



MARKET COMMENTARY

Fixed Income Market Overview

- The quarterly loss for the broad 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 in all sectors of investment grade (IG) and high yield (HY) corporate bonds during the quarter. In IG, the Basic Industry sector (e.g., chemicals, raw materials, etc.) widened the most, while Utilities were the most defensive. For HY, the Utilities sector was again the best performer while Consumer sectors—both cyclical and non-cyclical—were the worst performers.

Municipal Market Overview

While negative, returns in Municipals were a bright spot in the fixed income market for the second quarter, with the Bloomberg Municipal Aggregate Index returning -2.94%, handily outperforming most taxable benchmarks.

The second quarter gave us what is hopefully some light at the end of the tunnel. The quarter started with the municipal market extending its losses from the first quarter until mid-May at which time it made a dramatic U-turn. This rally, however, was not entirely surprising. As strength began to show, those offering out bonds to gain liquidity pulled their offers and suddenly there was a dearth of tax-exempt bonds available. The “up and down” nature of the market continued for a few weeks until the end of the quarter, when it felt like the market had found some solid footing. We had previously commented that we believed the brunt of price losses had been taken in the first quarter and so far, that has proven to be true. With yields now significantly higher than at the start of the year, it should prove easier to offset price losses if yields begin to rise again.

As we have expressed previously, we view investment grade municipal credit as strong across most sectors, yet credit spreads continue to widen. As we have seen in the past, this widening seems to be driven by liquidity rather than fundamentals. We have used this opportunity to continue to reposition our portfolio into credits that we like at wider spreads. Cracks have begun to show in some sectors of the high yield space, especially in the Retirement Community and Retail sectors, as one of the largest high yield deals missed a payment and will likely be entering the litigation/restructuring process in the second half of the year. We believe that the Land sector could come under significant pressure if we begin to see weakness in housing. This has been one of our favorite sectors over the last decade, but we have moved up in credit quality over the last few years, as underwriting has become more aggressive.

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MARKET COMMENTARY (continued)

MAJOR MUNICIPAL BOND INDEX RETURNS (%)¹

	YTW	Duration (years)	Q2 Return	YTD Return
Short Duration (1-5 Years)	2.32	2.67	-0.02	-3.67
Intermediate (1-15 Years)	2.82	4.32	-1.55	-6.80
Long Duration (22+ Years)	4.15	10.82	-6.59	-14.66

Yields

	Treasuries	Industrials (A)	AAA GO Muni	AAA GO Muni at 35% Tax Rate	AA Revenue	AA Revenue Muni at 35% Tax Rate	A Revenue	A Revenue Muni at 35% Tax Rate
1 yr	3.12	3.16	1.47	2.26	1.60	2.47	1.96	3.01
3 yr	3.25	3.60	1.89	2.90	2.01	3.09	2.43	3.73
5 yr	3.19	3.80	2.05	3.15	2.19	3.37	2.62	4.04
7yr	3.13	3.94	2.27	3.50	2.47	3.80	2.87	4.41
9 yr	3.03	4.06	2.42	3.73	2.68	4.12	3.02	4.65
10 yr	3.02	4.12	2.50	3.84	2.78	4.28	3.14	4.82
15 yr	3.02	4.39	2.78	4.27	3.20	4.93	3.52	5.42
20 yr	3.48	4.56	2.89	4.44	3.42	5.26	3.75	5.77
25 yr	3.41	4.54	3.00	4.61	3.59	5.52	3.92	6.02
30 yr	3.18	4.52	3.06	4.70	3.59	5.52	3.99	6.14

