



Market Overview

- The second quarter return for the fixed income market, as measured by the Bloomberg U.S. Aggregate Bond Index (the Agg), was -4.69%.
- For the first half of 2022, the Agg lost 10.35%, the worst half-year return in its nearly 40-year history.
- For a second consecutive quarter, every component of the Agg was negative in the second quarter in both absolute and relative terms for all credit categories relative to similar-duration Treasuries.
- Inflation continued to climb in the quarter, with the Consumer Price Index hitting 8.6% at its reading in early June. In response, the Federal Reserve (Fed) raised rates twice; first by 50 basis points (bps) in May, then 75 bps more in June, its largest single rate increase since 1994.
- The Fed announced plans to reduce the size of its balance sheet by not reinvesting proceeds from maturing assets (i.e., Treasuries and mortgage-backed securities (MBS)) beginning in June, with a further acceleration of this program set to take place in September.
- Treasury yields rose across the curve and ended June at multi-year highs across all maturities. Returns were negative across all but the shortest Treasuries; longer duration Treasuries were the worst performers.
- Corporate securities underperformed Treasuries during the second quarter, returning -7.26% vs. -3.78% for Treasuries. Spreads widened across all sectors of investment grade (IG) corporate sectors during the quarter. The Basic Industry sector (e.g., chemicals, raw materials, etc.) widened the most, while Utilities were the most defensive.
- Among corporate securities, higher quality outperformed lower quality with BBB corporates generating -2.87% excess return versus -0.48% excess return for AA rated corporate securities.
- U.S. Agency mortgage-backed securities returned -4.01% during the quarter; while outperforming corporate securities, mortgage securities underperformed similar duration Treasuries by 0.98%.

Performance

The Segall Bryant & Hamill Core Fixed Income strategy returned -4.19% for the quarter versus -4.69% for the Bloomberg U.S. Aggregate Bond Index. Details of the contributors to and detractors from performance are in the following table.

MARKET COMMENTARY (continued)

Return Attribution	QTD (%)	YTD (%)	Notes
Security Selection	0.80	1.54	Security selection had a positive impact on relative performance during the second quarter. The composite's corporate securities returned -3.86% vs. -7.26% for the corporates included in the benchmark. The primary driver of this relative performance was the composite's higher quality bias within the corporate sector. During the quarter, BBB corporates had an excess return of -2.87% vs. -1.74% excess return for A rated corporates, -1.12% excess return for AA rated corporates, and -0.48% excess return for AAA rated corporates.
Sector Selection	-0.74	-1.33	Sector selection had a negative impact on relative performance during the quarter. The composite was overweight corporate securities vs. the benchmark (46% vs. 24%) and underweight U.S. Treasury securities vs. the benchmark (16% vs. 40%). This hurt relative performance as corporate securities returned -7.26% vs. -3.78% for U.S. Treasury securities. Helping to offset this was the composite's underweight in mortgage securities, which underperformed similar duration Treasuries by 0.98% during the quarter.
Parallel Duration Shift	0.35	0.68	The composite's duration was shorter than that of the benchmark during the quarter (93%). This had a positive impact on relative performance as interest rates moved significantly higher across the yield curve.
Yield Curve Positioning	0.09	-0.11	During the quarter, yield curve positioning had a modest impact on relative performance. During the quarter, 2 year Treasury yields increased by 62 basis points (bps), 3 year Treasury yields increased by 50 bps, 5 year Treasury yields increased by 58 bps, 10 year Treasury yields increased by 68 bps, and 30 year Treasury yields increased by 74 bps.
TOTAL	0.50	0.78	

Source: Bloomberg, BondEdge. Due to rounding, totals may not add exactly to underlying figures. Past performance cannot guarantee future results.

Outlook

Looking ahead to the second half of 2022, the dominant theme is volatility, which is a symptom of opposing views around market risk versus potential upside in returns.

