

# SEGALL BRYANT & HAMILL SMALL CAP VALUE DIVIDEND FUND

## FACT SHEET | March 31, 2019

### FUND INFORMATION

Class	Retail	Institutional
Ticker	WTSVX	WISVX
Cusip	81580H704	81580H787
Fund Inception	12/13/2004	9/28/2007
Strategy Inception	7/1/1999	

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

*Investing in small-cap funds generally will be more volatile and loss of principal could be greater than investing in large-cap funds. Dividends are not guaranteed. A company's future abilities to pay dividends may be limited and a company may cease paying dividends at any time.*

### PORTFOLIO MANAGEMENT

Derek R. Anguilm, CFA  
Mark M. Adelman, CFA, CPA  
Lisa Z. Ramirez, CFA  
Alex A. Ruehle, 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	10.79	10.79	-3.46	5.47	3.73	12.82	6.00
Institutional Class	10.82	10.82	-3.29	5.66	3.91	13.00	6.12
Russell 2000® Value Index	11.93	11.93	0.17	10.86	5.59	14.12	6.76
<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	-13.76	-1.84	29.72	-8.13	6.46	36.49	9.69
Institutional Class	-13.55	-1.67	29.98	-7.98	6.62	36.86	9.78
Russell 2000® Value Index	-12.86	7.84	31.74	-7.47	4.22	34.52	18.05

**Retail Class Annual Expense Ratio<sup>2</sup>: 1.19% Gross, 1.14% Net**  
**Institutional Class Annual Expense Ratio<sup>2</sup>: 1.05% Gross, 0.99% Net**

<sup>\*</sup>Performance results shown for the year 2013 represent partial period performance from December 20, 2013 through December 31, 2013.

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 of average net assets as reported in the Fund's Financial Highlights will be no more than 1.14% and 0.99% to 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> (%)

Enerplus Corporation	3.3
Southwest Gas Holdings, Inc.	3.1
Radian Group Inc.	2.7
Ensign Group, Inc.	2.6
InterDigital, Inc.	2.5
National Fuel Gas Company	2.4
Union Bankshares Corporation	2.3
Umpqua Holdings Corporation	2.3
Primoris Services Corporation	2.3
TiVo Corp.	2.3
<b>Total (% of portfolio)</b>	<b>25.8%</b>

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

	Small Cap Value Dividend	Russell 2000® Value	Relative Weights
Communication Services	1.5	3.2	-1.7
Consumer Discretionary	9.2	9.2	0.0
Consumer Staples	1.8	2.6	-0.8
Energy	8.6	5.7	2.9
Financials	29.5	28.2	1.3
Health Care	5.2	4.3	0.9
Industrials	7.7	11.3	-3.6
Information Technology	12.3	11.5	0.8
Materials	3.9	4.3	-0.4
Real Estate	12.1	12.4	-0.3
Utilities	5.6	7.3	-1.7
Cash & Cash Equivalents	2.6	0.0	2.6

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

<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).

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

	Small Cap Value Dividend	Russell 2000 <sup>®</sup> Value
Total Fund Assets (\$ Mil)	\$100.7	-
Weighted Average Market Capitalization (\$ Mil)	\$2,872	\$2,080
Median Market Capitalization (\$ Mil)	\$2,379	\$688
Price/Cash Flow (1 year trailing)	8.1x	7.3x
Price/Book Value	1.7x	1.3x
Price/Earnings (1 year trailing)	13.2x	14.7x
Return on Assets	6.5%	3.5%
Long-Term Debt/Capital	31.9%	33.7%
Beta (3 Years)	0.99	-
Standard Deviation (3 Years)	16.21%	16.12%
Tracking Error (3 Years)	3.02%	-
Turnover (12 month trailing)	100.26%	-
Number of Holdings	60	-

