



A DIFFERENTIATED APPROACH TO MUNICIPAL FIXED INCOME INVESTING

Colorado Financial Planning Association 2018



AGENDA

- Introduction to Segall Bryant & Hamill, formerly Denver Investments and Westcore Funds
- Investing in Municipal Bonds
- Current trends in the national municipal bond market
- Current trends in the Colorado municipal bond market
- Questions & Answers



AN INTRODUCTION TO SBH

SBH AT-A-GLANCE



138-person team with expertise across all aspects of investment management
73 investment professionals

26 YRS Average years of experience for portfolio managers

Nearly 70% Percentage of investment professionals that are **CFA® charterholders**

\$19.8B Assets under management*

PROVEN INVESTMENT MANAGEMENT EXPERTISE

- Independently managed investment firm founded in 1994
- Majority employee ownership consists of 39 employee Principals and a strong financial partner in Thoma Bravo, LLC
- Partnership culture results in a high degree of continuity among our investment teams and lasting client relationships
- Diversified mix of investment strategies, including domestic and international equities, fixed income and customized solutions

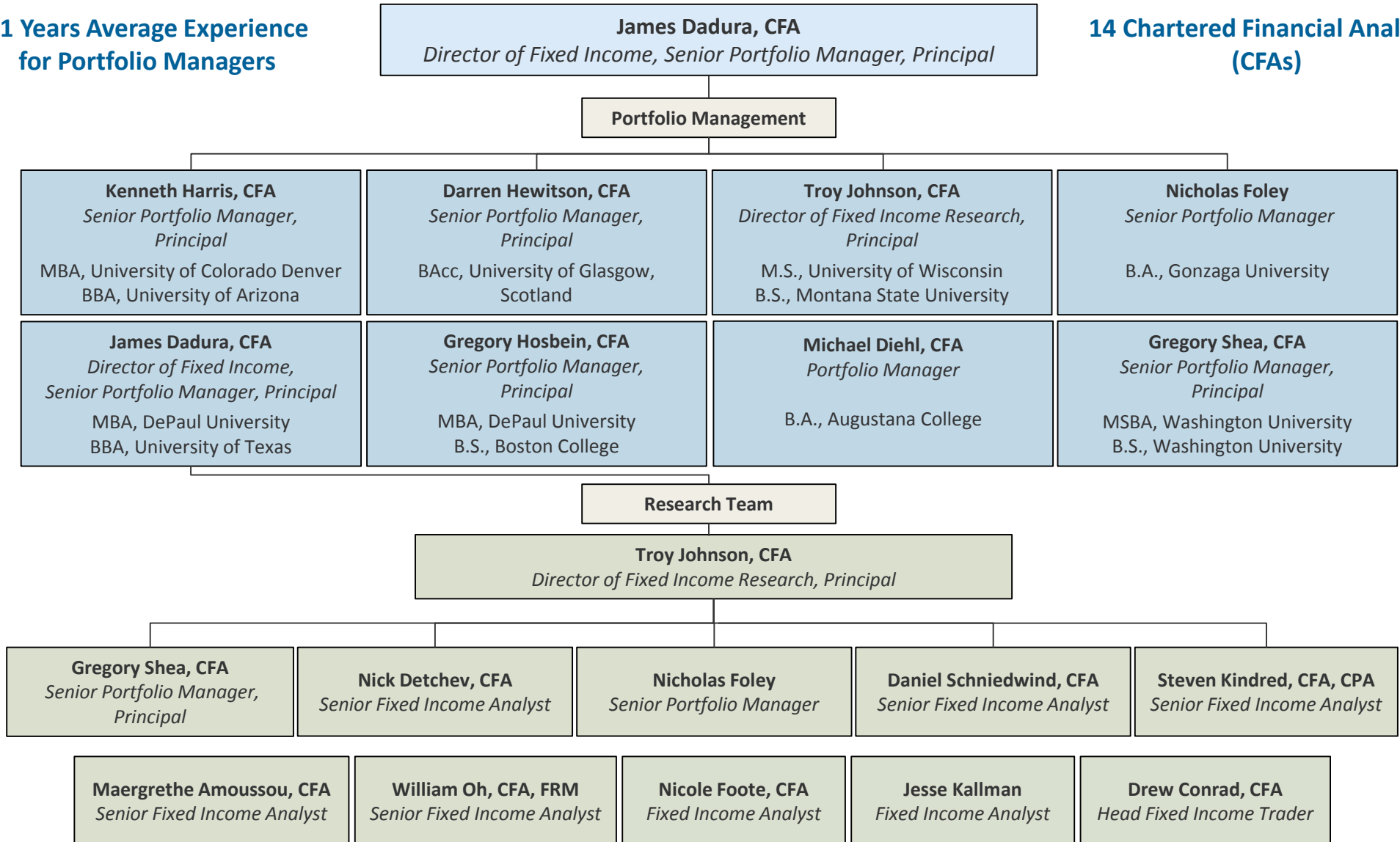
*Total assets under management reflect the combined AUM of Segall Bryant & Hamill and Denver Investments, as of June 30, 2018. CFA® and Chartered Financial Analyst® are registered trademarks owned by CFA Institute.



AN INTRODUCTION TO SBH

21 Years Average Experience
for Portfolio Managers

14 Chartered Financial Analysts
(CFAs)





MUNICIPAL STRATEGIES

MUNICIPAL FIXED INCOME PLATFORM

Strategy	Maturity & Duration Ranges	Description	AUM \$ mil*	Inception	Vehicle Options
Customizable Short Term Municipal	<p>Maturity: 1 - 5 years Duration: 1 - 3 years</p>	Seek to provide attractive tax adjusted yield and tax-exempt income with minimal interest rate risk.	—	—	Separate Account
Short/Intermediate Municipal	<p>Maturity: 1 - 12 years Duration: 3.5 - 5.5 years</p>	Core municipal bond holding. Utilizes the steeper part of the curve to add yield while still maintaining a liquid portfolio of high quality bonds.	\$684	1/1/2003	Separate Account
Intermediate Municipal	<p>Maturity: 1 - 15 years Duration: 5 - 6.5 years</p>	Invests in the cheapest part of the municipal bond curve and seeks to take advantage of mispriced optionality. Slightly longer duration and lower credit quality.	\$94	7/1/1991	Separate Account
Municipal Opportunities	<p>Maturity: 1 - 15 years Duration: 3 - 7 years</p>	Bottom up municipal credit fund structured to have wide enough parameters to take advantage of mispricing and valuation swings in the municipal market.	\$34	12/16/2016	Mutual Fund (WTTAX, WITAX)
Colorado Tax Free	<p>Maturity: 1 - 15 years Duration: 3 - 7 years</p>	Bottom up, investment-grade quality fund with an intermediate maturity emphasis that seeks double tax-exempt income for Colorado investors.	\$279	6/1/1991	Separate Account, Mutual Fund (WTCOX, WICOX)

*As of June 30, 2018. The Segall Bryant & Hamill Municipal Opportunities Fund and the Segall Bryant & Hamill Colorado Tax Free Fund are distributed by ALPS Distributors, Inc. The separate accounts are not distributed by nor affiliated with ALPS Distributors, Inc.

