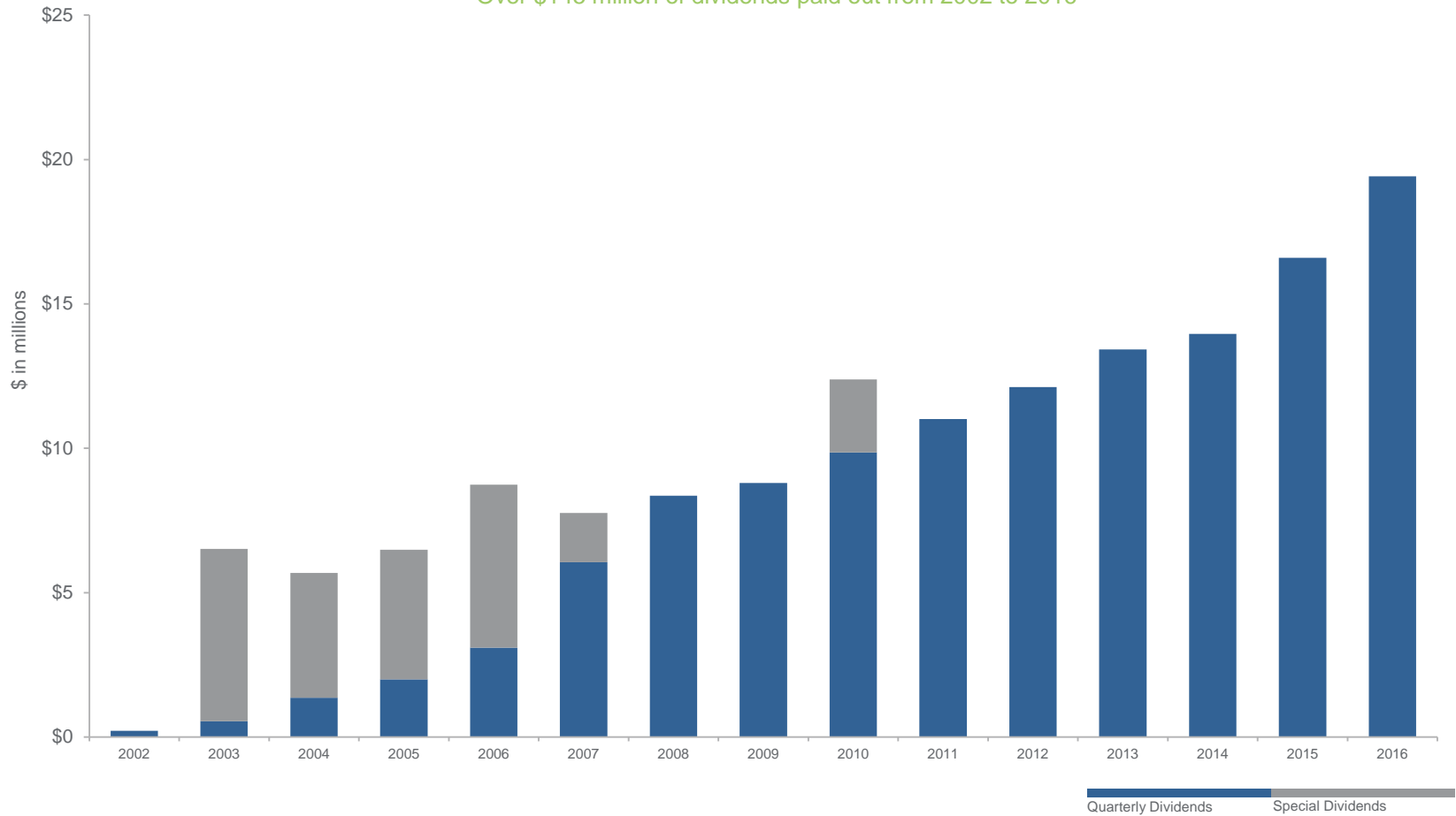
GAAP Diluted EPS Dividends per share

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. 1Q 2016 GAAP EPS includes a \$0.07 one-time information technology implementation charge, net of taxes.



Annual Dividends

Over \$145 million of dividends paid out from 2002 to 2016



As of December 31, 2016



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 March 31, 2017 (\$ thousands):

