

**Assets Under Management:** \$35.7million  
**Total Firm Equity Assets:** \$6.5 billion  
**Inception of the Portfolio:** 7/1/96

**INVESTMENT PHILOSOPHY**

Our Mid Cap Equity philosophy is founded on the belief that excess returns are achieved by investing in high-quality growth companies selling at reasonable prices. Using a low turnover approach to active management, we seek to identify excellent companies that have historically generated, or are positioned to generate, superior return on investment (ROI) through strong management, broad resources and competitive market position.

**STRATEGY DESCRIPTION**

Our Mid Cap Equity portfolio consists of companies that have a market capitalization between \$1 billion and \$30 billion. We seek high ROI companies trading at a 20% discount to our proprietary intrinsic valuation. The benchmark for this strategy can be the Russell Midcap Index or the Russell Midcap Growth Index.

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

	SBH Gross	Russell Midcap Index	Russell Midcap Growth Index
Return on Investment	18.4%	14.8%	18.6%
Earnings Growth (5 years)*	12.3%	8.6%	9.9%
P/E Projected	21.9x	19.3x	20.4x
Price/Cash Flow	20.1x	15.4x	18.0x
Weighted Avg. Market Cap (\$ mil.)	\$13,598	\$15,261	\$16,400

Source: FactSet, Russell

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

	% of Portfolio
Zoetis, Inc. Class A (ZTS)	2.3%
Red Hat, Inc. (RHT)	2.1%
Costar Group, Inc. (CSGP)	2.1%
Amphenol Corporation Class A (APH)	2.0%
Microchip Technology Incorporated (MCHP)	1.9%

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.

**PORTFOLIO CHARACTERISTICS**

	SBH Gross	Russell Midcap Index	Russell Midcap Growth Index
Worst 4-Quarter Period	-42.55%	-41.46%	-51.77%
5-Year Sharpe Ratio	1.44	1.63	1.70
Standard Deviation (Since Inception)	16.48%	18.26%	23.30%

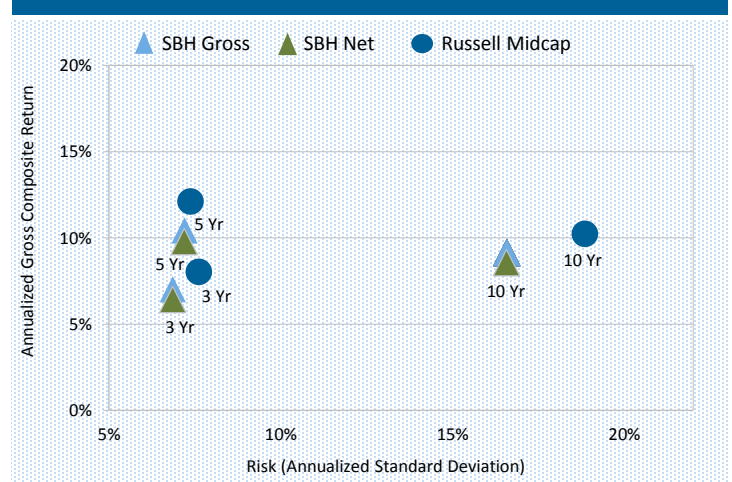
Source: FactSet, Russell

**ANNUALIZED CUMULATIVE RETURNS**

	SBH Gross	SBH Net	Russell Midcap Index	Russell Midcap Growth Index
1 Year	13.19%	12.56%	12.20%	19.74%
3 Years	7.03%	6.43%	8.01%	9.16%
5 Years	10.44%	9.79%	12.09%	13.30%
10 Years	9.14%	8.56%	10.22%	10.61%
15 Years	10.75%	10.23%	12.21%	12.12%
20 Years	8.03%	7.52%	8.93%	7.85%
Since Inception	9.67%	9.12%	10.42%	9.07%

