



# SEGALL BRYANT & HAMILL FUNDAMENTAL INTERNATIONAL SMALL CAP FUND

## FACT SHEET | March 31, 2019

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

Periods Ended 3/31/19 (%)	QTD	YTD	Annualized Returns					Since Inception
			1 Year	3 Years	5 Years	10 Years		
Retail Class	20.68	20.68	-9.35	7.86	1.16	13.06	5.13	
Institutional Class	20.77	20.77	-9.20	8.05	1.27	13.12	5.16	
MSCI ACWI ex-USA Small-Cap Index	10.26	10.26	-9.49	7.01	3.26	11.86	6.57	

  

Calendar Year (%)	2018	2017	2016	2015	2014	2013	2012
Retail Class	-22.98	33.64	1.60	1.05	-18.82	22.36	24.84
Institutional Class	-22.90	33.89	1.76	1.05	-18.82	22.36	24.84
MSCI ACWI ex-USA Small-Cap Index	-18.20	31.65	3.91	2.60	-4.03	20.13	18.96

**Retail Class Annual Expense Ratio: 1.48% Gross, 1.25% Net**  
**Institutional Class Annual Expense Ratio: 1.38% Gross, 1.10% 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>From May 1, 2019 until at least April 30, 2020, the Adviser has contractually agreed to waive the investment advisory and/or administration fees and/or to reimburse other expenses (not including acquired fund fees and expenses, taxes, brokerage expenses, and extraordinary expenses), so that the ratio of expenses to average net assets as reported in the Fund's Financial Highlights will be no more than 1.25% and 1.10% for the Fund's Retail Class and Institutional Class, respectively, for such period. This agreement may not be terminated or modified by the Adviser prior to April 30, 2020 without the approval of the Board of Trustees.

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

Webjet Limited	5.2
Yihai International Holding Ltd.	5.1
CANCOM SE	4.8
Keywords Studios plc	4.5
Fortnox AB	4.0
Constellation Software Inc.	4.0
MarkLines Co.Ltd.	3.7
Fu Shou Yuan International Group Ltd.	3.4
Autohome, Inc. Sponsored ADR Class A	3.4
Boyd Group Income Fund	3.1
<b>Total (% of portfolio)</b>	<b>41.2%</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).

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

	Fundamental International Small Cap	MSCI ACWI ex-USA Small-Cap	Relative Weights
Communication Services	16.3	4.6	11.7
Consumer Discretionary	21.3	12.8	8.5
Consumer Staples	6.2	6.4	-0.2
Energy	0.0	3.4	-3.4
Financials	9.2	10.9	-1.7
Health Care	3.6	7.5	-3.9
Industrials	11.5	19.2	-7.7
Information Technology	27.4	10.5	16.9
Materials	0.0	10.1	-10.1
Real Estate	0.7	11.4	-10.7
Utilities	0.0	3.2	-3.2
Cash & Cash Equivalents	3.8	0.0	3.8

<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)	\$31.6	-
Weighted Average Market Capitalization (\$ Mil)	\$2,636	\$2,308
Median Market Capitalization (\$ Mil)	\$956	\$861
Price/Earnings (1 year trailing)	26.2x	14.2x
Price/Book (1 year trailing)	3.6x	1.4x
Turnover (12 month trailing)	46.62%	-
Beta (vs. benchmark)	1.18	-
Standard Deviation (3 Years)	15.14%	11.41%
Tracking Error (3 Years)	7.18%	-
Number of Holdings	41	-

<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.

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

	Morningstar Ratings™ As of 3/31/19		Number of Funds in Foreign Small/Mid Growth Category
	Retail Class	Institutional Class	
Overall	★★	★★	113
3 Year	★★★	★★★	113
5 Year	★	★	93
10 Year	★★★	★★★	56

<sup>7</sup>Morningstar proprietary ratings reflect historical risk-adjusted performance as of 3/31/19 and are subject to change every month.

