

MARKET COMMENTARY
Market Overview

The third quarter opened as fears were beginning to escalate with respect to the COVID-19 Delta variant and its potential negative impact on economic growth. In the beginning of July, the yield on the benchmark 10-year Treasury declined from 1.45% to 1.19% as the market grappled with the latest wave of infections across the world. The weeks between the beginning and the end of the quarter were relatively quiet, but as September neared its end, Delta variant concerns were replaced by inflation fears and by expectations that the Federal Reserve (Fed) would begin tapering asset purchases in the fourth quarter. In the final week of the quarter alone, the 10-year jumped a sharp 22 basis points (bps), reversing the decline and leaving rates at 1.52%, an overall change of 7 bps. As a result, returns were flattish in most fixed income markets, but the tepid returns masked the significant shifts in underlying market views that occurred along the way. Corporate bond spreads experienced much less volatility than Treasury yields but still ended the quarter modestly wider. Some of the strongest performance in the quarter came from high yield and TIPS, as the high yield default rate dropped to its lowest level since August 2019 and inflation fears mounted. Ultimately, the Bloomberg U.S. Aggregate Bond Index eked out a small positive return.

Performance

The Segall Bryant & Hamill Short Term Plus Fixed Income strategy returned 0.24%* for the quarter compared to a return of 0.09% for the Bloomberg 1-3 Year Gov't/Credit Index. Details of the contributors and detractors from performance are in the table below.

Return Attribution	QTD	YTD	Notes
Security Selection	0.10%	0.94%	Security selection had a positive impact on relative performance in the quarter which came primarily from corporate securities. The composite's corporate securities returned 0.25% compared to 0.14% for 0-3 year corporate securities.
Sector Selection	0.05%	0.25%	Sector selection had a positive impact on relative performance in the quarter. Compared to the benchmark, the composite was overweight corporate securities (86% vs. 23%) and taxable municipals (5% vs 1%) and underweight U.S. Treasury securities (4% vs 68%). This helped relative performance as corporate securities and taxable municipals in the benchmark returned 0.16% and 0.13%, respectively, compared to 0.07% for benchmark U.S. Treasury securities.
Parallel Duration Shift	0.07%	0.26%	The composite's duration was shorter than that of the benchmark (1.50 versus 1.93). This had a positive impact on relative performance as 1-3 year U.S. Treasuries yields increased in the quarter.
Yield Curve Positioning	-0.07%	-0.20%	Yield curve positioning had a negative impact on relative performance in the quarter. During the third quarter, 3 month yields fell 1 bps, 6 month and 1 year yields were unchanged, 2 year yields increased 3 bps, and 3 year yields increased 5 bps.
TOTAL**	0.15%	1.25%	

*Preliminary composite performance. ** Totals may not add exactly due to rounding. Source: Bloomberg, BondEdge

(Continued on next page)

MARKET COMMENTARY (continued)**Outlook and Positioning**

There are various factors impacting our outlook as we enter the final quarter of 2021. Arguably the most important is the broad continuation of economic improvement—both domestically and worldwide—stemming from the waning impact of COVID-19 and its Delta variant. Corporate balance sheets are in good shape, but many corporations are still dealing with income statement pressures from ongoing strains in supply chains and shortages of labor. We continue to see optimism around corporate outlooks, counterbalanced by the recognition that: a) bond spreads remain tight from a historical context, and b) improved global economic growth, coupled with inflation that is still evident in many areas, is likely to prompt the Fed to taper asset purchases sometime in the near future.

As we navigate these dynamics, we remain overweight corporates and moderately short of our benchmark durations, while continuing to look for opportunities to rotate into securities we deem high quality without sacrificing significant yield—the “up-in-quality” trade. We continue to find incremental value in taxable municipal bonds, and we remain cautious on mortgage exposure as the Fed continues to signal its intention to reduce its involvement in that market. There are a multitude of factors that could stop any recovery in its tracks, or at the very least impact many corporate credits, including the real estate bubble in China, partisan wrangling in Washington over the debt ceiling and infrastructure spending, and higher energy prices globally, to name a few. We value the trust placed in us to manage client portfolios and will remain vigilant with respect to these and other threats and opportunities.