On the cautious side of this argument, the most prominent issue is inflation and the Fed's continued drive to bring it under control. Rate hikes of 50 bps to 75 bps are expected for the next two meetings of the Federal Open Market Committee, with a total of seven quarter-point hikes expected by the end of 2022. Fed Chair Jerome Powell has acknowledged that the Fed's efforts could cause "some pain" to the economy, and a steady stream of rate hikes should eventually take a toll on corporations and consumers. With consumer sentiment falling to multi-year lows in June, economists have begun discussing the likelihood of a recession. Market participants could also point to inverted yield curves and a negative quarter-over-quarter GDP print in the first quarter to bolster their defensive stance.

Nevertheless, there are signs of a resilient economy in the face of all the caution. Corporate defaults remain very low, as many corporations took advantage of low interest rates and tight spreads to push out maturities and reduce interest costs. Corporate fundamentals also remain broadly strong, with second quarter earnings reports set to begin in mid-July. Finally, the U.S. unemployment rate at quarter end remained low at 3.6%, very near the pre-pandemic lows.

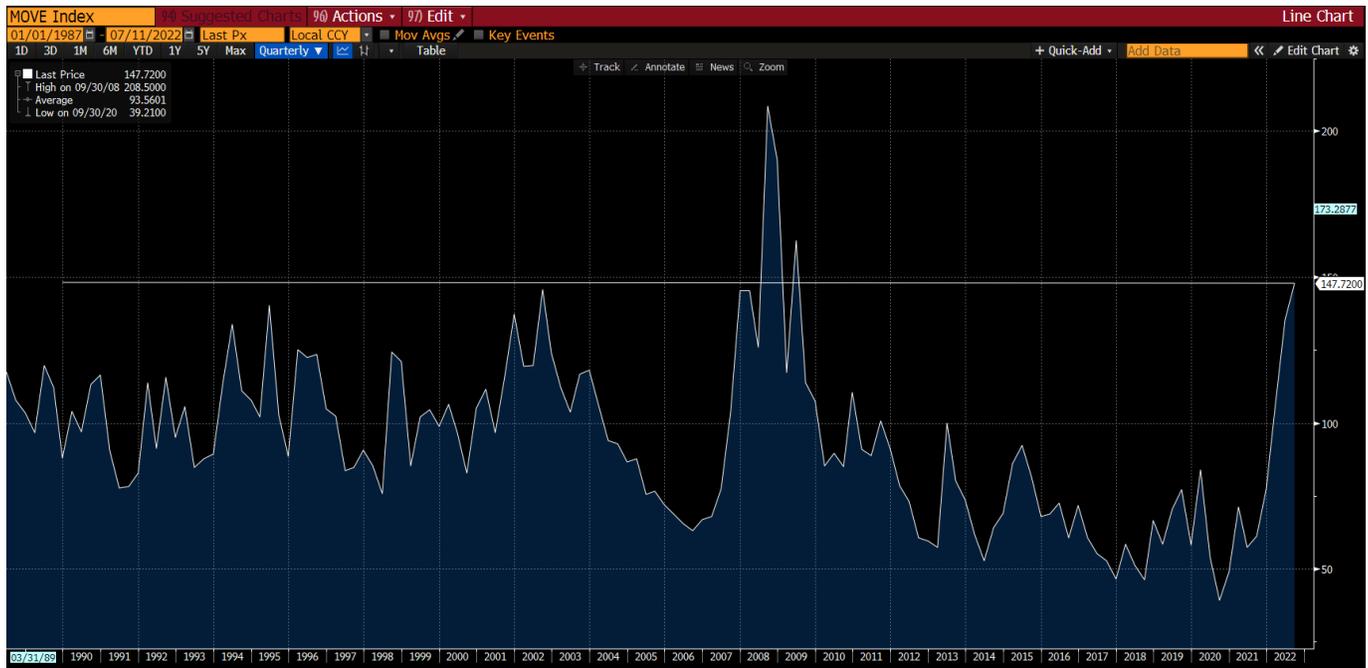
The real winner in this debate around market risk and potential returns is market volatility. The ICE BofAML MOVE Index is a measure of the bond market's volatility, and it has reached levels that were only exceeded during the 2008-2009 recession (as shown in the following chart). With trading volumes low and the contradictory arguments laid out above, we expect volatility to persist, which informs our portfolio positioning.

