

GLOBAL LARGE CAP

FACT SHEET | December 31, 2018

STRATEGY

- Seek to invest in high-quality dividend-paying companies that have historically shown the ability to grow their dividends over time
- Seek cash-generative companies with stable earnings and operations that can deliver consistent returns on capital over full market cycle
- Employ bottom-up, team-based stock selection process

Top Ten Holdings^{2,3} (%)

Nestle SA (Consumer Staples)	4.0
Toyota Motor Corp (Consumer Discretionary)	4.0
Helvetia Holding AG (Financials)	3.9
Exelon Corp (Utilities)	3.8
Kimberly-Clark Corp (Consumer Staples)	3.8
AbbVie Inc (Health Care)	3.8
Novartis AG (Health Care)	3.7
US Bancorp (Financials)	3.7
Walmart Inc (Consumer Staples)	3.7
Koninklijke Vopak NV (Energy)	3.6
Total (% of portfolio)	38.1%

¹Data is based on firm's Global Large Cap composite. Past performance does not guarantee future results and future performance may be lower or higher than the performance presented. See Performance Disclosure for additional performance information.

²Information presented is for a representative portfolio which is an account in the composite that we believe most closely reflects current portfolio management style for the strategy. Performance is not a consideration in the selection of the representative portfolio. The information of the representative portfolio shown may differ from that of the composite and of the other accounts in the composite. Information on this page is considered supplemental information to the Performance Disclosure. Weights may not sum to 100% due to rounding.

³The specific securities identified and described do not represent all the securities purchased, sold or recommended for clients in the composite and no assumption should be made that such securities or future recommendations will be profitable in the future.

⁴Source: FactSet

⁵Beta statistic based on monthly data. Three years. Source: FactSet

Performance¹

Periods Ended 12/31/18 (%)	QTD	YTD	Annualized Returns			
			1 Year	3 Years	5 Years	10 Years
Global Large Cap (gross)	-8.19	-7.60	-7.60	6.97	5.32	-
Global Large Cap (net)	-8.35	-8.20	-8.20	6.28	4.64	-
Russell Developed Large-Cap Index ⁴	-13.58	-8.93	-8.93	6.31	4.61	-

Calendar Year (%)	2018	2017	2016	2015	2014	2013
Global Large Cap (gross)	-7.60	20.73	9.71	0.36	5.49	9.72
Global Large Cap (net)	-8.20	19.96	9.01	-0.29	4.81	9.25
Russell Developed Large-Cap Index ⁴	-8.93	22.51	7.70	-0.87	5.78	14.96

2013 performance represents the period from 5/1/2013 through 12/31/2013.

Segall Bryant & Hamill acquired Denver Investment Advisors LLC on 4/30/2018. Performance results before this date reflect returns generated by the portfolio managers at Denver Investment Advisors LLC.

Portfolio Characteristics^{2,5}

	Global Large Cap	Russell Developed Large-Cap ⁴
Weighted Average Market Capitalization (\$ Mil)	\$78,860	\$121,287
Median Market Capitalization (\$ Mil)	\$52,935	\$7,040
5 Year Dividend Growth	10.1%	10.5%
Price/Book Value	2.8x	3.4x
Return on Assets	8.4%	6.9%
Long-Term Debt/Capital	40.4%	36.4%
Dividend Yield (1 year trailing)	3.2%	2.6%
Beta (3 Years)	0.74	-
Turnover (3 year average)	45%	-
Number of Holdings	37	

Sector Allocation²

	Global Large Cap	Russell Developed Large-Cap ⁴	Relative Weights
Communication Services	3.2	8.1	-4.9
Consumer Discretionary	16.6	10.1	6.5
Consumer Staples	13.8	8.4	5.4
Energy	6.7	5.7	1.0
Financials	13.7	16.4	-2.7
Health Care	13.6	13.2	0.4
Industrials	9.3	11.4	-2.1
Information Technology	13.6	14.8	-1.2
Materials	3.1	4.8	-1.7
Real Estate	0.0	3.8	-3.8
Utilities	5.5	3.4	2.1
Cash	0.9	0.0	0.9

Market Overview

In the fourth quarter of 2018, bullishness gave way to bearishness. Having bid up stocks in the third quarter to achieve the longest bull market on record, investors appear to have become fearful of rising interest rates, China trade tensions, the partial government shutdown and global policy uncertainty. As investors attempted to reduce risk, markets saw a transition away from more economically sensitive stocks, such as those in the Energy sector, and toward more defensive stocks, such as those in the Utilities sector. Investors also favored stocks with less exposure to foreign sales and those of larger capitalization companies. Unlike previous risk-off market pullbacks, neither reasonable valuation nor a commitment to paying a dividend provided a cushion, which continued the two-year trend of markets tending to overlook valuation and dividend payments.