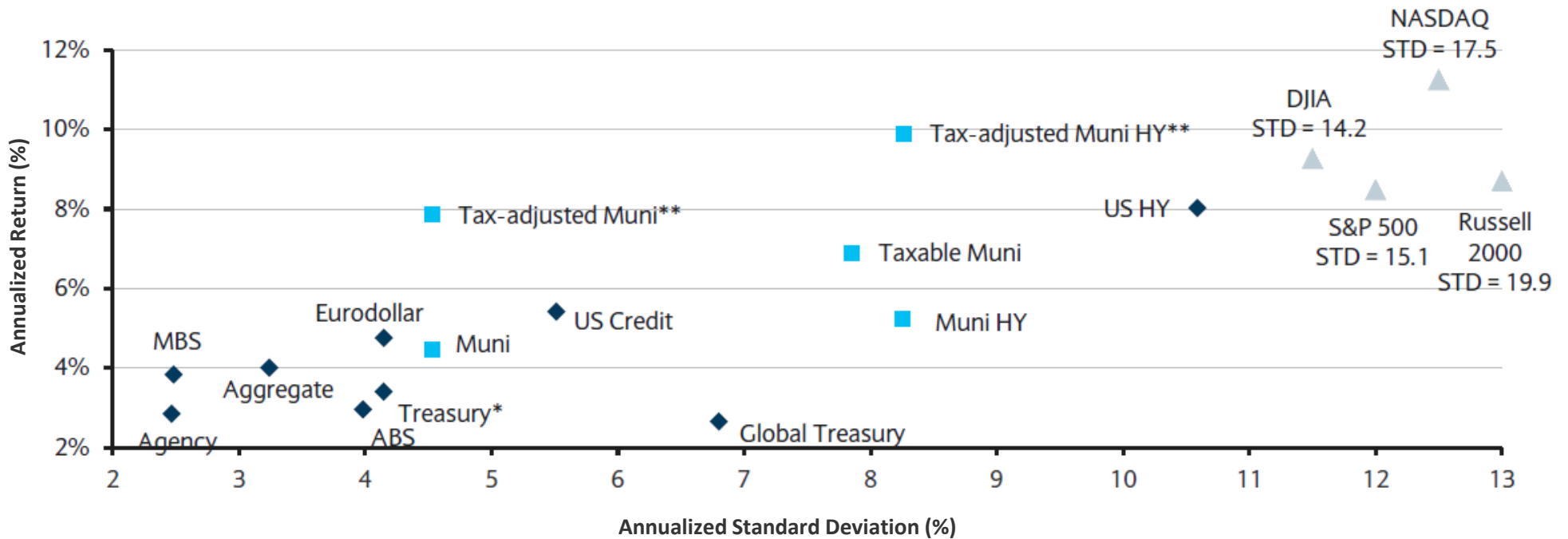
INVESTING IN MUNICIPAL BONDS



THE CASE FOR MUNICIPAL BONDS

OVER THE LAST 10 YEARS, AFTER-TAX RETURNS OF MUNICIPAL BONDS WERE COMPETITIVE TO THE S&P 500 INDEX AND RUSSELL 2000 INDEX WITH LESS THAN 1/3 OF THE VOLATILITY

Taxable Equivalent Returns for the Past 10 Years
(As of December 31, 2017)



Source: Bloomberg, Barclays Research. Past performance does not guarantee future results and future performance may be lower or higher than the performance presented. Agency represented by the Bloomberg Barclays U.S. Agency Bond Index. MBS represented by the Bloomberg Barclays U.S. Mortgage Backed Securities Index. Aggregate represented by the Bloomberg Barclays U.S. Aggregate Index. ABS represented by the Bloomberg Barclays Asset Backed Securities Index. Treasury represented by the Bloomberg Barclays U.S. Intermediate Treasury Index. Eurodollar represented by the Bloomberg Barclays Euro Aggregate Index. Muni represented by the Bloomberg Barclays U.S. Municipals Index. U.S. Credit represented by the Bloomberg Barclays U.S. Credit Index. Global Treasury represented by the Bloomberg Barclays Global Treasury Index. Taxable Muni represented by the Bloomberg Barclays Taxable Municipal Index. Muni HY represented by the Bloomberg Barclays U.S. Municipals: High Yield Index. US HY represented by the Bloomberg Barclays U.S. Corporate High Yield Index. DJIA represented by the Dow Jones Industrial Average Index. S&P 500 represented by the Standard & Poor's 500 Index. NASDAQ represented by the NASDAQ Composite Index. Russell 2000 represented by the Russell 2000 Index.

* U.S. Treasury income is exempt from state income taxes and is adjusted using a national state average (top bracket), net of federal income tax.

** Based on an equally weighted national average federal and state (top bracket) income tax rate; local taxes have not been considered.

INVEST IN STABLE AND IMPROVING ISSUERS, NOT THE LARGEST ISSUERS OF DEBT

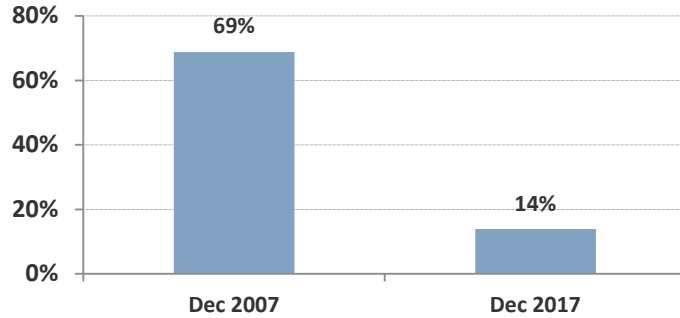
- Focus on revenue-backed debt, special taxing districts and strong GOs with limited pension risk
- Rigorous independent credit analysis and ongoing credit monitoring
- Ability to take advantage of structurally mispriced securities
- Competitive pricing through institutional trading relationships
 - Provide broad access to primary markets as well as ability to utilize multiple online platforms for best execution
- Emphasize downside preservation across all strategies

OVERVIEW OF THE CURRENT MARKET

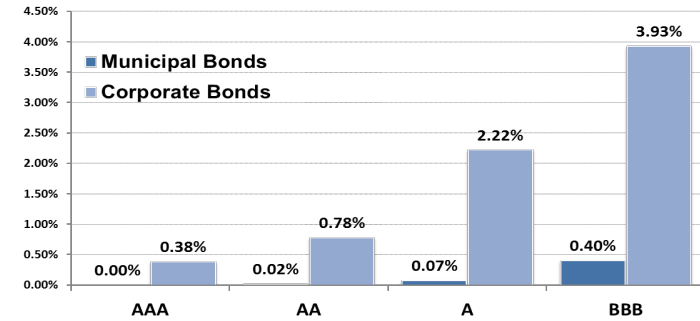


A DEVELOPING CREDIT MARKET

AAA Bonds Outstanding
Amount Outstanding as % of Index



Cumulative Default Rate 1970 to 2016
Ten Years After Issuance



Single A Credit Spreads



Key	Axis	Name	Last	Minimum	Maximum	Mean	SD	SD Chg
■	Left	Single A Spread	0.451	0.026 05/28/1999	1.962 03/27/2009	0.971	0.531	0.017

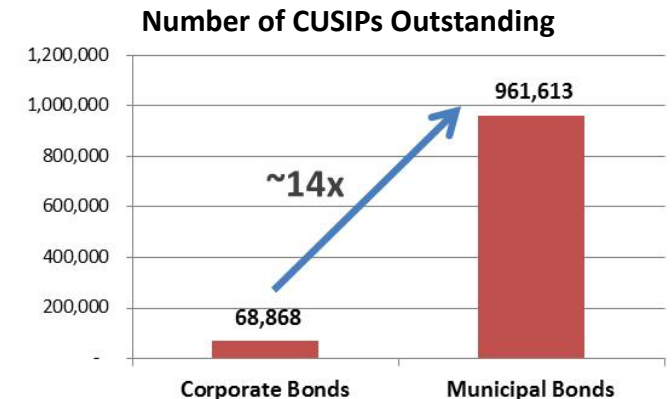
Source: Barclays Live - Chart

Source: Spread & Index Data from Barclays. Default rate data per Moody's. Barclays Indices. CUSIPs outstanding per Bloomberg. Ratings upgrade/downgrade per Moody's.