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

Top 5 Stocks (3 Months Ended 3/31/19)	Average Weight	Contribution to Return
Yihai International Holding Ltd.	3.14	2.29
Appen Ltd.	2.89	2.01
Webjet Limited	5.27	1.63
CANCOM SE	4.61	1.60
Azimut Holding Spa	2.58	1.22

  

Bottom 5 Stocks (3 Months Ended 3/31/19)	Average Weight	Contribution to Return
ARCLAND SERVICE HOLDINGS CO., LTD.	1.38	-0.13
Japan Property Management Center Co., Ltd.	0.82	-0.13
TATERU, Inc.	0.71	-0.20
amaysim Australia Ltd.	2.54	-0.72
LIFULL Co.Ltd.	2.54	-0.87

<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.

## Regional Allocation (%)

	Fundamental International Small Cap	MSCI ACWI ex-USA Small-Cap
United Kingdom	12.9	13.7
Europe	21.2	28.0
Japan	20.5	22.1
Asia (excluding Japan)	16.7	8.9
Emerging Markets/Other	18.7	20.6
North America	10.0	6.8

### Market Overview

Markets rebounded in the first quarter of 2019 after a sell-off at the end of last year. Fears that higher interest rates would hurt the U.S. economy were tempered as the U.S. Federal Reserve left rates unchanged during the quarter and articulated patience on future hikes. Despite continuing uncertainty, worries cooled about the U.S.-China trade war as no further tariffs were imposed while negotiations proceeded. Against this backdrop and with the arrival of government stimulus, Chinese equities rallied in the first quarter. Japanese markets rebounded as well, although at a more muted pace compared to other developed markets due to a slowdown in exports and relatively weak corporate earnings. The quarter also saw protracted weakness in economic data from Europe, including disappointing numbers in German manufacturing. Nevertheless, European equities rose as fears surrounding political volatility moderated and the European Central Bank and Bank of England moved in a dovish direction. Emerging markets ex-China rose modestly on mixed results, as Indian GDP maintained its growth trajectory while volatility in Brazil and Turkey continued to weigh on the market.

### Fund Performance

Amidst a resurgence in international markets, the Segall Bryant & Hamill Fundamental International Small Cap Fund returned 20.68% for the quarter, compared to the 10.26% return posted by its benchmark, the MSCI ACWI ex USA Small Cap Index.

The Fund's holdings in China, Europe and Australia outperformed due to strong fundamentals despite headline fears. Holdings in Korea detracted from the Fund's performance relative to its benchmark.

### Contributors to Return

Hong Kong-traded Yihai International Holding Ltd. continued to be a strong performer this quarter. Yihai is the sole condiment manufacturer for the rapidly growing hot pot chain Haidilao and also sells retail products under the Haidilao brand. Haidilao is in the middle of a long-term expansion phase while Yihai's recently launched products, including instant hot pot meals, have been well received by consumers. During the second half of 2018, Yihai reported year-on-year revenue growth of 60% and operating income growth of 58%. Australia-based Appen Ltd. also performed well during the quarter. The company provides training data and related services for clients' use in artificial intelligence and algorithm training processes. In particular, Appen serves technology companies in segments such as translation and content localization. Supported by secular tailwinds in the demand for machine learning data, Appen reported especially robust results in the second half of 2018, growing revenue by 129% year-on-year and operating income by 185% year-on-year.

### Detractors from Return

Japan-based LIFULL Co. Ltd. was the Fund's most significant detractor in the first quarter. During the quarter, LIFULL, which operates online property portals and search websites for other verticals, completed its acquisition of Mitula, an Australian online classifieds aggregator. Concerns regarding weakness in LIFULL's domestic homes business and a weakening Japanese real estate market seemed to have pressured the stock price during the quarter. However, we believe that LIFULL's fundamental business economics remain intact and the underlying growth trajectory of its online portals remains strong. Another detractor during the quarter was TATERU, Inc., a Japanese real estate services provider. TATERU has shifted its core business from a platform that connects realtors and investors to a manufacturer and seller of smart home devices, bypassing our original investment thesis. Therefore, the Fund has closed its position in the stock.

### Outlook and Positioning

A great deal of uncertainty remains in the international arena, including concerns over weakness in the global economy and geopolitical developments, most notably the U.S.-China trade war and Brexit. As we look forward, we believe that our focus on holdings with reasonable valuations supported by strong fundamentals will position the Fund well for 2019. Furthermore, the Fund's holdings have limited macroeconomic sensitivity and a track record of delivering operational excellence throughout business cycles.

### 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:

Individual Investors: (800) 392-2673 | Financial Advisors: (800) 734-9378 | www.sbhffunds.com

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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