MARKET COMMENTARY

Fixed Income Market Overview

- The first quarter return for fixed income, as measured by the Bloomberg Aggregate U.S. Bond Index (the Agg), was the worst in over 40 years at a 5.93% loss.
- This loss was the third-worst quarterly loss of all time for the Agg, and its largest single-quarter loss since the Paul Volcker era in the 1980s. Every major fixed income market category finished deep in negative territory. There were essentially no safe havens as nearly all sectors and sub-categories realized large losses.
- During the quarter, inflation rose to levels not seen since the 1980s, and the Federal Reserve (Fed) responded by enacting the first of what is expected to be up to eight rate hikes this year.
- Treasury yields rose across the curve, with the most significant widening in the 2 year to 10 year area. The yield curve ended the quarter inverted at certain points, as the 5 year Treasury outyielded 10 year and 30 year bonds.

Municipal Market Overview

Municipal bond returns followed the same pattern as the rest of fixed income, posting their worst quarter on record (albeit the indices only go back to the early '90s). Municipal bonds started off on even worse footing in some ways compared to the taxable market, as we came into the year with rich valuations. The 10 year AAA Muni/Treasury ratio was at 69% and even dipped down to 65% in early January. The prevailing view was that credit was strong, there was nowhere to get any yield, and there just weren't enough tax-exempt bonds to buy. The outlooks by most major banks were that nothing could stop flows, and things would likely just stay rich forever. We, however, voiced our opinion in our year-end commentary that we believed the one thing that could truly readjust the entire market was a dramatic move higher in rates. We only made it two weeks into the year with positive flows before tides reversed, and as of 3/30/22, we have seen ~$28 billion in municipal market outflows. To put that number into context, we had ~$84 billion of municipal market inflows in 2021 alone. This technical was the highest driver of municipal returns and likely will continue to be going forward. This has caused not only yields to rise in line with Treasuries, but also ratios to cheapen, with the 10 year AAA Muni/Treasury ratio now at 90% (as of 3/30/22).

MAJOR MUNICIPAL BOND INDEX RETURNS (%)[1]

	YTW	Duration (years)	Q1 Return	YTD Return
Short Duration (1-5 Years)	2.09	2.69	-3.65	-3.65
Intermediate (1-15 Years)	2.36	4.13	-5.33	-5.33
Long Duration (22+ Years)	3.20	7.65	-8.65	-8.65

MUNICIPAL YIELDS BY RATING CATEGORY AND MATURITY (%)[1]

	AAA		AA		A		BBB	
	3/31/22	12/31/21	3/31	12/31	3/31	12/31	3/31	12/31
1 Year	1.52	0.17	1.76	0.28	1.91	0.41	2.51	1.02
5 Year	2.00	0.57	2.21	0.71	2.46	0.83	3.06	1.49
10 Year	2.22	1.04	2.50	1.17	2.73	1.31	3.33	2.01
30 Year	2.54	1.48	3.03	1.71	3.28	1.91	3.81	2.59

AA MUNICIPALS – HYPOTHETICAL AFTER-TAX YIELDS BY EFFECTIVE TAX RATE (%)[2]

	35%	30%	25%	20%
1 Year	2.71	2.51	2.35	2.20
5 Year	3.41	3.16	2.95	2.77
10 Year	3.84	3.57	3.33	3.12
30 Year	4.66	4.32	4.04	3.78

Fund Performance

The Segall Bryant & Hamill Municipal Opportunities Fund (Institutional shares) returned -5.63% for the quarter versus -5.34% for the Bloomberg U.S. Municipal 1-15 Year Bond Index.

[1]Source: Bloomberg

[2]Hypothetical yields are calculated as the AA municipal yield divided by (1-tax rate). Actual tax-adjusted yields will depend on individual tax circumstances.

MARKET COMMENTARY (continued)

Outlook

Following a tumultuous first quarter, there are a number of issues we are watching closely. At the top of the list is that the Fed has turned decidedly hawkish. Yearly inflation, as measured by the Consumer Price Index (CPI), is at 8.5% as of the April release, a level not seen since the early 1980s. The Fed appears determined to control inflation, but that commitment could be tested by several factors, including weak equity markets and rising mortgage rates – both of which will negatively impact consumer spending habits. Current expectations are for the Fed to hike the Federal Funds rate by 50 basis points at each of its next two meetings and to push that rate to around 2.50% by year end. In addition, the Fed continues to communicate its intent to reduce its balance sheet after massive stimulus measures during the global pandemic. This path forward would be problematic in the best of times, but the situation is complicated by the war in Ukraine, COVID spiking (again) in China and Europe, and persistent supply chain and labor supply issues.

Turning to the municipal market, we believe we have borne the brunt of price losses at this point. We are not ruling out that rates could move meaningfully higher, but it would take an extreme tail risk event to have losses come close to what we had in the first quarter. We believe we may drift a bit higher, but higher income levels now allow for price losses to be easier offset.

As credit in the municipal space remains strong, we believe the data point to focus on going forward is fund flows. As we reach 3-4% yields (which are 6-8% returns tax adjusted), does that start to attract more interest in the space or will people just see losses and continue to sell?