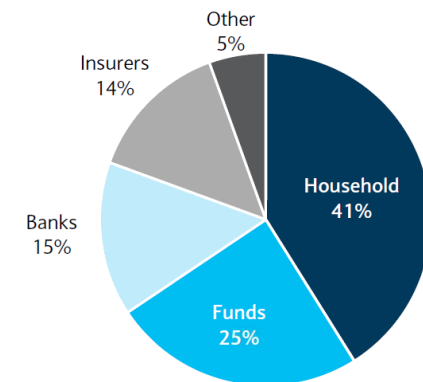
MUNICIPAL MARKET INEFFICIENCIES

- **Large number of issuers and massive amount of CUSIPs**
 - Over 70,000 individual issuers and ~1MM CUSIPs
 - Nearly 300 deals a week
 - Average deal size of \$29MM and median of \$7.45MM
 - Only 244 of the 15,519, or 2% of deals, were over \$300MM (considered index-eligible in taxable space) if they were one CUSIP
- **Heavy direct retail presence**
 - Direct household holdings, which are largely passive buyers, account for 41% of the market
 - 66% of the market is directly or indirectly held by retail buyers
 - We believe purchases of municipal bonds by banks and insurance companies, which have been large marginal buyers of the last 10 years, will likely shrink over the next years due to the changes in the corporate tax rate
- **Funds assets are heavily concentrated**
 - Top 10 funds in intermediate space make up 64% of all assets
 - Vanguard Intermediate-Term Tax-Exempt Fund (approximately \$57B) and Vanguard High-Yield Tax-Exempt Fund (approximately \$12B) make up 36% of all assets
 - A 1% position for Vanguard Intermediate would be \$570MM



Source: Bloomberg as of 12/31/17

Mutual Funds and ETFs Still Make Up Large Segment of Municipal Holdings



Source: Federal Reserve as of 9/30/17

Source: CUSIPs data is as of 12/31/2017 from Bloomberg. Holdings data is as of 9/30/2017 from the Federal Reserve. Fund asset data is as of 12/31/2017 from Morningstar.

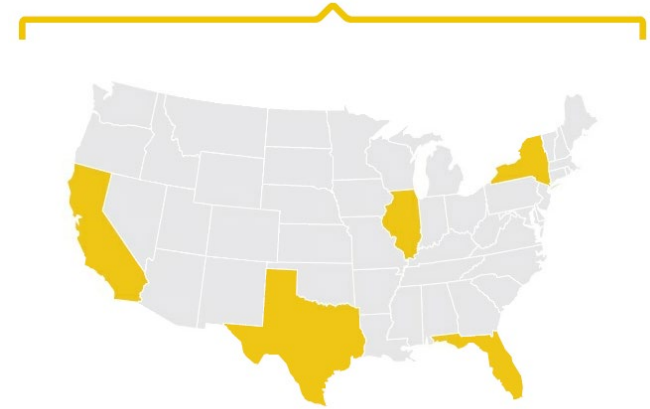


A HARDER LOOK AT THE MUNICIPAL INDEX

- Bond index construction differs meaningfully from equities and understanding the underlying dynamics is important.

Top 5 States* = 51.3%

of the BBgBarc U.S. 1-15 Year
Municipal Bond Index



High State Income Taxes, Higher Concentrations

State	Rating (M/S/F)	% of Index	5YR Spread to AAA (BPS)
California	Aa3/AA-/AA-	17.3%	-8
New York	Aa1/AA+/AA+	15.6%	-6
		32.9%	
Texas	Aaa/AAA/AAA	9.4%	11

Credit Concerns

State	Rating (M/S/F)	% of Index
Illinois	Baa3/BBB-/BBB	4.5%
Pennsylvania	Aa3/AA/AA-	3.9%
New Jersey	A3/A-/A	3.8%
Connecticut	A1/A/A+	1.6%
Louisiana	Aa3/AA-/AA-	1.1%
Kentucky	AA3/A+/AA-	0.7%
Kansas	AA2/AA-/	0.4%
Guam	-/BBB+/-	0.2%
Virgin Islands	Caa2/NR/WD	0.2%
		16.2%

Highest Marginal Income Tax Rates*

State	Top Rate	Income Threshold
CA	13.3%	\$ 1,074,996
NY	12.7%	\$ 2,153,350
OR	9.9%	\$ 250,000
MN	9.9%	\$ 261,510
IA	9.0%	\$ 70,785
NJ	9.0%	\$ 500,000
VT	9.0%	\$ 416,700
HA	8.3%	\$ 96,000
WI	7.7%	\$ 329,810
ID	7.4%	\$ 21,810
ME	7.2%	\$ 74,999
SC	7.0%	\$ 14,650
CT	7.0%	\$ 1,000,000
MT	6.9%	\$ 17,600
AR	6.9%	\$ 35,100
NE	6.8%	\$ 59,660
DE	6.6%	\$ 60,000

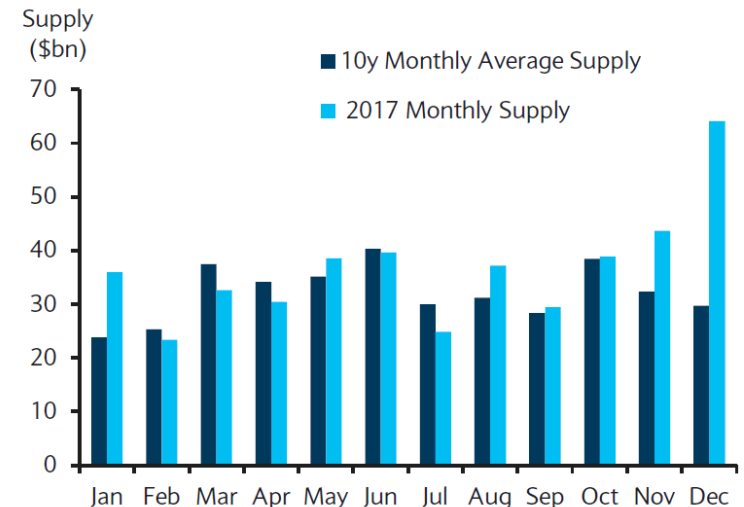
All fund securities except for those labeled "Not Rated" and "Other" have been rated by a Nationally Recognized Statistical Rating Organization such as Moody's, Standard & Poor's or Fitch. Quality ratings typically range from "AAA" (highest grade) to "D" (lowest). When a bond is rated by more than one organization, uses the highest rating available. Credit quality ratings pertain to the underlying securities of the fund and not to the fund itself.



