

MARKET COMMENTARY

Market Overview

The fixed income markets—Treasury, credit, and municipal—had to contend with worsening inflationary news each month of the fourth quarter and concerns about how the Federal Reserve (Fed) would respond in a policy fashion. By the end of the year, the Fed acknowledged a set of changes that would begin the process, first of slowing support for the markets in the form of a slower pace of asset purchases, and second by raising the policy rate. As the markets had anticipated this policy change, fixed income risk assets outperformed Treasuries in the fourth quarter.

For the full year, the Bloomberg Municipal Bond Index, which had started the year by declining approximately 1% in the first quarter, recovered gradually throughout the rest of 2021 before ending the year with a 1.52% gain. This gain ran counter to the broad taxable market (defined by the Bloomberg U.S. Aggregate Bond Index) which posted a negative total return. While it may seem like something to be celebrated, when bonds have positive price performance, we are essentially just pulling returns forward and adding risk. We continue to see depressed municipal/Treasury ratios, which have persisted throughout the year. Fund flows into municipal bond funds have been extremely strong while tax-exempt supply continues to be cannibalized by the refunding of taxable bonds. We believe the most likely scenario that could break this current trend would be a rate shock that disrupts the market.

Strategy Performance

The Segall Bryant & Hamill Short/Intermediate Municipal strategy returned 0.52%* for the quarter versus 0.21% for the Bloomberg MM Short/Intermediate Bond Index. For the year, the strategy returned 1.16%* vs. -0.17% for the index. The strategy's outperformance was largely driven by two factors. First was our income advantage over the benchmark and our peers. This advantage is being driven, in part, by our ability to find value in smaller special districts and certain structures which we believe the market is still mispricing. This value is amplified by how little value can be found in larger credit names with betas similar to the overall municipal market. The second factor was the fact that we moved quickly to buy attractive credits on weakness during the brief sell-off that took place during mid-October.

Outlook & Positioning

Shifting our view forward to 2022, the Fed, and its efforts to combat rising inflation, has both our and the market's full attention. The Fed has suggested that with the labor market close to reaching full employment, it could start raising short-term interest rates once the taper of asset purchases is complete, likely sometime in the first half of the year. It will thereafter begin to shrink its balance sheet. Municipal revenue and balance sheets are, broadly speaking, in the best shape we have seen in decades. This strength is largely already reflected in spreads, which have stayed close to all-time tight for much of the past year. In this environment, we remain constructive on high quality credits, which we believe should perform well in either a status quo scenario or in a credit sell-off. We continue to look for opportunities to take advantage of extra spread in small, less liquid issues. In addition, we continue to find the most value in optionality pricing and structures which have, we believe, incorrectly sold off on rate uncertainty. Hovering over all this, of course, is the economic impact of COVID. If the Omicron variant's rapid spread produces a large increase in immunity without a commensurate increase in deaths, we could see less economic disruption, and we could thus envision a more normal future environment, akin to the impact of the yearly flu. Last but surely not least, we appreciate the trust placed in us and intend to apply our usual rigor in evaluating all securities that comprise client portfolios.

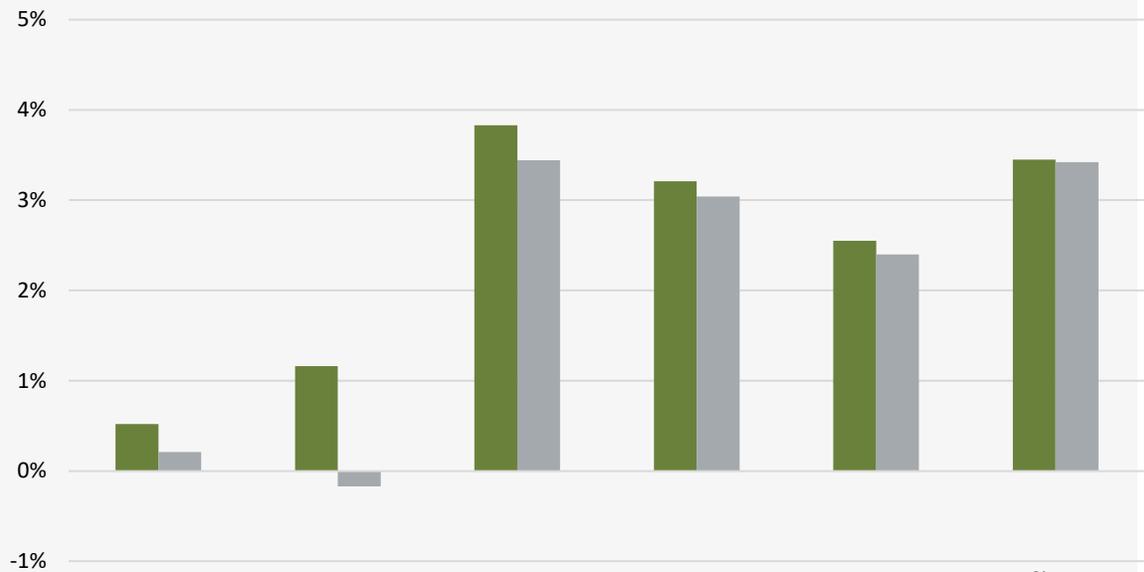
Thank you for your interest and support.