Strategy Positioning

Considering these factors, here are our most recent thoughts on how our strategy is positioned:

- We have retained a significant liquidity position and will continue to do so until we get further clarity on where the market and economy are headed.
- While markets look significantly more attractive than anything we have seen in the last two years, we remain concerned that high yield has not truly sold off.
- We now are seeing investment grade credit spreads and total nominal yields being very close to high yield credits, which have significant risk.
- We have begun to drift further out in duration and will slowly continue to lag into higher long-term opportunities as we believe investors are finally being paid to do so.
- We have added and will likely continue to add to our credit holdings, with a focus on the BBB and single A space as credit spreads have materially widened and we believe investors are now being overpaid in many cases for minimal credit risk.
- We have been closely monitoring the closed-end municipal bond fund space and while we have not pulled this lever yet and invested in this space, we believe a time may come when it makes sense to do so.

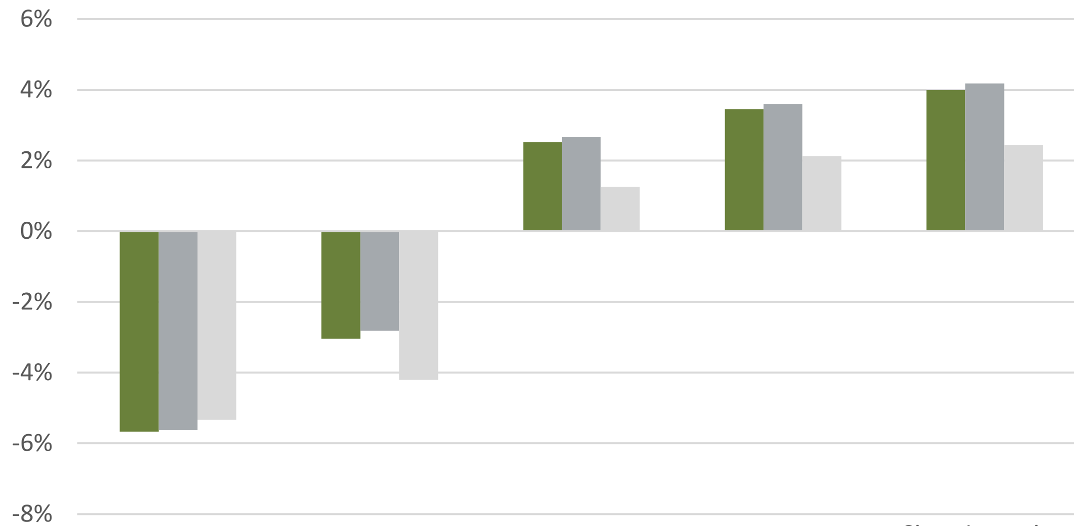
We have lived through several municipal market cycles and stand ready to employ all the tools at our disposal to navigate whatever the future holds. And finally, we keep reminding ourselves that higher rates today sow the seeds for a healthier fixed income market in the future.

Thank you for your interest and support.

Nicholas J. Foley
Senior Portfolio Manager

Kenneth A. Harris, CFA
Senior Portfolio Manager

PERFORMANCE (as of 3/31/22)



	Quarter	1 Year	3 Years	5 Years	Since Inception (12/16/16)
Retail Class (WTTAX)	-5.67%	-3.04%	2.52%	3.45%	4.00%
Institutional Class (WITAX)	-5.63%	-2.81%	2.67%	3.60%	4.18%
Bloomberg 1-15 Year Muni Bond Index	-5.34%	-4.21%	1.26%	2.12%	2.44%

EXPENSE RATIOS	Retail Class	Institutional Class
Gross	0.80%	0.62%
Net	0.65%	0.50%

Returns shown for less than one year are cumulative. Performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance quoted. Performance data current to the most recent month-end may be obtained by visiting www.sbhfunds.com, or by calling (800) 392-2673.

From 5/1/21, until at least 4/30/22, the Adviser has contractually agreed to waive the investment advisory and/or administration fees and/or to reimburse other expenses (not including acquired fund fees and expenses, taxes, brokerage expenses, and extraordinary expenses) in the same proportion, so that the ratio of expenses to average net assets as reported in the Fund's Financial Highlights will be no more than 0.65% and 0.50% for the Fund's Retail Class and Institutional Class, respectively, for such period. This agreement may not be terminated or modified by the Adviser prior to 4/30/22, without the approval of the Board of Trustees.

The **Bloomberg U.S. 1-15 Year Municipal Bond Index** measures the performance of investment grade (Moody's Investor Services Aaa to Baa, Standard and Poor's Corporation AAA to BBB) general obligation and revenue bonds with maturities ranging from 1 to 17 years. It is a broad index that is representative of the tax-exempt bond market. An investor cannot invest directly in an index. *"Bloomberg®" and Bloomberg 1-15 Year Muni 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 Municipal Opportunities Fund. 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.*

RISKS: *An investment in the Funds involves risk, including possible loss of principal. The principal risks of investing in Funds include extension risk, indirect foreign exposure risk, market risk, portfolio management risk, and prepayment risk. The market value of a security or instrument may decline due to general market conditions that are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally.*

Municipal Securities Risk: *Municipal bond fund income may be subject to state and local income taxes and the alternative minimum tax. Capital gains, if any, will be subject to capital gains 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. Municipal bonds are also subject to call risk, credit risk, liquidity risk, below investment grade securities risk, and interest rate futures risk.*

Please consider the Fund's investment objectives, risks, charges and expenses carefully before investing. The prospectus that contains this and other information about the Fund is available by calling (800) 392-2673 or visiting www.sbhfunds.com and should be read carefully before investing. The funds of the Segall Bryant & Hamill Trust are distributed by Ultimus Fund Distributors, LLC.

14873542-UFD-4/25/2022