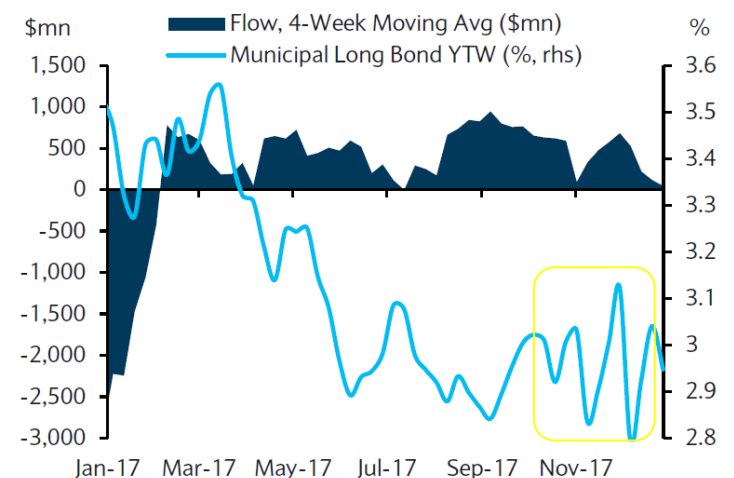
MACRO THEMES IN THE MUNICIPAL MARKET

- **Tax Reform:** Tax Reform has **eliminated the ability for Municipalities to pre-refund their debt, yet has left the market largely unscathed.** The top tax bracket was brought down from 39.6% to 37%, but not meaningfully enough to affect Municipal bonds value.
- **Supply:** Questions around tax reform and the elimination of pre-refunded debt **caused a massive rush to market before year end.** **Issuance for December 2017** easily set a record at **\$62.5 billion**, surpassing the previous record of **\$54.7 billion**, which was set amidst the last major tax overhaul in 1985. **First half of the year is off to an extremely slow start.**
- **Phantom Supply:** We believe there is a **large overhang of supply** held at trading accounts as well as banks and insurance companies, which are **looking to exit positions.**
- **Demand/Fund Flows:** After some volatility through the end of 2017, we have seen **strong positive inflows to during the first half of 2018.** With the capping of other tax exemptions in high-tax states, we believe it **makes municipal bonds even more attractive.**
- **Pensions:** Pensions remain by far the **largest issue facing the municipal market.** While being addressed on the margins and boosted by equity performance, it is a **lingering risk that we do not believe is fully priced into current valuations.**
- **Defaults:** Limited, but **growing due to specific issuer problem.** Detroit, Chicago, Chicago BOE, Illinois, New Jersey, Puerto Rico.

2017 Monthly Issuance versus Historical Average



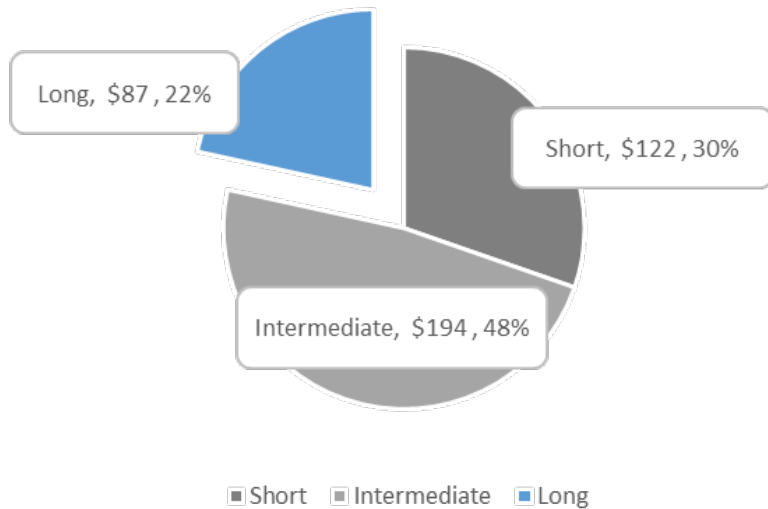
Muni Fund Flows



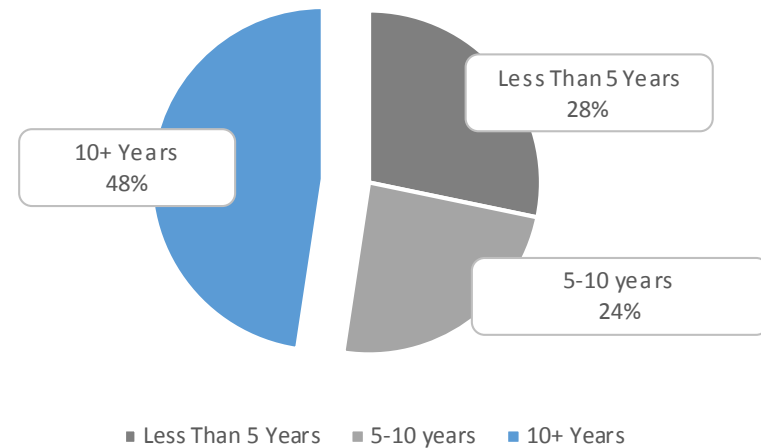
RETAIL DRIVES OUTSIZED SHORT MATURITY DEMAND

- Using mutual funds as a proxy for retail demand, there is a clear bias for shorter duration assets
- Meanwhile, issuers have biases to issue longer maturities with the bulk being in term bonds

Municipal Fund Assets (\$B)



