

# SEGALL BRYANT & HAMILL PLUS BOND FUND

## FACT SHEET | March 31, 2019

### WHY CONSIDER THIS FUND

For investors seeking income from a diversified, “all-weather” bond fund that emphasizes capital preservation and low volatility.

### KEY FEATURES

- Focus on domestic, U.S. Dollar, cash-pay bonds (not emerging markets, derivatives or levered loans).
- Take advantage of inefficiencies created by small issue sizes and rating agency classifications.
- Generally overweight corporate bonds while typically carrying limited exposure to high quality high yield securities.
- Bottom up bond selection and quality focus create a portfolio that may differ significantly from peers and the benchmark.

### INVESTMENT PHILOSOPHY

- We seek to take advantage of inefficiencies in the fixed income market by identifying high-quality, overlooked issues.
- We focus on fundamental analysis and disciplined risk controls rather than market timing.
- Our consistent process seeks to perform well in all periods with an emphasis on capital preservation.

### INVESTMENT OBJECTIVE

The Segall Bryant & Hamill Plus Bond Fund seeks to achieve long-term total rate of return consistent with preservation of capital.

### FUND INFORMATION

Class	Retail	Institutional
Ticker	WTIBX	WIIBX
Cusip	81580H860	81580H761
Fund Inception	6/1/1988	9/28/2007
Strategy Inception	1/1/1992	

Also available in separate account vehicle offered by Segall Bryant & Hamill.

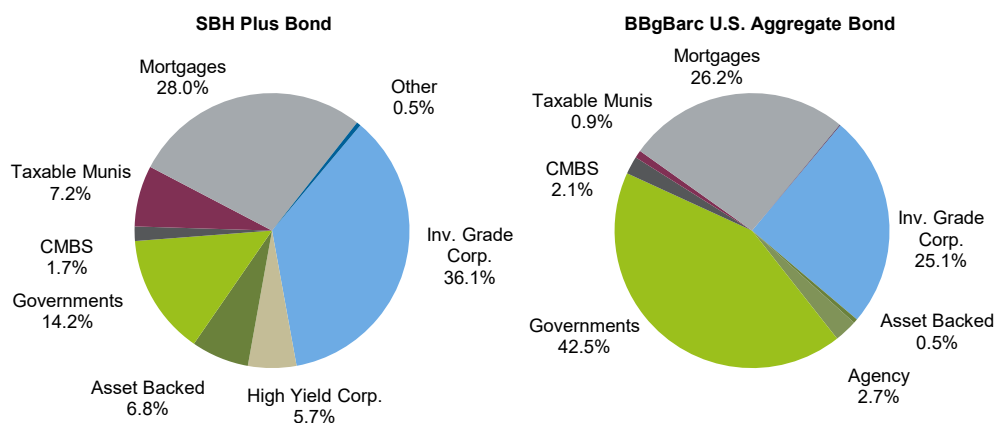
*This Fund is subject to additional risk in that it may invest in high-yield/high-risk bonds and will be subject to greater levels of liquidity risk. Additionally, investing in bond funds entails interest rate risk and credit risk.*

### PORTFOLIO MANAGEMENT

Troy A. Johnson, CFA  
Kenneth A. Harris, CFA  
Darren G. Hewitson, CFA  
Gregory M. Shea, CFA

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### Sector Allocation (%)



Corporate allocation classifications presented are based on the categorization method of the Adviser to the Funds.