<sup>5</sup>Standard Deviation, Beta and Tracking Error statistics versus the Russell 2000<sup>®</sup> Value 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 Small Value Category
	Retail Class	Institutional Class	
Overall	★★	★★★	393
3 Year	★★	★★	393
5 Year	★★★	★★★	346
10 Year	★★	★★★	238

<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
Ensign Group, Inc.	3.07	0.84
Radian Group Inc.	2.95	0.68
Corporate Office Properties Trust	1.68	0.46
Americold Realty Trust	1.99	0.42
National Fuel Gas Company	2.32	0.42

  

Bottom 5 Stocks (3 Months Ended 3/31/19)	Average Weight	Contribution to Return
Cohu, Inc.	1.17	-0.07
John Wiley & Sons, Inc. Class A	1.32	-0.13
ProAssurance Corporation	1.00	-0.14
Caleres, Inc.	1.01	-0.16
Greenbrier Companies, Inc.	1.06	-0.17

<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](mailto:invest@sbhfunds.com).

### **Market Overview**

In the first quarter of 2019, the market came roaring back from the December correction, resulting in the strongest first quarter for the broader market in 10 years. Several investor concerns, which had weighed on the market in the fourth quarter of 2018, were alleviated this quarter, as the U.S. Federal Reserve indicated that its interest rate tightening cycle was over and the market perceived that progress was being made toward a positive outcome in trade negotiations with China. The quarter's strong performance occurred despite slowing earnings growth and a slowing global economy. Essentially, a policy-driven pullback in the market in the fourth quarter was followed by a policy-driven rally in the first quarter.

### **Fund Performance**

The Segall Bryant & Hamill Small Cap Value Dividend Fund returned 10.79% for the quarter versus the 11.93% return of the Russell 2000® Value Index. We were pleased to have participated meaningfully in the rally despite the headwind of dividend-paying stocks underperforming non-dividend payers.

### **Contributors to Return**

The sectors that contributed positively in the quarter were Health Care, Financials, and Utilities. In Health Care, Ensign Group (ENSG), an operator of skilled nursing and assisted living facilities, helped. While we trimmed our position in the quarter, we continue to hold an above-average position size as we see significant opportunity for operating improvements and accretive growth by acquisition. Radian (RDN), a leading provider of mortgage insurance and related services, was the top performer in the Financial sector. Given a strong move in the stock in the quarter, we reduced the position size to better align with our price target.

### **Detractors from Return**

The Fund's weakest sectors relative to its benchmark were Information Technology, Communication Services and Industrials. Information Technology holding Cohu, Inc. (COHU), a back-end semi-conductor equipment test and handling company, underperformed in the quarter. John Wiley & Sons, Inc. (JW.A), a global provider and publisher of content-enabled research and learning materials to education and corporate entities as well as individuals, was among the Fund's largest detractors in the quarter.

### **Outlook and Positioning**

The strong rally in the market in the first quarter, particularly in the face of slowing earnings growth and slowing economic data, makes us somewhat cautious on the market moving forward. If economic data and earnings growth continue to weaken, it is difficult to imagine a scenario of further multiple expansion (i.e., additional stock price appreciation without improvements in company fundamentals) as opposed to multiple contraction. Conversely, if global economic growth stabilizes or better yet improves, domestic economic activity and earnings growth could improve, driving further market appreciation, particularly in more economically sensitive stocks. The Fund is well positioned for both scenarios: (1) we are focused on quality dividend-paying stocks that are attractively valued and believe these stocks should hold up better in a market pullback, and (2) we don't make top-down sector bets and therefore we have exposure to the broad economy in the event cyclical stocks rally. This scenario played out in the first quarter which allowed us to capture significant market upside in a strong rally.

### **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 2000® Value Index data, FactSet.

The **Russell 2000® Value Index** is a market-weighted total return index that measures the performance of companies within the Russell 2000 Index having lower price-to-book ratios and lower forecasted growth values than the threshold determined by Frank Russell Company. Investors cannot invest directly in the index.

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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.

**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.

**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](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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