



Westwood[®]

Investing Where It Counts

Investor Relations Presentation

As of December 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
Wealth Management

Overview¹

Founded | 1983

AUM | \$24.2 B

Employees | 181

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. Awarded on December 11, 2017.

³ As of March 06, 2017

As of December 31, 2017



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



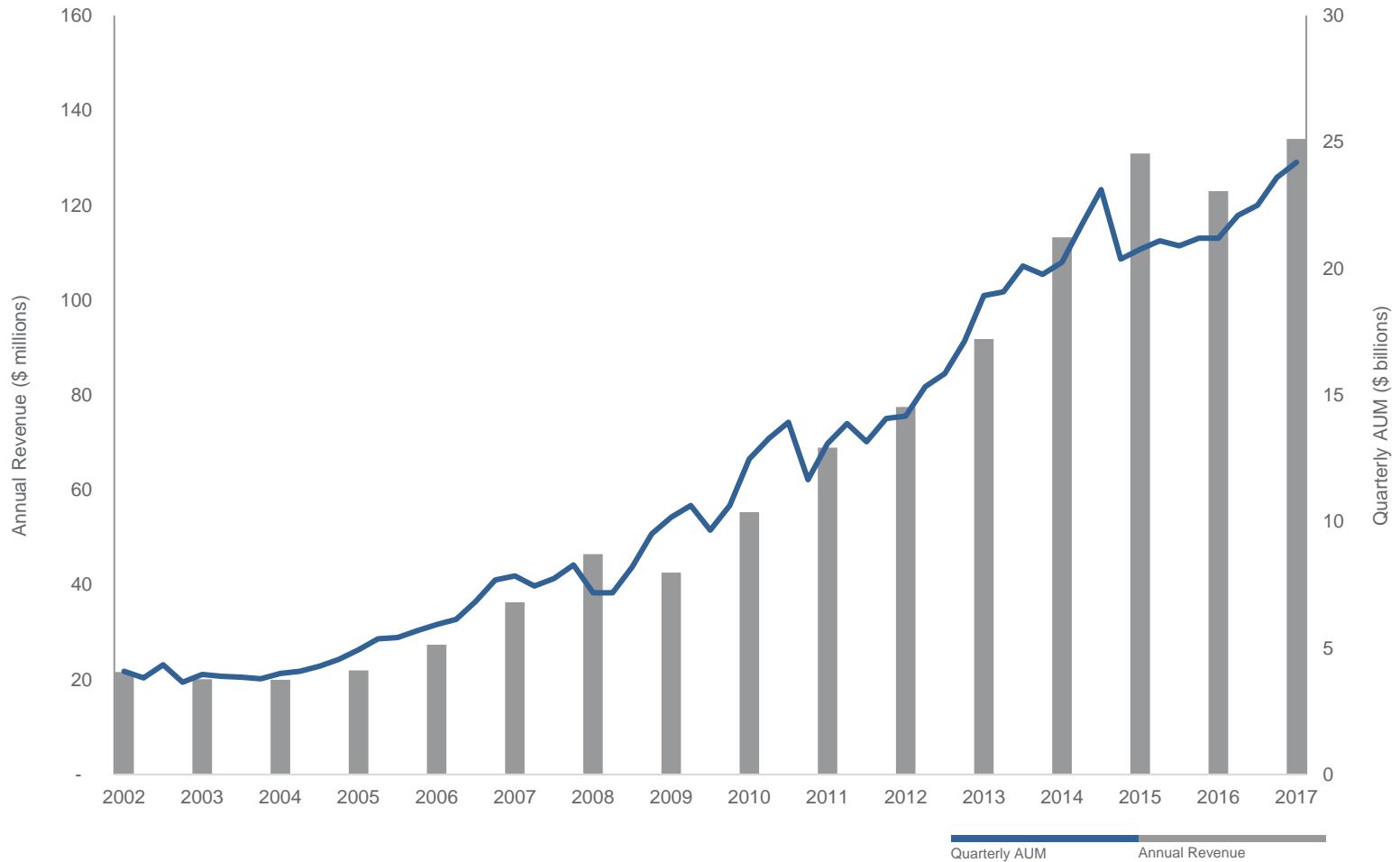
FOUR-PEAT



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 fourth year in a row.