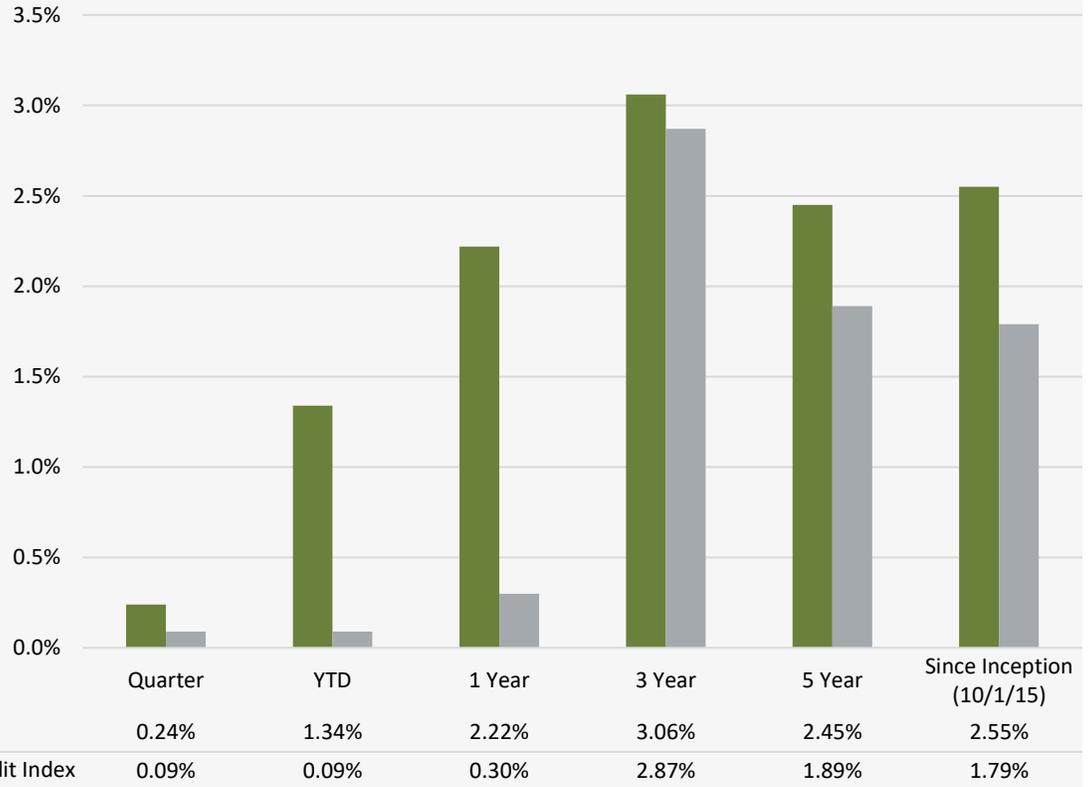
Thank you for your continued support.

Jim Dadura, CFA
Director of Fixed Income

Greg Hosbein, CFA
Senior Portfolio Manager

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 9/30/21)



* 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. 1-3 Year Government/Credit 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 Term Plus Fixed Income strategy. Bloomberg does not guarantee the timeliness, accurateness, or completeness of any data or information relating to SBH Short Term Plus Fixed Income.

¹ SBH Composite

SHORT TERM PLUS FIXED INCOME COMPOSITE PERFORMANCE*

Short Term Plus

Quarterly & Annual Returns

Period Ending: 9/30/2021

Annualized Cumulative Returns

	SBH	SBH	Bloomberg
<u>Annualized</u>	<u>Gross (%)</u>	<u>Net (%)</u>	<u>G/C 1-3 (%)</u>
1 Year	2.22	2.03	0.30
3 Years	3.06	2.87	2.87
5 Years	2.45	2.26	1.89
Since Inception (10/1/15)	2.55	2.34	1.79

3 Year Ex-Post Standard Deviation

	Bloomberg	
	<u>SBH (%)</u>	<u>G/C 1-3 (%)</u>
2018	0.64	0.82
2019	0.52	0.92
2020	2.31	0.98
2021	2.31	0.95

3 year ex post standard deviation is not presented for periods where there were less than 36 months of consecutive performance.

