

MARKET COMMENTARY

Market Overview

- The quarterly return for the short-term fixed income market, as measured by the Bloomberg 1-3 Year Government/Credit (Gov't/Credit) Index, was -2.49%.
- This quarterly return was the benchmark's second-worst quarter of all time—nearly matching its largest quarterly loss of -2.55% back in the first quarter of 1980.
- In the first quarter, the yield of the index increased to 2.42%. This was over 200 basis points higher than one year ago when the index yielded just 0.30%.
- During the first quarter, 3 month yields increased 45 basis points (bps), 6 month yields increased 83 bps, 1 year yields increased 122 bps, 2 year yields increased 160 bps, and 3 year yields increased 155 bps to 2.51%, higher than the yields on 5 and 10 year Treasuries.
- Short-term taxable municipal securities were the best-performing sector in the benchmark returning -2.26% compared to -2.47% for corporate securities and -2.51% for Treasury securities.
- Among investment grade corporate securities, higher quality outperformed lower quality with 1-3 year A rated corporates returning -2.49% and 1-3 year BBB rated corporates returning -4.14%.

Performance

The Segall Bryant & Hamill Short Term Fixed Income strategy returned -1.99%* for the quarter versus a return of -2.49% for the Bloomberg 1-3 Year Gov't/Credit Index. Details of the contributors to and detractors from performance are in the table below.

Return Attribution	QTD	Notes
Security Selection	0.05%	Security selection had a positive impact on relative performance in the first quarter. This impact came primarily from the composite's corporate and taxable municipal securities, which returned -1.82% and -1.21%, respectively, compared to the benchmark corporate and taxable municipal returns of -2.47% and -2.26%, respectively.
Sector Selection	0.08%	Sector selection had a positive impact on relative performance. Compared to the benchmark, the composite was overweight corporate securities (45% vs. 22%) and taxable municipals (6% vs. 1%) and underweight U.S. Treasury securities (37% vs. 69%). This helped relative performance as corporate securities and taxable municipals in the benchmark returned -2.47% and -2.26%, respectively, compared to -2.51% for benchmark U.S. Treasury securities.
Parallel Duration Shift	0.27%	The composite's duration was shorter than the benchmark (1.57 versus 1.94). This had a positive impact on relative performance as 1- 3 year U.S. Treasuries yields significantly increased in the first quarter.
Yield Curve Positioning	0.10%	Yield curve positioning had a positive impact on relative performance in the quarter. The composite was overweight the 0-1 year part of the yield curve. This helped performance as the front end of the yield curve steepened. During the quarter, 3 month yields increased 45 bps, 6 month yields increased 83 bps, 1 year yields increased 122 bps, 2 year yields increased 160 bps, and 3 year yields increased 155 bps.
TOTAL	0.50%	

*Preliminary composite performance. Source: Bloomberg, BondEdge

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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 Federal Reserve (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.

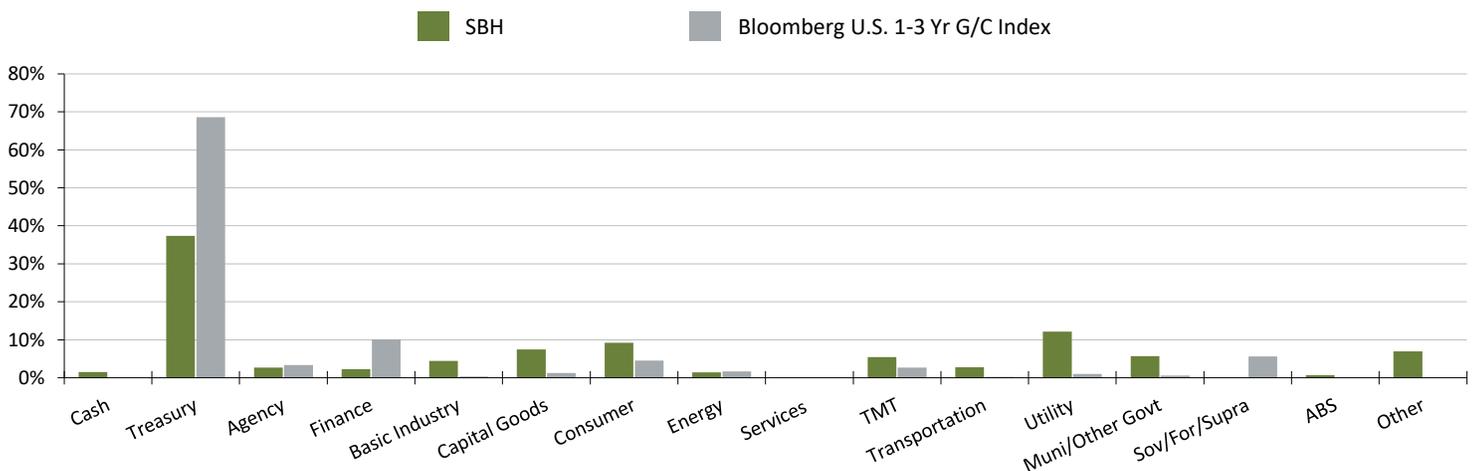
On the positive side of the ledger, the U.S. job market is in great shape with unemployment at just 3.6%. Corporate balance sheets remain strong, although higher refinancing costs will give chief financial officers cause for concern—especially those who have taken on excessive debt during the low-rate period of recent memory.