Westwood Growth in Revenues and Assets Under Management

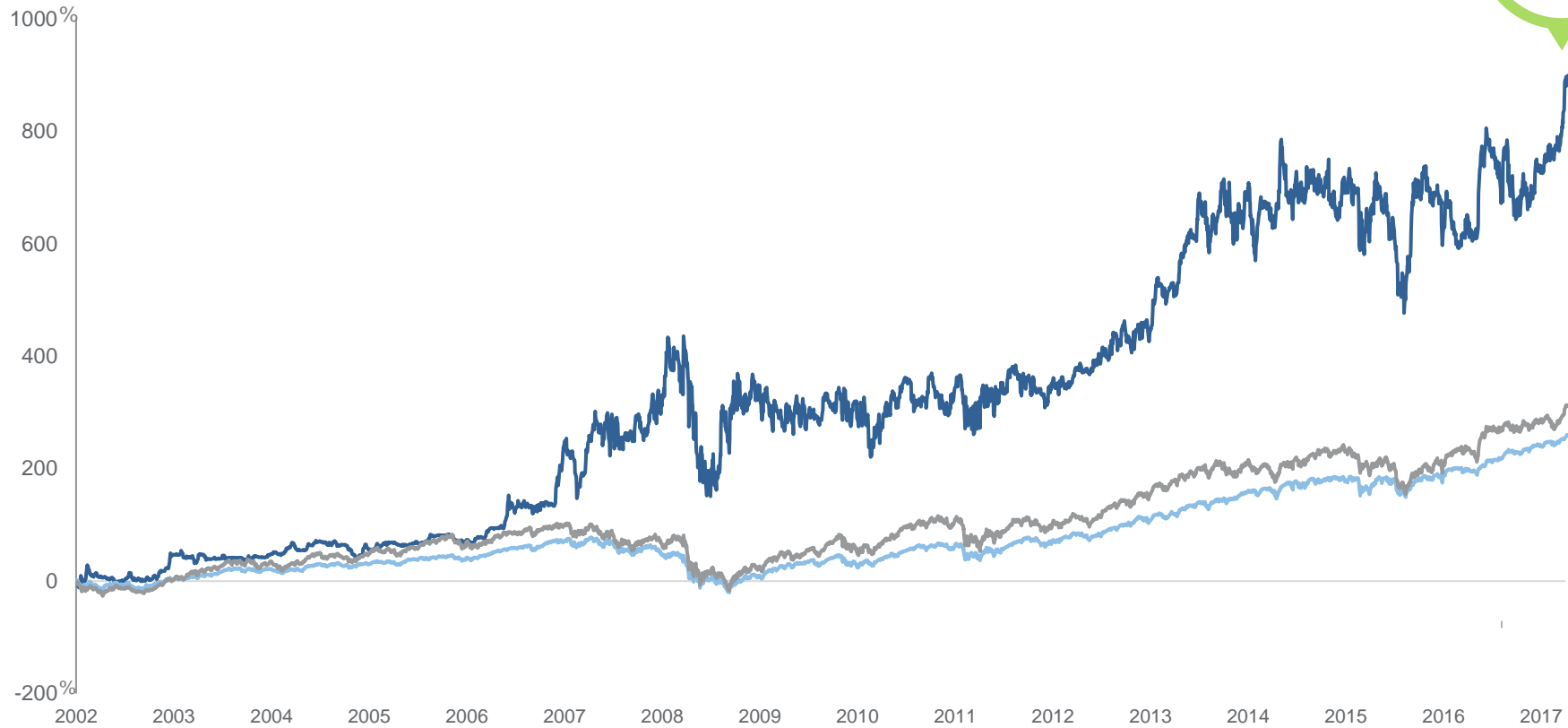


Business Growth | Shareholder Value Creation

Current Yield 4.3%*

Over \$170 million paid out in dividends since 2002

Total Shareholder Return Comparison



WHG
+884.57%
Since
Inception

Source: Bloomberg, daily data from 7.1.02 to 12.31.17

*Current yield as of February 7, 2018

Past performance is not indicative of future results.

Westwood Holdings
Group, Inc. – Total Return

Russell 2000 (TR) – Total
Return

S&P 500 (TR) – Total
Return



Investment Management | **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
Select Equity

GLOBAL & EMERGING MARKETS EQUITY

Emerging Markets
Emerging Markets Plus
Emerging Markets SMidCap
Global Equity
International Equity

