

**Assets Under Management:** \$39.6 million  
**Total Firm Equity Assets:** \$6.2 billion  
**Inception of the Portfolio:** 7/1/14

### INVESTMENT PHILOSOPHY

Our Small Cap Value Concentrated Equity philosophy is founded on the belief that excess returns are achieved by investing in companies at or near inflections in expected return on invested capital (ROIC) employed. Using screens to limit the universe to companies with low embedded expectations, we seek to utilize our investment process to identify catalysts of change for improved returns while guarding for risk.

### STRATEGY DESCRIPTION

Our Small Cap Value Concentrated Equity portfolio utilizes a value investment approach by investing in 25 to 35 of our highest-conviction holdings, as measured by weight, from our Small Cap Value strategy. The portfolio is rebalanced on a monthly basis to reflect Small Cap Value position changes executed and weight deviations due to market movements. The strategy consists of companies with a market capitalization that does not typically exceed the largest market capitalization company in the Russell 2000 Value Index.

### REPRESENTATIVE ACCOUNT<sup>1</sup> STATISTICS

	SBH Gross	Russell 2000 Value Index
Return on Investment	12.6%	6.6%
Earnings Growth (5 years)*	-1.8%	4.5%
P/E Projected	17.7x	15.4x
Price/Cash Flow	13.8x	12.2x
Weighted Avg. Market Cap (\$ mil.)	\$2,176	\$1,984
Beta	1.06	1.00

Source: FactSet, Russell

### REPRESENTATIVE ACCOUNT<sup>1</sup> TOP FIVE HOLDINGS\*\*

	% of Portfolio
Innophos Holdings, Inc. (IPHS)	8.6%
SPX Corporation (SPXC)	7.6%
FLIR Systems, Inc. (FLIR)	4.3%
Spartan Motors, Inc. (SPAR)	4.2%
Quanex Building Products Corporation (NX)	3.9%

Source: FactSet

<sup>1</sup> Presented as supplemental information to the fully compliant presentation.  
\* Calculated from current year.

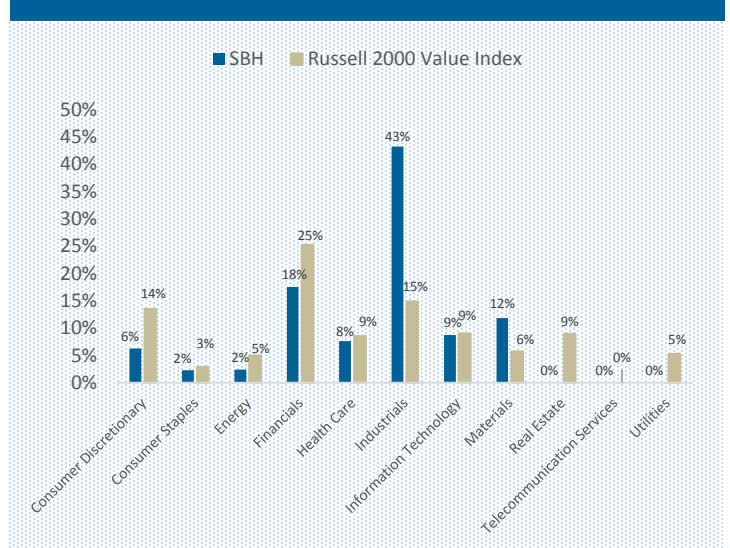
\*\* Top five holdings are reported based on the market value of individual positions in the portfolio. Holdings are subject to change, vary over time and should not be considered a recommendation to buy or sell. It should not be assumed that future holdings will be profitable or equal the performance of these holdings.

### ANNUALIZED CUMULATIVE RETURNS

	SBH Gross	SBH Net	Russell 2000 Value Index
1 Year	13.40%	12.95%	7.84%
3 Years	12.29%	11.82%	9.55%
Since Inception	11.49%	11.00%	8.14%

