

---

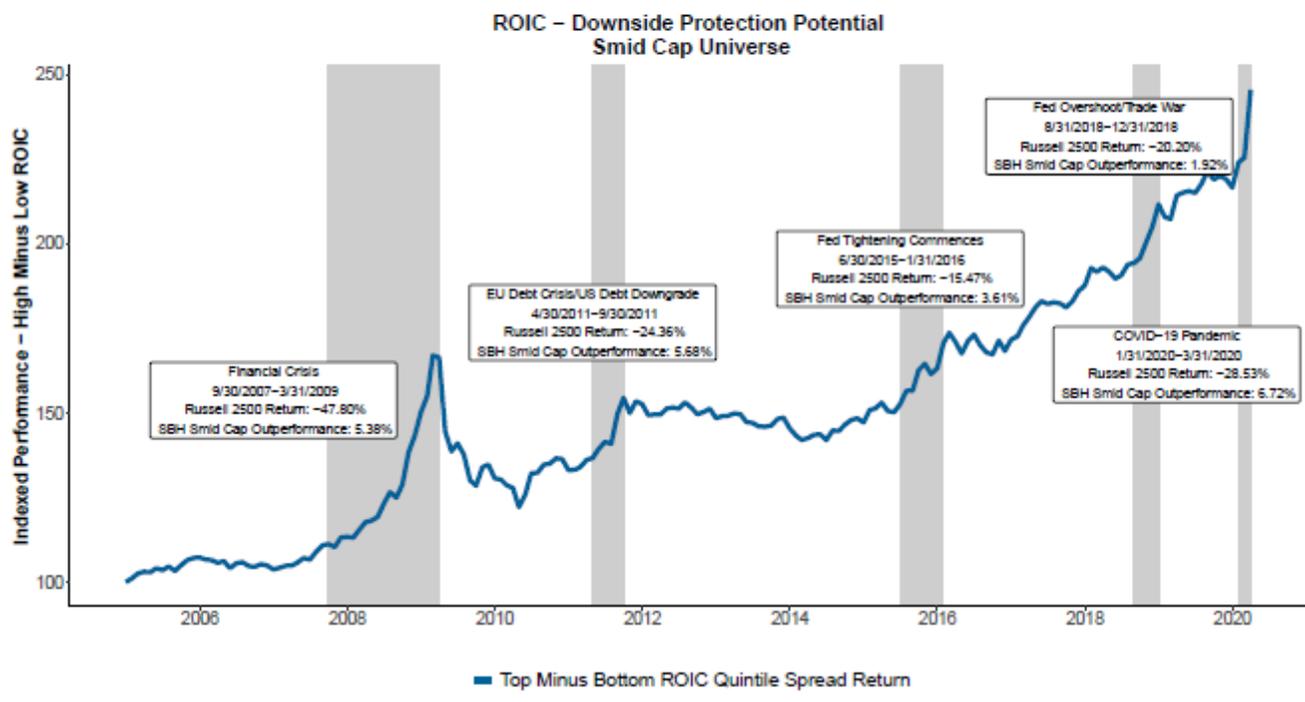
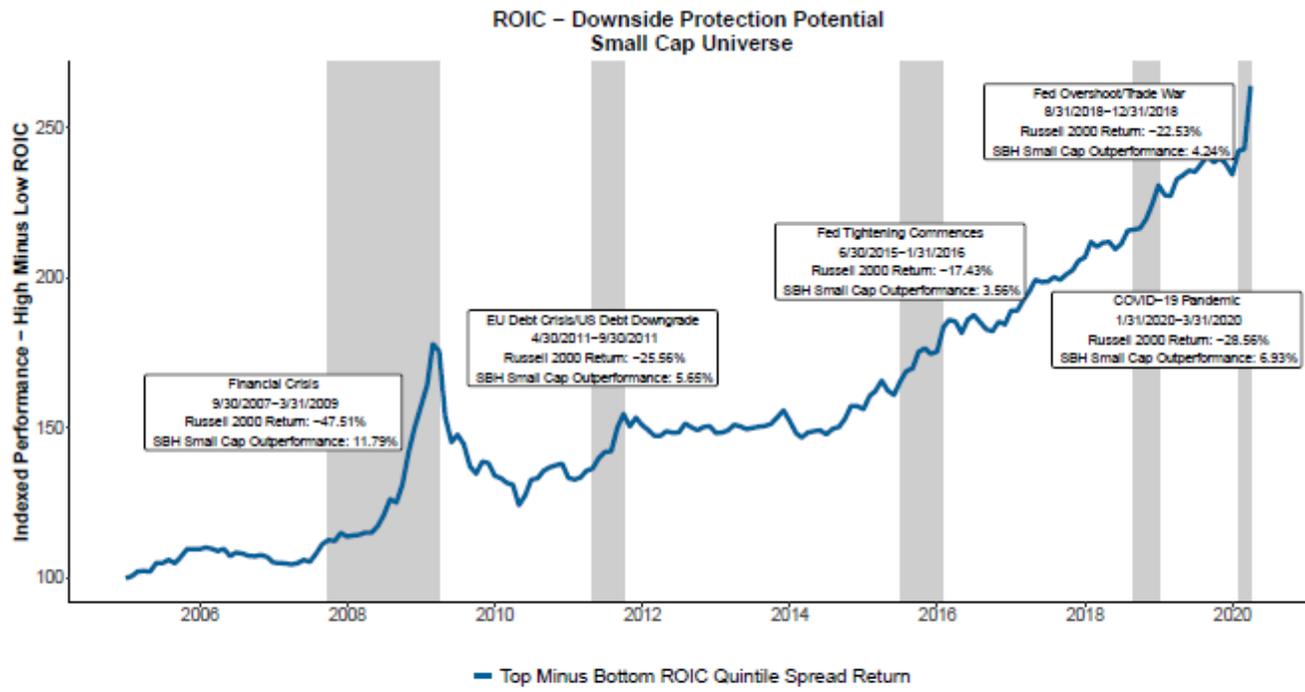
## The ROIC Advantage Amid Market Downturns