MULTI-ASSET

Income Opportunity
Worldwide Income Opportunity
Flexible Income

LIQUID ALTERNATIVES

Market Neutral Income

LIQUID REAL ASSETS

MLP Infrastructure Renewal
MLP Opportunities
MLP and Strategic Energy

LOW VOLATILITY EQUITY

Strategic Global Convertibles
Low Volatility Equity





Emerging Markets SMidCap
9/1/2013

Concentrated LargeCap Value
1/1/2014

Select Equity
1/1/2017

Worldwide Income Opportunity
4/1/2015

Flexible Income
12/31/2017

Strategic Global Convertibles
10/1/2014

Low Volatility Equity
1/1/2016

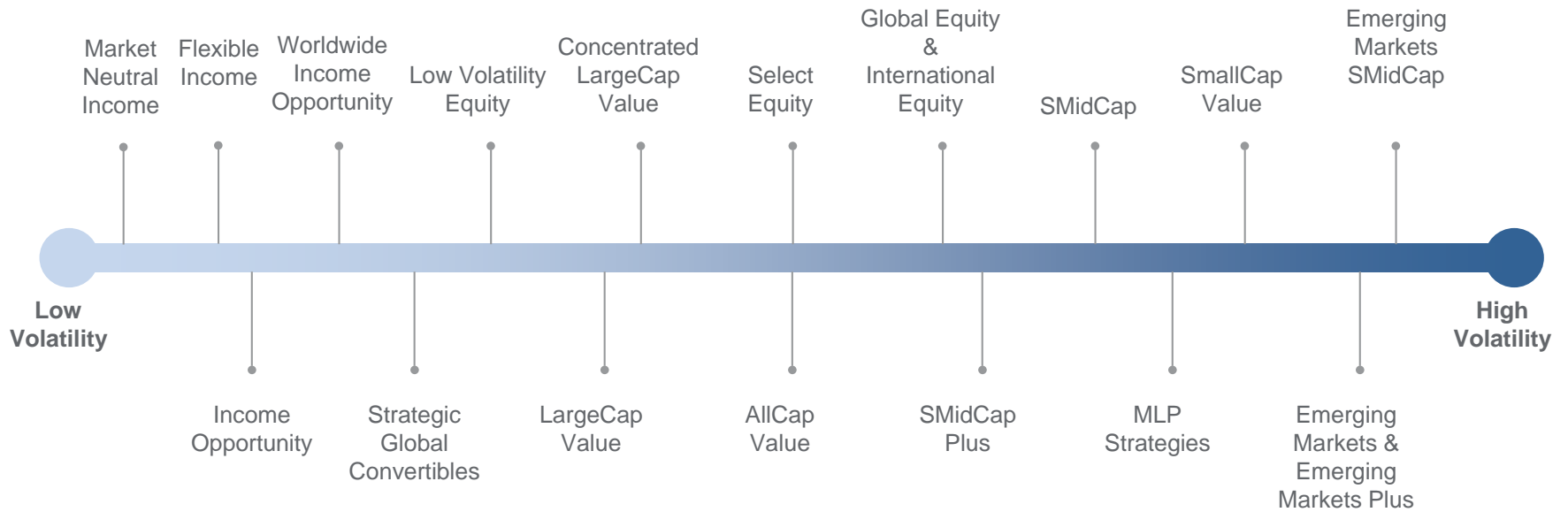
Market Neutral Income
10/1/2014

MLP Opportunities
1/1/2014

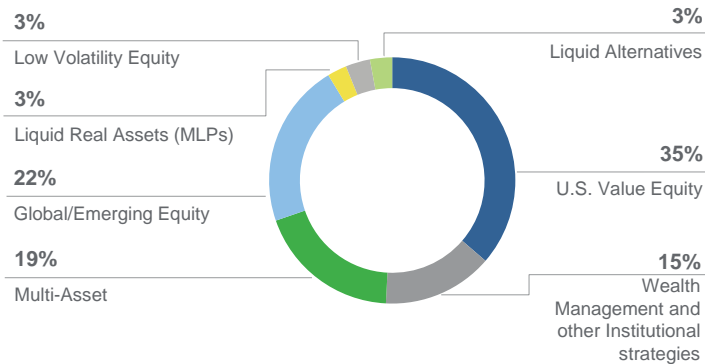
MLP and Strategic Energy
1/1/2015

Dates represent strategy inception date.