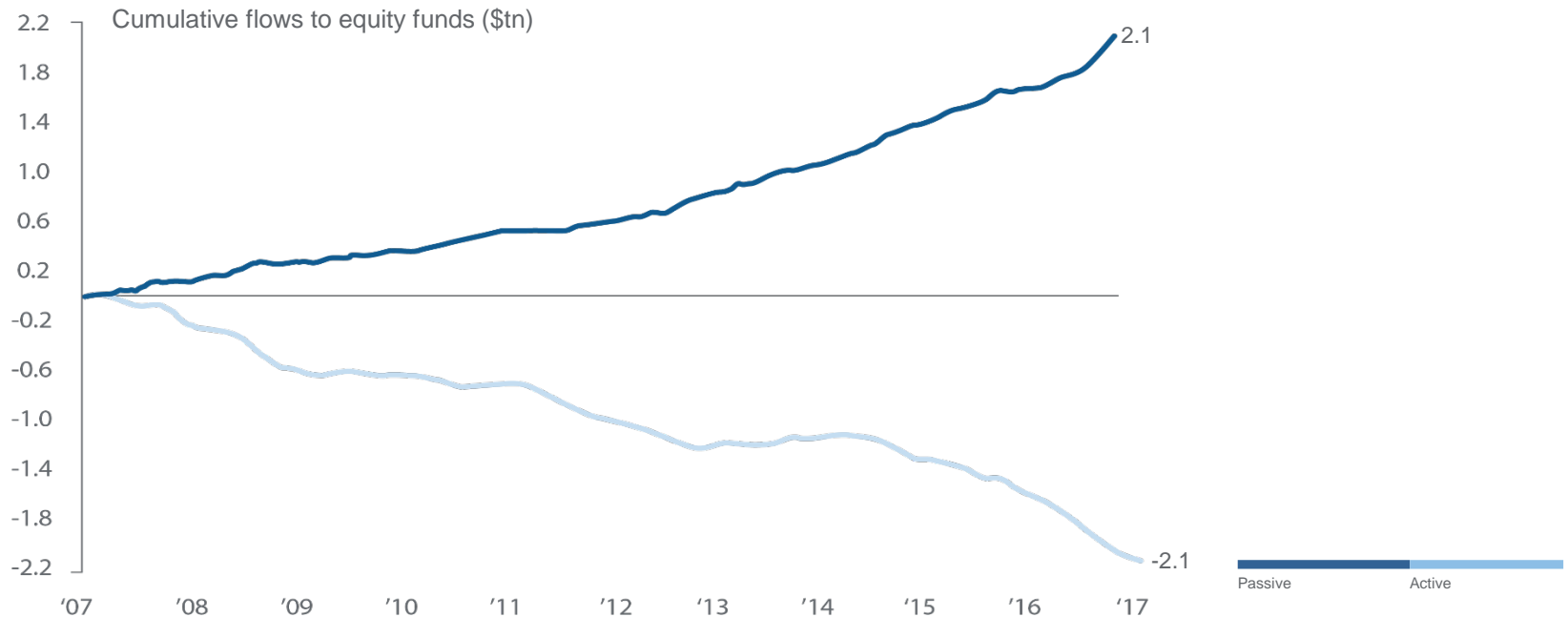
	<u>3/31/2017</u>
Net Income	\$ 6,064
Add:	
Stock Based Compensation Expense	3,897
Intangible Amortization	490
Tax Benefit from Goodwill Amortization	156
Economic Earnings	<u>\$ 10,607</u>



Appendix

Is It Time to Short **Passive**?

Passive vs. Active Over the Past 10 Years



- \$2.1tn inflows to passive equity funds vs. \$2.1tn redemptions from active equity funds...
- \$2.9tn inflows to passive funds (bond + equity) vs. \$1.3tn redemptions from active funds...
- 2008 helps explain “the most detested bull market of all-time”...
- The question going forward: Will market’s losses be amplified on downside as “blind buyers” become “blind sellers” when the market corrects?



Utilize Technology to Improve Work Flows and Data Management

- Upgrade Westwood Trust accounting system to provide consistency across offices and scalability for future offices
- Second phase of the data architecture program to improve security, management and business intelligence

Enhance Marketing and Product Management Focus

- Strategic branding initiatives to deliver a consistent client experience across channels
- Increase and improve digital presence
- Accelerate sales growth by supporting the Westwood brand globally
- Expand product and service offerings

Transparent Goal Setting & Accountability

- Strategic planning for all departments and establish 1 to 5 year departmental initiatives and goals
- Succession planning for all senior investment positions
- 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 (earnings before taxes/TSR/dividend growth)
 - Strategic goals (technology investment/strategic planning/growth initiatives, branding)



2016 Executive Compensation Program Changes

- 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.
GAMCO Investors, Inc.
Janus Capital Group, Inc.
Pzena Investment Management, Inc.
Silvercrest Asset Management Group, Inc.

