Quality High Yield Fixed Income Strategy

2Q 2022 Commentary

MARKET COMMENTARY

Market Overview

- In the second quarter of 2022, the Federal Reserve (Fed) reversed 10+ years of stimulus, which took a toll on nearly all asset classes.
- Treasury yields rose across the curve and ended June at multi-year highs across all maturities.
- Inflation continued to climb in the quarter, with the Consumer Price Index hitting 8.6% at its reading in early June. In response, the 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.
- The Bloomberg U.S. High Yield 2% Issuer Capped Index (HY) ended the quarter yielding 8.89%, much higher than its 4.21% yield entering 2022.
- The quarterly loss for the high yield market was 9.84%, as measured by the Bloomberg U.S. High Yield 2% Issuer Capped Index. Over the first half of 2022, the index posted a loss of 14.19%. Spreads have widened nearly 300 bps year-to-date to 569 bps.
- Spread widening spanned all sectors. Power and commodity-driven sectors (Utility, Basic Industry and Energy) were the best performers, while Consumer sectors—both cyclicals and non-cyclicals—were the worst.
- Quality outperformed in the second quarter as market participants weighed the likelihood of a recession. The highest rating category, BBs, outperformed CCCs, the lowest rating category, by 4.55%. This contrasts with the first quarter, in which CCCs outperformed BBs by 2.06%.
- Despite the spread widening during the first half of the year, the trailing 12-month high yield default rate improved slightly in June and was essentially unchanged at the end of the quarter, rising just 0.1% to 0.9%.[1]

Performance

The Segall Bryant & Hamill Quality High Yield Fixed Income strategy returned -7.75% for the quarter versus -9.84% for the Bloomberg U.S. High Yield 2% Issuer Capped Index. Details of the contributors to and detractors from performance are in the table that follows.

[1]Source: Bank of America Merrill Lynch

(Continued on next page)

Past performance cannot guarantee future results.

MARKET COMMENTARY (continued)

Return Attribution	QTD (%)	YTD (%)	Notes
Security Selection	1.05	1.53	Similar to the first quarter, the strategy again saw positive security selection in the second quarter. The top three positive selection benefits (adding 79 basis points (bps)) were in the Media, Retail and Finance industries, driven by credit specific outcomes. The bottom three negative selection impacts (detracting 31 bps) occurred in the Consumer Products, Electric Utilities and Restaurant industries. Our credit selection centers around stress testing individual issuers' cash flows – understanding the ability to service debt not only in good times but also during the tough periods.
Sector Selection	0.92	0.53	Rating category returns for the quarter were -4.54% for Intermediate BBBs, -8.43% for BBs, -10.76% for Bs and -12.98% for CCCs. As fears of a recession increased during the quarter, quality and the higher ratings categories outperformed. The main movers were the strategy's overweight to BBB rated securities (adding 8 bps) and to BBs (adding 15 bps), its underweight to single Bs (adding 12 bps) and its zero weight to CCCs (adding 40 bps). The strategy's quality bias and focus on capital preservation drove sector selection.
Parallel Duration Shift	0.11	0.28	The strategy's duration tracked shorter than the index to start the quarter and moved to relatively inline by June end, a consequence of security selection, that resulted in a positive impact to relative performance for the quarter. For example, the 5 year U.S. Treasury (which carries a duration of 4.6 years and is most closely matched to the overall U.S. high yield market) increased from 2.46% to 3.04%, or up 58 bps during the quarter.
TOTAL	**2.09**	**2.35**	

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 and a resilient high yield market in the face of all the caution. Job growth continues to be healthy and the U.S. unemployment rate at quarter end remained low at 3.6%, near the pre-pandemic lows. High yield default rates also remain extremely low. Prior to this year, many high yield issuers took advantage of low interest rates and tight spreads to push out maturities and reduce interest costs. This will allow issuers to be patient in raising new debt as their upcoming debt maturity schedule is modest. It also helps to explain why year-to-date new issuance in the high yield market has been limited. This is a tailwind for both the technical environment (less new debt needs to be issued and purchased by the market) and default activity, as distress driven by near-term debt maturities should be more limited from any economic slowdown. In general, high yield credit fundamentals remain broadly strong, with second quarter earnings reports set to begin in mid-July.