From the outbreak of COVID-19 across the globe to the monetary and fiscal response to it, the events that transpired during the first quarter of 2020 were unprecedented. Throughout history, there have been episodes of global viral outbreaks, and there should have been experimental exercises in radical monetary and fiscal policy responses to various economic stresses. However, this may be the first time investors have had to contend with both a pandemic and unprecedented fiscal and monetary response to it, such as we experienced during the first quarter.

The same can be said for management teams that run the companies we are invested in or we are evaluating for inclusion within our Small Cap Core and SMID Cap strategies. While it remains uncertain how the situation will resolve itself and the ultimate toll will be on human life and the financial markets, the uncertainty created by the global pandemic has, yet again, demonstrated that the market focuses on and values specific company attributes during times of crisis. Among the attributes that proved beneficial during the COVID-19 sell-off were the following: less economically sensitive (low revenue variance), low beta, growth-oriented companies and sectors, strong balance sheets, and high return on invested capital (ROIC).

Given the consistent focus on ROIC within the Small Cap Core and SMID Cap Core strategies at Segall Bryant & Hamill (SBH), we have examined the reaction of high ROIC stocks versus low ROIC stocks in market sell-offs going back to the Great Recession time period (2007-2009) through the current COVID-19 pandemic (as of the end of the first quarter of 2020). Further, we have plotted the relative outperformance of the SBH Small Cap Core and SMID Cap Core portfolios during each period of stress.

As the charts below demonstrate, the market consistently prefers (and rotates to) high ROIC companies within the small and SMID cap spaces during times of heightened market stress. While we believe our focus on ROIC is always important, during these bouts of uncertainty it has repeatedly proven paramount, and it is a primary factor in driving significant outperformance of our strategies versus their respective indices. Major market events reviewed include the Great Recession (2007-2009), the European Sovereign Debt Crisis, the U.S. Debt Downgrade (2011), the commencement of the Federal Reserve (Fed) Rate Raising Campaign (2015/2016), to the Fed Overtightening and U.S./China Trade War (2018), and finally the COVID-19 pandemic (2020). Throughout these crises, high ROIC companies have outperformed the low ROIC companies during every market correction. Concurrently, the SBH Small Cap Core and SMID Cap Core portfolios outperformed their respective indices, in many cases substantially, during every correction.



Source: FactSet, as of April 2020. Small Cap ROIC quintiles are reconstituted annually and based upon trailing 3-year average ROIC for companies between \$200M and \$5B market cap. Performance is calculated as a capped average performance for stocks in each quintile. The chart depicts the cumulative difference between the discrete monthly returns for the top minus bottom ROIC quintiles. Performance is gross of fees. Historical performance cannot guarantee future results. See specific performance disclosure pages at the end of the presentation.

The COVID-19 correction is the fifth major decline (greater than 25%) in the Russell 2000® Index since 2008. While the subsequent recovery from each crisis prior to COVID-19 has ultimately resulted in the market reaching new highs, the frequency of market contractions appears to be shortening. Since 2015, there have been three pullbacks, or approximately one every year and a half. Since 2007, there have been five pullbacks, or approximately one every three years. Is this, in fact, a new normal post the Financial Crisis? Only time will tell.

Given a multitude of factors at work including demographics (aging), escalating debts, the potential for higher savings rates by companies (lower investment) and consumers, and evidence of a below-trend economic recovery since 2008, we believe the economy and markets may be more susceptible to slowdowns and shocks. Further, with the continuation of low interest rates and the backstop of the U.S. government stimulus package, “zombie” companies and struggling businesses may remain afloat longer than they otherwise would. In this backdrop, downward pressure on ROIC levels from these companies and economic stresses may continue across susceptible industries, particularly those with low barriers to entry and those that lack meaningful competitive advantages. Combine this with the potential for a more fragile investor psyche after suffering multiple harsh pullbacks over the past 12 years, risk aversion could also heighten.

