

# SEGALL BRYANT & HAMILL MICRO CAP FUND

## FACT SHEET | June 30, 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 6/30/19 (%)	QTD	YTD	Annualized Returns					Since Inception
			1 Year	3 Years	5 Years	10 Years		
Retail Class	-0.29	10.02	-11.34	8.17	4.19	12.10	7.98	
Russell Microcap® Index	0.93	14.14	-10.38	11.18	5.52	12.54	8.00	
<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> (%)

Perficient, Inc.	1.5
NeoGenomics, Inc.	1.3
Anika Therapeutics, Inc.	1.2
Financial Institutions, Inc.	1.2
Amphastar Pharmaceuticals Inc	1.2
Southern National Bancorp of Virginia, Inc.	1.2
ANI Pharmaceuticals, Inc.	1.2
KEMET Corporation	1.2
Lantheus Holdings Inc	1.2
First Choice Bancorp	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	3.0	3.2	-0.2
Consumer Discretionary	10.8	10.0	0.8
Consumer Staples	1.9	2.1	-0.2
Energy	3.8	3.9	-0.1
Financials	23.8	24.2	-0.4
Health Care	27.1	26.7	0.4
Industrials	11.2	10.6	0.6
Information Technology	9.9	10.3	-0.4
Materials	2.5	2.8	-0.3
Real Estate	4.7	4.9	-0.2
Utilities	1.2	1.4	-0.2
Cash & Cash Equivalents	0.2	0.0	0.2

<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)	\$3.5	-
Weighted Average Market Capitalization (\$ Mil)	\$623	\$714
Median Market Capitalization (\$ Mil)	\$330	\$218
Price/Cash Flow (1 year trailing)	7.2x	7.9x
Price/Book Value	1.3x	1.8x
Price/Earnings (1 year trailing)	14.0x	15.4x
Return on Assets	5.0%	-4.8%
Long-Term Debt/Capital	21.9%	26.9%
Turnover (12 month trailing)	127%	-
Number of Holdings	194	-

<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™ As of 6/30/19 Retail Class	Number of Funds in Small Blend Category
Overall	★★	633
3 Year	★★	633
5 Year	★★	516
10 Year	★★	375

<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
Vectrus Inc	0.45	0.56
Repligen Corporation	1.04	0.41
Zix Corporation	1.06	0.34
Anika Therapeutics, Inc.	1.10	0.33
Perficient, Inc.	1.33	0.31
Bottom 5 Stocks (3 Months Ended 6/30/19)	Average Weight	Contribution to Return
Ashford Inc.	0.30	-0.27
Midstates Petroleum Co Inc	0.62	-0.28
Harvard Bioscience, Inc.	0.40	-0.30
Assertio Therapeutics, Inc.	0.78	-0.31
Meridian Bioscience, Inc.	0.91	-0.40

<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

Following a double-digit increase in the first quarter, U.S. microcap equities slowed in the second quarter, posting a 0.93% gain as measured by the Russell Microcap® Index. A quiet April was followed by a sell-off in May after additional tariffs were placed on Chinese goods, stoking fears that the trade war would intensify. Stocks rallied in June to erase the prior month's losses following dovish comments from the Fed on interest rates and signals from U.S. officials that a trade deal with China was closer. Sector performance within the benchmark was mixed. Real Estate (+7.6%), Utilities (+7.2%), and Financials (+5.2%) were the best performers but their positive results were offset by losses in Energy (-10.1%), Communication Services (-7.0%), and Consumer Discretionary (-4.5%).

### Fund Performance

The Segall Bryant & Hamill Micro Cap Fund posted a -0.29% return for the second quarter of 2019 compared to a return of 0.93% for its benchmark, the Russell Microcap® Index. On an absolute basis, our holdings in the Utilities (+20.1%) and Industrials (+8.5%) sectors were our best performers, while stocks in the Energy (-16.1%) and Consumer Discretionary (-10.1%) sectors were the weakest. On a relative basis, stock selection was additive in five sectors with Industrials and Health Care providing the most support. Selection was negative in the other six sectors with Consumer Discretionary and Real Estate ending up as the largest relative detractors. Effects due to sector allocation were negligible as the Fund seeks to remain sector neutral and focus solely on bottom-up stock selection. The performance of our model's factors ended the quarter mixed as valuation, the largest component, underperformed, while the profitability and momentum factors outperformed.

### Outlook and Positioning

Our outlook for the remainder of 2019 is positive. The economy appears to remain on solid footing with low unemployment, decent wage growth, and strong consumer confidence. Recent Fed comments have shown that the Fed is willing to adjust monetary policy if it sees signs of stress in the economy. The key downside risk remains an escalation of trade tensions between the U.S. and China as the markets hinge on every news item about the subject. The most recent reports on the matter have been positive with U.S. officials signaling a deal is getting closer, although that has been said before.

Our strategy of buying strong companies with reasonable valuations has faced headwinds so far this year in the U.S. microcap space due to the market's appetite to pay up for expensively valued companies, as evidenced by the outperformance of the Russell Microcap® Growth Index (+16.5%) over the Russell Microcap® Value Index (+12.0%) this year (through June). However, we believe the strategy of buying increasingly expensive stocks cannot go on forever and we are confident in the Fund's positioning for the market environment ahead.

### 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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#### 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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