### Top Ten Credit Exposure (%)

SBH Plus Bond	(%)	BBgBarc U.S. Aggregate Bond	(%)
Washington Real Estate Investment Trust	1.3	Bank of America Corp	0.5
San Francisco California	1.2	JPMorgan Chase & Co	0.5
North Texas Tollway Authority	1.1	Kreditanstalt Fuer Wiederaufbank	0.5
Virginia Small Business Financing Authority	1.0	European Investment Bank	0.4
Boardwalk Pipelines LP	1.0	Goldman Sachs Group Inc	0.4
PSEG Power	1.0	AT&T Inc	0.4
Keycorp	1.0	Citigroup Inc	0.4
CBOE Global Markets	1.0	Morgan Stanley	0.4
Oncor Electric Delivery	0.9	Verizon Communications Inc	0.4
UBS	0.9	Wells Fargo & Co	0.3
<b>Total</b> (% of portfolio)	<b>10.4%</b>	<b>Total</b> (% of portfolio)	<b>4.2%</b>

Percentages represent the Fund's aggregate holdings in the same corporate issuer and its affiliates. Top ten corporate credit exposures 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 security or issuer and current and future holdings are subject to risk. For a complete list of holdings, please visit [www.sbhffunds.com](http://www.sbhffunds.com).

### Portfolio Characteristics

	SBH Plus Bond	BBgBarc U.S. Aggregate Bond
Total Strategy/Fund Assets (\$ mil)	\$1,288.4 / \$1,269.1	—
Number of Holdings (Peer Group Average*)	215 (877)	—
Effective Duration	5.71 years	5.95 years
Average Maturity	8.65 years	8.03 years
Turnover (12 month trailing)	49.23%	—
Standard Deviation (3 year)	2.77%	2.97%

Standard Deviation statistic versus the Bloomberg Barclays U.S. Aggregate Bond Index and based on monthly data. Three years. Source: eVestment Alliance.

\*Peer group: Morningstar US OE Intermediate Bond Category.

## Performance (%)

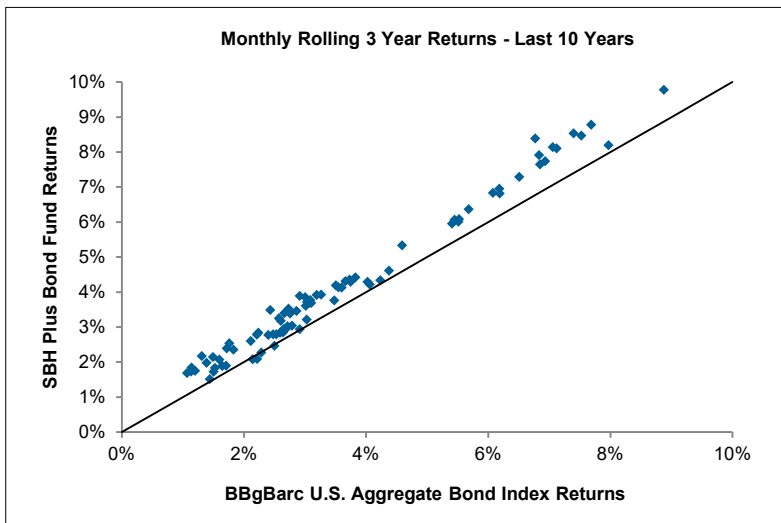
Periods Ended 3/31/19 (%)	Annualized Returns						
	QTD	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Retail Class	3.31	3.31	4.54	2.86	3.06	4.43	5.90
Institutional Class	3.25	3.25	4.65	3.02	3.21	4.58	5.96
BBgBarc U.S. Aggregate Bond Index	2.94	2.94	4.48	2.03	2.74	3.77	6.20
Calendar Year (%)	2018	2017	2016	2015	2014	2013	2012
Retail Class	-0.18	4.74	3.82	0.01	5.90	-1.23	5.67
Institutional Class	0.06	4.81	4.01	0.23	6.02	-1.05	5.74
BBgBarc U.S. Aggregate Bond Index	0.01	3.54	2.65	0.55	5.97	-2.02	4.22

**Retail Class 30-Day SEC Yield: With Fee/Expense Waivers: 2.99%; Without Fee/Expense Waivers: 2.78% Institutional Class 30-Day SEC Yield: With Fee/Expense Waivers: 3.14%; Without Fee/Expense Waivers: 2.97%**

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.