Strategy Positioning

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

- The Short Term composite continues to emphasize liquidity and remains overweight the 0-1 year part of the yield curve relative to the benchmark. This overweight helps protect against potential increasing interest rates and provides flexibility to navigate any future market volatility.
- The composite slightly reduced its overweight to corporate securities in favor of Treasury securities. The current composite weightings in corporate and Treasury securities are 45% and 37%, respectively.
- The composite remains overweight taxable municipal securities based on the continued strength we see in the sector.
- The composite will continue to look to add to AAA rated short final maturity asset-backed securities (ABS) and Agency commercial mortgage-backed securities (CMBS) due to their attractive yields and lower relative volatility.

Sector Allocation (as of 3/31/22)



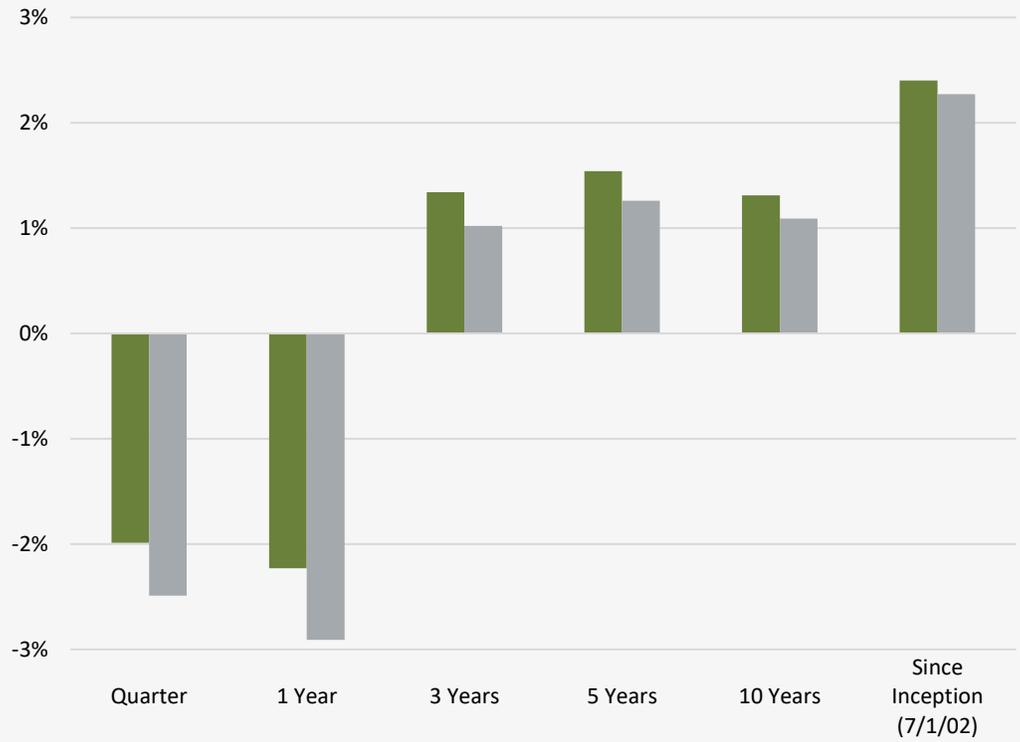
Source: CMS BondEdge.

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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 3/31/22)



■ SBH Gross

■ Bloomberg U.S. 1-3 Year Govt/Credit Index

* 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.

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¹ SBH Composite

SHORT TERM FIXED INCOME COMPOSITE PERFORMANCE*

Short Term Fixed Income

Quarterly & Annual Returns

Period Ending: 3/31/2022

Annualized Cumulative Returns

	SBH Gross (%)	SBH Net (%)	Bloomberg G/C 1-3 (%)
Annualized			
1 Year	-2.23	-2.41	-2.91
3 Years	1.34	1.14	1.02
5 Years	1.54	1.35	1.26
10 Years	1.31	1.11	1.09

3 Year Ex-Post Standard Deviation

	SBH (%)	Bloomberg G/C 1-3 (%)
2012	0.69	0.59
2013	0.54	0.44
2014	0.52	0.40
2015	0.58	0.47
2016	0.69	0.75
2017	0.68	0.73
2018	0.74	0.82
2019	0.80	0.92
2020	1.18	0.98
2021	1.20	0.98
2022	1.45	1.40