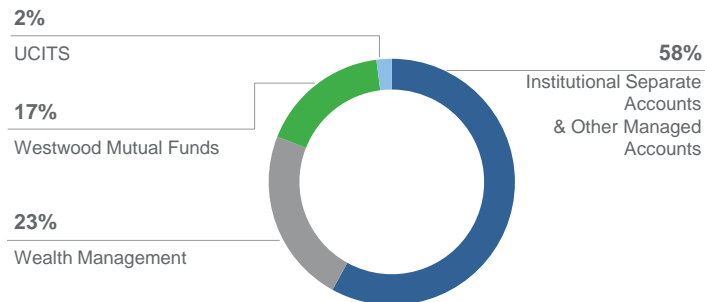




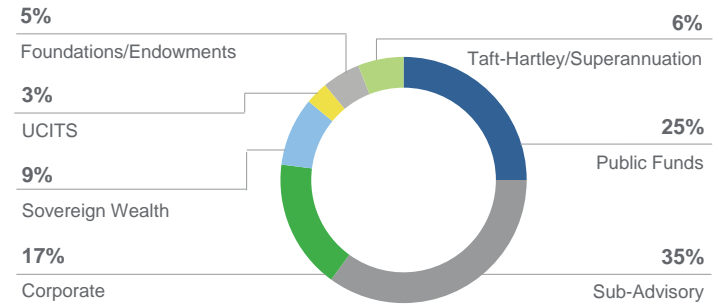
STRATEGY BREAKDOWN



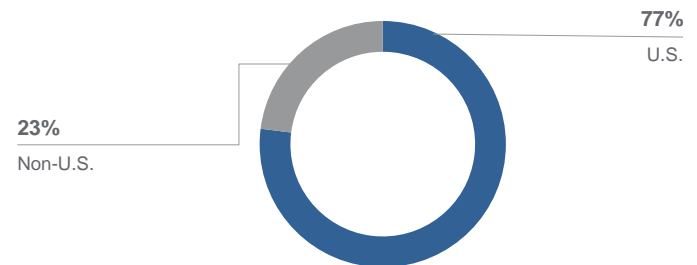
ASSETS BY ACCOUNT TYPE



INSTITUTIONAL CLIENT TYPE



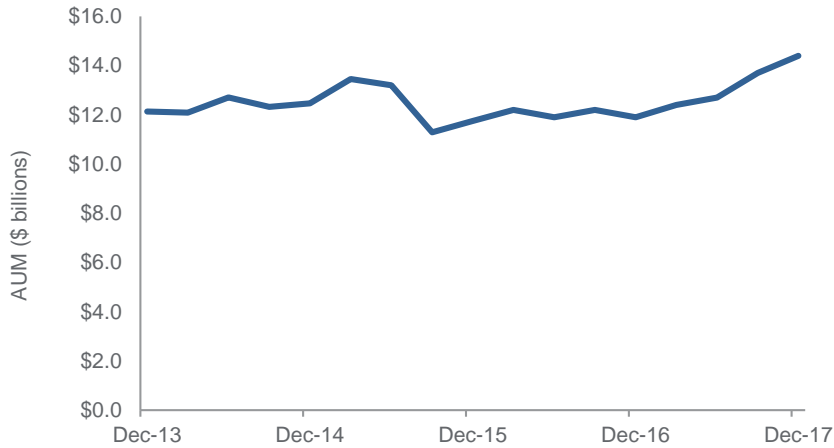
ASSETS BY CLIENT DOMICILE



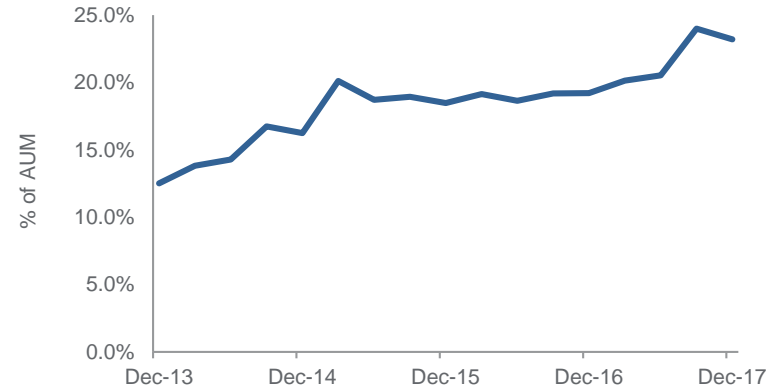
Percentages in the Strategy Breakdown, Assets by Account Type, and Assets by Client Domicile charts are based upon firm-wide assets under management as of December 31, 2017. Percentages in the Institutional Client Type chart are based upon the combined assets under management of Westwood Management Corp.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



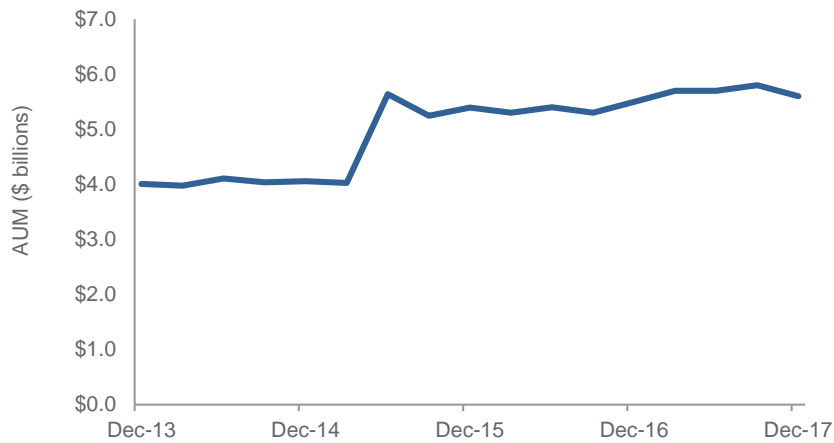
Institutional AUM



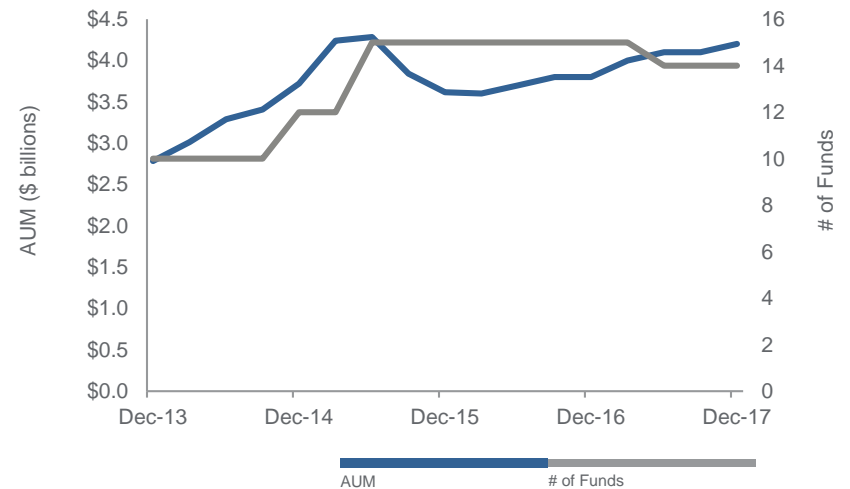
Non-U.S. Client Assets



Wealth Management AUM



Mutual Funds AUM



Please see mutual fund disclaimer in the Disclosures section of this presentation.
As of December 31, 2017



Strategic Focus | Executive Overview



2018 growth objectives are highly focused on sales execution across high-conviction and outcome-oriented investment solutions. We expect to gain traction in our global expansion initiatives by ramping up our European and third-party partnership programs.



Sales Focus

- Small Cap Value
- Emerging Markets
- Multi-Asset
- Tax-Managed
- Global Convertibles
- Market Neutral



Global Expansion

- Continued global expansion with third-party distribution partners across continental Europe and the UK
- Focused on sales of our global convertibles mandate with AVIVA which represents \$1.3B in AUM



Wealth Management

- Shifting from a pure investment management focus to a goals-based approach where financial planning plays a more central role addressing complexities in the UHNW and HNW segments



Digital

- Automation / Efficiency
- Visibility and Awareness
Leverage new website, content marketing, social media and adtech to extend brand
- Client Access
Begin to promote WealthCoach, our new digital wealth solution for fast-growing wealth segments



Financial | Highlights



“We were pleased to end the year with strong absolute and relative performance for our U.S. Value strategies. Our LargeCap and AllCap Value strategies delivered top quartile performance in the fourth quarter.”