Maturity Distribution of the Municipal Agg. Index

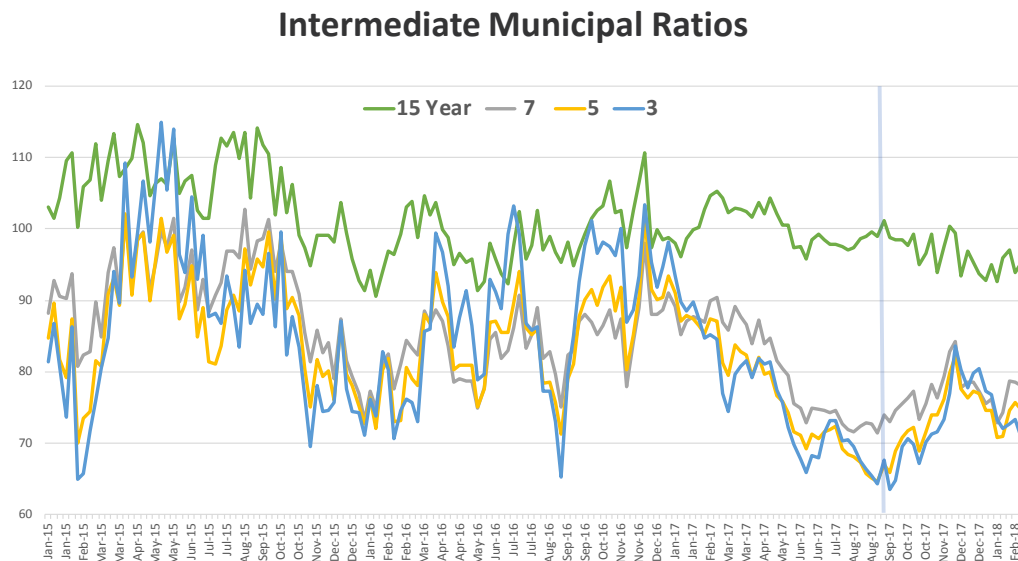




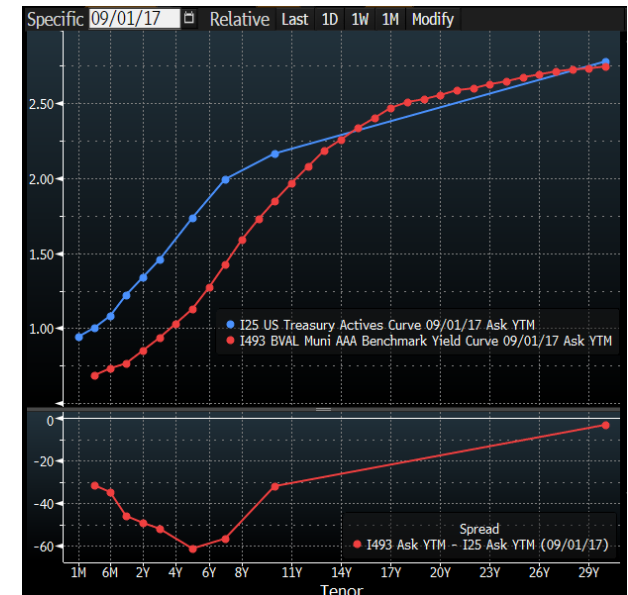
SUPPLY/DEMAND IMBALANCE CAUSES VALUATION NUANCES

MUNICIPALS HISTORICALLY HAVE A STEEPER YIELD CURVE

- Ratios for bonds 10 years and less have wide fluctuations
- The front end can at times provide good tax-adjusted value yet historically has long periods of being rich to taxable alternatives
- Maturities 10 years and less have tended to trade at materially higher valuations than a slightly longer part of the curve
- Understanding and building a portfolio around these valuation discrepancies can add meaningful value on a tax-adjusted basis



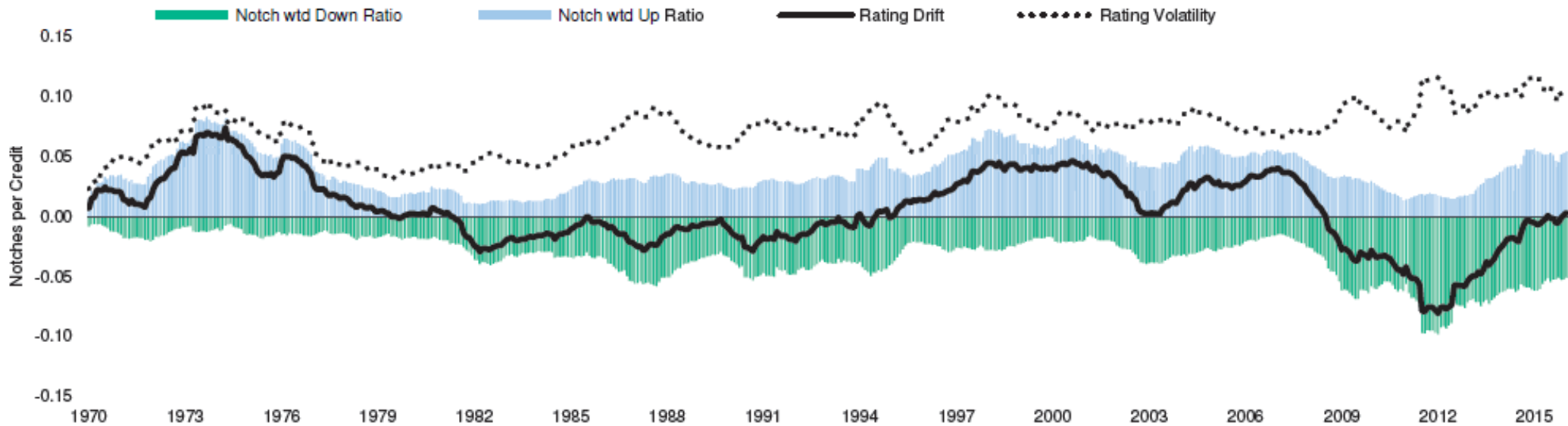
Source: Bloomberg. Yield curve data as of 9/1/2017.





MUNICIPAL CREDIT CONTINUES TO IMPROVE

Volatility Still High, But Drift Trending Positive
Drift and Volatility Ratios of U.S. Municipal Issuers, 1970 to 2016

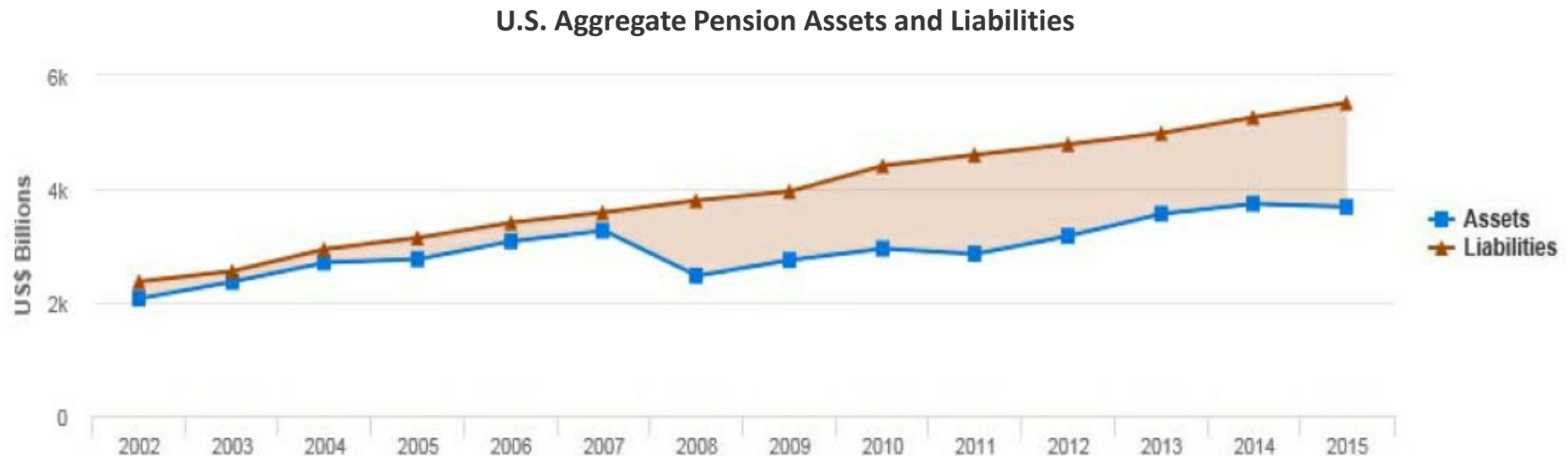


Source: Moody's Investors Service as of 12/31/2016.