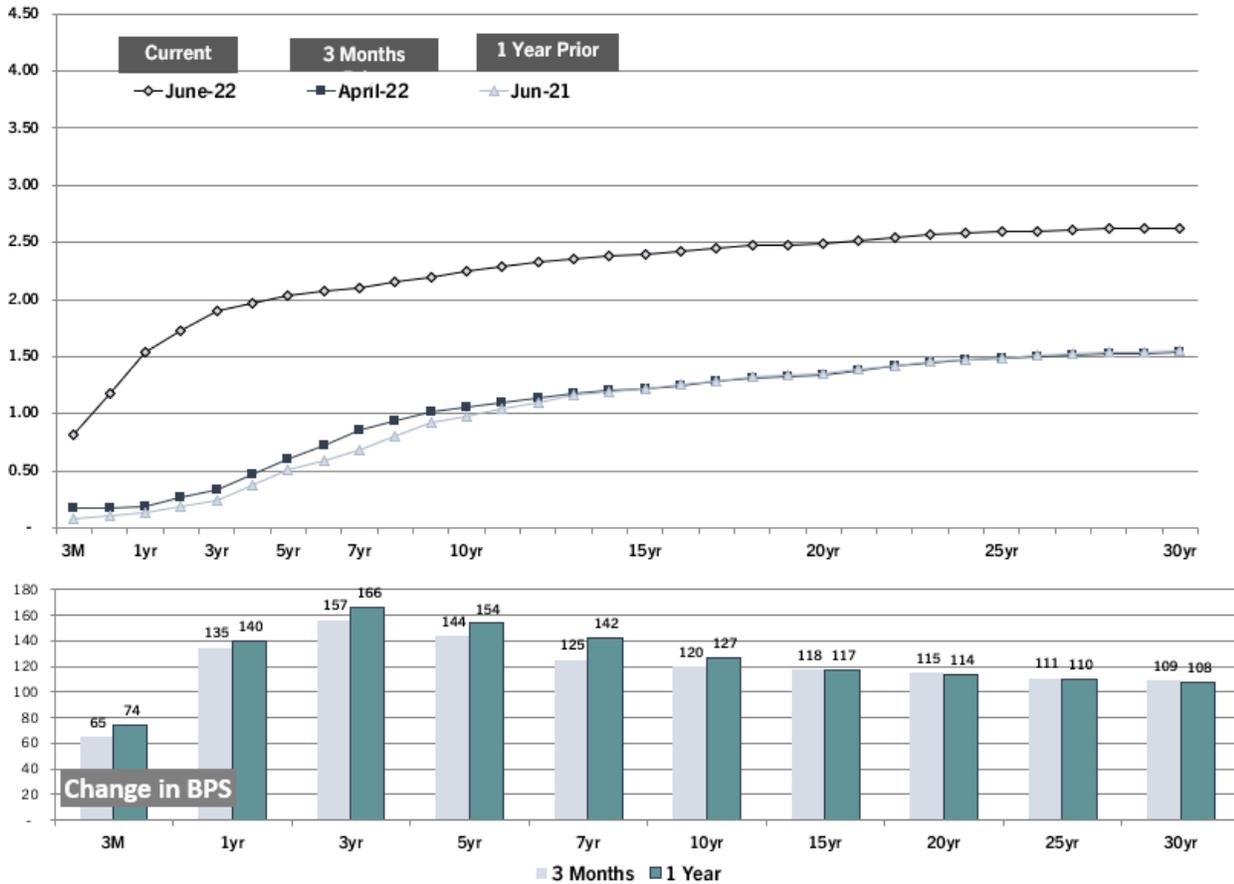
Source: Bloomberg as of 6/30/22

¹Source: Bloomberg data as of 6/30/22. 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 cannot guarantee future results. This chart is for illustrative purposes only.

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MARKET COMMENTARY (continued)

Shifts in the Muni Yield Curve



Source: Bloomberg as of 6/30/22

Strategy Performance

The Segall Bryant & Hamill Short/Intermediate Municipal strategy returned -2.16% for the quarter versus -0.84% for the Bloomberg MM Short/Intermediate 1-10 Year Bond Index.

We are disappointed with the strategy’s performance versus the benchmark and remain dedicated to learning from our mistakes and positioning the strategy as best as we can going forward. It has been a challenging year, no question about it. Coming into this year, we thought there would be headwinds and believed we were defensively positioned from a rates perspective. This has not been the case, as many of our defensive rate positions did not perform as we expected and ended up with losses far exceeding what we had modeled. We have taken the lessons learned and worked hard to restructure the strategy away from areas that did not react in the way in which we believed they would.