We believe investors, from investment board members and trustees to portfolio managers and analysts alike, may more frequently ask themselves, “Is the extra risk of investing in a low ROIC business worth the potential reward?” As a result, we believe market participants may increasingly prefer investing in companies with attributes similar to those in our portfolios: high or improving ROIC, niche market positions with defendable competitive advantages (e.g. significant IP), strong management teams, the ability to grow through various economic backdrops, and strong balance sheets. These principles represent the pillars of our philosophical investment approach—and have for nearly two decades. The result has been outperformance over market cycles, attractive downside protection in periods of market stress, and capital preservation in times of uncertainty that our clients value and is a testament to the consistent focus our team places on our philosophical approach, anchored by ROIC, in all market environments.

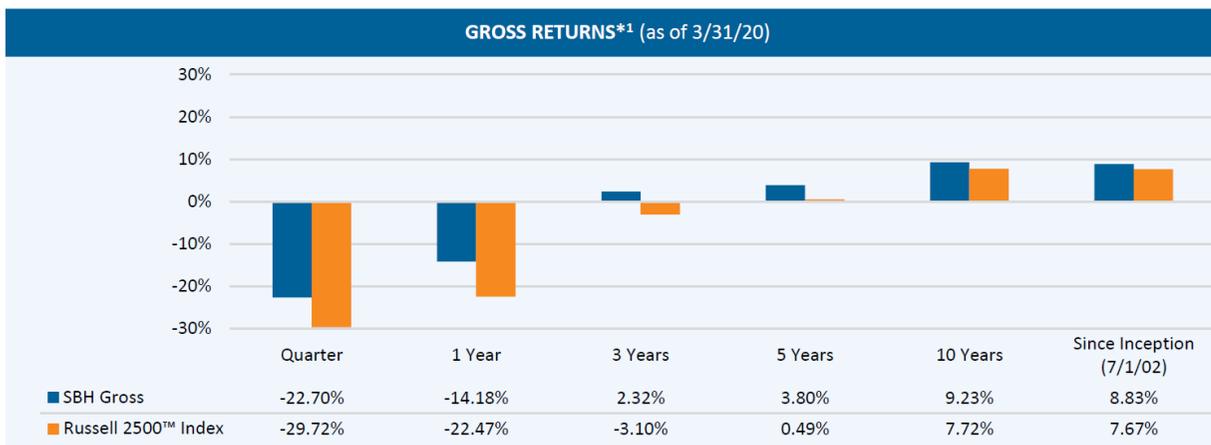
*For more information, please reach out to us at [contactus@sbhic.com](mailto:contactus@sbhic.com) or visit [sbhic.com](http://sbhic.com).*

## 1Q20 Performance

### Small Cap Core vs. Russell 2000® Index



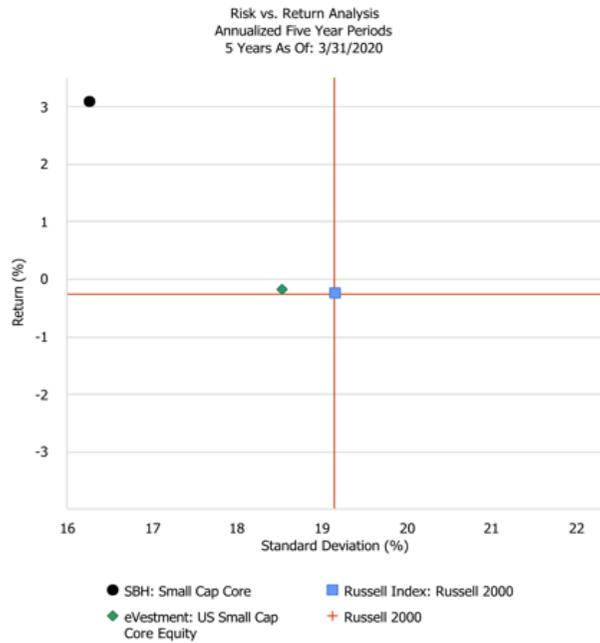
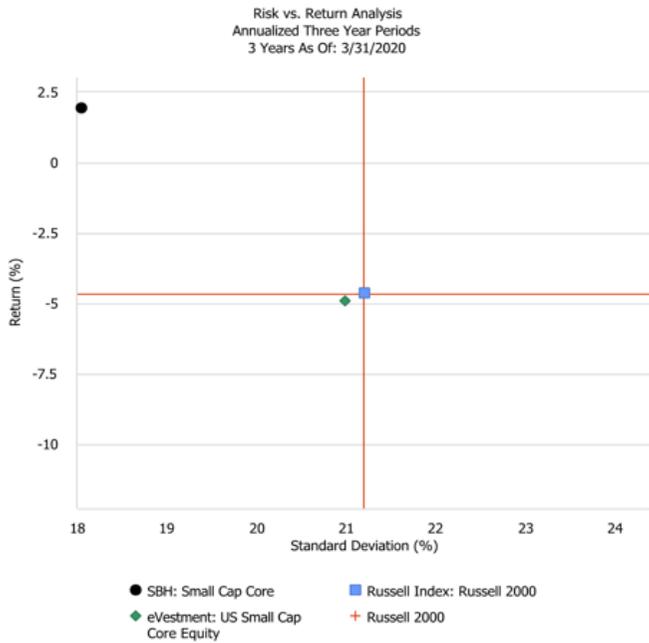
### SMID Cap vs. Russell 2500™ Index



