

SMALL CAP GROWTH

FACT SHEET | December 31, 2018

STRATEGY

- Seek to invest in growth companies with enduring competitive advantages, improving fundamentals and potential for positive earnings revisions
- Use proprietary fundamental research to identify and understand key value-creating drivers
- Employ bottom-up decision-making process

Top Ten Holdings^{2,3} (%)

EPAM Systems Inc (Information Technology)	2.6
Envestnet Inc (Information Technology)	2.3
Everbridge Inc (Information Technology)	2.3
Bright Horizons Family Solutions Inc (Consumer Discretionary)	2.2
MAXIMUS Inc (Information Technology)	2.1
Globus Medical Inc (Health Care)	2.1
Globant SA (Information Technology)	2.0
Amedisys Inc (Health Care)	2.0
BioTelemetry Inc (Health Care)	1.9
Hexcel Corp (Industrials)	1.9
Total (% of portfolio)	21.4%

¹Data is based on firm's Small Cap Growth composite. Past performance does not guarantee future results and future performance may be lower or higher than the performance presented. See Performance Disclosure for additional performance information.

²Information presented is for a representative portfolio which is an account in the composite that we believe most closely reflects current portfolio management style for the strategy. Performance is not a consideration in the selection of the representative portfolio. The information of the representative portfolio shown may differ from that of the composite and of the other accounts in the composite. Information on this page is considered supplemental information to the Performance Disclosure. Weights may not sum to 100% due to rounding.

³The specific securities identified and described do not represent all the securities purchased, sold or recommended for clients in the composite and no assumption should be made that such securities or future recommendations will be profitable in the future.

⁴Source: FactSet

⁵Standard Deviation, Beta and Tracking Error statistics based on monthly data. Three years. Source: eVestment Alliance.

Performance¹

Periods Ended 12/31/18 (%)	QTD	YTD	Annualized Returns			
			1 Year	3 Years	5 Years	10 Years
Small Cap Growth (gross)	-17.05	4.33	4.33	13.83	8.42	-
Small Cap Growth (net)	-17.27	3.29	3.29	12.70	7.35	-
Russell 2000 [®] Growth Index ⁴	-21.65	-9.31	-9.31	7.24	5.13	-
Calendar Year (%)	2018	2017	2016	2015	2014	2013
Small Cap Growth (gross)	4.33	28.74	9.81	-3.45	5.23	53.21
Small Cap Growth (net)	3.29	27.48	8.72	-4.41	4.18	51.74
Russell 2000 [®] Growth Index ⁴	-9.31	22.17	11.32	-1.38	5.60	43.30

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.

Portfolio Characteristics^{2,5}

	Small Cap Growth	Russell 2000 [®] Growth ⁴
Weighted Average Market Capitalization (\$ Mil)	\$3,040	\$2,176
EPS Growth (3-5 year forecast)	16.8%	14.4%
Price/Earnings (1 year forecast)	28.8x	22.8x
Dividend Yield (1 year trailing)	0.3%	0.5%
Beta (3 Years)	0.99	-
Standard Deviation (3 Years) ^{1,5}	17.20%	16.69%
Tracking Error (3 Years) ^{1,5}	4.77%	-
Turnover (3 year average)	63%	-
Number of Holdings	75	-

Sector Allocation²

	Small Cap Growth	Russell 2000 [®] Growth ⁴	Relative Weights
Communication Services	5.1	3.5	1.6
Consumer Discretionary	9.3	14.8	-5.5
Consumer Staples	2.3	3.1	-0.8
Energy	1.9	1.7	0.2
Financials	9.7	7.5	2.2
Health Care	24.6	26.3	-1.7
Industrials	13.6	17.7	-4.1
Information Technology	27.2	18.5	8.7
Materials	2.8	3.4	-0.6
Real Estate	1.6	3.0	-1.4
Utilities	0.0	0.5	-0.5
Cash	1.8	0.0	1.8

Market Overview

After positive returns for 10 straight quarters, the Russell 2000® Growth Index posted its worst quarterly performance since the third quarter of 2011, returning -21.65% for the fourth quarter of 2018. For the year, the Russell 2000® Growth Index returned -9.31%, its worst-performing calendar year since 2008. While the market is signaling likely slower growth going forward, it has been a very good extended period for equities. Stepping back, the Russell 2000® Growth Index has returned 13.52% annualized for the last decade, coinciding with the second-longest economic expansion in history.