The Fixed Income Team

*Preliminary composite performance.

Market Commentaries contain certain forward-looking statements about 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 these events are inherently uncertain and difficult to predict. Actual events may cause adjustments in portfolio management strategies from those currently expected to be employed. This investment may not be suitable for all investors.

GROSS RETURNS*¹ (as of 12/31/21)



■ SBH Gross
 ■ Bloomberg MM Short/Intermediate Index

	Quarter	1 Year	3 Year	5 Year	10 Year	Since Inception (1/1/03)
SBH Gross	0.52%	1.16%	3.83%	3.21%	2.55%	3.45%
Bloomberg MM Short/Intermediate Index	0.21%	-0.17%	3.44%	3.04%	2.40%	3.42%

* Preliminary composite performance. Periods greater than one year are annualized. Historical performance cannot guarantee future results. See specific performance disclosure pages at the end of the presentation.

Source: Bloomberg. "Bloomberg®" and Bloomberg U.S. Money Market Short/Intermediate Bond Index are service marks of Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited ("BISL"), the administrator of the index (collectively, "Bloomberg") and have been licensed for use for certain purposes by SBH. Bloomberg is not affiliated with SBH, and Bloomberg does not approve, endorse, review, or recommend SBH Short/Intermediate Fixed Income strategy. Bloomberg does not guarantee the timeliness, accurateness, or completeness of any data or information relating to SBH Short/Intermediate Fixed Income.

¹ SBH Composite

SHORT/INTERMEDIATE MUNICIPAL FIXED INCOME COMPOSITE PERFORMANCE*

Short/Intermediate Municipal Fixed Income

Quarterly & Annual Returns

Period Ending: 12/31/2021

Annualized Cumulative Returns

	SBH	SBH	Bloomberg
Annualized	Gross (%)	Net (%)	Short/int (%)
1 Year	1.16	0.91	-0.17
3 Years	3.83	3.57	3.44
5 Years	3.21	2.96	3.04
10 Years	2.55	2.30	2.40

3 Year Ex-Post Standard Deviation

	Bloomberg	
	SBH (%)	Short/int (%)
2011	3.76	4.05
2012	3.00	3.04
2013	2.82	2.98
2014	2.38	2.54
2015	2.21	2.51
2016	2.24	2.89
2017	2.19	3.01
2018	2.13	2.99
2019	1.63	2.21
2020	2.49	2.96
2021	2.54	2.97

