

# SEGALL BRYANT & HAMILL SHORT TERM PLUS FUND

FACT SHEET | June 30, 2019

## WHY CONSIDER THIS FUND

For investors seeking current income and competitive total return.

## KEY FEATURES

- Invests in shorter maturity securities (typically less than 3 years).
- Focus on domestic, U.S. Dollar, cash-pay bonds.
- Take advantage of inefficiencies created by small issue sizes and rating agency classifications.
- Generally overweight corporate bonds.
- 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 Short Term Plus Fund seeks to provide current income and competitive total return.

## FUND INFORMATION

Class	Retail	Institutional
Ticker	SBHPX	SBAPX
Cusip	81580H688	81580H670
Fund Inception	12/14/2018	12/14/2018
Strategy Inception	10/1/2015	

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

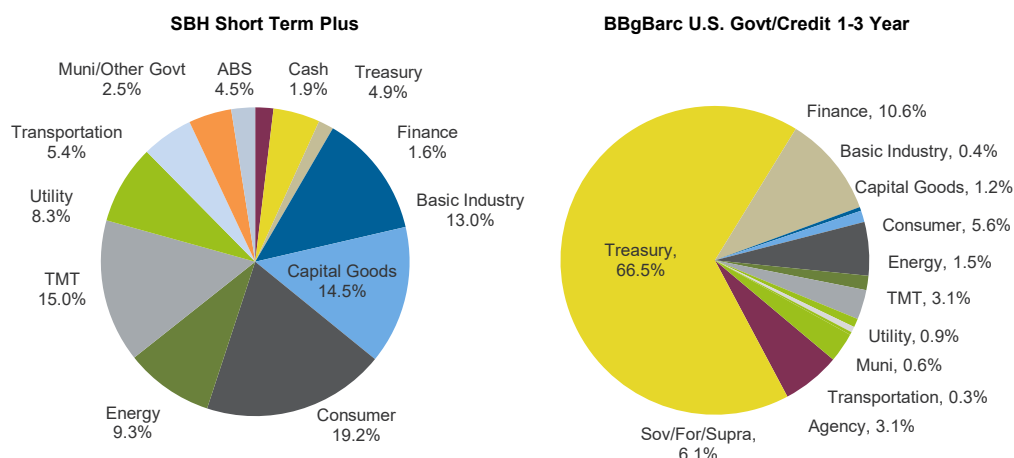
*This Fund is subject to additional risk in that it may invest in high-yield/high-risk bonds and will be subject to greater levels of liquidity risk. Additionally, investing in bond funds entails interest rate risk and credit risk.*

## PORTFOLIO MANAGEMENT

James D. Dadura, CFA  
Gregory C. Hosbein, 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 Short Term Plus

General Motors Co  
Nextera Energy Inc  
HCA Healthcare Inc  
United Airlines Holdings Inc  
Masco Corp  
Ball Corp  
CNH Industrial Nv  
Dominion Energy Inc  
Avery Dennison Corp  
Eastman Chemical Co

### BBgBarc U.S. Govt/Credit 1-3 Year

JPMorgan Chase & Co  
Goldman Sachs Group Inc  
Citigroup Inc  
Wells Fargo & Co  
Bank of America Corp  
HSBC Holdings Plc-Spons Adr  
Morgan Stanley  
General Motors Co  
Ford Motor Co  
Apple Inc

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.sbhfund.com](http://www.sbhfund.com).

## Portfolio Characteristics

	SBH Short Term Plus	BBgBarc U.S. Govt/Credit 1-3 Year
Total Strategy/Fund Assets (\$ mil)	\$461.5 / \$3.4	—
Effective Duration	1.01 years	1.90 years
Average Maturity	1.12 years	1.99 years

Source: CMS BondEdge

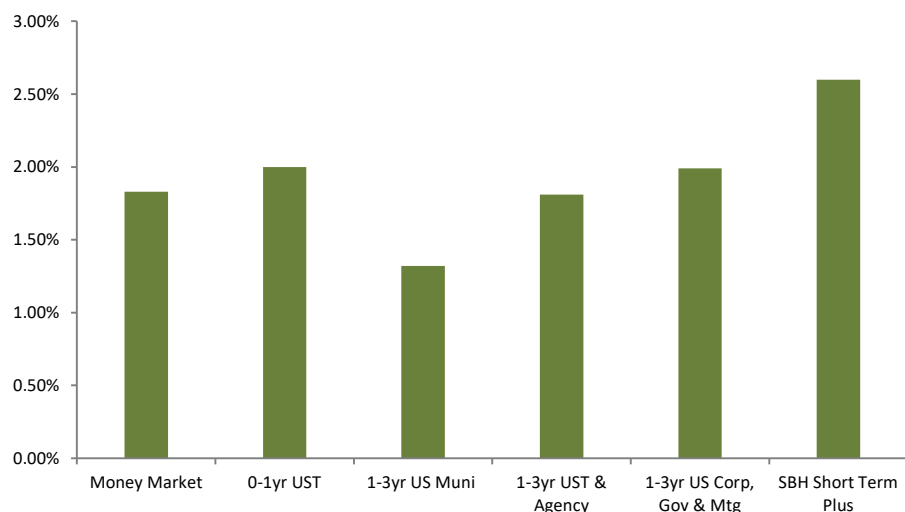
## Performance (%)