(Continued on next page)

MARKET COMMENTARY (continued)

Bond Market Volatility (as represented by the ICE BofAML MOVE Index)

1/1/1987 – 7/11/2022



Source: Bloomberg

Strategy Positioning

Considering these factors, the following points capture how our Core strategy is positioned:

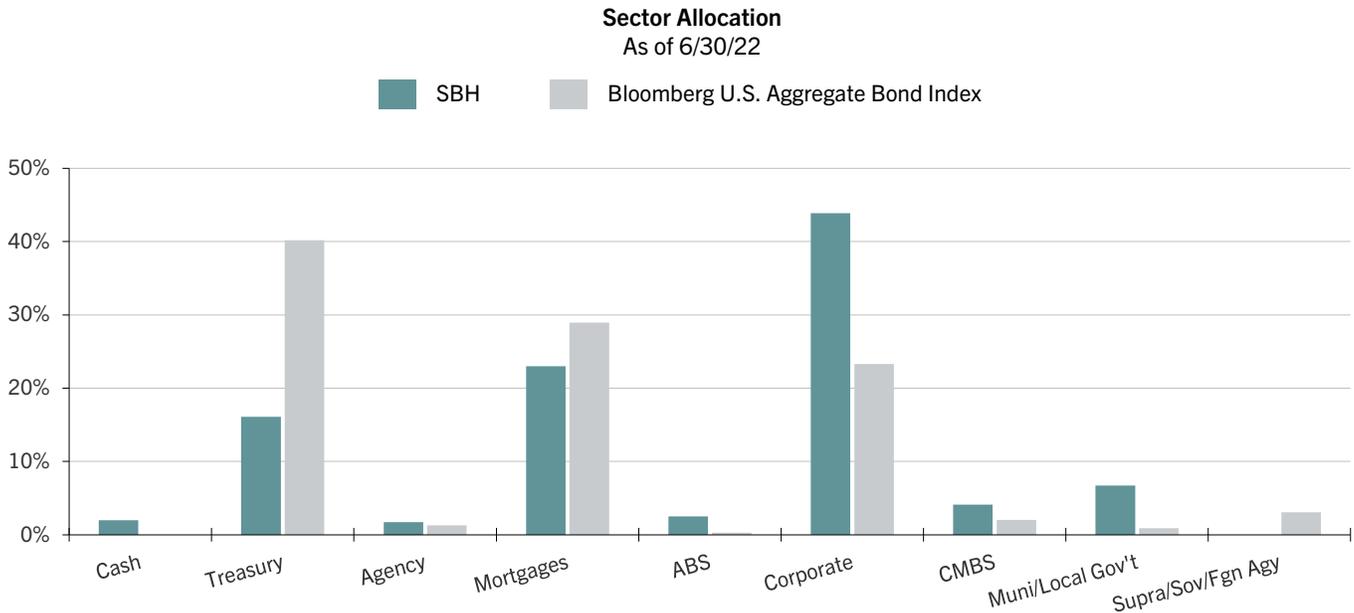
- The composite remains overweight corporate bonds relative to the benchmark. During the second quarter (as in the first quarter), we reduced the overall exposure to the sector but continue to look for value in high quality issues.
- The composite is underweight U.S. Agency mortgage-backed securities; however, we selectively added to some new production mortgages that offered attractive relative value versus corporate bonds. The composite also maintains an overweight in asset-backed securities and Agency commercial mortgage-backed securities due to their attractive yields and lower relative volatility.
- The composite slightly increased liquidity during the quarter by adding to government securities. We believe having greater liquidity will allow us to take advantage of opportunities created by increased market volatility.
- We maintain exposure to taxable municipal bonds based on our view that municipal fundamentals are strong and offer a compelling yield for the level of fundamental risk.