Assets Under Management

- Total AUM of \$24.2 billion and AUA of \$382 million at December 31, 2017

Investment Strategies

- Top quartile performance was delivered by our AllCap Value and LargeCap Value strategies.
- SmallCap Value finished the year in the top third of its peer group

Operating Results

- Total revenues of \$133.8 million for 2017
- Net income of \$20.0¹ million and Economic Earnings of \$38.9 million² for 2017

Capital Management

- Quarterly dividend of \$0.68 per share declared in February 2018, at a current yield of 4.3%³
- Liquid cash and investments of \$105.6 million at December 31, 2017

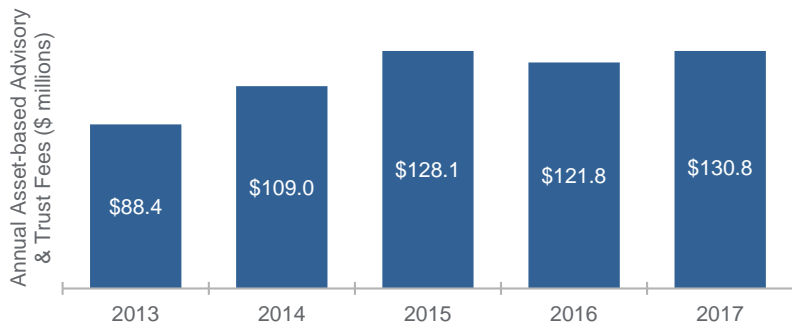
1. 2017 net income includes a \$2.5 million one-time legal settlement charge, net of insurance recovery and taxes, and \$3.4 million incremental income tax expense related to tax reform.

2. See the Reconciliation of Net Income to Economic Earnings on slide 17 of this presentation.

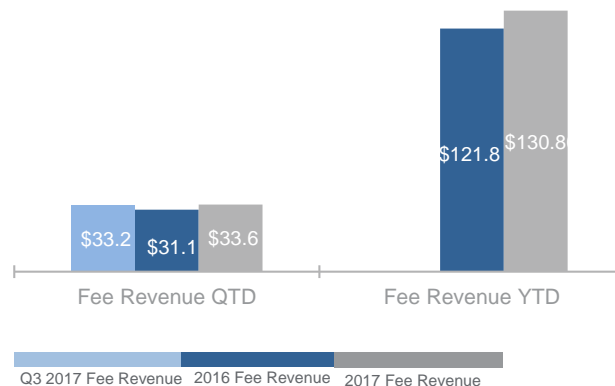
3. As of February 7, 2018



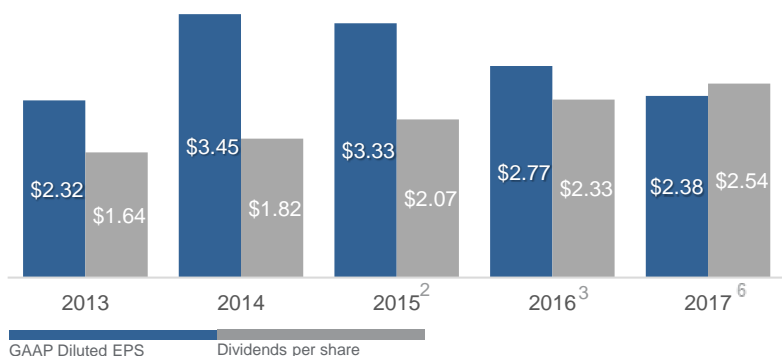
Fee Revenue¹ - Historical



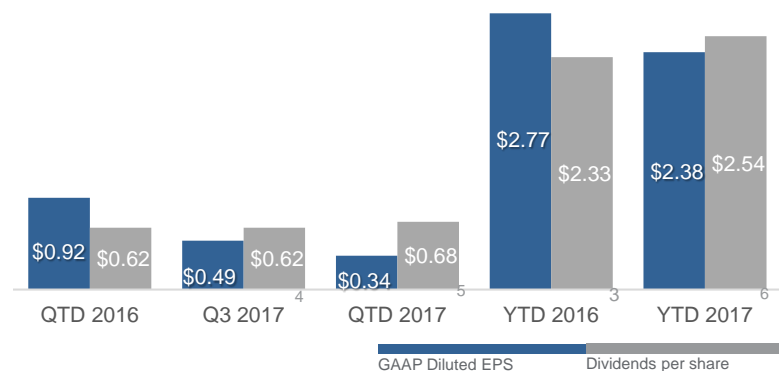
Fee Revenue¹ - QTD and YTD



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. 3Q 2017 GAAP EPS includes a \$0.30 one-time legal settlement charge, net of insurance recovery and taxes.