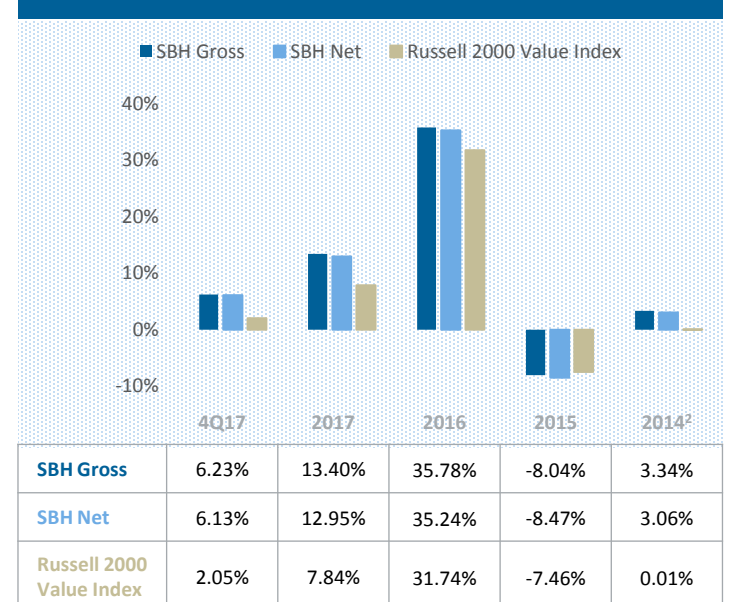
Source: FactSet, Russell

### REPRESENTATIVE ACCOUNT<sup>1</sup> SECTOR COMPOSITION



Source: FactSet, Russell

### RETURNS



<sup>2</sup> Partial year beginning 7/1/14

Source: FactSet, Russell

## PORTFOLIO MANAGEMENT



**Mark T. Dickherber, CFA, CPA**  
Senior Portfolio Manager, Principal

P. (312) 474-5956

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

Mark Dickherber is a Principal, Senior Portfolio Manager and Head of Segall Bryant & Hamill's Small Cap strategies. He is the lead Portfolio Manager for the Small Cap Value strategy and the Co-Portfolio Manager for our Small Cap Value Concentrated and Small Cap Core strategies. He is also responsible for equity research in the Small Cap and Small/Mid Core equity portfolios. Mr. Dickherber is a specialist in the healthcare sector. Prior to joining SBH, Mr. Dickherber served as Director of Research for Kennedy Capital Management, where he had worked since 1996. Mr. Dickherber graduated magna cum laude from the University of Missouri-St. Louis with a B.S. in Accounting. He served as Treasurer for the CFA Society of St. Louis from 2004-2006 and as a Director from 2006-2008. Mr. Dickherber has been in the investment industry since 1996 and has earned Chartered Financial Analyst (CFA) and Certified Public Accountant (CPA) designations.



**Shaun Nicholson**  
Senior Portfolio Manager, Principal

P. (312) 474-7875

MBA, University of Missouri-St. Louis  
B.S., Seton Hall University

Shaun Nicholson is a Principal and Senior Portfolio Manager for Segall Bryant & Hamill's Small Cap strategies. He is the lead Portfolio Manager for our Small Cap Value Concentrated strategy and the Co-Portfolio Manager for our Small Cap Value strategy. Mr. Nicholson is responsible for research related to materials, autos/transport, industrials, regional banks and energy within the respective portfolios. He joined SBH in 2011 after having spent more than six years at Kennedy Capital Management. Prior to Kennedy, Mr. Nicholson's experience was as an Associate Portfolio Manager at U.S. Bancorp Asset Management and as a Financial Analyst at The Boeing Company. Mr. Nicholson earned a B.S. from Seton Hall University and earned an MBA from the University of Missouri-St. Louis. He has been in the investment industry since 2002.

## PORTFOLIO CHARACTERISTICS

	SBH Gross	Russell 2000 Value Index
Worst 4-Quarter Period	-8.84%	-7.72%
Standard Deviation (1 Yr)	6.35%	3.99%
Standard Deviation (Since Inception)	13.31%	12.58%

Source: FactSet, Russell

*Segall Bryant & Hamill 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. The Small Cap Value Concentrated composite was created in July, 2014. The Small Cap Value Concentrated composite is an equity strategy consisting of companies with a market capitalization that typically does not exceed the largest market capitalization company in the Russell 2000 Value Index. Accordingly, the composite is benchmarked against the Russell 2000 Value Index. The Russell 2000 Value Index is a subset of the Russell 3000 and measures the performance of the 2000 Small Cap Value Concentrated value companies. These companies generally have a weighted average market value of \$2 billion. The Small Cap Value Concentrated composite is comprised of all fee paying, discretionary accounts managed to this investment approach which have assets greater than \$500,000 and one full month of returns. Accounts falling below the \$500,000 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, 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 Small Cap Value Concentrated composite accounts is 1% on all assets. Actual fees will vary. All information is based on US dollar values. Returns are calculated on a capitalization and time weighted basis and linked quarterly. Dispersion of returns is measured by an equal weighted standard deviation of all the accounts in the composite for a full year period. Neither the composite nor the benchmark returns reflect the withholding of any taxes for ordinary income or capital gains. 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, as well as additional information regarding policies for valuing portfolios, calculating returns and preparing compliant presentations, is available upon request from SBH. Revised December 2017.*