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MARKET COMMENTARY

Strategy Positioning (continued)

While the first half of 2022 was rough for all market participants, it has fortified our conviction around holding securities that we consider to be high quality. We employ rigorous fundamental, bottom-up research on all our holdings, and we are optimistic that whatever the second half holds, our clients will benefit from this discipline. There is more gray hair on our team than we would like—some of it caused by this year’s markets—which speaks to an experienced team that has navigated its share of market disruptions.



Source: CMS BondEdge. For illustration purposes only. Sector allocation cannot guarantee a profit or eliminate the risk of loss.

Thank you for your consideration and continued support.

James D. Dadura, CFA
Director of Fixed Income

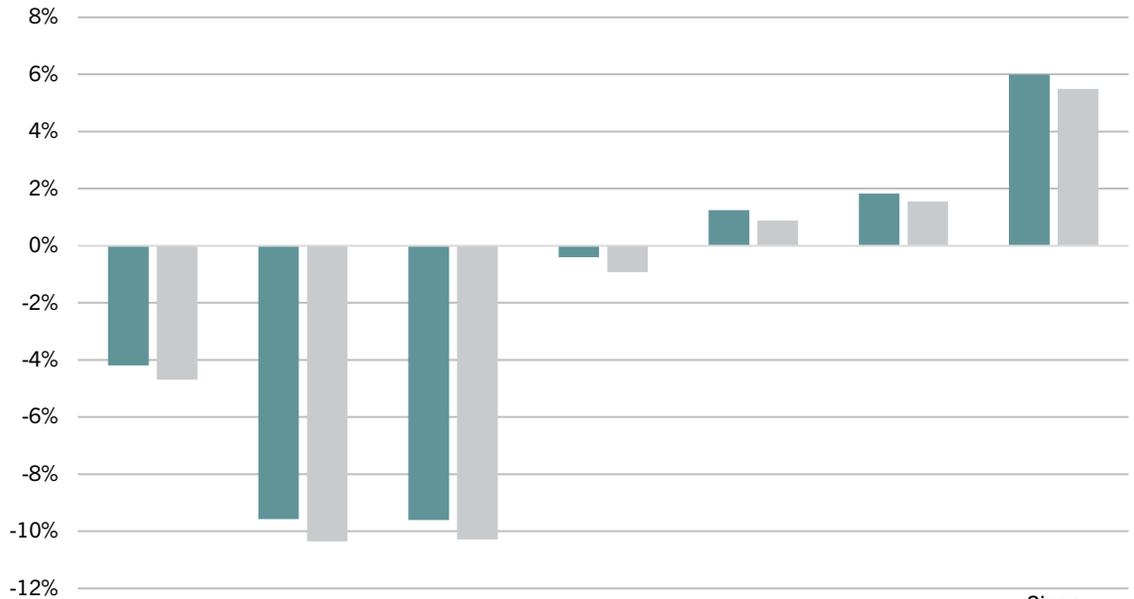
Gregory C. Hosbein, CFA
Senior Portfolio Manager

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.

PERFORMANCE

Core Fixed Income¹ vs. Bloomberg U.S. Aggregate Bond Index

Annualized Returns
As of 6/30/22



	Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception (1/1/87)
■ SBH Gross	-4.19%	-9.57%	-9.61%	-0.41%	1.24%	1.82%	5.99%
■ Bloomberg U.S. Aggregate Bond Index	-4.69%	-10.35%	-10.29%	-0.93%	0.88%	1.54%	5.49%

¹ SBH Composite. Periods greater than one year are annualized. **Past performance cannot guarantee future results.** See specific performance disclosures at the end of the presentation. Total returns are gross returns.