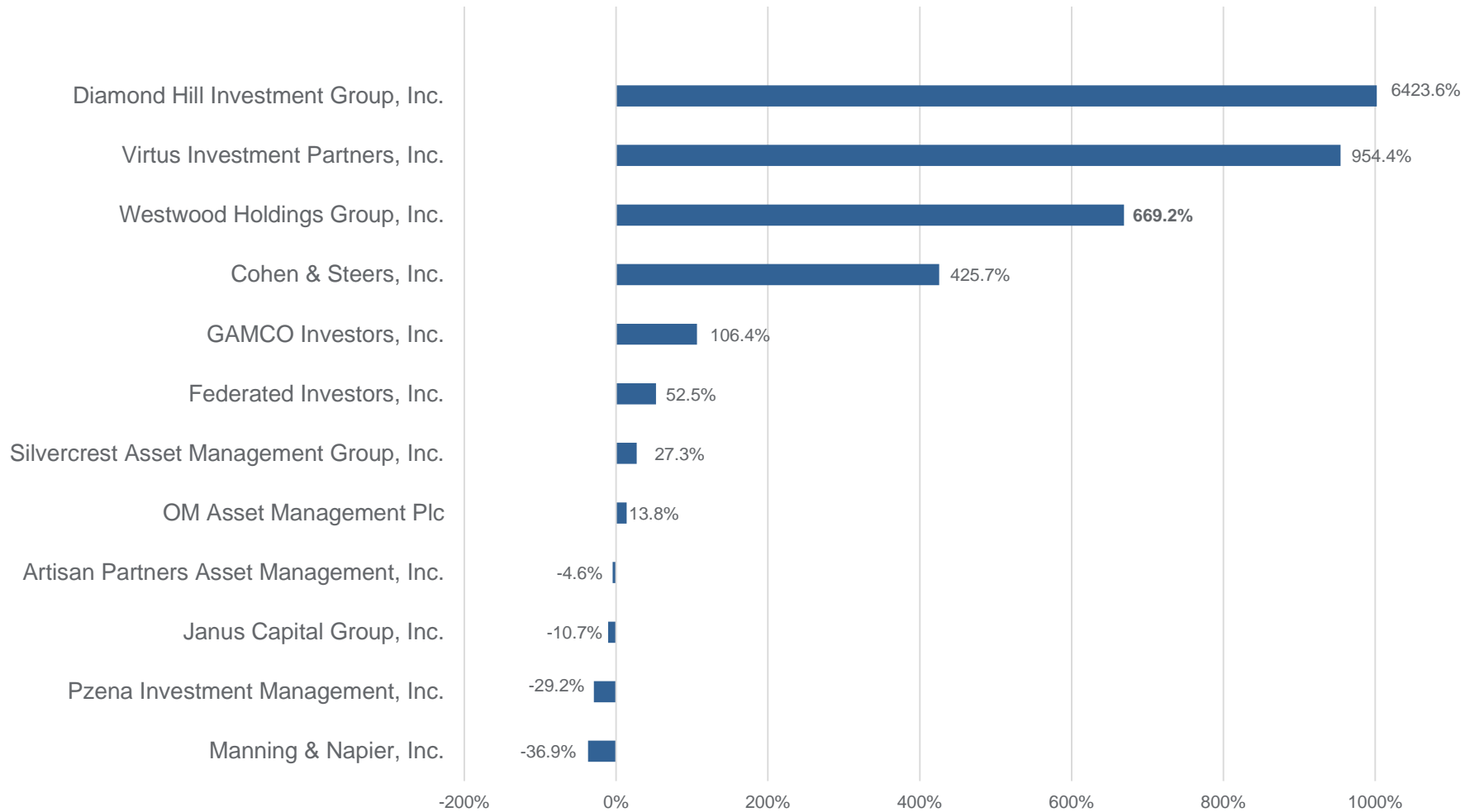
Diamond Hill Investment Group, Inc.
Federated Investors, Inc.
Manning & Napier, Inc.
OM Asset Management Plc
Virtus Investment Partners, Inc.
Wisdom Tree Investments, Inc.

2017 Executive Compensation Program Changes

- New employment agreement for CIO which includes a three-year term, double-trigger change-in-control and no-gross up provisions for taxes
- Modified CIO annual incentive plan from a fixed percentage of pre-tax income to a scorecard with multiple pre-established performance goals
- Modified CIO long-term incentive plan from a front-loaded five-year time-based equity award to annual performance-based with additional time-based vesting



Total Return Since 2002 Westwood Spin-off



Source: Bloomberg

As of March 31, 2017
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 assets under management includes investments in foreign companies;
- our ability to develop and market new investment strategies successfully;
- our relationships with current and potential customers;
- our ability to retain qualified personnel;
- our ability to maintain effective cyber security;
- our ability to maintain effective information systems;
- our ability to pursue and properly integrate acquired businesses;
- 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, 2016 and our quarterly report on Form 10-Q for the quarter ended March 31, 2017, 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	WHGSX
Low Volatility Equity Fund	WLVIX
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





Westwood
HOLDINGS GROUP, INC ©

www.westwoodgroup.com

200 Crescent Court Suite 1200 Dallas, Texas 75201

T. 214.756.6900

WHG
LISTED
NYSE®