



Total Firm Equity AUM/AUA\*\*: \$12.6B

Total Firm AUM/AUA\*\*: \$25.4B

Total Strategy AUM/AUA\*: \$678.7M

Inception of the Strategy: 1/1/02

## INVESTMENT PHILOSOPHY

We use in-depth proprietary research to uncover investments that have the potential to offer consistent returns over the long term and downside protection through market cycles. We believe combining a focus on high or improving return on invested capital (ROIC) with niche market companies that have defendable competitive advantages and target smaller overall markets allows companies to compound value over time by generating strong free cash flow, reinvesting that cash at high rates of return, which results in compounding free cash flow and can ultimately lead to an increase in equity value.

## KEY FEATURES

- Utilizes a core investment approach consisting of companies with a market capitalization that does not typically exceed those in the Russell 2000® Index.
- Employs proprietary screens to limit the universe to companies with low embedded expectations.
- Leverages our investment process with the goal of identifying catalysts of change for improved returns while guarding for risk.

## PORTFOLIO CHARACTERISTICS

	SBH Gross	Russell 2000®
Return on Investment	16.8%	8.6%
Earnings Growth (5 yrs) <sup>1</sup>	15.6%	-0.2%
P/E Projected	20.4x	28.1x
Price/Cash Flow	14.2x	12.9x
Wtd. Avg. Market Cap	\$6,527M	\$4,700M
Turnover (3 yrs trailing)	32.1%	–
Total Number of Holdings	89	1,945

Source: FactSet

<sup>1</sup> Calculated from current year.

## RISK/RETURN STATISTICS (3 YRS)

	SBH Gross	Russell 2000®
Beta	0.79	1.00
Std. Deviation	17.66	21.39
Tracking Error	7.06%	–
Upside Capture	87.91	100.00
Downside Capture	75.88	100.00
Sharpe Ratio	0.21	-0.13

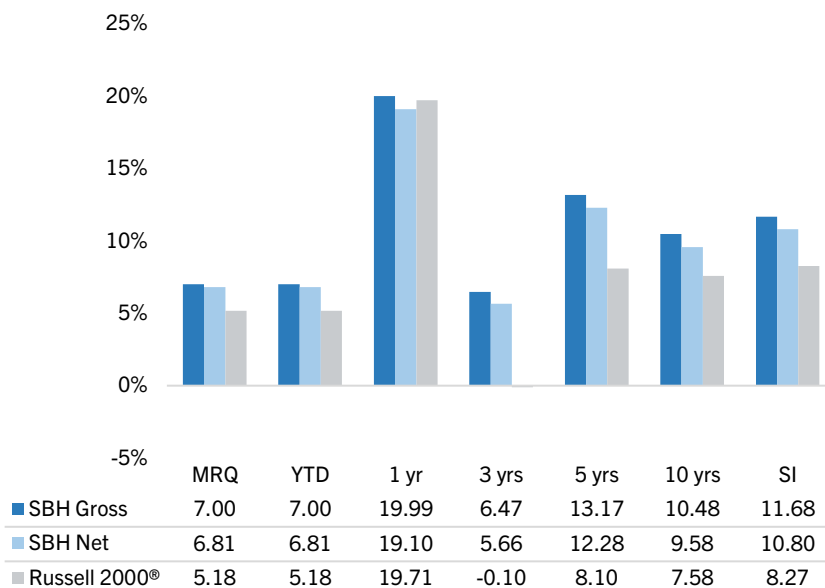
Source: eVestment

\*Assets under management/Assets under advisement (AUM/AUA) data as of 3/31/24. Model UMA assets of \$63.7M are included in the AUA portion of the AUM/AUA total.

\*\*Includes domestic and international equity. Corient Private Wealth assets of \$7.03 billion are included in the AUM portion and Model UMA assets of \$558.5M are included in the total firm equity assets (AUM/AUA) as of 3/31/24.

Past performance cannot guarantee future results. All investments involve risk, including the possible loss of capital. Indexes are unmanaged and do not incur management costs or fees. One cannot invest directly in an index. See last page for important disclosures and definitions.