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.

## Rolling Returns



Rolling returns based on net performance 12/31/11 – 3/31/19.

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## Expense Ratio (%)

**Retail Class Annual Expense Ratio: 0.67% Gross, 0.55% Net**

**Institutional Class Annual Expense Ratio: 0.53% Gross, 0.40% Net**

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 0.55% and 0.40% 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.

## Duration Distribution (%)

% of portfolio	SBH Plus Bond	BBgBarc U.S. Aggregate Bond
0 - 1 year	14.1	0.2
1 - 3 years	17.9	24.6
3 - 4 years	16.3	17.1
4 - 6 years	25.7	30.6
6 - 8 years	6.6	9.9
8+ years	19.4	17.7

## Ratings Allocation (%)

% of portfolio	SBH Plus Bond	BBgBarc U.S. Aggregate Bond
AAA	50.4	72.5
AA	4.9	3.0
A	14.0	10.8
BBB	22.5	13.7
BB & Below	7.2	0.0
Not Rated	1.0	0.0

The ratings allocation reflects the Standard & Poor's equivalent ratings category for the higher credit quality rating assigned by either Standard & Poor's or Moody's. Credit quality does not remove market risk.

## Morningstar Ratings

	Morningstar Ratings™		Percent Rank in Category		Number of Funds in Intermediate-Term Bond Category
	Retail Class	Institutional Class			
Overall	★★★★	—	★★★★	—	901
3 Year	★★★★	25	★★★★	20	901
5 Year	★★★★	17	★★★★	12	769
10 Year	★★★	56	★★★	51	564

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

The Percent Rank in Category is the fund's total-return percentile rank relative to all funds that have the same Morningstar Category. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) percentile rank is 100. The top-performing fund in a category will always receive a rank of 1. Rankings are subject to change every month.

## Manager Commentary (as of 3/31/19)

### First Quarter Review

Global central banks returned to a firmly accommodative stance in response to worries about the global economy and poor investment results at the end of 2018. In the U.S., the Federal Reserve (Fed) announced a pause in its current rate hiking cycle and a plan to end the reduction of its balance sheet. Globally, central banks contributed further monetary accommodation by adding to their balance sheets and maintaining low short-term rates. Buoyed by renewed central bank accommodation, inflows into U.S. markets turned strongly positive, and there was aggressive buying of bonds across all ratings categories. High yield corporate bonds led the way with a 7.26% return (the best quarter since 2009). Higher quality investment grade corporate bonds were not far behind, returning 5.14%. There was also aggressive buying in Treasuries, causing the yield curve to begin to invert. The 3-year Treasury offered the lowest yield of 2.20% while short-term Treasury bills with maturities under 6 months ended the quarter with a yield of 2.43%, higher than any other Treasury notes (with maturities less than 10 years). It is too early to tell what this most recent inversion of the yield curve means for the economy. Historically, such episodes are typically indicative of a slowing economy and potential recession, brought about by an overly aggressive Fed. Each episode of inversion has been unique; however, it is too soon in the process to know how this experience will play out.

### Fund Performance

The Segall Bryant & Hamill Plus Bond Fund returned 3.31% versus the 2.94% return posted by its benchmark, the Bloomberg Barclays U.S. Aggregate Bond Index. The Fund continued to benefit from its yield advantage, which was generated by an overweight to credit securities and an underweight to U.S. Treasuries relative to the benchmark. The general tightening of corporate credit spreads and the Fund's modest exposure to the high yield market were beneficial to the Fund's return, given the strong outperformance of both investment grade and high yield corporate bonds. Exposure to longer-maturity U.S. Treasuries added to Fund performance in the quarter given the decline in rates.