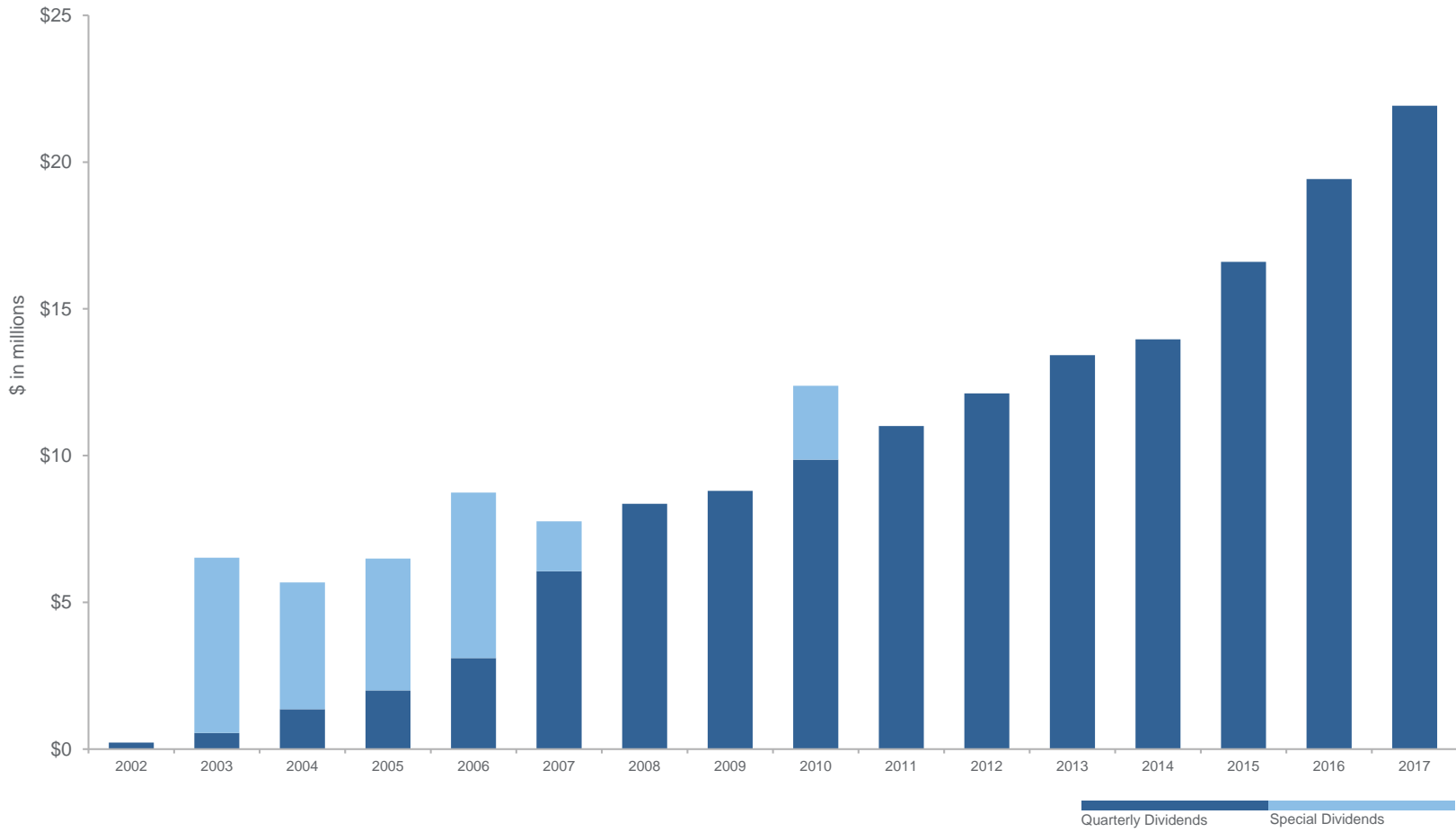
5. 4Q 2017 GAAP EPS includes a \$0.39 incremental income tax expense related to tax reform.

6. YTD 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.



Annual Dividends

Over \$170 million of dividends paid out from 2002 to 2017



As of December 31, 2017.



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 year ended December 31, 2017 (\$ thousands):

Net Income	\$ 19,989
Add:	
Stock Based Compensation Expense	16,430
Intangible Amortization	1,872
Tax Benefit from Goodwill Amortization	626
Economic Earnings	<u>\$ 38,917</u>

