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 Municipal to 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 outflows. To put that number into context, we had ~$84 billion of inflows in 2021 alone. These outflows were 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 Municipal to 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

**Preliminary composite performance*

[1]Source: Bloomberg data as of 3/31/22 except in columns labeled 12/31/21. Indices referenced for Short Duration is Bloomberg 1-5 Yr Blend (1-6) Total Return Index; for Intermediate is Bloomberg 1-15 Yr Municipal Total Return Index, for Long is Bloomberg Municipal Long Bond (22+) Total Return Index. ***Past performance does not guarantee future results.*** *This chart is for illustrative purposes only.*

[2]Hypothetical yields are calculated as the AA municipal yield divided by (1-tax rate). Data as of 3/31/22. Actual tax-adjusted yields will depend on individual tax circumstances. ***Past performance does not guarantee future results.***

MARKET COMMENTARY

Strategy Performance

The Segall Bryant & Hamill Short/Intermediate Municipal strategy returned -4.08%* for the quarter versus -5.46% for the Bloomberg MM Short/Intermediate 1-10 Yr Bond Index.

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.

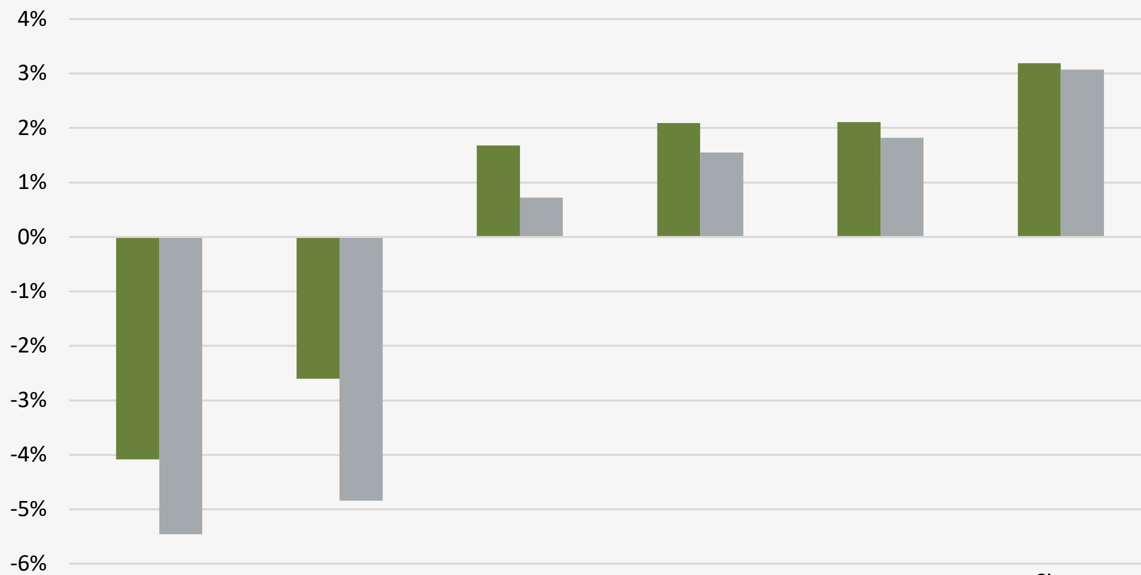
We have lived through several municipal market cycles and stand ready to employ all the tools at our disposal to navigate whatever the future holds. And finally, we keep reminding ourselves that higher rates today sow the seeds for a healthier fixed income market in the future.

Thank you for your interest and support.

The Fixed Income Team

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*[3] (as of 3/31/22)



	Quarter	1 Year	3 Year	5 Year	10 Year	Since Inception (1/1/03)
SBH Gross	-4.08%	-2.60%	1.68%	2.09%	2.11%	3.19%
Bloomberg MM Short/Intermediate Index	-5.46%	-4.84%	0.72%	1.55%	1.82%	3.07%

** 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 Municipal Fixed Income strategy. Bloomberg does not guarantee the timeliness, accurateness, or completeness of any data or information relating to SBH Short/Intermediate Municipal Fixed Income.
[3]SBH Composite

Short/Intermediate Municipal Fixed Income

Quarterly & Annual Returns
Period Ending: 3/31/2022

Annualized Cumulative Returns

Annualized	SBH Gross (%)	SBH Net (%)	Bloomberg Short/Int (%)
1 Year	-2.60	-2.84	-4.84
3 Years	1.68	1.44	0.72
5 Years	2.09	1.84	1.55
10 Years	2.11	1.86	1.82

3 Year Ex-Post Standard Deviation

	SBH (%)	Bloomberg Short/Int (%)
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
2022	3.05	3.70

Period		1Q (%)	2Q (%)	3Q (%)	4Q (%)	YTD (%)	# of Accounts	Std Dev. (%)	Composite Market Value ($ mil)	Total Firm Market Value
2012	Gross of Fee	0.12	1.43	1.52	0.30	3.40	11	0.77	$82.3	$8,936.6
	Net of Fee	0.06	1.36	1.46	0.23	3.15				
Bloomberg MM Short/Intermediate		0.07	1.28	1.53	0.13	3.04				
2013	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				
Bloomberg MM Short/Intermediate		0.34	-2.23	1.02	0.30	-0.60				
2014	Gross of Fee	1.36	1.56	0.81	0.47	4.26	8	0.59	$73.5	$9,729.0
	Net of Fee	1.29	1.50	0.75	0.41	4.01				
Bloomberg MM Short/Intermediate		1.38	1.53	0.82	0.43	4.22				
2015	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		0.94	-0.57	1.56	0.84	2.79				
2016	Gross of Fee	1.16	1.34	-0.17	-2.24	0.05	9	0.12	$55.0	$11,171.6
	Net of Fee	1.10	1.27	-0.23	-2.30	-0.20				
Bloomberg MM Short/Intermediate		1.34	1.52	-0.18	-3.14	-0.53				
2017	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				
Bloomberg MM Short/Intermediate		1.68	1.62	0.47	-0.34	3.46				
2018	Gross of Fee	-0.45	0.64	-0.03	1.47	1.63	4	nm	$43.2	$18,587.0
	Net of Fee	-0.51	0.58	-0.09	1.41	1.38				
Bloomberg MM Short/Intermediate		-1.03	0.80	-0.21	1.88	1.43				
2019	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		2.38	1.65	0.76	0.87	5.78				
2020	Gross of Fee	0.25	2.49	0.90	0.97	4.67	4	nm	$29.8	$22,890.8
	Net of Fee	0.19	2.42	0.83	0.91	4.41				
Bloomberg MM Short/Intermediate		-0.01	3.00	0.94	0.80	4.79				
2021	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				
Bloomberg MM Short/Intermediate		-0.82	0.54	-0.08	0.21	-0.17				
2022	Gross of Fee	-4.08				-4.08	4	nm	$29.1	$23,928.2
	Net of Fee	-4.14				-4.14				
Bloomberg MM Short/Intermediate		-5.46				-5.46				

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.