

# SEGALL BRYANT & HAMILL FUNDAMENTAL INTERNATIONAL SMALL CAP FUND

FACT SHEET | September 30, 2018

## FUND INFORMATION

Class	Retail	Institutional
Ticker	WTIFX	WIIFX
Cusip	81580H886	81580H746
Fund Inception	12/15/1999	4/26/2016
Strategy Inception	7/1/2006	

Also available in SMA and separate account vehicles offered by Segall Bryant & Hamill.

Investments in foreign companies are subject to special risks, including currency fluctuations, social, economic, and political uncertainties, which could increase volatility.

## PORTFOLIO MANAGEMENT

John C. Fenley, CFA  
Jeremy A. Duhon, CFA

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### Top Ten Holdings<sup>3</sup> (%)

Keywords Studios PLC (United Kingdom)	4.6
Webjet Ltd (Australia)	3.7
MTY Food Group Inc (Canada)	3.5
Fortnox AB (Sweden)	3.5
Amaysim Australia Ltd (Australia)	3.3
Sanne Group PLC (United Kingdom)	3.1
Constellation Software Inc (Canada)	3.1
Yihai International Holding Ltd (China)	3.1
Citadel Group Ltd/The (Australia)	3.0
Arcland Service Co Ltd (Japan)	3.0
<b>Total</b> (% of portfolio)	<b>33.9%</b>

<sup>3</sup>Top ten holdings do not include any cash or cash equivalents and are subject to change. There are no guarantees that the Fund will continue to remain invested in any particular company or holding and current and future portfolio holdings are subject to risk. For a complete list of holdings, please visit [www.sbhffunds.com](http://www.sbhffunds.com).

## Performance<sup>1,2</sup>

Periods Ended 9/30/18 (%)	QTD	YTD	Annualized Returns					Since Inception
			1 Year	3 Years	5 Years	10 Years		
Retail Class	-3.66	-2.88	3.44	13.17	3.60	10.04	5.52	
Institutional Class	-3.66	-2.78	3.60	13.34	3.70	10.09	5.54	
MSCI ACWI ex-USA Small-Cap Index	-1.51	-4.41	1.86	11.24	6.14	8.73	7.08	
<b>Calendar Year (%)</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	
Retail Class	33.64	1.60	1.05	-18.82	22.36	24.84	-5.75	
Institutional Class	33.89	1.76	1.05	-18.82	22.36	24.84	-5.75	
MSCI ACWI ex-USA Small-Cap Index	31.65	3.91	2.60	-4.03	20.13	18.96	-18.21	

Retail Class Annual Expense Ratio: 1.75% Gross, 1.50% Net

Institutional Class Annual Expense Ratio: 1.57% Gross, 1.35% Net

Segall Bryant & Hamill acquired Denver Investment Advisors LLC on 4/30/2018. Performance results before this date reflect returns generated by the portfolio managers at Denver Investment Advisors LLC.

<sup>1</sup>Performance data quoted represents past performance and does not guarantee future results. Performance information for the institutional class shares prior to their inception is based on the performance of the retail class. Current performance may be lower or higher than the performance quoted. To obtain current performance as of the most recent month-end, visit [www.sbhffunds.com](http://www.sbhffunds.com). Average annual total returns reflect the reinvestment of dividends, capital gains distributions, all fee waivers and expense reimbursements. Without the fee waivers and expense reimbursements, total return figures would have been lower. Investment return and principal value will vary, and shares, when redeemed, may be worth more or less than their original cost. Segall Bryant & Hamill fund shares are not insured by the FDIC, the Federal Reserve Board or any other agency and are subject to investment risk.