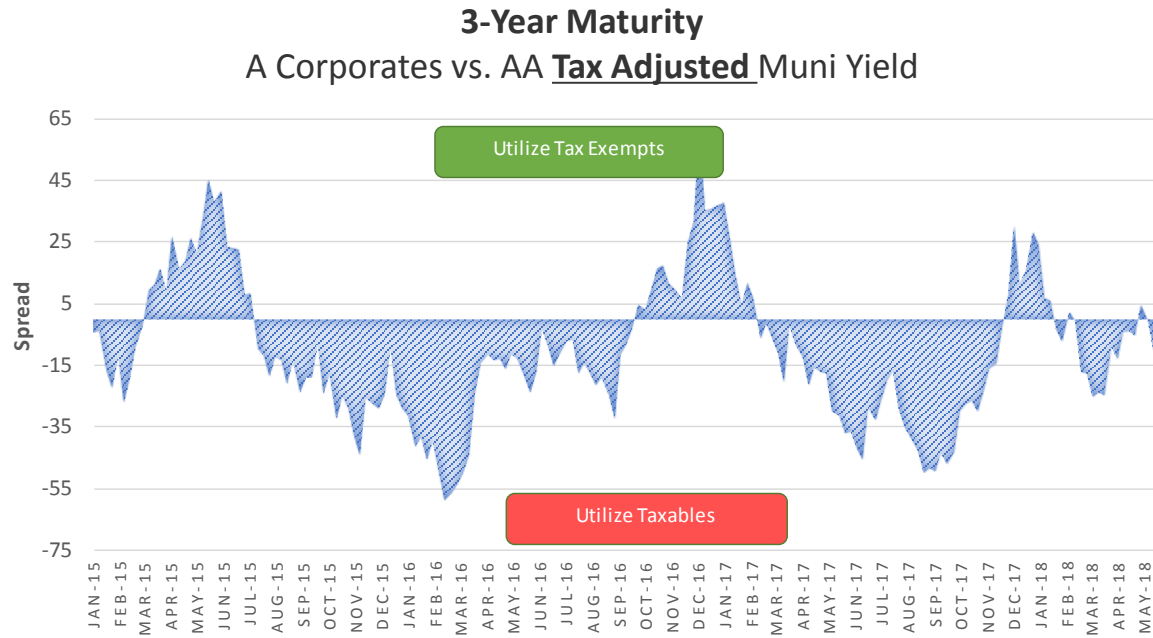
SINGLE LARGEST ISSUE FACING THE MUNICIPAL MARKET

- Unfunded pension liabilities continue to grow despite a long bull market in equities
 - Pension liabilities have increased at a CAGR of 6.72% from 2002 to 2015
 - The gap between assets and liabilities shows no sign of narrowing, despite pension reforms
 - Among states reporting 2017 data, NPL has increased from \$284B to \$379B from 2014 to 2017, a period of generally favorable investment returns





ANALYZING TAX ADJUSTED RELATIVE VALUE



Opportunistic Allocations		
Taxable Municipal Bonds	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="border: 1px solid black; padding: 2px;">Max Under</div> <div style="border: 1px solid black; padding: 2px;">Under</div> <div style="border: 2px solid yellow; padding: 2px;">Neutral</div> <div style="border: 1px solid black; padding: 2px;">Over</div> <div style="border: 1px solid black; padding: 2px;">Max Over</div> </div>	We continue to find intriguing one off opportunities in short duration taxable munis
IG Corporates	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="border: 1px solid black; padding: 2px;">Max Under</div> <div style="border: 1px solid black; padding: 2px;">Under</div> <div style="border: 1px solid black; padding: 2px;">Neutral</div> <div style="border: 2px solid green; padding: 2px;">Over</div> <div style="border: 1px solid black; padding: 2px;">Max Over</div> </div>	Near post-recession tights, better opportunities in tax exempts and taxable munis
High Yield Corporates	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="border: 2px solid red; padding: 2px;">Max Under</div> <div style="border: 1px solid black; padding: 2px;">Under</div> <div style="border: 1px solid black; padding: 2px;">Neutral</div> <div style="border: 1px solid black; padding: 2px;">Over</div> <div style="border: 1px solid black; padding: 2px;">Max Over</div> </div>	Near post-recession tights, better opportunities in tax exempts and taxable munis
Closed End Muni Funds	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="border: 2px solid red; padding: 2px;">Max Under</div> <div style="border: 1px solid black; padding: 2px;">Under</div> <div style="border: 1px solid black; padding: 2px;">Neutral</div> <div style="border: 1px solid black; padding: 2px;">Over</div> <div style="border: 1px solid black; padding: 2px;">Max Over</div> </div>	Discounts in closed end funds have had a dramatic rally over the past few years. Only buy during periods of market stress.

Source: Bloomberg as of 5/24/2018.

OVERVIEW OF THE COLORADO MARKET



THE COLORADO MUNICIPAL MARKET

- **Total Size:** We estimate the Colorado municipal bond market to be around **\$55 Billion to \$65 Billion**.
- **Shrinking Market:** By our estimates, the Colorado tax-exempt market has shrunk by \$5 Billion to \$10 Billion, or approximately 15%, over the last five years. This is a faster pace than the national market.
- **Issuers:** We estimate there are slightly more than **1,000 individual issuers** with more than **15,000 separate CUSIPs**.
- **Liquidity:** Average trading volume is around **\$120 Million a day**, with highs around \$500 Million and lows of about \$50 Million.
- **Largest Issuers:** Major infrastructure projects make up three of the top 10 issuers.
- **Metropolitan Districts:** The size of the Metropolitan District sector and number of issuers is also worth noting. While not unique specifically to Colorado, the concept of metropolitan districts is heavily used and ranks 4th in this type of issuance nationally.

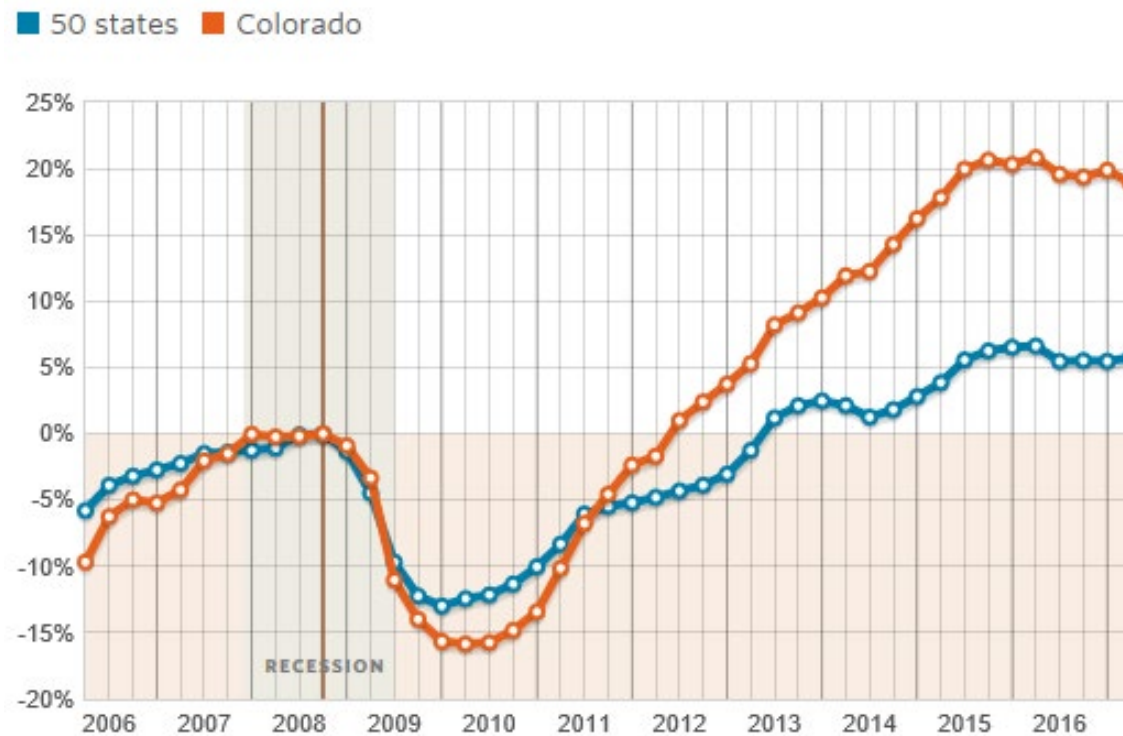
Top Ten Largest Issuers	
Rank	Name
1	City & County of Denver CO Airport System Revenue
2	Regional Transportation District
3	Colorado Housing & Finance Authority
4	Catholic Health Initiatives
5	City of Colorado Springs CO Utilities System Revenue
6	Denver City & County School District No 1
7	University of Colorado
8	State of Colorado
9	City & County of Denver CO
10	E-470 Public Highway Authority