Portfolio Performance

For the fourth quarter of 2018, the Segall Bryant & Hamill Small Cap Growth portfolio outperformed its benchmark, the Russell 2000® Growth Index, which returned -21.65%.

Contributors to Return

The three sectors that contributed most to the portfolio's performance relative to its benchmark in the quarter were Information Technology, Health Care and Industrials. MarketAxess Holdings Inc. (MKTX), a leading electronic fixed income securities trading platform, was the portfolio's best-performing stock during the fourth quarter. The stock performed well as interest rate volatility drove increased trading of fixed income securities. Also, MKTX has continued to gain market share across most product categories. Instructure Inc. (INST), a leading provider of cloud-based software for learning management, primarily in the education markets, outperformed in the quarter with improved results across its education and enterprise segments. With increased penetration of its products into the enterprise human capital management market, along with consistent win rates across its traditional education segment, we believe the company is well positioned to grow significantly over the coming years. Huron Consulting Group Inc. (HURN), a health care and education advisory services firm, was also a significant contributor to the portfolio as business momentum remained strong in an environment where overall slowing growth concerns are prevalent.

Detractors from Return

The three sectors that detracted most from the portfolio's performance relative to its benchmark in the quarter were Consumer Staples, Real Estate and Utilities. The portfolio's worst-performing stock in the quarter was Teladoc Health Inc. (TDOC), a leader in virtual health care delivery. The stock underperformed after concerns emerged about the company's mental health business. We believe the concerns are unfounded and see TDOC as well positioned to continue driving higher adoption of virtual care, as evidenced by its strong execution in 2018. Proto Labs Inc. (PRLB), a leading digital manufacturer of custom prototype and production parts, was weak in the quarter due to concerns surrounding a slowdown in economic activity. We believe that PRLB will continue to innovate and expand its product offering, enabling it to outgrow its peers over time. Inogen Inc. (INGN), a medical technology company that manufactures portable oxygen concentrators, was a negative contributor in the quarter after the company reported weaker-than-expected quarterly results. The company has been rapidly hiring sales personnel to execute on the domestic consumer market opportunity for portable oxygen concentrators. The new hires have been temporarily pressuring sales growth and margins while they ramp up to full productivity. We believe the company's strategy is sound and that the portable oxygen concentrator market has a long duration growth opportunity ahead.

Outlook and Positioning

As of the end of the fourth quarter of 2018, the portfolio was overweight primarily in the Information Technology sector and underweight primarily in the Consumer Discretionary and Industrials sectors.

In our past few quarterly commentaries, we expressed concerns about valuation in certain pockets of the market and actively had been reducing exposure to names that had surpassed our valuation expectations. Consequently, the increased market volatility has been a welcome sight as it has provided opportunities to initiate new positions in or add to existing positions of companies that we believe have attractive long-term growth opportunities, but that have been indiscriminately sold down in the recent pullback.

As bottom-up investors, our focus is not on predicting macroeconomic cycles, but rather on finding companies that can grow consistently across the inevitable economic ups and downs. We believe taking a long-term investment view, while building a portfolio of companies that have unique products and services that do not necessarily need economic tailwinds to thrive, is a sound strategy for seeking strong risk-adjusted returns in the growth universe.

Top 5 Contributors/Detractors(By Stock)^{2,6}

Top 5 Contributors	Average Weight	Absolute Contribution to Return
MarketAxess Holdings Inc.	0.77	0.22
Instructure, Inc.	1.19	0.09
Acadia Healthcare Company, Inc.	0.24	0.09
Burlington Stores, Inc.	0.82	0.08
Huron Consulting Group Inc.	1.63	0.06

Top 5 Detractors	Average Weight	Absolute Contribution to Return
Teladoc Health, Inc.	1.87	-0.95
Inogen, Inc.	1.31	-0.80
HealthEquity Inc	1.56	-0.62
Proto Labs, Inc.	1.71	-0.56
PolyOne Corporation	1.38	-0.55

⁶The securities identified on this chart were determined after consistently calculating the weight of each holding in the representative account multiplied by the rate of return for that holding during the period. The securities identified do not represent all of the securities purchased, sold or recommended for advisory clients. You may obtain a complete list showing the contribution of each holding in the representative account to the overall account performance during the period presented by calling (303) 312-5000.