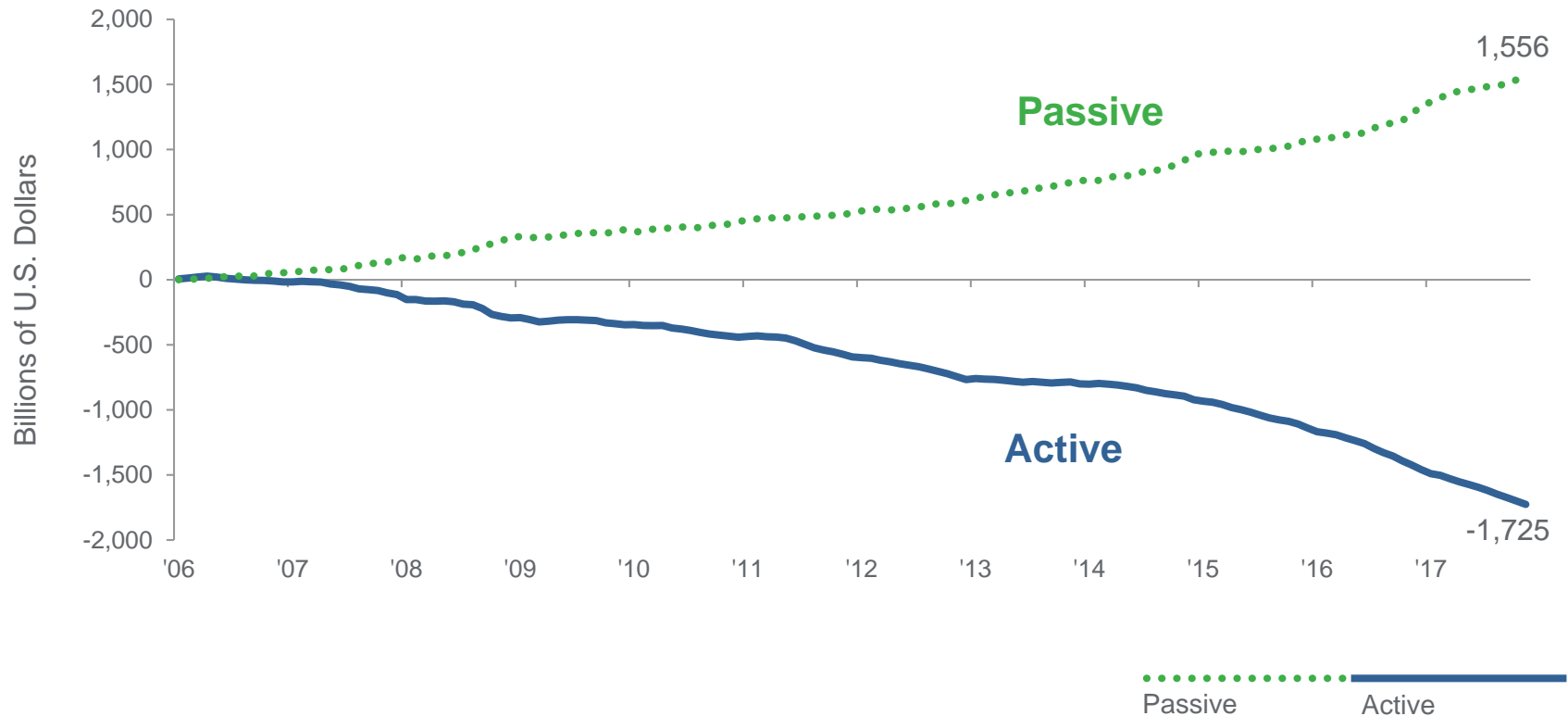


Appendix

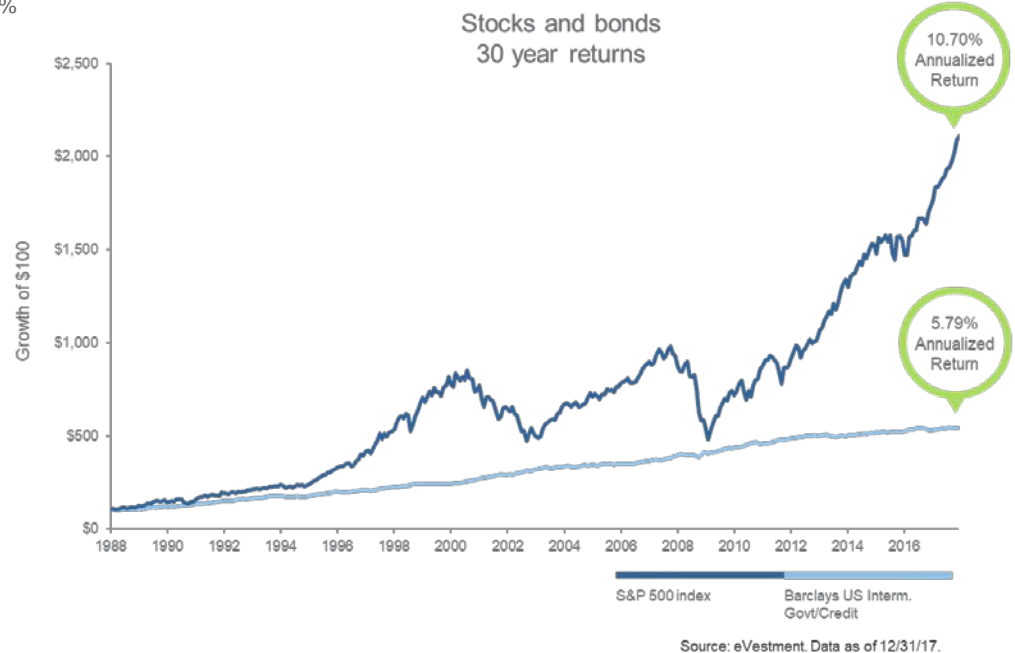
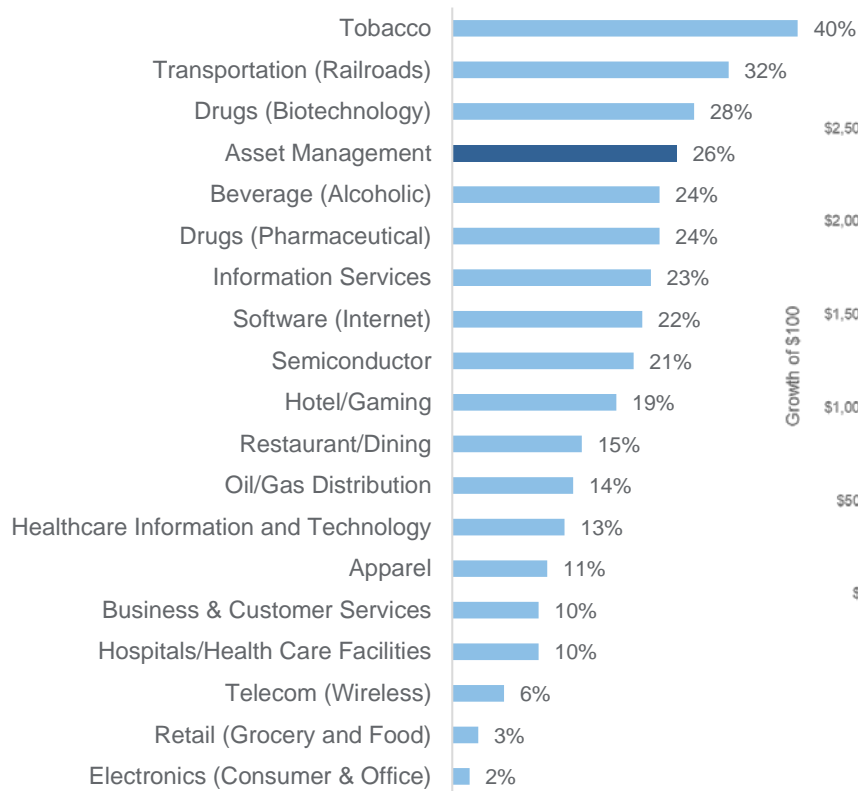