Portfolio Performance

For the fourth quarter of 2018, the Segall Bryant & Hamill Global Large Cap portfolio outperformed the -13.58% return of its benchmark, the Russell Developed Large-Cap Index. U.S. equity markets were led by stocks with lower risk profiles, less exposure to foreign sales and strong momentum.

Contributors to Return

The sectors that contributed most to the portfolio's return relative to its benchmark in the quarter were Consumer Discretionary, Consumer Staples and Information Technology. Consumer Discretionary holding Starbucks Corp. (SBUX), a producer, marketer and retailer of specialty coffee, was the portfolio's top performer. In the quarter, SBUX's management reaffirmed fiscal year 2019 guidance and updated its long-term outlook. While growth projections were in line with expectations, details of the company's strategy for supporting its growth plan resonated well with investors. Another strong performer was Consumer Staples holding Walmart Inc. (WMT), a global mass retailer of consumer products. WMT's stock recovered from a mid-quarter decline that was largely driven by macroeconomic fears. Additionally, evidence of strong holiday sales helped dispel investors' concerns of a looming pullback in consumer spending.

Detractors from Return

The portfolio's weakest sectors relative to its benchmark were Materials, Real Estate and Communications Services. Royal DSM NV (official stock name Koninklijke DSM N.V.), a Dutch multinational company whose business groups include nutrition and materials, was among the portfolio's most significant detractors in the quarter. This Materials sector holding struggled alongside its global chemicals peers due to the group's sensitivity to economic expectations, particularly in Europe and China. In addition, in its quarterly earnings report released in October, Royal DSM indicated that exceptionally favorable pricing in the vitamin market had started to normalize and noted some emerging weakness in European and Chinese automotive markets. Royal DSM's cash-flow focus in its food and nutrition markets, and its initiatives to reduce leverage during strong economic cycles to allow for expanded investments and capital return initiatives for investors, give us optimism. Information Technology sector holding Broadridge Financial Solutions, Inc. (BR), a provider of technology solutions and investor communications, was another detractor in the quarter. Despite reporting better-than-expected earnings, BR gave back some of its strong year-to-date gains following a slowdown in revenue in its Investor Communication Solutions segment. We believe the company has a strong competitive advantage and that cash flow growth will continue through new business as well as recurring revenues.

Outlook and Positioning

Uncertainty and risk intensified in the fourth quarter, driving volatility higher. Looking ahead, we expect continued volatility as investors ponder the implications of a strong domestic economy paired with policy uncertainty, interest rate actions by the U.S. Federal Reserve (Fed) and a slowing global economy. The market environment of the last two years has largely ignored valuation, focusing instead on momentum and growth, which has created headwinds for our strategy. Despite these challenges, we remain confident in our belief that over time attractively valued, fundamentally sound businesses that generate consistent cash flows and pay dividends will be rewarded.

Top 5 Contributors/Detractors (By Sector)^{2,6}

Top 5 Contributors	Average Weight	Absolute Contribution to Return
Starbucks Corporation	3.54	0.42
Broadcom Inc.	3.43	0.19
Exelon Corporation	2.98	0.17
Walmart Inc.	4.01	0.11
Johnson & Johnson	0.93	0.10

Top 5 Detractors	Average Weight	Absolute Contribution to Return
Broadridge Financial Solutions, Inc.	3.65	-1.11
Occidental Petroleum Corporation	3.28	-0.91
Royal DSM NV	3.11	-0.79
QUALCOMM Incorporated	3.15	-0.70
Lowe's Companies, Inc.	3.15	-0.67

⁶The securities identified on this chart were determined after consistently calculating the weight of each holding in the representative account multiplied by the rate of return for that holding during the period. The securities identified do not represent all of the securities purchased, sold or recommended for advisory clients. You may obtain a complete list showing the contribution of each holding in the representative account to the overall account performance during the period presented by calling (303) 312-5000.

The performance data quoted represents past performance and does not guarantee future results. Current performance may be lower or higher than the performance data quoted. Investment return and principal value will vary, and initial investments may be worth more or less than their original investment. To obtain current performance as of the most recent month-end and for important performance disclosures, please see the strategy's composite performance at www.sbhic.com

The Manager Commentaries contain certain forward-looking statements about the 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 they are inherently uncertain and difficult to predict. Actual events may cause adjustments in portfolio management strategies from those currently expected to be employed.