## ANNUALIZED PERFORMANCE (%)



## CALENDAR YEAR RETURNS (%)

	SBH Gross	SBH Net	Russell 2000®
2023	15.36	14.51	16.93
2022	-12.42	-13.12	-20.44
2021	24.68	23.71	14.82
2020	24.01	23.02	19.96
2019	28.63	27.60	25.53
2018	-3.99	-4.82	-11.01
2017	16.37	15.36	14.65
2016	16.10	15.11	21.30
2015	-5.74	-6.50	-4.42
2014	4.61	3.75	4.90

Periods greater than one year are annualized. MRQ=Most Recent Quarter; SI=Since Inception.  
Source: FactSet, Russell

# Small Cap Core Equity

## PORTFOLIO MANAGEMENT



**Jeff C. Paulis, CFA**  
Senior Portfolio Manager

MBA, University of Chicago  
B.S., Saint Louis University



**Mark T. Dickherber, CFA, CPA**  
Director of Small Cap Strategies

B.S., University of Missouri-St. Louis

SECTOR EXPOSURE	% Portfolio	% Benchmark	Relative Weights
Communication Services	0.0	2.1	-2.1
Consumer Discretionary	12.1	10.8	1.3
Consumer Staples	3.0	3.3	-0.3
Energy	4.1	7.3	-3.2
Financials	6.0	15.9	-9.9
Health Care	9.7	15.3	-5.6
Industrials	29.8	17.6	12.1
Information Technology	16.5	15.0	1.6
Materials	8.5	4.5	4.0
Real Estate	2.9	5.6	-2.7
Utilities	0.0	2.5	-2.5
Cash & Cash Equivalents	7.3	—	7.3

Sector classifications presented are based on the GICS methodology. Totals may not sum to 100% due to rounding.

TOP TEN HOLDINGS	Ticker	% Portfolio
KBR, Inc.	KBR	2.2
Enpro Inc.	NPO	2.0
ITT, Inc.	ITT	1.9
Casella Waste Systems, Inc. Class A	CWST	1.8
Descartes Systems Group Inc.	DSGX	1.8
EMCOR Group, Inc.	EME	1.8
Modine Manufacturing Company	MOD	1.7
Silgan Holdings Inc.	SLGN	1.7
SPX Technologies, Inc.	SPXC	1.7
Matador Resources Company	MTDR	1.6
<b>Total (% of portfolio)</b>		<b>18.2</b>

Top ten holdings are reported based on the market value of individual positions in the portfolio. Holdings are subject to change, vary over time and should not be considered a recommendation to buy or sell. It should not be assumed that future holdings will be profitable or equal the performance of these holdings. Each investor's holdings may be different based on their objectives.

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### Definitions

**Return on Investment:** performance measure used to evaluate the efficiency or profitability of an investment relative to the investment's cost.

**Earnings Growth (5 yrs):** annual compound growth rate of earnings from investments.

**Price Earnings (P/E) Projected:** ratio of Price to Earnings that uses forecasted earnings to estimate likely earnings per share for the next 12 months.

**Price/Cash Flow:** measure of the value of a stock's price relative to its operating cash flow per share.

**Weighted Average Market Cap:** type of market capitalization in which each component is weighted according to the size of its total market capitalization. Components that have a higher market cap have more influence because they constitute a higher percentage in the index; those with smaller caps have less influence.

**Turnover:** the percentage of a portfolio that is sold in a particular month or year.

**Beta:** measure of volatility – or systemic risk – of a security or portfolio compared to the market as a whole.

**Standard Deviation:** the average return earned in excess of the risk-free rate per unit of volatility or total risk.

**Tracking Error:** measure of how closely a fund follows the index to which it is benchmarked.

**Upside Capture:** statistical measure of an investment manager's overall performance in up markets.

**Downside Capture:** statistical measure of an investment manager's overall performance in down markets.

**Sharpe Ratio:** the average return earned in excess of the risk-free rate per unit of volatility or total risk.

**The Russell 2000® Index** is a subset of the Russell 3000® Index and measures the performance of the 2,000 smallest U.S. companies. These companies generally have a weighted average market value of \$2.3 billion. Direct investment in an index is not possible.

### Disclosures

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. The current fee schedule applicable to the Small Cap Core composite accounts is 0.80% on the first \$50 million of assets, 0.70% on the next \$50 million of assets and 0.65% over \$100 million of assets. Actual fees will vary. All information is based on U.S. dollar values.

### Investment Risks

Market conditions can vary widely over time and can result in a loss of portfolio value. Investing in equity securities is speculative and involves substantial risk. The market value of investments will fluctuate as stock markets fluctuate.

Investments in small cap companies involve risks and volatility greater than investments in larger, more established companies.

### Disclaimers

The future performance of any investment, including those recommended by us, may not be profitable or suitable or prove successful. **Past performance does not guarantee future performance. All investments involve risk, including the possible loss of capital. It is not possible to invest directly in an index. Indexes are unmanaged and do not incur fees and expenses.**

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