(Continued on next page)

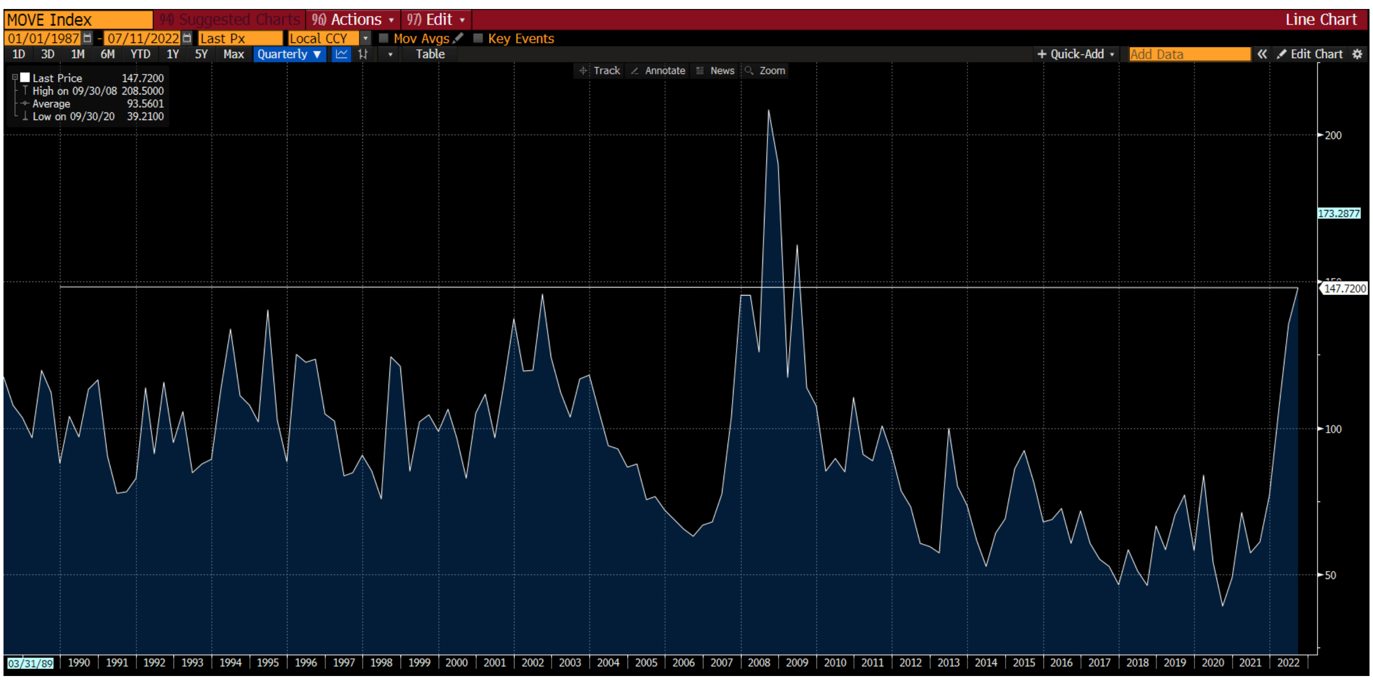
MARKET COMMENTARY

Outlook (continued)

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.

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

1/1/1987 – 7/11/2022



Source: Bloomberg

(Continued on next page)

MARKET COMMENTARY (continued)