Period		1Q (%)	2Q (%)	3Q (%)	4Q (%)	YTD (%)	# of Accounts	Std Dev. (%)	Composite Market Value (\$ mil)	Total Firm Market Value
2011	Gross of Fee	0.97	2.70	2.78	2.10	8.82	13	1.71	\$87.5	\$7,866.5
	Net of Fee	0.90	2.64	2.71	2.04	8.54				
Bloomberg MM Short/Intermediate	Gross of Fee	0.63	2.92	2.56	2.10	8.45				
	Net of Fee	0.12	1.43	1.52	0.30	3.40	11	0.77	\$82.3	\$8,936.6
2012	Gross of Fee	0.06	1.36	1.46	0.23	3.15				
	Net of Fee	0.07	1.28	1.53	0.13	3.04				
Bloomberg MM Short/Intermediate	Gross of Fee	0.34	-2.03	0.77	0.36	-0.58	9	0.19	\$75.9	\$9,468.1
	Net of Fee	0.27	-2.09	0.71	0.29	-0.84				
2013	Gross of Fee	0.34	-2.23	1.02	0.30	-0.60				
	Net of Fee	1.36	1.56	0.81	0.47	4.26	8	0.59	\$73.5	\$9,729.0
Bloomberg MM Short/Intermediate	Gross of Fee	1.29	1.50	0.75	0.41	4.01				
	Net of Fee	1.38	1.53	0.82	0.43	4.22				
2014	Gross of Fee	0.92	-0.35	1.22	0.59	2.39	7	0.12	\$52.0	\$9,592.2
	Net of Fee	0.85	-0.40	1.16	0.53	2.15				
Bloomberg MM Short/Intermediate	Gross of Fee	0.94	-0.57	1.56	0.84	2.79				
	Net of Fee	1.16	1.34	-0.17	-2.24	0.05	9	0.12	\$55.0	\$11,171.6
2015	Gross of Fee	1.10	1.27	-0.23	-2.30	-0.20				
	Net of Fee	1.34	1.52	-0.18	-3.14	-0.53				
Bloomberg MM Short/Intermediate	Gross of Fee	1.30	1.20	0.57	-0.13	2.96	7	0.17	\$48.6	\$12,466.3
	Net of Fee	1.26	1.13	0.51	-0.19	2.73				
2016	Gross of Fee	1.68	1.62	0.47	-0.34	3.46				
	Net of Fee	-0.45	0.64	-0.03	1.47	1.63	4	nm	\$43.2	\$18,587.0
Bloomberg MM Short/Intermediate	Gross of Fee	-0.51	0.58	-0.09	1.41	1.38				
	Net of Fee	-1.03	0.80	-0.21	1.88	1.43				
2017	Gross of Fee	2.11	1.66	1.25	0.58	5.71	4	nm	\$45.7	\$19,522.9
	Net of Fee	2.05	1.60	1.19	0.52	5.45				
Bloomberg MM Short/Intermediate	Gross of Fee	2.38	1.65	0.76	0.87	5.78				
	Net of Fee	0.25	2.49	0.90	0.97	4.67	4	nm	\$29.8	\$22,890.8
2018	Gross of Fee	0.19	2.42	0.83	0.91	4.41				
	Net of Fee	-0.01	3.00	0.94	0.80	4.79				
Bloomberg MM Short/Intermediate	Gross of Fee	-0.38	1.07	-0.05	0.52	1.16	4	nm	\$30.3	\$25,642.3
	Net of Fee	-0.44	1.01	-0.11	0.46	0.91				
2019	Gross of Fee	-0.82	0.54	-0.08	0.21	-0.17				
	Net of Fee									
Bloomberg MM Short/Intermediate	Gross of Fee									
	Net of Fee									

nm: composite held five or fewer accounts for the entire year. Internal dispersion (standard deviation) is not presented for this period.

* Preliminary. Periods greater than one year are annualized. Historical performance cannot guarantee future results.

SHORT/INTERMEDIATE MUNICIPAL FIXED INCOME COMPOSITE PERFORMANCE

Segall Bryant & Hamill (SBH) 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. On June 30, 2015, SBH acquired Philadelphia International Advisors (PIA). Prior to the acquisition, PIA was a privately held investment management firm whose sole focus was the management of international equities. The group that was formerly PIA manages all SBH's international composites which have been a part of SBH since the acquisition. On May 1, 2018, SBH acquired Denver Investment Advisors LLC (aka Denver Investments). As a result of the Denver Investments acquisition, SBH added several new Portfolio Managers and composites to the overall firm. The Short/Intermediate Municipal Fixed Income composite was created in January, 2003. The composite's performance inception date is January 1, 2003. The Short/Intermediate Municipal Fixed Income composite is a fixed income strategy which consists of high quality municipal securities managed to specific tax and liquidity needs. Accordingly, the composite is benchmarked against the Bloomberg Managed Money Short/Intermediate Index. The Bloomberg Managed Money Short/Intermediate Index is the 1-10 year component of the Bloomberg Managed Money Index. The Bloomberg Managed Money Short/Intermediate Index has a duration of 3.77 and a maturity of 5.02. The Short/Intermediate Municipal Fixed Income 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 prior to 10/1/2012 and 10% of the market value beginning 10/1/2012, 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 Short/Intermediate Municipal Fixed Income composite accounts is 0.25% on the first \$5 million of assets and 0.20% over \$5 million of assets. Actual fees will vary. All information is based on US dollar values. Dispersion of returns is measured by an equal weighted standard deviation of all the accounts in the composite for a full year period. Composite dispersion and three year standard deviation are calculated using gross returns. 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, 2020. The verification report is available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. It should be noted that principal risk is taken and that historical performance can not guarantee future results. A complete list and description of the firm's composites and pooled funds, as well as additional information regarding policies for valuing investments, calculating performance and preparing GIPS Reports, is available upon request from SBH. GIPS® is a registered trademark of the CFA Institute. The CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.