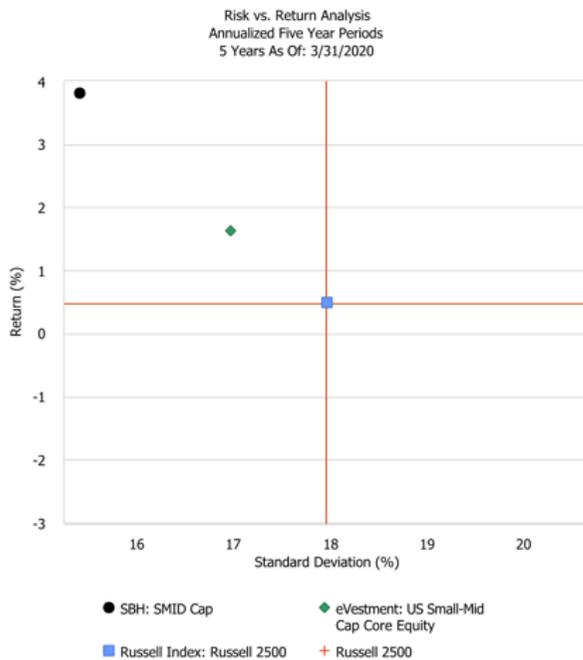
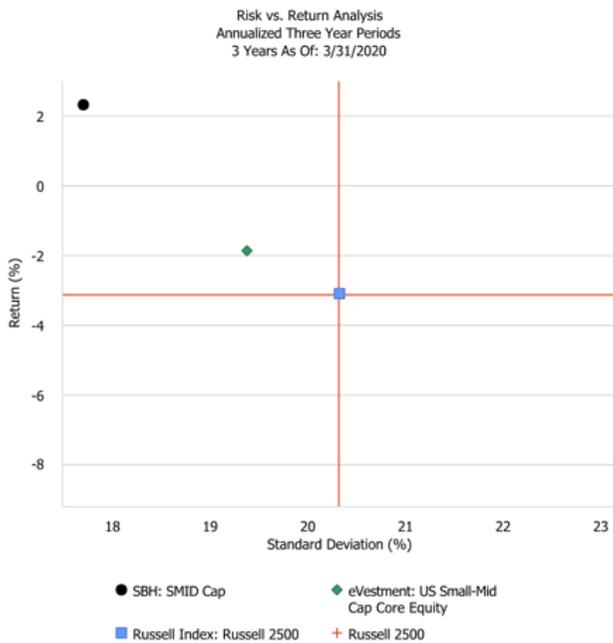
\*As of 3/31/20. Returns are gross of fees. Historical performance cannot guarantee future results. See specific performance disclosure pages at the end of the presentation.

<sup>1</sup> SBH Composite

### SBH ROIC Small Cap: Risk/Return Profile\*



### SBH ROIC SMID Cap: Risk/Return Profile\*



\*As of 3/31/20. Returns are gross of fees. Historical performance cannot guarantee future results. See specific performance disclosure pages at the end of the presentation.

---

Source: eVestment. Based on monthly data.

*All opinions expressed in this presentation are solely the opinions of Segall Bryant & Hamill. You should not treat any opinion expressed as a specific inducement to make a particular investment or follow a particular strategy, but only as an expression of the manager's opinions. The opinions expressed are based upon information the manager considers reliable, but completeness or accuracy is not warranted, and it should not be relied upon as such. Market conditions are subject to change at any time, and no forecast can be guaranteed. Any and all information perceived from this presentation does not constitute financial, legal, tax or other professional advice and is not intended as a substitute for consultation with a qualified professional. The manager's statements and opinions are subject to change without notice, and Segall Bryant & Hamill is not under any obligation to update or correct any information provided in this presentation.*

*SBH ROIC Small Cap Core Composite Performance\* (as of 3.31.20)*

**Annualized Cumulative Returns**

Annualized	SBH Gross	SBH Net	Russell 2000
1 Year	-15.14%	-15.83%	-23.99%
3 Years	1.75%	0.91%	-4.64%
5 Years	2.98%	2.12%	-0.25%
10 Years	8.80%	7.92%	6.90%
15 Years	8.70%	7.81%	5.71%
Since Inception (1/1/02)	9.59%	8.71%	6.23%