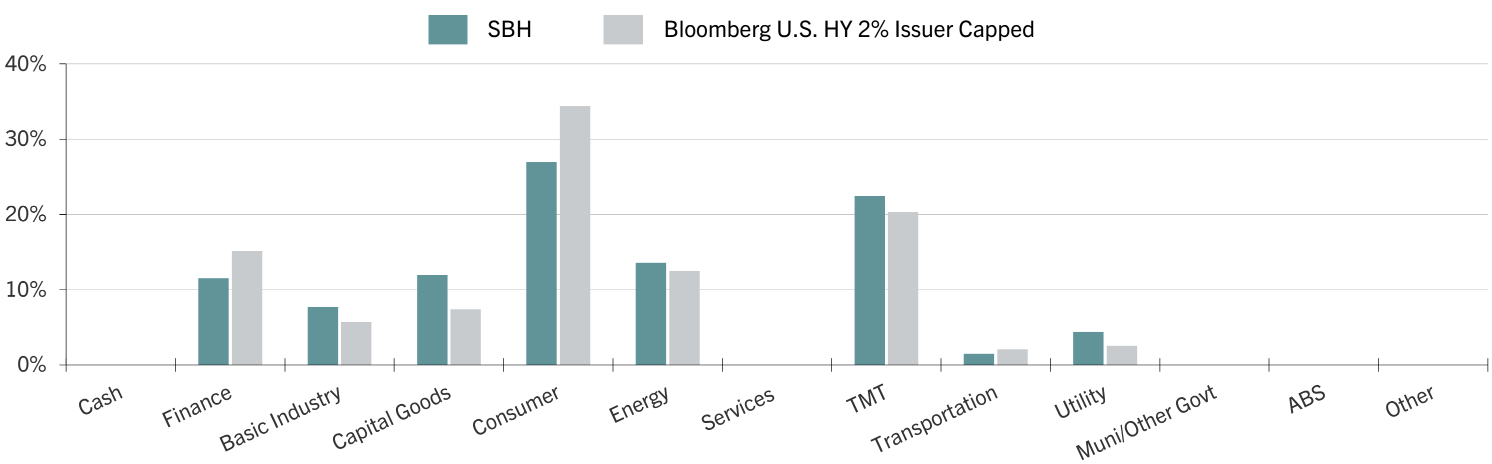
Strategy Positioning

Considering these factors, our most recent thoughts on how our Quality High Yield strategy is positioned are as follows:

- The quality bias of the strategy is represented through an overweight of BBB and BB rated securities along with an underweight of B rated securities and no holdings within the CCC ratings category. This portfolio composition is driven through our independent, bottom-up fundamental analysis, which includes stress testing each issuer.
- We remain invested in several “rising-star” candidates. These are high yield issuers that are exhibiting improving credit quality characteristics which we believe will transition to an investment grade credit rating.
- The strategy is overweight industrial and utility issues, while carrying an underweight to finance-related issuers.
- Within Industrials, the strategy is overweight sectors such as Capital Goods and Basic Industry. Underweights include consumer-related sectors.
- The strategy carries a duration that is relatively in line with the Bloomberg U.S. High Yield 2% Issuer Capped Index.

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.

Sector Allocation
As of 6/30/22



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.

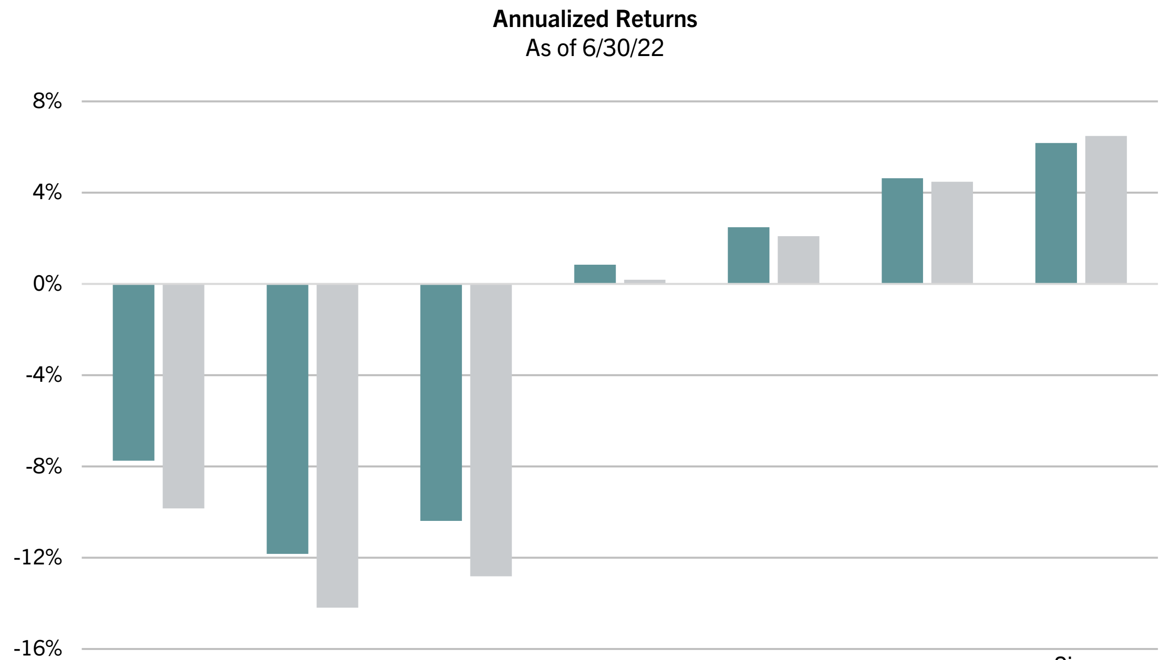
Troy A. Johnson, CFA
Director of Fixed Income Research