Rank	Sector
1	School Districts
	Denver City & County School District No 1
	Jefferson County School District R-1
2	Hospitals
	Catholic Health Initiatives
	Sisters of Charity of Leavenworth Health
3	Airport
	Denver International Airport
	Colorado Spring Airport
4	Metropolitan Districts
	Metro Wastewater Reclamation District
	Park Creek Metropolitan District
	Plaza Metropolitan District No 1
5	Higher Education
	University of Colorado
	Colorado State University
6	Water & Sewer
	Colorado Water Resources & Power Development
	City of Aurora CO Water Revenue
7	General Appropriation Debt
8	Single Family Housing
9	Sales Tax
10	Education Appropriation Debt

Source: Bloomberg. Data as of 12/31/2017. For illustrative purposes only.

- Colorado has had strong growth coming out of the recession, outpacing 46 of the 50 states
- Employment has been increasing in Colorado and the nation for more than five years, with Colorado gains outpacing the nation
- Net migration has been a major tailwind although gains have been largely concentrated in the Denver Metro Area

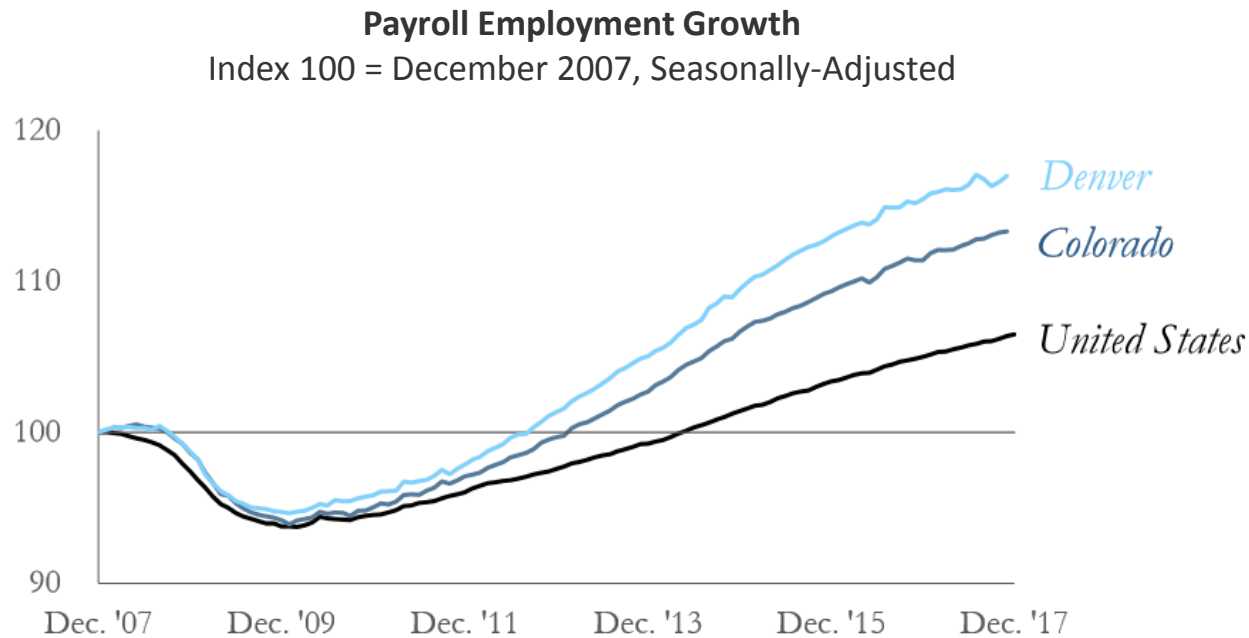
Change in Tax Revenue from Each State's Peak Quarter, Adjusted for Inflation





COLORADO ECONOMY – EMPLOYMENT

- Diversified and stronger across nearly all sectors than the rest of the United States
- Unemployment rates have trended down at a faster rate in Colorado than across the US
- Construction and Leisure/Hospitality has been the largest driver, while natural resources and mining continue to drag



Percent Change	Past 10 Years	Past Year
U.S. (Dec. '17)	6.5%	1.4%
Colorado (Nov. '17)	13.4%	1.7%
Denver (Nov. '17)	17.2%	1.6%

Source: Kansas City Federal Reserve. Data as of December 2017.

MUNICIPAL BONDS IN A DIVERSIFIED FIXED INCOME ALLOCATION



OPPORTUNISTIC USE OF MUNICIPAL BONDS

Opportunistic, bottom-up municipal credit fund structured to take advantage of the valuation swings in the tax-exempt market

OBJECTIVE	<ul style="list-style-type: none">• Maximize after-tax returns and income• Invest flexibly to achieve the highest tax-adjusted, risk-adjusted return for investors• Up to 20% can be invested in taxable bonds when their yields and return profile look more advantageous on a tax-adjusted basis
DURATION	<ul style="list-style-type: none">• Intermediate effective duration focus• Weighted average duration of 4 to 7 years
INVESTMENT GUIDELINES	<ul style="list-style-type: none">• 80-100% allocation to federally tax-exempt securities<ul style="list-style-type: none">- Minimum of 70% of municipal exposure in investment grade securities- Maximum of 30% in high yield and unrated bonds- Utilize cash bonds; maximum of 10% allocation to closed-end fund vehicles and ETFs if desirable valuation opportunities present themselves• 0-20% allocation to taxable bonds (typically on the front-end of the yield curve and based on relative valuations)• Include Treasuries, taxable municipal bonds, investment grade U.S. corporates and high yield corporates (max of 15%)• Ability to take advantage of short-term trading opportunities when appropriate



MUNICIPAL OPPORTUNITIES FUND POSITIONING

	Positioning	Rationale
Duration		Munis have rallied aggressively through the first half of the year and with Muni/Treasury ratios near 5-year lows, the risk/reward of duration seems to be negatively skewed
Structure		We continue to believe that structure remains mispriced in the market. We believe 6 to 8 year 5 coupon calls with 10+ year finals are underpriced.
Municipal Credit		
Upper Tier IG (AAA - AA)		Generally utilize for liquidity purposes. With credit fundamentals strong, there is a meaningful case to move down in credit quality.
High Quality Yield (A - BBB)		We believe this is the sweet spot for active municipal investors who take time to separate the good from the bad credits
High Yield		On a specific credit by credit basis, there remain opportunities. We believe spreads are too tight and remain largely bearish on the largest names.
Select Overweight Sectors		
Transportation		Assets are essential to major population centers and have dedicated revenue streams and limited, if any, pension liabilities
Healthcare		Hospitals have had strong credit improvement over the last few years. We are overweight hospitals that are limited in Medicaid revenues.
Higher Education		We believe the market is throwing the baby out with the bathwater. Top 100 schools have meaningful value propositions.
Select Underweight Sectors		
State GO's		We remain highly concerned about large unfunded state pension liabilities and do not believe that the tight spreads fully compensate for that risk
Local GO's		Locals GO's benefit from the tailwind of a strong housing market. We remain concerned about exposure to pension liabilities at the local level.