**Portfolio Characteristics**

	SBH	Russell 2000
Worst 4-Quarter Period	-29.43%	-37.50%
5-Year Sharpe Ratio	0.10	-0.07
Standard Deviation (since inception)	19.72%	20.68%

**3 Year Ex-Post Standard Deviation**

	SBH	Russell 2000
2011	21.25%	24.99%
2012	17.34%	20.20%
2013	14.56%	16.45%
2014	11.46%	13.12%
2015	12.28%	13.96%
2016	13.25%	15.76%
2017	11.97%	13.91%
2018	13.82%	15.79%
2019	14.34%	15.71%
2020	17.79%	20.91%

Period		1Q	2Q	3Q	4Q	YTD	# of Accounts	Std Dev.	Composite Market Value (\$ mil)	Product Market Value <sup>(1)</sup> (\$ mil)	% of Total Assets	% of Product <sup>(1)</sup>
2010	Gross of Fee	7.90%	-7.23%	10.49%	15.68%	27.95%	27	0.50%	\$513.8	\$781.7	7.1%	65.7%
	Net of Fee	7.70%	-7.43%	10.35%	15.46%	27.02%						
	Russell 2000	8.85%	-9.92%	11.29%	16.25%	26.85%						
2011	Gross of Fee	7.02%	1.51%	-18.36%	13.45%	0.62%	31	0.40%	\$635.3	\$749.0	8.1%	84.8%
	Net of Fee	6.82%	1.35%	-18.54%	13.23%	-0.14%						
	Russell 2000	7.94%	-1.61%	-21.87%	15.47%	-4.19%						
2012	Gross of Fee	10.52%	-4.87%	5.45%	0.14%	11.02%	32	0.47%	\$672.0	\$841.5	7.5%	79.9%
	Net of Fee	10.31%	-5.07%	5.24%	-0.08%	10.14%						
	Russell 2000	12.44%	-3.47%	5.25%	1.85%	16.35%						
2013	Gross of Fee	13.04%	4.85%	9.24%	8.33%	40.26%	28	0.51%	\$831.6	\$953.5	8.8%	87.2%
	Net of Fee	12.82%	4.63%	9.01%	8.13%	39.14%						
	Russell 2000	12.39%	3.08%	10.21%	8.72%	38.81%						
2014	Gross of Fee	1.53%	3.68%	-7.30%	7.20%	4.61%	28	0.29%	\$893.1	\$1,008.2	9.2%	88.6%
	Net of Fee	1.32%	3.47%	-7.48%	6.97%	3.75%						
	Russell 2000	1.12%	2.05%	-7.36%	9.73%	4.90%						
2015	Gross of Fee	3.30%	-0.44%	-12.60%	4.87%	-5.74%	27	0.16%	\$819.0	\$888.0	8.5%	92.2%
	Net of Fee	3.10%	-0.64%	-12.78%	4.65%	-6.50%						
	Russell 2000	4.32%	0.42%	-11.92%	3.59%	-4.42%						
2016	Gross of Fee	1.57%	2.48%	7.55%	3.71%	16.10%	22	0.22%	\$386.9	\$444.6	3.9%	87.0%
	Net of Fee	1.37%	2.28%	7.30%	3.47%	15.11%						
	Russell 2000	-1.52%	3.79%	9.05%	8.83%	21.30%						
2017	Gross of Fee	3.76%	3.14%	3.53%	5.03%	16.37%	19	0.26%	\$409.5	\$484.1	3.3%	84.6%
	Net of Fee	3.51%	2.92%	3.31%	4.82%	15.36%						
	Russell 2000	2.47%	2.46%	5.67%	3.34%	14.65%						
2018	Gross of Fee	2.42%	5.30%	7.85%	-17.81%	-4.41%	18	0.50%	\$272.9	\$338.3	1.5%	80.7%
	Net of Fee	2.20%	5.11%	7.62%	-18.00%	-5.21%						
	Russell 2000	-0.08%	7.75%	3.58%	-20.20%	-11.01%						
2019	Gross of Fee	15.78%	2.84%	0.83%	7.08%	28.56%	16	0.24%	\$301.9	\$379.7	1.5%	79.5%
	Net of Fee	15.56%	2.64%	0.63%	6.86%	27.54%						
	Russell 2000	14.58%	2.10%	-2.40%	9.94%	25.53%						
2020	Gross of Fee	-23.58%				-23.58%	16	0.36%	\$229.8	\$289.6	1.3%	79.4%
	Net of Fee	-23.74%				-23.74%						
	Russell 2000	-30.61%				-30.61%						

\* Preliminary

(1) Presented as supplemental information to the fully compliant presentation.