Gregory M. Shea, 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

Quality High Yield Fixed Income[1] vs. Bloomberg U.S. HY 2% Issuer Capped Bond Index



	Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception (10/1/00)
SBH Gross	-7.75%	-11.84%	-10.39%	0.84%	2.48%	4.62%	6.17%
Bloomberg U.S. HY 2% Issuer Cap	-9.84%	-14.19%	-12.82%	0.18%	2.09%	4.47%	6.48%

[1] SBH Composite. Periods greater than one year are annualized. ***Past performance cannot guarantee future results.*** *Effective third quarter 2019, the primary benchmark for the Segall Bryant & Hamill Quality High Yield Strategy has changed to the Bloomberg U.S. High Yield 2% Issuer Capped Index. The Strategy has elected to use the Bloomberg U.S. High Yield 2% Issuer Capped Index because management believes it is a more appropriate broad-based index for comparison purposes. See specific performance disclosures at the end of the presentation. Total returns are gross returns.*

Source: Bloomberg. "Bloomberg®" and Bloomberg U.S. High Yield 2% Issuer Capped 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 Quality High Yield Fixed Income strategy. Bloomberg does not guarantee the timeliness, accurateness, or completeness of any data or information relating to SBH Quality High Yield Fixed Income.

SBH QUALITY HIGH YIELD FIXED INCOME COMPOSITE PERFORMANCE

Quality High Yield Fixed Income

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

Annualized Cumulative Returns

Annualized	SBH Gross (%)	SBH Net (%)	Bloomberg U.S. High Yield 2% Issuer Cap (%)
1 Year	-10.39	-10.65	-12.82
3 Years	0.84	0.50	0.18
5 Years	2.48	2.08	2.09
10 Years	4.62	4.18	4.47

3 Year Ex-Post Standard Deviation

	SBH (%)	Bloomberg U.S. High Yield 2% Issuer Cap (%)
2012	4.55	7.07
2013	4.29	6.42
2014	3.53	4.50
2015	4.31	5.25
2016	4.79	5.99
2017	4.43	5.56
2018	3.60	4.59
2019	2.97	4.02
2020	7.48	9.24
2021	7.36	9.00
2022	8.35	9.96