The performance data quoted represents past performance and does not guarantee future results. Current performance may be lower or higher than the performance data quoted. Investment return and principal value will vary, and initial investments may be worth more or less than their original investment. To obtain current performance as of the most recent month-end and for important performance disclosures, please see the strategy's composite performance at www.sbhic.com.

The Manager Commentaries contain certain forward-looking statements about the factors that may affect future performance. These statements are based on portfolio management's predictions and expectations concerning certain future events and their expected impact on the strategy, 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 strategy. Portfolio 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.

Performance Disclosure: Small Cap Growth Composite

Year	— Composite Assets—			Composite Gross of Fees Annual Return (%)	Composite Net of Fees Annual Return (%)	Russell 2000® Growth Index (%)	Composite 3 Year Standard Deviation (%)	Index 3 Year Standard Deviation (%)	Composite Dispersion (%)	Total Firm Assets (Incl. Model Portfolios)* (\$Bil)	Total Firm Assets (\$Bil)
	Dollars (\$ millions)	% of Firm Assets	Composite Accounts								
2017	52	<1.0	3	28.74	27.48	22.17	14.60	14.80	0.19	7.284	6.995
2016	10	<1.0	2	9.81	8.72	11.32	17.39	16.91	0.13	7.476	7.169
2015	13	<1.0	3	-3.45	-4.41	-1.38	15.96	15.16	0.05	7.606	7.382
2014	10	<1.0	2	5.23	4.18	5.60	15.31	14.02	0.15	9.596	9.373
2013	2	<1.0	2	53.21	51.74	43.30	18.04	17.52	-	10.009	9.794
2012	0.5	<1.0	1	12.09	11.00	14.59	-	-	-	9.565	9.343
2011	0.5	<1.0	1	-1.80	-2.74	-2.91	-	-	-	9.389	9.101

*Number includes a portion of assets where Segall Bryant & Hamill does not have discretionary trading authority. This information is supplemental to fully compliant presentation.

- 1) Segall Bryant & Hamill is an independent investment advisor registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. Segall Bryant & Hamill provides fundamental investment management services to various institutional and private investors and mutual funds. Denver Investment Advisors LLC (aka Denver Investments) was acquired by Segall Bryant & Hamill on April 30, 2018. Prior to this date, performance results were achieved through the legacy firm, Denver Investments.
- 2) This composite was created in January 2011. There was one non-fee paying account in the composite which represented 38.3% of total composite assets as of December 31, 2013.
- 3) 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 according to the Small Cap Growth strategy. The composite includes actively managed equity accounts that are managed to the Russell 2000® Growth Index and primarily invest in select small-capitalization U.S. growth equities. The Russell 2000® Growth benchmark is an unmanaged, market-capitalization weighted index of those firms in the Russell 2000 with higher price-to-book ratios and higher forecasted growth values than the threshold determined by FTSE Russell. FTSE Russell is the source and owner of the Russell Index data contained in this material and all trademarks and copyrights related thereto. Any further dissemination or redistribution is strictly prohibited. FTSE Russell is not responsible for the formatting or configuration of this material or for any inaccuracy in Segall Bryant & Hamill's presentation thereof. Index returns are not covered by the report of the independent verifiers.
- 4) 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 custodian 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.
- 5) 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; nor is it shown for periods where 36 months of returns are not available.
- 6) 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 the accrual basis. Total returns for accounts are presented using the accrual basis of accounting for all fixed income and equity investments and on a cash basis for all cash equivalents.
- 7) Segall Bryant & Hamill claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Segall Bryant & Hamill has been independently verified for the period 1/1/84 – 12/31/16. 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. The Small Cap Growth composite has been examined for the periods 1/1/11 – 12/31/16. The verification and performance examination reports are available upon request. A complete list and description of all firm composites is available upon request.
- 8) The maximum fee rate is 1.00%. Please reference Segall Bryant & Hamill's ADV for full fee schedule.
- 9) Policies for valuing portfolios, calculating performance and preparing compliant presentations are available upon request.
- 10) Past performance does not guarantee future results and future performance may be lower or higher than the performance presented.