Period		1Q	2Q	3Q	4Q	YTD	# of Accounts	Std Dev.	Composit e Market Value (\$ mil)	Product Market Value <sup>(1)</sup> (\$ mil)	% of Total Assets	% of Product (1)
2002	Gross of Fee	9.89%	-2.07%	-19.60%	7.80%	-6.73%	6	NM	\$24.8	\$65.2	0.9%	38.0%
	Net of Fee	9.89%	-2.23%	-19.67%	7.59%	-7.14%						
	Russell 2000	3.98%	-8.35%	-21.40%	6.16%	-20.48%						
2003	Gross of Fee	-6.74%	30.53%	10.20%	17.93%	58.20%	9	1.05%	\$63.4	\$130.8	1.8%	48.5%
	Net of Fee	-6.89%	30.28%	9.98%	17.71%	57.04%						
	Russell 2000	-4.49%	23.42%	9.08%	14.52%	47.25%						
2004	Gross of Fee	4.81%	0.08%	-6.70%	9.40%	7.07%	17	0.43%	\$162.1	\$440.3	3.7%	36.8%
	Net of Fee	4.60%	-0.10%	-6.93%	9.15%	6.15%						
	Russell 2000	6.26%	0.47%	-2.86%	14.09%	18.32%						
2005	Gross of Fee	-3.70%	3.73%	4.15%	0.25%	4.30%	23	0.46%	\$248.6	\$431.2	5.5%	57.7%
	Net of Fee	-3.93%	3.44%	3.92%	-0.04%	3.23%						
	Russell 2000	-5.34%	4.32%	4.69%	1.13%	4.55%						
2006	Gross of Fee	13.23%	-4.94%	-1.70%	8.82%	15.14%	18	0.58%	\$138.5	\$442.5	3.1%	31.3%
	Net of Fee	12.98%	-5.19%	-1.92%	8.57%	14.06%						
	Russell 2000	13.94%	-5.02%	0.44%	8.90%	18.37%						
2007	Gross of Fee	5.95%	6.38%	-0.12%	-2.42%	9.85%	19	0.29%	\$370.9	\$488.8	7.6%	75.9%
	Net of Fee	5.71%	6.17%	-0.34%	-2.60%	8.94%						
	Russell 2000	1.95%	4.42%	-3.09%	-4.58%	-1.57%						
2008	Gross of Fee	-6.27%	13.22%	-5.82%	-24.36%	-24.40%	16	0.41%	\$234.9	\$398.9	5.8%	58.9%
	Net of Fee	-6.45%	13.02%	-6.00%	-24.56%	-25.02%						
	Russell 2000	-9.90%	0.58%	-1.11%	-26.12%	-33.79%						
2009	Gross of Fee	-12.51%	24.91%	14.00%	8.03%	34.59%	18	0.25%	\$355.3	\$553.8	5.9%	64.2%
	Net of Fee	-12.69%	24.71%	13.81%	7.82%	33.61%						
	Russell 2000	-14.95%	20.69%	19.28%	3.87%	27.17%						

(1) Presented as supplemental information to the fully compliant presentation.

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. The Small Cap Equity composite was created in January, 2002. The Small Cap Equity composite is an equity strategy consisting of companies with a market capitalization that typically does not exceed the largest market capitalization company in the Russell 2000 Index. Accordingly, the composite is benchmarked against the Russell 2000 Index. The Russell 2000 index is a subset of the Russell 3000 and measures the performance of the 2000 smallest companies. These companies generally have a weighted average market value of \$2.3 billion. The Small Cap Equity composite is comprised of all fee paying, discretionary accounts managed to this investment approach which have assets greater than \$1 million and one month of returns. Accounts falling below the \$1 million threshold are not eligible for inclusion in the composite. In addition, accounts that have a significant cash flow, defined as 25% of the market value, will be removed from the composite until the next reconciliation and calculation period. Gross results are shown net of trading costs and include the reinvestment of all dividends and interest. Net results are shown net of management fees as well as trading costs and include the reinvestment of all dividends and interest. Net results reflect actual fees paid. The current fee schedule applicable to the Small Cap Equity accounts is 1% on all amounts. Actual fees will vary. All information is based on US dollar values. Returns

*are calculated on a capitalization and time weighted basis and linked quarterly. Dispersion of returns is measured by an equal weighted standard deviation of all the accounts in the composite for a full year period. Neither the composite nor the benchmark returns reflect the withholding of any taxes for ordinary income or capital gains. 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 periods January 1, 2000 through December 31, 2016. The verification report is available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) 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. A complete list and description of the firm's composites, as well as additional information regarding policies for valuing portfolios, calculating returns and preparing compliant presentations, is available upon request from SBH. Performance information shown prior to 2002 is supplemental.*

