

MID CAP VALUE DIVIDEND

FACT SHEET | December 31, 2018

STRATEGY

- Seek to invest in attractively-valued companies generating positive free cash flow and improving returns
- Use integrated investment approach that combines proprietary quantitative screen and original fundamental research
- Employ bottom-up, team-based stock selection process
- Emphasize strict adherence to our style and risk control measures

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

Public Service Enterprise Group Inc (Utilities)	3.1
Enerplus Corp (Energy)	2.9
Genpact Ltd (Information Technology)	2.7
National Fuel Gas Co (Utilities)	2.7
Grifols SA (Health Care)	2.7
Kansas City Southern (Industrials)	2.6
Everest Re Group Ltd (Financials)	2.6
Viacom Inc (Communication Services)	2.6
Expedia Group Inc (Consumer Discretionary)	2.5
Republic Services Inc (Industrials)	2.4
Total (% of portfolio)	26.7%

¹Data is based on firm's Mid Cap Value Dividend 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

⁵Standard Deviation, Beta and Tracking Error statistics based on monthly data. Three years. Source: eVestment Alliance.

Performance¹

Periods Ended 12/31/18 (%)	QTD	YTD	Annualized Returns			
			1 Year	3 Years	5 Years	10 Years
Mid Cap Value Dividend (gross)	-14.87	-13.33	-13.33	5.01	5.67	12.52
Mid Cap Value Dividend (net)	-15.03	-13.98	-13.98	4.23	4.88	11.72
Russell Midcap [®] Value Index ⁴	-14.95	-12.29	-12.29	6.06	5.44	13.03
Calendar Year (%)	2018	2017	2016	2015	2014	2013
Mid Cap Value Dividend (gross)	-13.33	7.40	24.40	-0.28	14.08	32.17
Mid Cap Value Dividend (net)	-13.98	6.60	23.48	-1.03	13.24	31.21
Russell Midcap [®] Value Index ⁴	-12.29	13.34	20.00	-4.78	14.75	33.46

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}

	Mid Cap Value Dividend	Russell Midcap [®] Value ⁴
Weighted Average Market Capitalization (\$ Mil)	\$8,819	\$12,766
Median Market Capitalization (\$ Mil)	\$7,040	\$6,182
Discount to Intrinsic Value	51.2%	-
Price/Book Value	2.1x	2.1x
Return on Assets	5.6%	4.7%
Long-Term Debt/Capital	42.9%	40.0%
Dividend Yield (1 year trailing)	2.8%	2.5%
Beta (3 Years)	1.01	-
Standard Deviation (3 Years)	12.55%	12.13%
Tracking Error (3 Years)	2.80%	-
Turnover (3 year average)	74%	-
Number of Holdings	53	-

Sector Allocation²

	Mid Cap Value Dividend	Russell Midcap [®] Value ⁴	Relative Weights
Communication Services	4.3	3.3	1.0
Consumer Discretionary	7.9	8.8	-0.9
Consumer Staples	5.3	5.2	0.1
Energy	4.6	5.7	-1.1
Financials	20.7	17.5	3.2
Health Care	5.9	6.8	-0.9
Industrials	9.7	11.9	-2.2
Information Technology	10.4	8.4	2.0
Materials	2.8	6.2	-3.4
Real Estate	14.8	14.2	0.6
Utilities	11.6	12.0	-0.4
Cash	2.0	0.0	2.0

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. In attempting to reduce risk, investors sold stocks of small capitalization companies in particular, as well as those with above average foreign sales exposure and higher leverage. 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

The Segall Bryant & Hamill Mid Cap Value Dividend portfolio's return for the quarter was in line with the -14.95% return of its benchmark, the Russell Midcap® Value Index. U.S. equity markets were led by stocks with lower risk profiles, lower 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 Industrials, Information Technology and Consumer Staples. Masco Corp. (MAS), a manufacturer of products for the home improvement and new home construction markets, was the portfolio's top contributor in the Industrials sector. The company's stock was volatile during the quarter due to concerns about a slowing housing market and uncertainty regarding tariffs on products from China. However, the stock recovered after the company reported full-year guidance that exceeded expectations and also announced a large share repurchase program aimed at taking advantage of the depressed stock price. We sold the stock at the end of the fourth quarter. Another strong performer was Lamb Weston Holdings Inc. (LW), a producer and marketer of value-added frozen potato products. The company continued to benefit from a favorable supply and demand environment and reported better-than-expected sales and earnings. LW has demonstrated pricing power without sacrificing volumes in a very challenging food industry environment, which has been driving returns and cash flows higher.

