

# SEGALL BRYANT & HAMILL MICRO CAP FUND

## FACT SHEET | March 31, 2019

### FUND INFORMATION

Class	Retail
Ticker	WTMIX
Cusip	81580H803
Fund Inception	6/23/2008
Strategy Inception	7/1/2008

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

*Investing in micro-cap funds generally will be more volatile and loss of principal could be greater than investing in large-cap funds.*

### PORTFOLIO MANAGEMENT

Scott E. Decatur, Ph.D.  
 Nicholas C. Fedako, CFA

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

Periods Ended 3/31/19 (%)	Annualized Returns						
	QTD	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Retail Class	10.34	10.34	-3.85	9.03	4.20	14.23	8.20
Russell Microcap® Index	13.10	13.10	-2.36	12.29	5.03	14.97	8.10
<b>Calendar Year (%)</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Retail Class	-13.06	5.70	24.49	-4.92	2.49	46.20	15.60
Russell Microcap® Index	-13.08	13.17	20.37	-5.16	3.65	45.62	19.75

**Retail Class Annual Expense Ratio: 1.99% Gross, 1.05% 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. 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, for the Fund's Retail Class, Segall Bryant & Hamill, LLC (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 1.05% 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> (%)

NMI Holdings, Inc. Class A	1.4
OFG Bancorp	1.3
ANI Pharmaceuticals, Inc.	1.3
Meridian Bioscience, Inc.	1.3
Perficient, Inc.	1.3
Turning Point Brands Inc	1.2
Repligen Corporation	1.2
Condor Hospitality Trust, Inc.	1.1
Photronics, Inc.	1.1
NeoGenomics, Inc.	1.1
<b>Total (% of portfolio)</b>	<b>12.3%</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> (%)

	Micro Cap	Russell Microcap®	Relative Weights
Communication Services	3.1	3.4	-0.3
Consumer Discretionary	9.8	10.2	-0.4
Consumer Staples	2.6	2.1	0.5
Energy	5.1	4.3	0.8
Financials	23.3	23.5	-0.2
Health Care	26.3	26.6	-0.3
Industrials	10.9	10.8	0.1
Information Technology	10.4	10.4	0.0
Materials	2.3	2.6	-0.3
Real Estate	4.5	4.7	-0.2
Utilities	1.2	1.3	-0.1
Cash & Cash Equivalents	0.6	0.0	0.6

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

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

	Micro Cap	Russell Microcap <sup>®</sup>
Total Fund Assets (\$ Mil)	\$3.8	-
Weighted Average Market Capitalization (\$ Mil)	\$579	\$644
Median Market Capitalization (\$ Mil)	\$300	\$216
Price/Cash Flow (1 year trailing)	6.9x	7.9x
Price/Book Value	1.4x	1.7x
Price/Earnings (1 year trailing)	13.1x	14.0x
Return on Assets	6.0%	-5.1%
Long-Term Debt/Capital	21.5%	27.2%
Turnover (12 month trailing)	120.40%	-
Number of Holdings	180	-

<sup>5</sup>Standard Deviation, Beta and Tracking Error statistics versus the Russell Microcap<sup>®</sup> Index and based on monthly data. Three years. Source: eVestment Alliance.

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

	Morningstar Ratings <sup>™</sup> As of 3/31/19 Retail Class	Number of Funds in Small Blend Category
Overall	★★	634
3 Year	★★	634
5 Year	★★	519
10 Year	★★	382

<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
Turning Point Brands Inc	1.22	0.65
ANI Pharmaceuticals, Inc.	1.24	0.57
Veracyte Inc	0.69	0.46
NMI Holdings, Inc. Class A	1.17	0.42
NeoGenomics, Inc.	0.86	0.39
Bottom 5 Stocks (3 Months Ended 3/31/19)	Average Weight	Contribution to Return
Universal Insurance Holdings, Inc.	0.74	-0.14
Turtle Beach Corporation	1.00	-0.16
Kewaunee Scientific Corporation	0.51	-0.21
Vanda Pharmaceuticals Inc.	1.20	-0.36
Aratana Therapeutics, Inc.	0.66	-0.38

<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.

### Market Overview

In the first quarter of 2019, domestic microcap equities posted their best quarterly return since 2012, returning 13.1% as measured by the Russell Microcap Index. Microcap equities rebounded strongly in the first quarter after falling precipitously in the fourth quarter of 2018 as the U.S. Federal Reserve signaled it will take a cautious approach to raising rates in the near term and trade tensions with China abated. All sectors within the index finished the quarter higher, with the most heavily weighted sector, Health Care, having the best return, up 19.0%. The more defensive Utilities sector, which was the best performer in the fourth quarter, posted the lowest return in the first quarter, up just 5.5%.

### Fund Performance

The Segall Bryant & Hamill Micro Cap Fund posted a 10.34% gain for the first quarter of 2019 versus the 13.10% return of the Russell Microcap Index. Although every sector in the Fund ended the quarter in positive territory, led by Consumer Staples (28.6%), on a relative basis, our stocks underperformed those of the benchmark in 7 out of 11 sectors. The Fund's strongest sectors relative to the benchmark were Financials, Consumer Staples, and Communication Services, while the weakest relative to the benchmark were Health Care, Information Technology, and Consumer Discretionary. Our stock selection model underperformed for the quarter primarily due to our profitability and momentum factors.

The Russell Micro Cap Value (+10.4%) Index significantly lagged the Russell Micro Cap Growth Index (+16.0) in the micro cap segment of the market, with sector differences accounting for most of the underperformance of the value index. Fortunately, our portfolio construction methodology of sector neutrality helped to lessen the impact from these sector swings. Our strategy calls for us to maintain sector neutrality to the Core index, thus allowing us to focus on bottom-up stock selection.

### Outlook and Positioning

The outlook for U.S. equities for the rest of 2019 appears healthy as economic growth is expected to pick up after a softer first quarter, the labor market remains strong, and inflation appears to be in check. A resolution to the negotiations on a trade agreement between the U.S. and China, which is reportedly getting closer, would only add to the positive outlook. The Fund is well positioned versus its benchmark on valuation and profitability metrics. With the downturn in value, we have been able to upgrade the Fund with more attractive, undervalued names which we expect can add excess returns over the near term.

### 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 Russell Microcap® Index data, FactSet.

The **Russell Microcap® Index** measures the performance of the microcap segment of the U.S. equity market. It makes up less than 3% of the U.S. equity market. It includes 1,000 of the smallest securities in the small-cap Russell 2000 Index based on a combination of their market cap and current index membership and it includes the next 1,000 securities investors cannot invest directly in this index.

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The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10 year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods.

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#### DEFINITION OF TERMS

**Long-Term Debt/Capital:** A measurement of a company's financial leverage, calculated as the company's debt divided by its total capital.

**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/Cash Flow:** A measure of a firm's stock price relative to its financial performance.

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

**Return on Assets:** A measure of a company's profitability relative to its total assets.

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

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

The funds of the Segall Bryant & Hamill Trust are distributed by Ultimus Fund Distributors, LLC.

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