

Total Firm Fixed Income AUM/AUA<sup>\*\*</sup>: \$11.2B  
 Total Firm AUM/AUA<sup>\*\*\*</sup>: \$19.8B

Total Strategy AUM/AUA<sup>\*</sup>: \$680.3M  
 Inception of the Strategy: 5/1/77

## INVESTMENT PHILOSOPHY

We seek to take advantage of inefficiencies in the fixed income market by identifying overlooked issues that offer a measurable return advantage and meet our quality standards. Our focus is on fundamental analysis and disciplined risk controls rather than market timing, and our consistent process seeks to perform well in all periods with an emphasis on downside protection. The strategy is designed for investors seeking a portfolio of longer duration securities tailored to client requirements and constraints.

## KEY FEATURES

- Focus on domestic, U.S. dollar cash pay bonds.
- Seeks to take advantage of inefficiencies created by small issue sizes and rating agency classifications.
- Focus on bottom-up research and quality to create a portfolio that may differ significantly from peers and the benchmark.

## PORTFOLIO CHARACTERISTICS<sup>1</sup>

	SBH Gross	BBgBarc U.S. Long Govt/Credit	% of Index
Yield To Maturity	2.62%	2.41%	108%
Current Yield	2.96%	3.21%	92%
Quality	A1	A1	–
Coupon	3.32%	4.08%	81%
Avg. Maturity (yrs)	26.12	24.08	108%
Avg. Duration (yrs)	18.17	16.85	108%
Number of Holdings	119	2,486	–

Source: CMS BondEdge, Bloomberg Barclays

<sup>1</sup>Presented as supplemental information to the fully compliant presentation.

## RISK/RETURN STATISTICS (3 YRS)

	SBH Gross	BBgBarc U.S. Long Govt/Credit
Sharpe Ratio	0.85	0.97
Std. Deviation	10.05%	8.87%
Tracking Error	2.31%	–
Upside Capture	107.96	100.00
Downside Capture	115.12	100.00

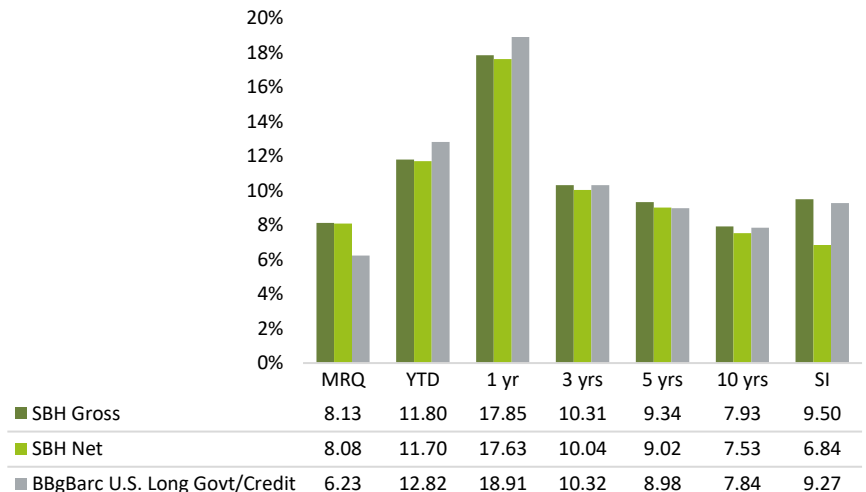
Source: eVestment

\*Assets under management/Assets under advisement (AUM/AUA) data as of 6/30/20. Model UMA assets of \$0 million are included in the AUA portion of the AUM/AUA total.

\*\*Model UMA assets of \$0 million are included in the total firm fixed income assets (AUM/AUA) as of 6/30/20.

\*\*\*Model UMA assets of \$196.1 million are included in the total firm assets (AUM/AUA) as of 6/30/20.