The Shift from Active to Passive **Continued in 2017**

Flows from Active to Passive Funds in U.S. Equities



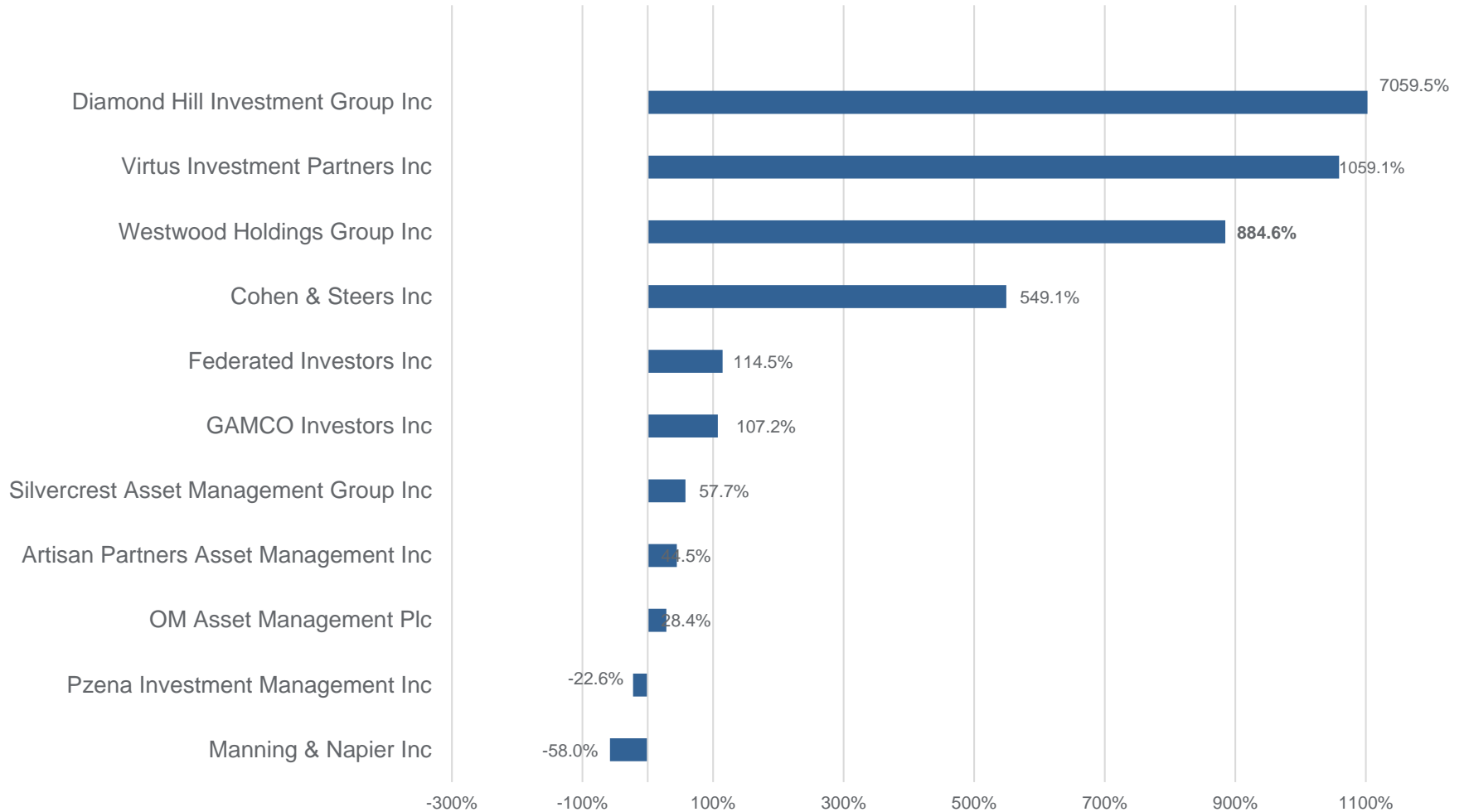
Operating Margins by Industry



Source: J.P. Morgan Asset Management; NYU Stern School of Business analysis on U.S. industry profit margins as of 1/5/17; PwC AWM Research Center analysis; Brookings Institute Global Economy and Development report
 1 AM peer group including JPM AM, BLK, IVZ, BEN, TROW, UBS AM, CS AM, BK, MS and STT



Total Return Since 2002 Westwood Spin-off



As of December 31, 2017

Source: Bloomberg

Past performance is not indicative of future results.



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 relationships with current and potential customers;
- our ability to retain qualified personnel;
- our ability to perform operational tasks;
- our ability to maintain effective cyber security;
- our ability to identify and execute on our strategic initiatives;
- our ability to select and oversee third party vendors;
- our ability to maintain effective information systems;
- 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, June 30, 2017, and September 30, 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	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
Strategic Convertibles	WSCIX





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WHG
LISTED
NYSE