Performance Disclosure: Global Large Cap Composite

Year	— Composite Assets—			Composite Gross of Fees Annual Return (%)	Composite Net of Fees Annual Return (%)	Russell Developed Large Cap Index (%)	Composite 3 Year Standard Deviation (%)	Index 3 Year Standard Deviation (%)	Composite Dispersion (%)	Total Firm Assets (Incl. Model Portfolios)* (\$Bil)	Total Firm Assets (\$Bil)
	Dollars (\$ millions)	% of Firm Assets	Composite Accounts								
2017	56	<1.0	1	20.73	19.96	22.51	8.89	10.35	-	7.284	6.995
2016	48	0.7	1	9.71	9.01	7.70	9.86	11.07	-	7.476	7.169
2015	41	0.6	1	0.36	-0.29	-0.87	-	-	-	7.606	7.382
2014	51	1.0	1	5.49	4.81	5.78	-	-	-	9.596	9.373
2013 (5/1/13)	60	1.0	1	9.72	9.25	14.96	-	-	-	10.009	9.794

*Number includes a portion of assets where Segall Bryant & Hamill does not have discretionary trading authority. This information is supplemental to fully compliant presentation.

- 1) Segall Bryant & Hamill is an independent investment advisor registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. Segall Bryant & Hamill provides fundamental investment management services to various institutional and private investors and mutual funds. Denver Investment Advisors LLC (aka Denver Investments) was acquired by Segall Bryant & Hamill on April 30, 2018. Prior to this date, performance results were achieved through the legacy firm, Denver Investments.
- 2) All returns are computed using a time-weighted total rate of return. The composite is defined to include all fee-paying, discretionary accounts managed according to the Global Large Cap strategy. The composite includes all actively managed equity accounts that are managed to the Russell Developed Large Cap Index and primarily invest in large-capitalization U.S. and foreign equities. FTSE Russell is the source and owner of the Russell Index data contained in this material and all trademarks and copyrights related thereto. Any further dissemination or redistribution is strictly prohibited. FTSE Russell is not responsible for the formatting or configuration of this material or for any inaccuracy in Segall Bryant & Hamill's presentation thereof. Index returns are not covered by the report of the independent verifiers.
- 3) The performance presented is that of the Global Large Cap composite that was created on 5/1/13.
- 4) Gross of fee returns are calculated gross of management and custodial fees, and net of transaction costs. Net of fee returns are calculated net of management fees and transaction costs, and gross of custodian fees. As of 1/1/15, net of fee returns were calculated by deducting the maximum applicable advisory fee in effect, pro-rated on a monthly basis. 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. Prior to this date, net of fees returns were calculated using actual annual client fees, pro-rated on a quarterly basis.
- 5) The Russell Developed Large Cap Index offers investors access to the large-cap segment of the developed equity universe. The Russell Developed Large Cap Index is constructed to provide a comprehensive and unbiased barometer for the large-cap segment of this market and is completely reconstituted annually to accurately reflect the changes in the market over time. Index returns are not covered by the report of the independent verifiers. The team changed the index from the S&P 500® Index to the Russell Developed Large-Cap Index on 9/1/13 to better reflect the global nature of the product. This change to the index was made retroactively for all periods.
- 6) The three-year standard deviation value is not presented because the product does not have 36 monthly returns available. The value will be presented when three years of data points are available.
- 7) The dispersion of annual returns is measured by the standard deviation across unweighted portfolio gross returns represented within the composite for the full year. Dispersion is not shown for years in which only one account is present for the entire year.
- 8) Valuations and returns are computed and stated in U.S. dollars. Performance is calculated net of withholding taxes on foreign dividends and interest. Dividend income is recorded on the ex-dividend date and interest income is recorded on the accrual basis. Total returns for accounts are presented using the accrual basis of accounting for all fixed income and equity investments and on a cash basis for all cash equivalents.
- 9) 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 1/1/84 – 12/31/16. Verification assesses whether the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Global Large Cap Composite has been examined for the periods 5/1/13 – 12/31/16. The verification and performance examination reports are available upon request. A complete list and description of all firm composites is available upon request.
- 10) The maximum fee rate is 0.65%. Please reference Segall Bryant & Hamill's ADV for full fee schedule.
- 11) Policies for valuing portfolios, calculating performance and preparing compliant presentations are available upon request.
- 12) Past performance does not guarantee future results and future performance may be lower or higher than the performance presented.