Period		1Q (%)	2Q (%)	3Q (%)	4Q * (%)	YTD (%)	# of Accounts	Std Dev. (%)	Composite Market Value (\$ mil)	Total Firm Market Value
2015	Gross of Fee				-0.02	-0.02	5	nm	\$2.5	\$9,592.2
	Net of Fee				-0.10	-0.10				
	Bloomberg G/C 1-3				-0.36	-0.36				
2016	Gross of Fee	1.33	1.00	0.66	-0.02	3.00	7	0.13	\$54.2	\$11,171.6
	Net of Fee	1.25	0.96	0.61	-0.07	2.77				
	Bloomberg G/C 1-3	0.97	0.67	0.02	-0.39	1.28				
2017	Gross of Fee	0.56	0.56	0.54	0.21	1.87	8	0.25	\$52.0	\$12,466.3
	Net of Fee	0.51	0.51	0.49	0.16	1.67				
	Bloomberg G/C 1-3	0.41	0.31	0.34	-0.21	0.84				
2018	Gross of Fee	-0.03	0.55	0.73	0.72	1.97	8	0.09	\$75.0	\$18,587.0
	Net of Fee	-0.09	0.50	0.68	0.67	1.77				
	Bloomberg G/C 1-3	-0.20	0.28	0.33	1.18	1.60				
2019	Gross of Fee	1.32	1.13	0.85	0.79	4.16	9	0.08	\$65.6	\$19,522.9
	Net of Fee	1.27	1.08	0.80	0.75	3.95				
	Bloomberg G/C 1-3	1.21	1.48	0.69	0.59	4.03				
2020	Gross of Fee	-2.35	3.68	0.85	0.87	2.99	8	0.11	\$25.3	\$22,890.8
	Net of Fee	-2.40	3.63	0.80	0.82	2.78				
	Bloomberg G/C 1-3	1.69	1.17	0.23	0.21	3.33				
2021	Gross of Fee	0.23	0.86	0.24		1.34	7	0.06	\$11.3	\$24,860.2
	Net of Fee	0.19	0.82	0.19		1.20				
	Bloomberg G/C 1-3	-0.04	0.04	0.09		0.09				

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

*Composite performance begins on 10/1/2015

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

SHORT TERM PLUS 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 Term Plus Fixed composite was created in October 2015. The composite's performance inception date is October 1, 2015. The Short Term Plus Fixed composite is a fixed income strategy which invests in domestic short term fixed income securities, which have an average maturity of less than 2 years. Accordingly, the composite is benchmarked against the 1-3 Year Bloomberg Capital Government/Credit Index. The 1-3 Year Bloomberg Capital Government/Credit Index is a sub-index of the BofA Merrill Lynch U.S. Corporate & Government Master Index, which tracks the performance of U.S. dollar-denominated investment grade government and corporate public debt issued in the U.S. domestic bond market, excluding collateralized products such as Mortgage Pass-Throughs and Asset Backed securities. The index includes securities with a maturity from 1 up to (but not including) 3 years. The 1-3 Year Bloomberg Capital Government/Credit Index has a duration of 1.91 years and a maturity of 1.98 years. The Short Term Plus Fixed composite is comprised of all fee paying, discretionary accounts managed to this investment approach which have assets greater than \$225,000 and one month of returns. Accounts falling below the \$225,000 threshold are not eligible for inclusion in the composite. In addition, accounts that have a significant cash flow, defined as 10% of the market value will be removed from the composite until the next reconciliation and calculation period. Net results reflect actual fees paid. The current fee schedule applicable to the Short Term Plus Fixed composite accounts is 0.25% on the first \$25 million of assets and 0.20% on over \$25 million of assets. Actual fees will vary. All information is based on U.S. 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.