<sup>2</sup>The Fund's advisor (the "Adviser") has contractually agreed to waive the investment advisory and/or administration fees and/or to reimburse other expenses from May 1, 2018 until at least April 30, 2020, so that the ratio of expenses to average net assets as reported in the Fund's Financial Highlights will be no more than 1.50% for the Fund's Retail Class for such period. From May 1, 2018 until at least April 30, 2020, for the Fund's Institutional Class, the Adviser has contractually agreed to waive the investment advisory and/or administration fees and/or to reimburse other expenses in the same proportion as the Retail Class waivers/reimbursements as described above and also to waive or reimburse Institutional Class-specific Other Expenses, but only to the extent that after applying the waiver/reimbursements described in this sentence, the excess of the net Retail Class expense ratio over the net Institutional Class expense ratio does not exceed 25 basis points. If after applying the waivers/reimbursements discussed above, the excess of the net Retail Class expense ratio over the net Institutional Class expense ratio is less than 15 basis points, then the Adviser agrees to waive/reimburse such that the excess equals 15 basis points. This agreement may not be terminated or modified by the Adviser prior to April 30, 2020 without the approval of the Board of Trustees. This fund's benchmark was changed effective August 29, 2016, please refer to the prospectus for additional information.

### Sector Allocation<sup>4</sup> (%)

	Fundamental International Small Cap	MSCI ACWI ex-USA Small-Cap	Relative Weights
Communication Services	14.3	4.3	10.0
Consumer Discretionary	25.7	13.0	12.7
Consumer Staples	4.7	6.5	-1.8
Energy	0.0	4.0	-4.0
Financials	10.8	11.0	-0.2
Health Care	6.7	7.8	-1.1
Industrials	11.7	19.8	-8.1
Information Technology	22.4	10.4	12.0
Materials	0.0	10.3	-10.3
Real Estate	3.3	10.2	-6.9
Utilities	0.0	2.7	-2.7
Forward Currency Contracts	-0.3	0.0	-0.3
Cash & Cash Equivalents	0.7	0.0	0.7

<sup>4</sup>Sector classifications presented are based on the GICS methodology.

## Portfolio Characteristics<sup>5</sup>

	Fundamental International Small Cap	MSCI ACWI ex- USA Small-Cap
Total Fund Assets (\$ Mil)	\$71.0	-
Weighted Average Market Capitalization (\$ Mil)	\$2,393	\$2,423
Median Market Capitalization (\$ Mil)	\$944	\$871
Price/Earnings (1 year trailing)	31.5x	14.8x
Price/Book (1 year trailing)	6.1x	2.5x
Turnover (12 month trailing)	53.77%	-
Beta (vs. benchmark)	0.86	-
Standard Deviation (3 Years)	10.75%	10.83%
Tracking Error (3 Years)	5.66	-
Number of Holdings	45	-

<sup>5</sup>Standard Deviation, Beta and Tracking Error statistics versus the MSCI ACWI ex-USA Small-Cap Index and based on monthly data. Three years. Source: eVestment Alliance.

## Stock Performance<sup>6</sup> (%)

Top 5 Stocks (3 Months Ended 9/30/18)	Average Weight	Contribution to Return
MTY Food Group Inc.	3.41	0.86
Webjet Limited	4.30	0.58
Fortnox AB	3.51	0.58
Yihai International Holding Ltd.	2.99	0.50
Citadel Group Ltd.	2.35	0.47

  

Bottom 5 Stocks (3 Months Ended 9/30/18)	Average Weight	Contribution to Return
Logo Yazilim Sanayi ve Ticaret A.S.	1.48	-0.78
Fu Shou Yuan International Group Ltd.	2.76	-0.92
BWX Ltd.	1.96	-0.94
China Medical System Holdings Ltd.	2.80	-0.95
M&A Capital Partners Co. Ltd.	2.39	-0.98

<sup>6</sup>Past performance does not guarantee future results. These stocks do not represent all of the securities purchased, sold or recommended by the Funds' Adviser. The methodology used to construct this chart took into account the weighting of every holding in the Fund that contributed to the Fund's performance during the measurement period. The contribution of each Fund holding was consistently determined by calculating the weight of each holding multiplied by the rate of return for that holding during the measurement period. To request a complete list of the contribution of each Fund holding to overall Fund performance, please call (800) 392-2673 or email invest@sbhfunds.com.