Period		1Q (%)	2Q (%)	3Q (%)	4Q *(%)	YTD (%)	# of Accounts	Std Dev. (%)	Composite Market Value ($ mil)	Total Firm Market Value
2012	Gross of Fee	3.58	1.74	3.66	1.98	11.41	1	nm	$80.5	na
	Net of Fee	3.48	1.62	3.54	1.86	10.90				
	Bloomberg U.S. High Yield 2% Issuer Cap	5.35	1.79	4.53	3.29	15.78				
2013	Gross of Fee	1.72	-0.98	1.70	2.69	5.20	1	nm	$66.0	na
	Net of Fee	1.61	-1.09	1.59	2.58	4.73				
	Bloomberg U.S. High Yield 2% Issuer Cap	2.89	-1.44	2.28	3.57	7.44				
2014	Gross of Fee	2.80	1.99	-0.66	1.68	5.89	1	nm	$64.8	na
	Net of Fee	2.68	1.87	-0.77	1.56	5.42				
	Bloomberg U.S. High Yield 2% Issuer Cap	2.98	2.41	-1.86	-1.00	2.46				
2015	Gross of Fee	2.77	-0.43	-2.55	-0.40	-0.69	1	nm	$58.0	na
	Net of Fee	2.65	-0.55	-2.66	-0.51	-1.13				
	Bloomberg U.S. High Yield 2% Issuer Cap	2.52	0.01	-4.83	-2.06	-4.43				
2016	Gross of Fee	3.91	4.21	3.96	0.95	13.64	1	nm	$75.1	na
	Net of Fee	3.79	4.10	3.84	0.84	13.13				
	Bloomberg U.S. High Yield 2% Issuer Cap	3.35	5.52	5.55	1.75	17.13				
2017	Gross of Fee	2.25	2.28	1.81	0.30	6.79	1	nm	$78.8	na
	Net of Fee	2.14	2.17	1.69	0.19	6.32				
	Bloomberg U.S. High Yield 2% Issuer Cap	2.70	2.17	1.98	0.47	7.50				
2018	Gross of Fee	-0.99	0.34	2.07	-2.43	-1.05	1	nm	$56.1	$18,587.0
	Net of Fee	-1.10	0.23	1.96	-2.54	-1.50				
	Bloomberg U.S. High Yield 2% Issuer Cap	-0.86	1.03	2.40	-4.54	-2.08				
2019	Gross of Fee	6.28	2.65	1.88	1.87	13.22	1	nm	$61.5	$19,522.9
	Net of Fee	6.18	2.46	1.76	1.83	12.73				
	Bloomberg U.S. High Yield 2% Issuer Cap	7.26	2.50	1.33	2.61	14.32				
2020	Gross of Fee	-9.48	9.35	4.37	4.32	7.78	2	nm	$89.5	$22,890.8
	Net of Fee	-9.55	9.26	4.29	4.21	7.40				
	Bloomberg U.S. High Yield 2% Issuer Cap	-12.68	10.14	4.58	6.44	7.05				
2021	Gross of Fee	-0.15	2.46	1.16	0.48	3.99	2	nm	$182.5	$25,642.3
	Net of Fee	-0.26	2.35	1.07	0.42	3.61				
	Bloomberg U.S. High Yield 2% Issuer Cap	0.86	2.74	0.89	0.69	5.26				
2022	Gross of Fee	-4.44	-7.75			-11.84	3	nm	$155.0	$21,621.6
	Net of Fee	-4.50	-7.83			-11.97				
	Bloomberg U.S. High Yield 2% Issuer Cap	-4.82	-9.84			-14.19				

nm: composite held five or fewer accounts for the entire year. Internal dispersion (standard deviation) is not presented for this period.
na: this was a Denver Investments composite prior to the DIA acquisition by SBH on May 1, 2018.

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

SBH QUALITY HIGH YIELD 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 Quality High Yield Fixed Income composite was created May 2018. The composite's performance inception date is October 1, 2000. Performance shown prior to May 1, 2018 represents results achieved by the Fixed Income team while it was a part of Denver Investment Advisors. The Quality High Yield Fixed Income composite is defined to include all fee-paying, discretionary accounts that are managed according to the Quality High Yield Fixed Income strategy. The composite includes all actively managed accounts that are benchmarked to the Bloomberg US Corporate High Yield 2% Capped Index and invest in high-income producing securities, primarily corporate bonds, concentrated in below-investment grade securities with maturities less than 30 years. Accounts in the composite invest in both SEC registered securities and private 144a securities. Accordingly, the composite is benchmarked against the Bloomberg U.S. High Yield 2% Issuer Cap. The Bloomberg US High Yield 2% Issuer Index measures the performance of high yield corporate bonds with a maximum of 2% to any one issuer. Prior to September 2019, the composite's benchmark was the Bloomberg US High Yield Ba. The benchmark was changed to the Bloomberg US High Yield 2% Issuer Cap on 9/16/2019 because management believes it is a more appropriate broad-based index for comparison purposes. 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. As of January 1, 2019, net results reflect actual fees paid. The current fee schedule applicable to the Quality High Yield Fixed Income composite accounts is 0.35% on the first $25 million of assets, 0.30% on the next $25 million of assets and 0.25% over $50 million of assets. Actual fees will vary. From 1/1/08 to 12/31/14, net of fee returns were calculated by deducting the maximum applicable advisory fee in effect, pro-rated on a quarterly basis. From 1/1/15 – 12/31/18, net of fee returns were calculated by deducting the maximum applicable advisory fee in effect, pro-rated on a monthly basis. 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.

SEGALL BRYANT & HAMILL

540 West Madison Street
Suite 1900
Chicago, IL 60661
Main: (312) 474-1222
Toll Free: (800) 836-4265
www.sbhic.com