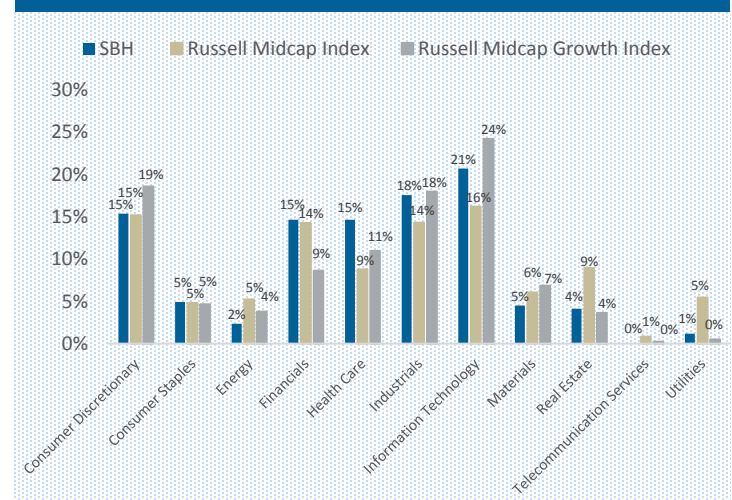
Source: FactSet, Russell

**COMPOSITE RISK/RETURN**



Source: eVestment Analytics, Russell

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



Source: FactSet, Russell

## PORTFOLIO MANAGEMENT



**Ralph M. Segall, CFA, CIC**  
Chief Investment Officer, Principal

P. (312) 474-4110

MBA, University of Chicago  
B.S., University of Pennsylvania

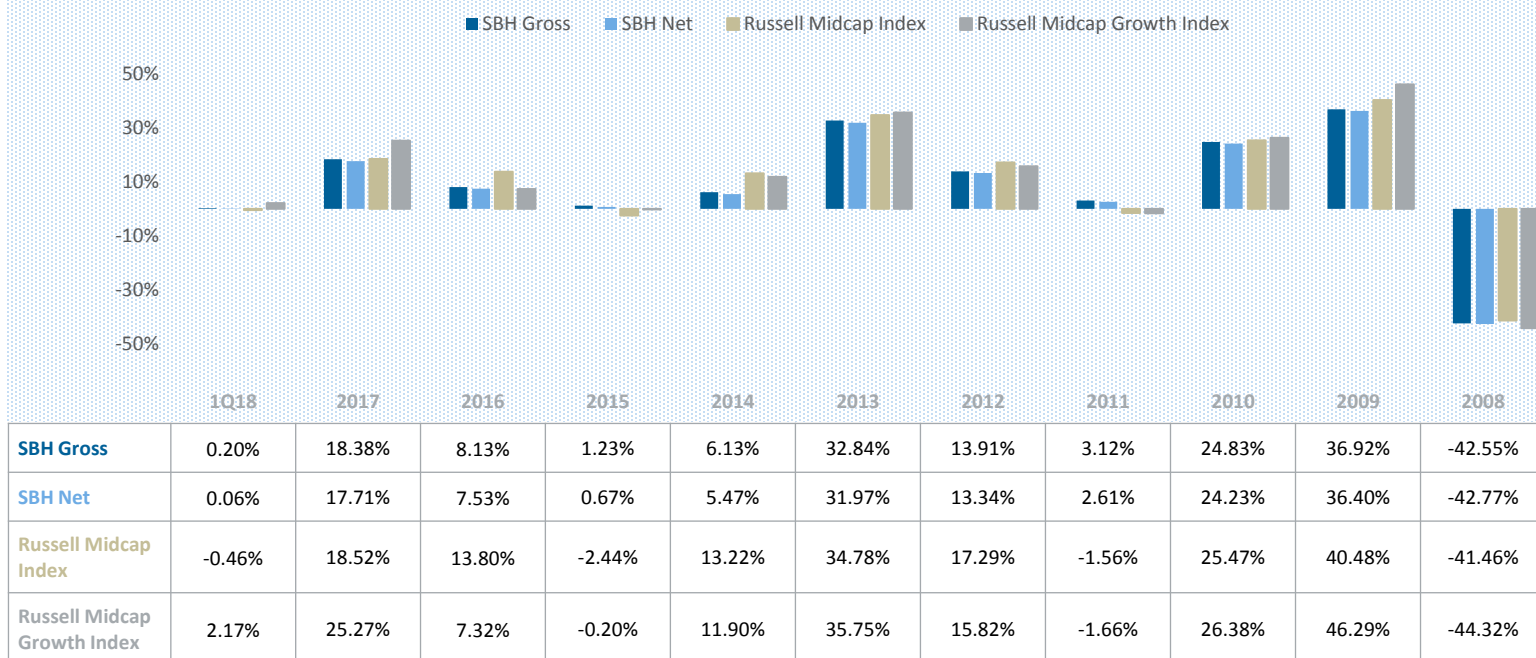


**Suresh Rajagopal, CFA**  
Senior Portfolio Manager, Principal

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B.A., Alma College

## RETURNS



Source: FactSet, Russell

## 3-YEAR EX-POST STANDARD DEVIATION

	SBH Gross	Russell Midcap Index	Russell Midcap Growth Index
2012	15.02%	17.20%	17.91%
2013	13.11%	14.03%	14.50%
2014	10.37%	10.14%	10.87%
2015	10.75%	10.85%	11.31%
2016	11.27%	11.55%	12.18%
2017	10.14%	10.36%	10.89%

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 Mid Cap Equity composite was created in July, 1996. The Mid Cap Equity composite is an equity strategy consisting of companies with a market capitalization between \$500 million and \$20 billion. Accordingly, the composite is benchmarked against the Russell Midcap and/or the Russell Midcap Growth Indices. The Russell Midcap Index measures the performance of the mid-cap segment of the US equity universe and is a subset of the Russell 1000® Index. It includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership. These companies generally have a weighted average market value of \$15.2 billion. The Russell Midcap Growth Index measures the performance of the mid-cap growth segment of the U.S. equity universe. It includes those Russell Midcap Index companies with higher price-to-book ratios and higher forecasted growth values. These companies generally have a weighted average market value of \$16.1 billion. The Mid Cap Equity composite is comprised of all fee paying, discretionary accounts managed to this investment approach which have assets greater than \$1 million and one full quarter of returns. Prior to July 1, 2013, the composite comprised solely of institutional accounts. 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, 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 Mid Cap Equity accounts is 0.70% on the first \$25 million of assets, 0.55% on the next \$25 million of assets and 0.40% over \$50 million of 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 April 2018.