## Morningstar Ratings<sup>7</sup>

	Morningstar Ratings™ As of 9/30/18		Number of Funds in Foreign Small/Mid Growth Category
	Retail Class	Institutional Class	
Overall	★★★	★★★	110
3 Year	★★★★	★★★★	110
5 Year	★	★	103
10 Year	★★★	★★★	63

<sup>7</sup>Morningstar proprietary ratings reflect historical risk-adjusted performance as of 9/30/18 and are subject to change every month.

## Regional Allocation

	Fundamental International Small Cap	MSCI ACWI ex-USA Small-Cap
United Kingdom	14.0	13.4
Europe	22.5	29.0
Japan	20.5	23.0
Asia (excluding Japan)	15.4	8.4
Emerging Markets/Other	17.5	19.0
North America	10.1	7.1

### Market Overview

U.S. equity markets continued to reach all-time highs over the third quarter of 2018 as the U.S. Federal Reserve (Fed) increased rates for a third time this year and adopted an increasingly hawkish stance following its most recent decision. International markets were consequently affected by the tightening in liquidity, while emerging markets, such as Turkey and Argentina, faced additional idiosyncratic shocks. In China, the equity market was hampered by continuing concerns over a growth slowdown, which was exacerbated by the escalation of a trade war with the United States. Investors in China remained somewhat bearish on growth prospects, despite stimulus measures implemented by the government during the quarter. Uncertainty in Europe also continued, with markets dragged down towards the end of the quarter by budget turmoil in Italy.

### Fund Performance\*

While U.S. equity markets were buoyed by continued underlying economic strength, as well as domestic fiscal policies, international indexes continued to underperform. Against this backdrop, the Segall Bryant & Hamill Fundamental International Small Cap Fund returned -3.66% for the quarter, underperforming the -1.51% return posted by its benchmark, the MSCI ACWI ex USA Small Cap Index.

The Fund's holdings in Canada performed particularly well, while Canadian holdings in the benchmark finished the quarter in negative territory. The Fund's holdings in Ireland also fared better than the respective benchmark holdings. Holdings in Japan detracted from the Fund's performance in the quarter, while holdings in China also reversed course from earlier in the year and detracted from performance due to a mix of regulatory concerns.

### Contributors to Return

Canada's MTY Food Group Inc. bolstered the Fund's performance in the third quarter as the company reported better-than-expected results. MTY is a franchisor and operator of casual dining, fast casual and quick service restaurants that operate under more than 70 brand names. The company operates over 2,000 locations across Canada and the United States. MTY posted its fourth consecutive quarter of positive same-store sales and continued to demonstrate its key strength of successful acquisitions integration. Australia-based Webjet Ltd. also performed well over the course of the period, particularly following the announcement of its full-year earnings, which beat expectations. This online travel bookings company increased margins, not only through growth in ancillary high-margin products in its online travel agency (OTA) business, but especially through increased scale across all regions in its WebBeds B2B business. Webjet is the largest OTA in Australia, and also offers one of the largest global inventories in its B2B hotels business, where it has been able to capture an outsize portion of bookings due to its scale.

### Detractors from Return

M&A Capital Partners Co. Ltd., a Japan-based mergers and acquisitions advisory firm for small- and medium-sized enterprises (SMEs), was among the Fund's most significant detractors in the quarter. Investors were disappointed by the company's lower-than-expected profits, driven by a decline in the average size of deals at its subsidiary, RECOF Corp. Nevertheless, the number of deals closed over the quarter increased year-over-year. We believe fundamentals driving the environment, including deteriorating demographics and ensuing succession issues at SMEs, remain in place. Another detractor over the period was Australia-based BWX Ltd., which is a vertically integrated developer, manufacturer, distributor and marketer of branded skin and hair care products. The company emphasizes its natural products segment and has also acquired and successfully integrated various brands with established strong market positions, primarily in Australia and the United States. Over the course of the quarter, BWX evaluated an unsolicited buyout offer and subsequently revised down its profit guidance for the upcoming fiscal year, as quarterly results underperformed. At the end of the quarter, BWX chose to remain independent and appointed a new permanent CEO.