Period		1Q (%)	2Q (%)	3Q (%)	4Q (%)	YTD (%)	# of Accounts	Std Dev. (%)	Composite Market Value (\$ mil)	Total Firm Market Value
2012	Gross of Fee	0.56	0.31	0.62	0.14	1.63	6	nm	\$95.3	\$8,936.6
	Net of Fee	0.51	0.25	0.56	0.08	1.42				
	Blended Benchmark	0.36	0.20	0.48	0.17	1.22				
	Merrill 1-3 Yr Gov/Credit	0.45	0.24	0.58	0.20	1.48				
	Merrill 0-1 Year Treasury	0.01	0.04	0.07	0.06	0.18				
2013	Gross of Fee	0.26	-0.26	0.47	0.21	0.68	6	0.03%	\$94.6	\$9,468.1
	Net of Fee	0.21	-0.32	0.42	0.16	0.47				
	Blended Benchmark	0.19	-0.10	0.36	0.16	0.60				
	Merrill 1-3 Yr Gov/Credit	0.22	-0.14	0.43	0.20	0.71				
	Merrill 0-1 Year Treasury	0.05	0.04	0.07	0.01	0.17				
2014	Gross of Fee	0.32	0.38	0.06	0.20	0.96	5	nm	\$30.2	\$9,729.0
	Net of Fee	0.27	0.33	0.01	0.15	0.76				
	Blended Benchmark	0.21	0.30	0.02	0.10	0.64				
	Merrill 1-3 Yr Gov/Credit	0.25	0.37	0.02	0.13	0.77				
	Merrill 0-1 Year Treasury	0.05	0.03	0.04	-0.01	0.11				
2015	Gross of Fee	0.62	0.12	0.39	-0.30	0.83	6	nm	\$100.1	\$9,592.2
	Net of Fee	0.57	0.07	0.34	-0.35	0.63				
	Blended Benchmark	0.48	0.13	0.24	-0.29	0.56				
	Merrill 1-3 Yr Gov/Credit	0.59	0.14	0.28	-0.35	0.66				
	Merrill 0-1 Year Treasury	0.06	0.07	0.07	-0.40	0.16				
2016	Gross of Fee	1.00	0.65	0.14	-0.29	1.50	5	nm	\$95.7	\$11,171.6
	Net of Fee	0.95	0.60	0.09	-0.34	1.30				
	Bloomberg G/C 1-3	0.97	0.67	0.02	-0.39	1.28				
2017	Gross of Fee	0.40	0.38	0.38	-0.09	1.08	4	nm	\$103.6	\$12,466.3
	Net of Fee	0.35	0.33	0.34	-0.14	0.87				
	Bloomberg G/C 1-3	0.41	0.31	0.34	-0.21	0.84				
2018	Gross of Fee	-0.14	0.39	0.44	1.10	1.80	5	nm	\$132.8	\$18,587.0
	Net of Fee	-0.19	0.34	0.40	1.09	1.64				
	Bloomberg G/C 1-3	-0.20	0.28	0.33	1.18	1.60				
2019	Gross of Fee	1.19	1.33	0.73	0.60	3.90	5	nm	\$140.3	\$19,522.9
	Net of Fee	1.14	1.28	0.68	0.55	3.70				
	Bloomberg G/C 1-3	1.21	1.48	0.69	0.59	4.03				
2020	Gross of Fee	0.79	2.23	0.37	0.25	3.68	2	nm	\$16.3	\$22,890.8
	Net of Fee	0.75	2.17	0.31	0.20	3.47				
	Bloomberg G/C 1-3	1.69	1.17	0.23	0.21	3.33				
2021	Gross of Fee	0.01	0.11	0.13	-0.48	-0.24	4	nm	\$22.6	\$25,642.3
	Net of Fee	-0.05	0.05	0.08	-0.52	-0.44				
	Bloomberg G/C 1-3	-0.04	0.04	0.09	-0.56	-0.47				
2022	Gross of Fee	-1.99				-1.99	4	nm	\$21.9	\$23,928.2
	Net of Fee	-2.03				-2.03				
	Bloomberg G/C 1-3	-2.49				-2.49				

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 TERM 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 Fixed composite was created in July, 2002. The composite's performance inception date is July 1, 2002. The Short-Term 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 Bloomberg Capital 1-3 year US Corporate & Government Index. A blended benchmark consisting of a static blend of 20% Merrill Lynch 0-1 Year Treasury Index and 80% 1-3 Year Merrill Lynch Government /Credit Indexes was used prior to January 2016. This change was made to align the composite benchmark with the most commonly used client benchmark. The Bloomberg 1-3 year US Gov/Cred Index includes securities with a remaining term to final maturity of more than 1 year and less than 3 years. The Bloomberg Capital 1-3 year US Corporate & Government Index has a duration of 1.91 and a maturity of 1.98. The Short-Term Fixed 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-Term Fixed composite accounts is 0.20% on the first \$25 million of assets and 0.15% on over \$25 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.