Periods Ended 6/30/19 (%)	Annualized Returns						
	QTD	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Retail Class	1.01	2.22	—	—	—	—	2.42
Institutional Class	1.02	2.25	—	—	—	—	2.45
BBgBarc U.S. Govt/Credit 1-3 Year Index	1.48	2.71	—	—	—	—	3.24
Calendar Year (%)	2018	2017	2016	2015	2014	2013	2012
Retail Class	0.20	—	—	—	—	—	—
Institutional Class	0.20	—	—	—	—	—	—
BBgBarc U.S. Govt/Credit 1-3 Year Index	0.52	—	—	—	—	—	—

**Retail Class 30-Day SEC Yield: With Fee/Expense Waivers: 2.40%; Without Fee/Expense Waivers: 1.89% Institutional Class 30-Day SEC Yield: With Fee/Expense Waivers: 2.40%; Without Fee/Expense Waivers: -1.63%**

*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.sbhfund.com](http://www.sbhfund.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.*

## Yield on Cash Alternatives



Source: CMS BondEdge, Bank of America Merrill Lynch.

## Expense Ratio (%)

**Retail Class Annual Expense Ratio: 10.77% Gross, 0.49% Net**  
**Institutional Class Annual Expense Ratio: 10.61% 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 0.49% 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 Short Term Plus	BBgBarc U.S. Govt/Credit 1-3 Year
0 - 1 year	55.4	1.1
1 - 2 years	33.4	56.2
2 - 3 years	11.2	42.7
3 - 4 years	0.0	0.0

## Maturity Distribution (%)

% of portfolio	SBH Short Term Plus	BBgBarc U.S. Govt/Credit 1-3 Year
0 - 1 year	50.1	0.0
1 - 2 years	38.7	52.3
2 - 3 years	11.2	46.1
3 - 4 years	0.0	1.6

## Ratings Allocation (%)

% of portfolio	SBH Short Term Plus	BBgBarc U.S. Govt/Credit 1-3 Year
AAA/AA	10.3	78.9
A	14.5	10.9
BAA	66.1	10.2
BA	5.7	0.0
NA	1.6	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.*

## Manager Commentary (as of 6/30/19)

### Quarter in Review

In the second quarter, global bond yields dropped sharply with weaker economic data and dovish stances by global central banks to protect the current expansion. The Federal Reserve (Fed) gave indications that lower short term interest rates are now imminent as its rate hiking cycle pauses before a new rate reduction cycle begins. The European Central Bank continued to promote its current easing policies as both growth and inflation have turned down in Europe. As a result of the global central banks' actions, the amount of debt (primarily sovereign debt but also corporates) trading at prices that will produce negative returns to a buyer has grown to \$13 trillion. This lack of available income made U.S. fixed income securities very attractive to global investors which drove strong inflows into U.S. credit markets. The search for income was further reflected in tighter credit spreads for investment grade securities. In addition, and given uncertainties around trade wars, geo-political tensions, and market volatility, investors were looking for the safety of high quality fixed income securities. Index returns were solidly positive driven by lower interest rates and very good performance from credit securities. Investment grade corporate bonds were the best performers with aggressive buying across all rating categories.

### Fund Performance

The Segall Bryant & Hamill Short Term Plus Fund returned 1.01% for the second quarter versus 1.48% for its benchmark, the Bloomberg Barclays U.S. Government/Credit 1-3 Year 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 versus the benchmark. The Fund's underperformance was driven primarily by its shorter duration (1 year compared to 1.9 years for the benchmark). This reduced relative performance by 35 basis points. Further impacting performance was yield curve positioning. The Fund was underweighted the 2-3 year part of the yield curve relative to the benchmark. This part of the yield curve was the best performing maturity range in the benchmark. With Fed funds futures already implying more than two 25 basis point rate cuts by the end of the year, the Fund remains defensively positioned with 90% of the Fund's securities having maturities under 2 years compared to just 60% of those in the benchmark.

### Economic Outlook and Positioning

The stock market seems to be projecting a much different outlook for the U.S. economy than the U.S. Treasury market as the inverted yield curve contrasts with the equity markets, which are approaching all-time highs. We believe these mixed signals will likely lead to an increase in volatility in the near future, providing the Fund an opportunity to acquire high quality issues at attractive valuations.

We have constructed the Fund with high quality securities from sectors and issuers 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. With the inversion of the Treasury yield curve, current opportunities to increase the overall yield of the Fund remain in high quality credits in the 1-2 year part of the yield curve.

### 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.*

**New Fund Risk:** The Segall Bryant & Hamill Short Term Plus Fund was launched effective December 14, 2018. There can be no assurance that the Fund will grow to or maintain an economically viable size. There may be limited or no performance history for investors to evaluate.

Source for Bloomberg Barclays U.S. Govt/Credit 1-3 Year Index data, CMS Bond Edge.

The **Bloomberg Barclays U.S. Govt/Credit 1-3 Year Index** is an unmanaged, fixed income, market-value-weighted index generally representative all medium and larger issues of U.S. government, investment-grade corporate, and investment-grade international dollar-denominated bonds that have maturities of between 1 and 3 years and are publicly issued. The Bloomberg Barclays U.S. Govt/Credit 1-3 Year Index figures do not reflect any fees, expenses or taxes. Investors cannot invest directly in this index.

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#### DEFINITION OF TERMS

**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.

#### 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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