### Outlook and Positioning

We believe that our emphasis on companies with sound fundamentals, strong cash generation and low indebtedness continues to position the Fund well, despite the possibility of increased volatility in international equity markets as the Fed continues to move away from an accommodative stance. While trade war risk remains a potential downside concern, we believe the market's intense focus on this potential outcome implies much of the downside for international equities may already be priced in.

\*As of September 28, 2018, a number of changes were implemented to the Global Industry Classification Standard (GICS®), which is used by a number of index providers to classify stocks, structure market indexes and help provide attribution on portfolio performance and positioning. The most significant change was the introduction of a new sector called Communication Services. This new sector includes all stocks that were formerly in the Telecommunications sector, as well as numerous stocks previously in the Information Technology and Consumer Discretionary sectors. The Telecommunications sector will not exist going forward. Please be aware that the timing of the sector re-classification late in the third quarter may impact sector allocation attribution for the full quarter.

### Past performance does not guarantee future results.

*The Manager Commentaries contain certain forward-looking statements about the factors that may affect the performance of the Funds in the future. These statements are based on Fund management's predictions and expectations concerning certain future events and their expected impact on the Funds, such as performance of the economy as a whole and of specific industry sectors, changes in the levels of interest rates, the impact of developing world events, and other factors that may influence the future performance of the Funds. Management believes these forward-looking statements to be reasonable, although they are inherently uncertain and difficult to predict. Actual events may cause adjustments in portfolio management strategies from those currently expected to be employed.*

Source for MSCI ACWI ex-USA Small-Cap Index and MSCI EAFE Small-Cap Index data, Compustat.

The **MSCI ACWI ex-USA Small-Cap Index** captures small cap representation across 22 of 23 Developed Market countries (excluding the U.S.) and 23 emerging Market countries. With 4,233 constituents, the index covers approximately 14% of the global equity opportunity set outside the U.S. MSCI Inc. launched the MSCI ACWI ex-USA Small-Cap Index on September 1, 2007. Data prior to the launch date is back-tested data provided and derived by MSCI (i.e. calculations of how the index might have performed over that time period had the index existed). There may be material differences between back-tested performance and actual results. Past performance, whether actual or back-tested, is no indication or guarantee of future performance. MSCI Inc. is the source and owner of the MSCI ACWI ex-USA Small-Cap Index data.

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#### DEFINITION OF TERMS

**Beta:** A measure of a fund's sensitivity to market movements. The beta of the market is 1.00 by definition. A beta above 1 is more volatile than the overall market, while a beta below 1 is less volatile.

**Earnings Growth:** Serves as an indicator of a company's profitability.

**Market Capitalization:** Represents the total value of a company or stock.

**Price/Book Value:** Used to compare a company's book value to its current market price.

**Price/Earnings:** A stock's per share price divided by its per share earnings over a 12-month period.

**Standard Deviation:** A statistical measure of the historical volatility of a fund.

**Tracking Error:** A measure of how closely a fund follows the index to which it is benchmarked.

FOR MORE INFORMATION ABOUT SEGALL BRYANT & HAMILL FUNDS, PLEASE CONTACT:

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An investor should consider investment objectives, risks, charges and expenses of the Fund(s) carefully before investing. To obtain a prospectus, which contains this and other important information about the Fund(s), please call (800) 392-2673 or visit [www.sbhffunds.com](http://www.sbhffunds.com). Please read the prospectus carefully before investing.

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