Detractors from Return

The portfolio's weakest sectors relative to its benchmark were Financials, Real Estate and tied for third place, Consumer Discretionary and Health Care. Financials sector holding Navient Corp. (NAVI), a servicer and owner of education loans and a business services provider, was the portfolio's largest detractor in the quarter. Despite NAVI's strong execution and better-than-expected earnings, investors appear to be concerned that historically high student debt levels do not bode well for the student lending business. NAVI's demonstrated competence in providing creditworthy borrowers with solutions, such as refinancing or taking advantage of government relief provisions, gives us optimism. We are keeping a watchful eye on industry developments but continue to believe that NAVI's franchise for consumer lending and services has intrinsic value well in excess of the current stock price. PVH Corp. (PVH), a designer and marketer of apparel, footwear and accessories under the Calvin Klein and Tommy Hilfiger brands, was another detractor to the portfolio's performance in the fourth quarter. The company reported weaker-than-expected sales and margins at the Calvin Klein division due to a "fashion miss" in its CK Denim segment. The stock was also pressured by heightened risks associated with increased tariffs on Chinese goods and foreign currency volatility. We are monitoring the situation closely as this trade uncertainty is also impacting Europe, an important market for PVH brands.

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 Stock)^{2,6}

Top 5 Contributors	Average Weight	Absolute Contribution to Return
Lamb Weston Holdings, Inc.	1.71	0.23
OGE Energy Corp.	1.07	0.10
Americold Realty Trust	2.07	0.05
Xcel Energy Inc.	1.55	0.03
CenterPoint Energy, Inc.	0.54	0.02

Top 5 Detractors	Average Weight	Absolute Contribution to Return
Enerplus Corporation	3.01	-1.26
Range Resources Corporation	2.42	-1.17
PVH Corp.	2.00	-0.77
Viacom Inc. Class B	2.72	-0.67
Navient Corp	1.72	-0.63

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: Mid Cap Value Dividend Composite

Year	— Composite Assets—			Composite Gross of Fees Annual Return (%)	Composite Net of Fees Annual Return (%)	Russell Midcap® Value 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	116	1.7	2	7.40	6.60	13.34	10.71	10.47	0.29	7.284	6.995
2016	80	1.1	1	24.40	23.48	20.00	11.10	11.46	-	7.476	7.169
2015	52	0.7	1	-0.28	-1.03	-4.78	10.14	10.86	-	7.606	7.382
2014	58	1.0	1	14.08	13.24	14.75	9.06	9.95	-	9.596	9.373
2013	53	1.0	1	32.17	31.21	33.46	11.99	13.89	-	10.009	9.794
2012	40	<1.0	1	13.75	12.97	18.51	15.01	17.00	-	9.565	9.343
2011	43	<1.0	1	1.19	0.51	-1.38	19.62	23.10	-	9.389	9.101
2010	46	1.0	1	21.59	20.85	24.75	-	-	-	8.989	8.711
2009	49	1.0	1	33.51	32.64	34.21	-	-	-	8.038	7.837
2008	41	1.0	2	-41.63	-42.02	-38.44	-	-	0.15	7.008	6.867

*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) This composite was created in January 1998 (style inception was 1/1/1998). 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 Mid Cap Value Dividend strategy. The composite includes all actively managed equity accounts that are managed to the Russell Midcap® Value Index and primarily invest in mid-capitalization U.S. value equities. The Russell Midcap® Value Index is an unmanaged index that measures the performance of those Russell Midcap companies with lower price-to-book ratios and lower forecasted growth values. The stocks are also members of the Russell 1000® Value Index. 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) 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 fee returns were calculated using actual annual client fees, pro-rated on a quarterly basis. From 1/1/98 – 9/30/98, net results are from a non-fee paying account, so a model fee, equivalent to the highest fee that could have been charged (0.65%), has been deducted. Thereafter, actual fees have been deducted.
- 4) 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.
- 5) 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.
- 6) 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 Mid Cap Value Dividend composite has been examined for the periods 12/31/03 – 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.
- 7) The maximum fee rate is 0.75%. Please reference Segall Bryant & Hamill's ADV for full fee schedule.
- 8) Policies for valuing portfolios, calculating performance and preparing compliant presentations are available upon request.
- 9) Past performance does not guarantee future results and future performance may be lower or higher than the performance presented.