## ANNUALIZED PERFORMANCE (%)



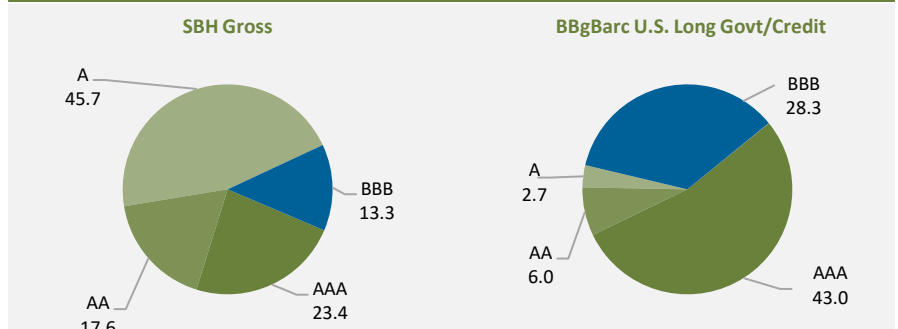
## CALENDAR YEAR RETURNS (%)

	SBH Gross	SBH Net	BBgBarc U.S. Long Govt/Credit
2019	19.55	19.32	19.59
2018	-4.43	-4.72	-4.68
2017	11.63	11.29	10.71
2016	7.52	7.17	6.67
2015	-3.13	-3.57	-3.30
2014	17.99	17.47	19.31
2013	8.05	-8.47	-8.83
2012	8.03	7.52	8.78
2011	20.59	20.06	22.49
2010	12.80	12.30	10.16

Preliminary performance. Periods greater than one year are annualized. Historical performance cannot guarantee future results. See specific performance disclosure at the end of the factsheet. MRQ=Most Recent Quarter; SI=Since Inception.

Source: CMS BondEdge, Bloomberg Barclays

## QUALITY COMPARISON (%)



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. NR=Not Rated. Totals may not sum to 100% due to rounding.

# Long Term Fixed Income

## PORTFOLIO MANAGEMENT



**Kenneth A. Harris, CFA**  
Principal, Senior Portfolio Manager

MBA, University of Colorado at Denver  
BBA, University of Arizona



**Darren G. Hewitson, CFA**  
Principal, Senior Portfolio Manager

BAcc, University of Glasgow, Scotland

SECTOR DISTRIBUTION	% Portfolio	% Benchmark	Relative Weights	MATURITY DISTRIBUTION	% Portfolio
Treasury	18.3	39.9	-21.6	0 - 3 year	0.6
U.S. Agencies	1.2	0.9	0.3	3 - 5 years	0.1
Corporate Credit	73.5	52.1	21.4	5 - 7 years	0.4
Non-Corporate	6.4	7.0	-0.6	7 - 10 years	0.4
Securitized	0.1	0.0	0.1	10 - 15 years	3.0
Cash & Equivalents	0.5	0.0	0.5	15+ years	95.5
Other	0.0	-	0.0		

Totals may not sum to 100% due to rounding.

## TOP TEN CORPORATE CREDIT HOLDINGS

SBH Gross	BBgBarc U.S. Long Govt/Credit
Public Service Co Colo	AT&T Inc
Exxon Mobil Corp	Comcast Corp
Anheuser-Busch Cos Llc / Anh	Anheuser-Busch InBev SA/NV
Burlington Northn Santa Fe C	Verizon Communications Inc
Westar Energy Inc	Microsoft Corp
Ppl Elec Utils Corp	Oracle Corp
Florida Pwr & Lt Co	Wells Fargo & Co
Virginia Elec & Pwr Co	JPMorgan Chase & Co
Guardian Life Ins Co Amer	Bank of America Corp
Berkshire Hathaway Fin Corp	AbbVie Inc

## TOP TEN NON-CORPORATE CREDIT HOLDINGS

SBH Gross	BBgBarc U.S. Long Govt/Credit
New York N Y City Mun Wtr F	Mexico Government International Bond
Dallas Tex Area Rapid Tran	State of California
Texas St G O Hwy Impt Bds 2	Philippine Government Int'l Bond
Massachusetts St Transn Fd	Colombia Government International Bond
Denver Colo Pub Schs Ctfs P	Uruguay Government International Bond
California Edl Facs Auth Re	Panama Government International Bond
San Diego Cnty Calif Wtr Au	Peruvian Government International Bond
Colorado Brdg Enterprise Re	Indonesia Government International Bond
Massachusetts St Taxable Go	Israel Government International Bond
Texas A & M Univ Perm Univ	State of Illinois