### Economic Outlook and Positioning

The stock market, reaching all-time highs, seems to be telling a different story about the U.S. economy than the U.S. Treasury market with its inverted yield curve. We believe these mixed signals will likely lead to an increase in volatility in the near future, providing the Segall Bryant & Hamill Plus Bond Fund an opportunity to acquire high quality issues at attractive valuations.

We have constructed the Fund with high quality securities from sectors and issues that we believe many investors have overlooked. We believe a rigorous bottom-up credit selection process and focus on fixed income market inefficiencies is particularly valuable at this point in the credit cycle, when it is critically important to assess valuations and to differentiate creditworthiness and the long-term stability of each holding. Recognizing we are late in the credit cycle and increased volatility is likely to be with us for some time, we have increased our focus on quality and liquidity to mitigate any potential negative credit events and market dislocations that could adversely impact the Fund. The inverted yield curve provides better opportunity in shorter maturities. Therefore, we have reduced interest rate risk moderately by taking advantage of the higher yields in shorter maturities and reducing our exposure to longer, more interest-rate-sensitive bonds. The compensation for taking credit risk has also declined with the sharp rally in all non-Treasury bonds, which has us moderately reducing exposure to credit sensitive securities. Our risk controls and emphasis on reducing potential decreases in the value of our investments in down markets relative to the benchmark are designed so the Fund can meet our shareholders' expectations for the role it plays as part of their fixed income allocation within a diversified portfolio.

### 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 Bloomberg Barclays U.S. Aggregate Bond Index data, CMS Bond Edge.

The **Bloomberg Barclays U.S. Aggregate Bond Index** is an unmanaged, fixed income, market- value-weighted index generally representative of investment grade fixed-rate debt issues, including government, corporate, asset-backed, and mortgage-backed securities with maturities of at least one year. The Bloomberg Barclays U.S. Aggregate Bond Index figures do not reflect any fees, expenses or taxes. 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

**Basis Point:** Is the smallest measure used in quoting yields on bills, notes and bonds. One basis point equals one one-hundredth of one percent. Therefore, 100 basis points equal 1%.

**Credit Quality:** The credit quality of the investments in the Fund's portfolio does not apply to the safety and stability of the Fund and are subject to change. Ratings are assigned by one or more Nationally Recognized Statistical Rating Organizations (NRSRO), such as Standard & Poor's, and typically range from AAA (highest) to D (lowest). When ratings from two NRSROs are available, the lowest rating is used. Bonds not rated by an NRSRO are included in the Not Rated category, which does not necessarily indicate low quality.

**Effective Maturity:** The date on which a bond, other debt or security is due to be repaid.

**Effective Duration:** A measure of price sensitivity resulting from changes in the yield of a bond.

**REIT:** A REIT is a real estate investment trust. REITs are securities that sell like a stock on a major exchange. REITs invest directly in real estate, either through properties or mortgages.

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

**Yield Curve:** A yield curve is a line that plots the interest rates, at a set point in time, of bonds having equal credit quality but differing maturity dates. The most frequently reported yield curve compares the three-month, two-year, five-year, 10-year and 30-year U.S. Treasury debt.

#### BOND RATING CATEGORIES

**AAA:** An obligation rated "AAA" (Aaa) has the highest rating assigned by Standard & Poor's (Moody's). The obligor's capacity to meet its financial commitment on the obligation is extremely strong.

**AA:** An obligation rated "AA" (Aa) differs from the highest rated obligations only in small degree. The obligor's capacity to meet its financial commitment is very strong.

**A:** An obligation rated "A" (A) is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitment on the obligation is still strong.

**BBB:** An obligation rated "BBB" (Baa) exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation.

**Below BBB:** Obligations rated "BB" (Ba), "B" (B), "CCC" (Caa), "CC" (Ca) and "C" (C) are regarded as having significant speculative characteristics. "BB" (Ba) indicates the least degree of speculation and "C" (C) the highest. While such obligations will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposures to adverse conditions.

**Non-Rated:** These bonds are not rated.

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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