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MARKET COMMENTARY (continued)

Strategy Positioning

The most important factors impacting Municipals cannot be easily seen from outside this market, and that has been a source of confusion and frustration for investors. As we've said previously, the municipal market is very structurally complex, and those complexities are truly driving the market. Factors such as coupon/call structure optionality, extension risk, de minimis, and negative convexity are ones we have re-evaluated in every bond that we own, sell, and buy.

While these markets have caused pain, they also have created many opportunities, especially in complex structures and lower investment grade credit. While there may still be some spread volatility through this cycle, we believe we have hit a point where investors are being overcompensated for actual underlying credit risk. At current nominal yield levels, we believe that after-tax total returns are going to be highly competitive with a variety of asset classes over the next couple years.

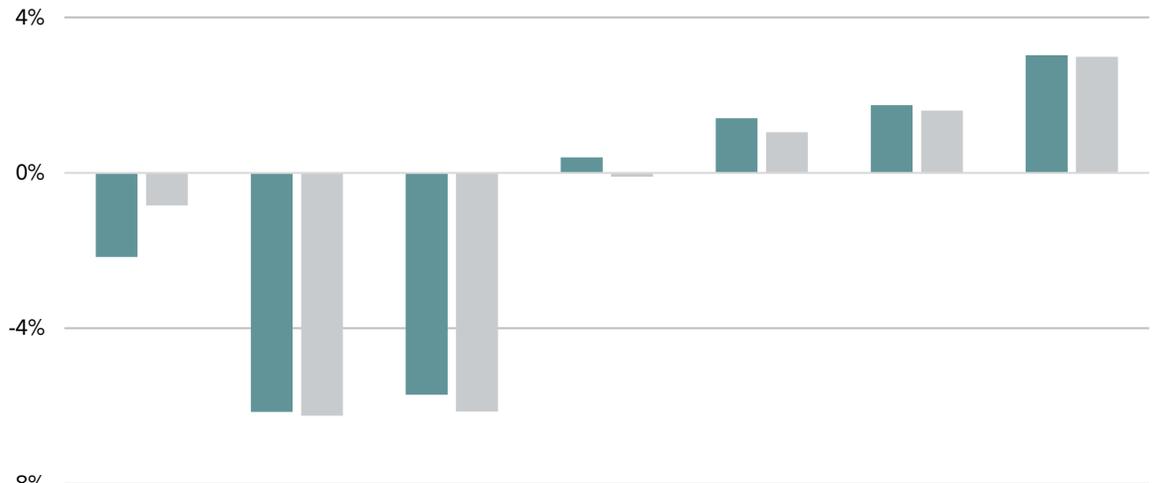
Thank you for your consideration and continued support.

Nicholas J. Foley
Senior Portfolio Manager

Kenneth A. Harris, 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

Short/Intermediate Municipal¹ vs. Bloomberg U.S. MM Short/Intermediate 1-10 Year Bond IndexAnnualized Returns
As of 6/30/22

	Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception (1/1/03)
■ SBH Gross	-2.16%	-6.15%	-5.71%	0.40%	1.41%	1.74%	3.03%
■ Bloomberg U.S. MM Sh/Int 1-10 Yr	-0.84%	-6.25%	-6.14%	-0.10%	1.05%	1.60%	2.99%

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. Managed Money 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. Bloomberg does not guarantee the timeliness, accurateness, or completeness of any data or information relating to SBH Short/Intermediate Municipal Fixed Income.

SBH SHORT/INTERMEDIATE MUNICIPAL FIXED INCOME COMPOSITE PERFORMANCE

Short/Intermediate Municipal Fixed Income

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

Annualized Cumulative Returns

Annualized	SBH Gross (%)	SBH Net (%)	Bloomberg Short/Int (%)
1 Year	-5.71	-5.94	-6.14
3 Years	0.40	0.15	-0.10
5 Years	1.41	1.16	1.05
10 Years	1.74	1.49	1.60

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	3.24	3.95

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	-2.16			-6.15	3	nm	\$22.0	\$21,621.6
	Net of Fee	-4.14	-2.22			-6.27				
Bloomberg MM Short/Intermediate		-5.46	-0.84			-6.25				

nm: composite held five or fewer accounts for the entire year. Internal dispersion (standard deviation) is not presented for this period.

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

SBH 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 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 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, 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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