Source: CMS BondEdge, Bloomberg Barclays

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Segall Bryant & Hamill is a Registered Investment Adviser, established in 1994. SBH provides fee-based management of fixed income and equity portfolios for institutional clients and high net worth individuals. Denver Investment Advisors LLC (aka Denver Investments) was acquired by Segall Bryant & Hamill on 4/30/18. Prior to this date, performance results were achieved through the legacy firm, Denver Investments. This composite was created in August 2014 (style inception 12/31/06). All returns are computed using a time-weighted total rate of return. The composite is defined to include all fee-paying, discretionary accounts that are managed specifically according to a Liability-Driven Investing strategy that may be in response to U.S. Treasury pension-focused regulations and/or the reporting accounting standards. The strategy seeks to provide diversified, actively managed exposure primarily to the long end of the U.S. investment-grade market, but may include limited use of non-investment grade issues. The portfolios are invested primarily in investment-grade securities with maturities more than 10 years. The portfolios maintain an effective duration within approximately +/- 1 year of the Bloomberg Barclays U.S. Long Government/Credit Index. The benchmarks of portfolios may be customized to client specifications and may not be the Bloomberg Barclays U.S. Long Government/Credit Index. At this time, the Index is a widely-used benchmark that is reasonably representative of the general duration of a large proportion of non-governmental pension plan actuarial estimates. If, in the future, the Index is not suitably representative of the general duration of a large proportion of non-governmental pension plan actuarial estimates, it may be appropriate to change the benchmark for duration reference purposes. It is our expectation that changes of this nature will be infrequent. The benchmark is an unmanaged index that includes fixed-rate debt issues rated investment grade by Moody's Investor Services, Standard and Poor's Corporation or Fitch Investor's Service. Index returns are not covered by the report of the independent verifiers. Gross of fee returns are calculated gross of management and custodial fees, and net of transaction costs. Net of fee returns are calculated net of management fees and transaction costs, and gross of custodial fees. As of 1/1/15, net of fee returns were calculated by deducting the maximum applicable advisory fee in effect, pro-rated on a monthly basis. From 1/1/08 to 12/31/14, net of fee returns were calculated by deducting the maximum applicable advisory fee in effect, pro-rated on a quarterly basis. Prior to this date, net of fees returns were calculated using actual annual client fees, pro-rated on a quarterly basis. The dispersion of annual returns is measured by the standard deviation across unweighted portfolio gross returns represented within the composite for the full year. Dispersion is not shown for years in which only one account is present for the entire year. Valuations and returns are computed and stated in U.S. dollars. Performance is calculated net of withholding taxes on foreign dividends and interest. Dividend income is recorded on the ex-dividend date and interest income is recorded on accrual basis. Total returns for accounts are presented using accrual basis of accounting for all fixed income and equity investments and on a cash basis for all cash equivalents. Segall Bryant & Hamill claims compliance with the Global Investment Performance Standards (GIPS®). GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content herein. The verification report is available upon request. Verification assesses whether the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation. The maximum fee rate is 0.30%. As of 3/31/16, the maximum fee was decreased from 0.45% to 0.30%. Please reference Segall Bryant & Hamill's ADV for full fee schedule. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. Past performance does not guarantee future results and future performance may be lower or higher than the performance presented. From the inception of the composite through 12/31/11, the composite benchmark was the BofA Merrill Lynch U.S. Corporate 15+ Bond Index. From 12/31/11 to present, the benchmark is the Bloomberg Barclays U.S. Long G/C Index. The benchmark was changed to better reflect the strategy of the composite with respect to duration. For calendar year 2011, since two benchmarks were used for the composite, the benchmark return is blended based on linking the performance from January through September for the BofA Merrill Lynch U.S. Corporate 15+ Bond Index with the performance from October through December of the Bloomberg Barclays U.S. Long G/C Index.