Source: Bloomberg. "Bloomberg®" and Bloomberg U.S. Aggregate 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 Core Fixed Income strategy. Bloomberg does not guarantee the timeliness, accurateness, or completeness of any data or information relating to SBH Core Fixed Income.

SBH CORE FIXED INCOME COMPOSITE PERFORMANCE

Core Fixed Income

Quarterly & Annual Returns
 Period Ending: 6/30/2022

Annualized Cumulative Returns

	SBH Gross (%)	SBH Net (%)	Bloomberg Agg (%)
Annualized			
1 Year	-9.61	-9.81	-10.29
3 Years	-0.41	-0.63	-0.93
5 Years	1.24	1.02	0.88
10 Years	1.82	1.60	1.54

3 Year Ex-Post Standard Deviation

	SBH (%)	Bloomberg Agg (%)
2012	2.53	2.39
2013	2.73	2.71
2014	2.60	2.63
2015	2.88	2.88
2016	3.00	2.98
2017	2.80	2.78
2018	2.84	2.84
2019	2.90	2.87
2020	3.45	3.36
2021	3.49	3.35
2022	4.41	4.49

Period		1Q (%)	2Q (%)	3Q (%)	4Q (%)	YTD (%)	# of Accounts	Std Dev. (%)	Composite Market Value (\$ mil)	Total Firm Market Value
2012	Gross of Fee	0.36	2.12	1.56	0.26	4.36	55	0.20	\$1,347.5	\$8,936.6
	Net of Fee	0.31	2.07	1.51	0.21	4.15				
Bloomberg Capital US Agg	Gross of Fee	0.30	2.06	1.58	0.22	4.21	37	0.08	\$1,072.7	\$9,729.0
	Net of Fee	1.96	2.10	0.30	1.84	6.33				
2013	Gross of Fee	0.03	-2.47	0.51	-0.03	-1.97	41	0.10	\$940.3	\$9,468.1
	Net of Fee	-0.02	-2.52	0.46	-0.08	-2.17				
Bloomberg Capital US Agg	Gross of Fee	2.01	2.15	0.35	1.90	6.55	37	0.08	\$1,072.7	\$9,729.0
	Net of Fee	1.96	2.10	0.30	1.84	6.33				
2014	Gross of Fee	1.84	2.04	0.17	1.79	5.96	37	0.06	\$986.2	\$9,592.2
	Net of Fee	1.65	-1.83	1.25	-0.45	0.58				
Bloomberg Capital US Agg	Gross of Fee	1.70	-1.78	1.30	-0.40	0.78	39	0.09	\$875.6	\$11,171.6
	Net of Fee	1.61	-1.68	1.23	-0.57	0.55				
2015	Gross of Fee	2.86	2.36	0.48	-2.97	2.65	43	0.07	\$1,472.3	\$12,466.3
	Net of Fee	2.81	2.30	0.43	-3.02	2.44				
Bloomberg Capital US Agg	Gross of Fee	3.03	2.21	0.46	-2.98	2.65	40	0.04	\$999.1	\$18,587.0
	Net of Fee	0.83	1.51	0.75	0.29	3.42				
2016	Gross of Fee	0.83	1.51	0.75	0.29	3.42	36	0.05	\$910.0	\$19,522.9
	Net of Fee	0.77	1.46	0.70	0.24	3.20				
Bloomberg Capital US Agg	Gross of Fee	0.82	1.44	0.85	0.39	3.54	36	0.17	\$976.8	\$22,890.8
	Net of Fee	-1.38	0.04	-0.04	1.87	0.46				
2017	Gross of Fee	-1.38	0.04	-0.04	1.87	0.46	36	0.17	\$976.8	\$22,890.8
	Net of Fee	-1.43	-0.01	-0.09	1.81	0.24				
Bloomberg Capital US Agg	Gross of Fee	-1.46	-0.16	0.02	1.64	0.01	34	0.21	\$1,004.1	\$25,642.3
	Net of Fee	2.98	3.00	2.36	0.05	8.63				
2018	Gross of Fee	2.98	3.00	2.36	0.05	8.63	34	0.21	\$1,004.1	\$25,642.3
	Net of Fee	2.92	2.94	2.31	-0.01	8.38				
Bloomberg Capital US Agg	Gross of Fee	2.94	3.08	2.27	0.18	8.72	34	0.16	\$856.1	\$21,621.6
	Net of Fee	3.03	3.35	0.87	0.60	8.05				
2019	Gross of Fee	3.15	2.90	0.62	0.67	7.51	34	0.16	\$856.1	\$21,621.6
	Net of Fee	-3.51	2.00	-0.04	-0.12	-1.73				
Bloomberg Capital US Agg	Gross of Fee	-3.37	1.83	0.05	0.01	-1.54	34	0.16	\$856.1	\$21,621.6
	Net of Fee	-3.45	2.06	0.02	-0.07	-1.51				
2020	Gross of Fee	-3.45	2.06	0.02	-0.07	-1.51	34	0.21	\$1,004.1	\$25,642.3
	Net of Fee	-3.51	2.00	-0.04	-0.12	-1.73				
Bloomberg Capital US Agg	Gross of Fee	-3.37	1.83	0.05	0.01	-1.54	34	0.16	\$856.1	\$21,621.6
	Net of Fee	-5.66	-4.25			-9.67				
2021	Gross of Fee	-5.61	-4.19			-9.57	34	0.16	\$856.1	\$21,621.6
	Net of Fee	-5.66	-4.25			-9.67				
Bloomberg Capital US Agg	Gross of Fee	-5.93	-4.69			-10.35	34	0.16	\$856.1	\$21,621.6
	Net of Fee	-5.66	-4.25			-9.67				
2022	Gross of Fee	-5.61	-4.19			-9.57	34	0.16	\$856.1	\$21,621.6
	Net of Fee	-5.66	-4.25			-9.67				
Bloomberg Capital US Agg	Gross of Fee	-5.93	-4.69			-10.35	34	0.16	\$856.1	\$21,621.6
	Net of Fee	-5.66	-4.25			-9.67				

