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MUNI MAVENS

We shine a spotlight on the biggest and best muni managers over the last three years

JOHN COUMARIANOS

TOP PERFORMERS

VS

CATEGORY GIANT

KENNETH HARRIS CITYWIRE / + & **NICHOLAS FOLEY** CITYWIRE / +

SEGALL BRYANT & HAMILL MUNICIPAL OPPORTUNITIES

JAMES D'ARCY CITYWIRE / +

VANGUARD IMMEDIATE-TERM TAX EXEMPT

Kenneth Harris and Nicholas Foley have the best three-year manager ratio in Morningstar's Municipal National Intermediate category (0.51). They have managed the Segall Bryant & Hamill Municipal Opportunities fund since its launch in 2016.

For the three-year period to September 30, the fund has produced a 15.3% cumulative return versus 12.5% for the Bloomberg Barclays Municipal Intermediate 5-10 Year index and 11.1% for the average fund in the category over that period. The credit ratings of its holdings are similar to those of its average peer, with the lone exception being 5.4% in BB-rated bonds, compared to 1.4% for the wider category.

The duration profile of the fund appears longer than that of most of its peers. Around 40% of the fund's bonds mature within the next 20-30 years, compared with 33% for its average peer, and 10.5% of its portfolio matures beyond the 30-year mark, compared with 4.4% for its average peer. While these longer maturity bonds could hurt during an inflationary spell, the extra yield pickup might mitigate the risk. From August 1 to September 30, when rates went up somewhat, the fund posted a 0.1% return versus a 0.2% loss for its average peer and for the index. ■



The manager running the most assets in this category is James D'Arcy, skipper of the \$78.2bn Vanguard Intermediate-Term Tax Exempt fund.

D'Arcy has helmed the fund since mid-2014, and for the past three years, he has squeaked past his average peer's 12% cumulative return with 12.1%, although he has failed to match the index's 12.5%.

D'Arcy is more conservatively positioned than his average peer with regards to credit risk.

The fund has 70% of its assets in AAA-rated or AA-rated bonds, compared with about 30% for its average peer. It also has 6.7% of its assets in BBB-rated bonds, compared with nearly 24% for its average peer.

On the duration front, the fund has less than 7% of its assets in bonds that mature over the next 20-30 years, versus 33% for the category.

By contrast, it has 29% of its assets in the 10-15 year maturity range compared with 14% for its average peer. The fund's 8.9-year average maturity is a bit higher than the index, which clocks in at 7.9 years. ■

1/197	3-YEAR RISK-ADJUSTED RANKING	25/197
0.51	MANAGER RATIO	-0.003
\$145m	FUND SIZE	\$78.2bn
15.33%	3-YEAR TOTAL RETURNS	12.10%
0.06%	MARKET SHARE	30.7%



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Past performance is no guarantee of future results.

Investing in the fund involves risk, including loss of principal. | The Segall Bryant & Hamill Municipal Opportunities Fund invests primarily in instruments issued by or on behalf of different states. A portion of income may be subject to the alternative minimum tax. | Investments in municipal bonds are subject to interest rate risk, or the risk that the bonds will decline in value because of changes in market interest rates.

The Bloomberg Barclays Municipal Bond, U.S. Credit, Treasury and U.S. High-Yield Indices are unmanaged indices that are considered representative of the broad market for each respective category. An investment cannot be made directly in an index. Standard deviation is a statistical measure of the historical volatility of an investment.

This material must be accompanied or preceded by a prospectus, which contains this and other important information about the Fund(s). To obtain additional prospectuses, please call 800.734.9378 or visit us online at www.sbfunds.com. Please read the prospectus carefully before investing.

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