



# SEGALL BRYANT & HAMILL FUNDAMENTAL INTERNATIONAL SMALL CAP FUND

## FACT SHEET | June 30, 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

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

Periods Ended 6/30/19 (%)	QTD	YTD	Annualized Returns					Since Inception
			1 Year	3 Years	5 Years	10 Years		
Retail Class	9.61	32.28	1.06	11.21	3.28	10.64	5.56	
Institutional Class	9.64	32.42	1.17	11.39	3.39	10.70	5.59	
MSCI ACWI ex-USA Small-Cap Index	1.21	11.60	-5.94	7.76	2.77	8.48	6.55	
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> (%)

Constellation Software Inc.	5.4
Keywords Studios plc	5.1
Webjet Limited	4.6
CANCOM SE	4.5
Fortnox AB	4.3
Boyd Group Income Fund	3.6
ZIGExN Co., Ltd.	3.4
Azimut Holding Spa	3.1
Fu Shou Yuan International Group Ltd.	3.1
MTY Food Group Inc.	3.0
<b>Total (% of portfolio)</b>	<b>40.1%</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	16.0	4.7	11.3
Consumer Discretionary	21.0	12.3	8.7
Consumer Staples	3.9	6.2	-2.3
Energy	0.0	3.4	-3.4
Financials	8.5	10.7	-2.2
Health Care	3.6	7.4	-3.8
Industrials	11.8	19.5	-7.7
Information Technology	30.9	10.1	20.8
Materials	0.0	10.3	-10.3
Real Estate	0.6	12.0	-11.4
Utilities	0.0	3.4	-3.4
Cash & Cash Equivalents	3.7	0.0	3.7

<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)	\$34.2	-
Weighted Average Market Capitalization (\$ Mil)	\$2,826	\$2,235
Median Market Capitalization (\$ Mil)	\$1,270	\$864
Price/Earnings (1 year trailing)	28.4x	14.1x
Price/Book (1 year trailing)	4.2x	1.4x
Turnover (12 month trailing)	44%	-
Beta (vs. benchmark)	1.14	-
Standard Deviation (3 Years)	15.27%	11.87%
Tracking Error (3 Years)	7.29%	-
Number of Holdings	40	4,227

<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 6/30/19		Number of Funds in Foreign Small/Mid Growth Category
	Retail Class	Institutional Class	
Overall	★★★	★★★★	122
3 Year	★★★★	★★★★	122
5 Year	★★	★★	99
10 Year	★★★	★★★	59

<sup>7</sup>Morningstar proprietary ratings reflect historical risk-adjusted performance as of 6/30/19 and are subject to change every month.

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

Top 5 Stocks (3 Months Ended 6/30/19)	Average Weight	Contribution to Return
Keywords Studios plc	5.56	2.46
Fortnox AB	4.52	1.94
ZIGExN Co., Ltd.	2.93	1.08
MarkLines Co.Ltd.	3.53	1.06
CANCOM SE	5.02	0.90

  

Bottom 5 Stocks (3 Months Ended 6/30/19)	Average Weight	Contribution to Return
Webjet Limited	5.62	-0.37
LIFULL Co.Ltd.	3.78	-0.46
Autohome, Inc. Sponsored ADR Class A	3.25	-0.62
Citadel Group Ltd.	1.36	-0.69
Yossix Co., Ltd.	1.97	-0.78

<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	15.9	12.9
Europe	24.4	28.4
Japan	19.2	21.5
Asia (excluding Japan)	14.1	9.1
Emerging Markets/Other	14.2	21.3
North America	12.2	6.8

### Market Overview

The second quarter of 2019 was a volatile one, with almost every major equity market rising through April, falling in May, and rebounding in June. A catalyst for this was the U.S. decision in May to raise tariffs on \$200 billion of Chinese imports, prompting China to retaliate with tariffs on \$60 billion of U.S. goods. Towards the end of the quarter, hopes for a trade deal were rekindled as Presidents Trump and Xi restarted talks at the G20. Simultaneously, optimism in the U.S. market was buoyed by signs that the U.S. Federal Reserve would cut rates, while Chinese economic indicators improved as the government ramped up stimulus. Japan's Nikkei ended the quarter where it began, as Japanese growth remained stable if sluggish. European equities rose moderately on mixed news. Lackluster economic performance, including disappointing manufacturing data from Germany, was balanced by budding signs of recovery and by the European Central Bank and Bank of England maintaining a dovish stance. Ongoing uncertainty surrounding Brexit and Italy's political instability was tempered by a fading Italian bond crisis. Emerging markets struggled this quarter, marked by a decline in Indian GDP growth, a missed GDP growth target in Indonesia, and post-electoral tensions in Turkey.

### Fund Performance

The Segall Bryant & Hamill Fundamental International Small Cap Fund returned 9.61% for the quarter, compared to the 1.21% return posted by its benchmark, the MSCI ACWI ex USA Small Cap Index. Year to date through June, the Fund returned 32.28% versus a 11.60% return for its benchmark.

Strong stock selection in Ireland, Japan, and Sweden contributed to the Fund's outperformance relative to its benchmark while selection in Australia and Israel detracted from relative results.

### Contributors to Return

During the second quarter, Ireland-based Keywords Studios plc reported a strong result for 2018, growing revenues by 66%. Keywords is the world's largest provider of outsourced technical services to video game developers, with services spanning areas such as content localization, art creation, and game testing. The company continues to achieve double-digit organic growth by growing the breadth and scale of its service offerings while executing on its acquisition strategy of consolidating other outsourcers.

Fortnox AB, a provider of enterprise resource planning software based in Sweden, also performed well during the quarter. Revenue increased 39% in the first quarter, with the company adding 16,000 new customers during the quarter and continuing to grow average monthly revenue per customer. We continue to have a positive outlook for Fortnox due to its long growth runway, recurring revenue business model, and loyal customers.

### Detractors from Return

Japanese restaurant operator Yossix Co., Ltd. was the Fund's most significant detractor in the second quarter. Yossix owns a variety of restaurant brands that offer different price points in order to maintain flexibility in the face of changes in consumer behavior or macroeconomic developments. During the quarter, the company's growth was pressured by a tight labor supply, weak consumer sentiment, and a competitive industry environment. However, we remain confident in the company's growth opportunity, which we believe is attractive relative to its current valuation.

Another detractor during the quarter was Autohome, Inc., China's leading online automobile portal. Although the company has consistently delivered superior results, growing revenue by 25.1% last quarter, a sharp downturn in China's auto market has battered short-term investor expectations. Our view is that Autohome's business model of charging dealerships subscription fees and charging automakers advertising fees out of their annual budgets limits its exposure to an industry slump.

### Outlook and Positioning

Global investors continue to face significant uncertainty, including concerns over the longevity of U.S. growth, the U.S.-China trade war, protracted economic weakness in Europe, Brexit, and a new value-added tax hike in Japan. We believe our focus on holdings with reasonable valuations supported by strong fundamentals such as high cash generation and low indebtedness will position the Fund well for the future.

### 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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8815797-UFD-8/9/19