Periods greater than one year are annualized. Past performance cannot guarantee future results.

SBH CORE 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 several of SBH's international composites which have been a part of SBH since the acquisition. On May 1, 2018, SBH acquired Denver Investments (DIA). As a result of the DIA acquisition, SBH added several new Portfolio Managers and composites to the overall firm. On April 30, 2021, SBH was acquired by CI Financial Corporation, a diversified global asset and wealth management company. CI provides SBH with strong financial backing and access to capital for future strategic investments to strengthen the firm and expand SBH's global reach. The Core Fixed composite was created in October, 1994. The composite's performance inception date is March 1, 1987. The Core Fixed composite is a fixed income strategy which consists of domestic investment grade fixed income securities, the majority of which have a maturity of 10 years or less. Accordingly, the composite is benchmarked against the Bloomberg Capital Aggregate Bond Index. The Bloomberg Capital Aggregate Bond Index is a broad-based benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM passthroughs), ABS, and CMBS. The Bloomberg Capital Aggregate Bond Index has a duration of 5.92 years and a maturity of 7.97 years. The Core Fixed composite is comprised of all fee paying, discretionary, tax-exempt, institutional accounts managed to this investment approach which have assets greater than \$1 million and one full quarter 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. Prior to January 1, 2010, SBH carved out the fixed income segments and the equity segments of balanced portfolios by adjusting end-of-period cash according to target allocations. Due to new GIPS guidelines effective 1/1/2010, Balanced portfolio segments are no longer included which resulted in several accounts leaving the composite. 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 Core Fixed composite accounts is 0.25% on the first \$25 million of assets, 0.20% on the next \$25 million of assets and 0.15% over \$50 million of assets. Actual fees will vary. Prior to October 1994, performance results reflect returns generated by the investment manager using this investment strategy at another firm. 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, 2021. 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.

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