## SBH ROIC SMID Cap Composite Performance\* (As of 3.31.20)

### Annualized Cumulative

Annualized	SBH Gross	SBH Net	Russell 2500
1 Year	-14.18%	-14.80%	-22.47%
3 Years	2.32%	1.58%	-3.10%
5 Years	3.80%	3.05%	0.49%
10 Years	9.23%	8.45%	7.72%
15 Years	8.28%	7.58%	6.49%
Since Inception (7/1/02)	8.83%	8.16%	7.67%

### Portfolio

	SBH	Russell 2500
Worst 4-Quarter Period	-36.92%	-38.22%
5-Year Sharpe Ratio	0.15	-0.04
Standard Deviation (since inception)	19.38%	19.86%

### 3 Year Ex-Post Standard

	SBH	Russell 2500
2011	21.93%	23.40%
2012	17.49%	18.97%
2013	14.82%	15.63%
2014	10.98%	11.67%
2015	11.70%	12.42%
2016	11.35%	13.67%
2017	10.29%	12.13%
2018	12.78%	14.10%
2019	13.95%	14.58%
2020	17.47%	20.04%

Period		1Q	2Q	3Q	4Q	YTD	# of Accounts	Std Dev.	Composite Market Value (\$ mil)	Product Market Value <sup>(1)</sup> (\$ mil)	% of Total Assets	% of Product <sup>(2)</sup>
2011	Gross of Fee	7.68%	3.02%	-17.71%	13.71%	3.80%	4	num	\$17.9	\$20.6	0.2%	86.9%
	Net of Fee	7.51%	2.85%	-17.87%	13.53%	3.10%						
	Russell 2500	8.70%	-0.59%	-21.22%	14.52%	-2.51%						
2012	Gross of Fee	10.71%	-4.96%	5.56%	0.66%	11.80%	4	num	\$11.4	\$14.3	0.1%	79.7%
	Net of Fee	10.48%	-5.12%	5.38%	0.50%	11.02%						
	Russell 2500	12.99%	-4.14%	5.57%	3.10%	17.89%						
2013	Gross of Fee	10.43%	2.65%	10.42%	8.13%	35.34%	3	num	\$13.1	\$22.8	0.1%	57.5%
	Net of Fee	10.27%	2.46%	10.21%	7.93%	34.39%						
	Russell 2500	12.85%	2.27%	9.08%	8.66%	36.79%						
2014	Gross of Fee	0.60%	4.07%	-4.67%	6.04%	5.83%	3	num	\$12.8	\$19.8	0.1%	64.6%
	Net of Fee	0.41%	3.90%	-4.84%	5.85%	5.08%						
	Russell 2500	2.30%	3.56%	-5.35%	6.77%	7.06%						
2015	Gross of Fee	4.44%	1.36%	-10.57%	3.42%	-2.09%	4	num	\$18.5	\$20.4	0.2%	90.7%
	Net of Fee	4.26%	1.18%	-10.77%	3.23%	-2.83%						
	Russell 2500	5.17%	-0.34%	-10.30%	3.28%	-2.90%						
2016	Gross of Fee	2.43%	1.63%	6.86%	3.84%	15.51%	4	num	\$57.0	\$64.1	0.6%	88.9%
	Net of Fee	2.25%	1.47%	6.67%	3.64%	14.69%						
	Russell 2500	0.39%	3.57%	6.56%	6.12%	17.58%						
2017	Gross of Fee	3.91%	3.29%	2.45%	6.62%	17.24%	5	num	\$63.0	\$63.0	0.6%	100.0%
	Net of Fee	3.72%	3.10%	2.26%	6.43%	16.38%						
	Russell 2500	3.76%	2.13%	4.74%	5.24%	16.81%						
2018	Gross of Fee	2.45%	4.25%	7.87%	-18.06%	-5.60%	5	num	\$58.9	\$118.8	0.3%	49.6%
	Net of Fee	2.27%	4.06%	7.67%	-18.22%	-6.29%						
	Russell 2500	-0.24%	5.71%	4.70%	-18.49%	-10.00%						
2019	Gross of Fee	17.18%	4.15%	1.16%	5.38%	30.09%	5	num	\$68.5	\$139.7	0.4%	49.0%
	Net of Fee	16.99%	3.97%	0.97%	5.18%	29.18%						
	Russell 2500	15.82%	2.96%	-1.28%	8.54%	27.77%						
2020	Gross of Fee	-22.70%				-22.70%	5	num	\$52.1	\$113.2	0.3%	46.0%
	Net of Fee	-22.84%				-22.84%						
	Russell 2500	-29.72%				-29.72%						

\* Preliminary

(1) Presented as supplemental information to the fully compliant presentation.

**SBH ROIC SMID Cap Composite Performance**

Period		1Q	2Q	3Q	4Q	YTD	# of Accounts	Std Dev.	Composite Market Value (\$ mil)	Product Market Value <sup>(1)</sup> (\$ mil)	% of Total Assets	% of Product <sup>(1)</sup>
2003	Gross of Fee	-5.98%	26.32%	6.21%	15.31%	45.45%	4	nm	\$26.7	\$26.7	0.7%	100.0%
	Net of Fee	-6.04%	26.25%	6.18%	15.14%	45.03%						
	Russell 2500	-4.09%	21.91%	8.75%	14.43%	45.50%						
2004	Gross of Fee	3.54%	2.57%	-6.40%	11.36%	10.70%	5	nm	\$31.3	\$31.3	0.7%	100.0%
	Net of Fee	3.38%	2.37%	-6.57%	11.17%	9.92%						
	Russell 2500	5.88%	0.34%	-2.52%	14.22%	18.29%						
2005	Gross of Fee	-2.52%	0.42%	3.48%	3.11%	4.45%	4	nm	\$9.9	\$31.5	0.2%	31.4%
	Net of Fee	-2.69%	0.24%	3.31%	2.93%	3.72%						
	Russell 2500	-3.14%	4.52%	4.89%	1.81%	8.11%						
2006	Gross of Fee	11.66%	-4.97%	4.55%	6.31%	17.94%	1	nm	\$3.3	\$3.3	0.1%	100.0%
	Net of Fee	11.47%	-5.06%	4.48%	6.25%	17.48%						
	Russell 2500	11.14%	-4.34%	0.52%	8.70%	16.17%						
2007	Gross of Fee	3.97%	7.10%	3.28%	-0.03%	14.97%	2	nm	\$9.5	\$11.0	0.2%	86.4%
	Net of Fee	3.91%	7.03%	3.25%	-0.17%	14.63%						
	Russell 2500	3.55%	4.94%	-2.50%	-4.32%	1.38%						
2008	Gross of Fee	-8.84%	10.22%	-12.47%	-27.27%	-36.04%	2	nm	\$6.4	\$7.3	0.2%	87.7%
	Net of Fee	-8.98%	10.07%	-12.60%	-27.41%	-36.44%						
	Russell 2500	-9.37%	1.39%	-6.72%	-26.25%	-36.79%						
2009	Gross of Fee	-10.10%	25.44%	14.60%	5.86%	36.81%	2	nm	\$9.3	\$15.1	0.2%	61.6%
	Net of Fee	-10.24%	25.27%	14.43%	5.69%	35.99%						
	Russell 2500	-11.43%	20.27%	20.06%	5.08%	34.39%						
2010	Gross of Fee	7.24%	-7.93%	10.74%	13.33%	23.92%	3	nm	\$20.4	\$23.4	0.3%	87.2%
	Net of Fee	7.08%	-8.12%	10.56%	13.17%	23.10%						
	Russell 2500	9.21%	-9.98%	12.21%	14.86%	26.71%						

(1) Presented as supplemental information to the fully compliant presentation.

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. The SMID Cap composite was created in January, 2007. Prior to July 1, 2013, the SMID Cap composite was named "Small Cap Expanded Core". The SMID Cap composite is an equity strategy consisting of companies with a market capitalization that typically does not exceed the largest market capitalization company in the Russell 2500 Index. Accordingly, the composite is benchmarked against the Russell 2500 Index and/or the Russell 2000 Index. The Russell 2500 index is a subset of the Russell 3000 and measures the performance of the 2500 of the smallest companies. These companies generally have a weighted average market value of \$5.1 billion. The Russell 2000

---

*index is a subset of the Russell 3000 and measures the performance of the 2000 smallest companies. These companies generally have a weighted average market value of \$2.1 billion. The SMID Cap composite is comprised of all fee paying, discretionary accounts managed to this investment approach which have assets greater than \$1 million and one month of returns. Accounts falling below the \$1 million threshold are not eligible for inclusion in the composite. In addition, accounts that have a significant cash flow, defined as 25% of the market value, will be removed from the composite until the next reconciliation and calculation period. Gross results are shown net of trading costs and include the reinvestment of all dividends and interest. Net results are shown net of management fees as well as trading costs and include the reinvestment of all dividends and interest. Net results reflect actual fees paid. The current fee schedule applicable to the SMID Cap composite accounts is 0.85% on the first \$25 million of assets, 0.75% on the next \$25 million of assets and 0.65% over \$50 million of assets. Actual fees will vary. All information is based on US dollar values. Returns are calculated on a capitalization and time weighted basis and linked quarterly. Dispersion of returns is measured by an equal weighted standard deviation of all the accounts in the composite for a full year period. Neither the composite nor the benchmark returns reflect the withholding of any taxes for ordinary income or capital gains. 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 periods January 1, 2000 through December 31, 2016. The verification report is available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) 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. It should be noted that principal risk is taken and that historical performance cannot guarantee future results. A complete list and description of the firm's composites, as well as additional information regarding policies for valuing portfolios, calculating returns and preparing compliant presentations, is available upon request from SBH.*