FIXED INCOME TEAM BIOGRAPHIES

Maergrethe F. Amoussou, CFA**Senior Fixed Income Analyst**

2010 to Present: Segall Bryant & Hamill
2009 to 2010: Bremer Trust, Investment Analyst
2008 to 2009: Carlson Funds Enterprise, Consumer Discretionary Analyst
Education: BSB – University of Minnesota; MBA – Northwestern University's Kellogg School of Management
Member of the CFA Institute

Nick N. Detchev, CFA**Senior Fixed Income Analyst**

2012 to Present: Segall Bryant & Hamill
2011 to 2012: Grant Thornton, Valuation Services Group
Education: BS – DePaul University; MBA – Northwestern University's Kellogg School of Management
Member of the CFA Institute

Steven G. Kindred, CFA, CPA**Senior Fixed Income Analyst**

2009 to Present: Segall Bryant & Hamill
2008 to 2009: Janus Capital Group, Equity Research Analyst
2007: Wasatch Advisors, Equity Analyst Intern
2003 to 2006: Deloitte & Touche, LLP, Senior Auditor
Education: BS and MAcc – Utah State University; MBA – Dartmouth College
Member of the CFA Institute and the CFA Society of Colorado

William S. Oh, CFA, FRM**Senior Fixed Income Analyst**

2012 to Present: Segall Bryant & Hamill
2010 to 2011: Nationwide Insurance, Finance Leadership Rotation Program
2009 to 2010: AEGON USA Investment Management, Corporate Credit Strategy Intern
2004 to 2008: One West Bank (Formerly Indymac Bank), Asst. Vice President, Buy-Side MBS & Whole Loan Trader
2002 to 2004: Bear Stearns Residential Mortgage, Business Development Analyst
2001 to 2002: Wells Fargo Bank, Premier Banking Officer and Trust Account Manager
Education: BA – Claremont McKenna College; MBA – University of Chicago
Member of the CFA Institute and the CFA Society of Colorado

Daniel T. Schniedwind, CFA**Senior Fixed Income Analyst**

2014 to Present: Segall Bryant & Hamill
2011 to 2014: AMI Asset Management, Credit Analyst
2010 to 2011: Mars Hill Partners, Analyst
2009: Oppenheimer & Co., Sales and Trading Internship
Education: BA – Whittier College; MS – Indiana University
Member of the CFA Institute and the CFA Society of Colorado

Nicole J. Foote, CFA**Fixed Income Analyst**

2015 to Present: Segall Bryant & Hamill
2009 to 2014: Shenkman Capital Management, Client Service Associate, Portfolio Administrator
2008 to 2009: GE Asset Management, Trade Operations Specialist
2008: Evaluation Associates, Performance Analyst
Education: BS – Colorado State University; MBA – University of Connecticut
Member of the CFA Institute and the CFA Society of Colorado

Jesse T. Kallman**Fixed Income Analyst**

2015 to Present: Segall Bryant & Hamill
2014 to 2015: Bulldog Fund, LLC, Student Equity Analyst
2014: Split Rock Private Trading and Wealth Management, Intern Equity Analyst
Education: BBA – University of Minnesota-Duluth

Drew D. Conrad, CFA**Head Fixed Income Trader**

2010 to Present: Segall Bryant & Hamill
2006 to 2008: SCM Advisors, High Yield and Leveraged Loan Trader and Analyst
2001 to 2006: AIG Investment Management, Fixed Income Analyst and High Yield Trader
Education: BA – Rice University
Member of the CFA Institute and the CFA Society of Colorado



FIXED INCOME TEAM BIOGRAPHIES

James D. Dadura, CFA**Director of Fixed Income, Principal**

1999 to Present: Segall Bryant & Hamill
1994 to 1999: The Chicago Trust Company, Mortgage-Backed Security, Portfolio Structure and Quantitative Analyst
Education: BBA – University of TX; MBA – DePaul University
Member of the CFA Institute

Troy A. Johnson, CFA**Director of Fixed Income Research, Principal**

2007 to Present: Segall Bryant & Hamill
2002 to 2007: Quixote Capital Management, Portfolio Manager and Analyst
1993 to 2002: Invesco Funds Group, Inc., Senior Fixed Income Analyst
Education: BS – Montana State University; MS – University of Wisconsin
Member of the CFA Institute and the CFA Society of Colorado

Nicholas J. Foley**Senior Portfolio Manager**

2012 to Present: Segall Bryant & Hamill
2010 to 2012: Bank of the West/BNP Paribas Group, Associate Portfolio Manager and Lead Fixed Income Trader
2009 to 2010: Janus Capital Group, Financial Analyst
2004 to 2008: Washington Mutual Bank, Senior Analyst
Education: BA – Gonzaga University

Kenneth A. Harris, CFA**Senior Portfolio Manager, Principal**

2000 to Present: Segall Bryant & Hamill
1985 to 1999: Blue Cross and Blue Shield of Colorado, Treasurer
Education: BBA – University of Arizona; MBA – University of Colorado, Denver
Member of the CFA Institute and the CFA Society of Colorado

Darren G. Hewitson, CFA**Senior Portfolio Manager, Principal**

2008 to Present: Segall Bryant & Hamill
2008: 180 Connect, Accountant
2007: Munro & Noble Solicitors and Estate Agents, Accountant
Education: BAcc – University of Glasgow, Scotland
Member of the CFA Institute and the CFA Society of Colorado

Gregory C. Hosbein, CFA**Senior Portfolio Manager, Principal**

1997 to Present: Segall Bryant & Hamill
1992 to 1997: ABN AMRO Securities, Institutional Fixed Income Sales
1986 to 1992: LaSalle National Trust, Portfolio Manager
Education: BS – Boston College; MBA – DePaul University
Member of the CFA Institute

Gregory M. Shea, CFA**Senior Portfolio Manager, Principal**

2008 to Present: Segall Bryant & Hamill
2004 to 2008: Lehman Brothers Asset Management, High Yield Analyst
2003 to 2004: Banc of America Securities, Investment Banking Analyst
2001 to 2003: Bank of America, Bank Credit Analyst
Education: BS and MSBA – Washington University
Member of the CFA Institute and the CFA Society of Colorado

Michael R. Diehl, CFA**Portfolio Manager**

2012 to Present: Segall Bryant & Hamill
2002 to 2012: Old Republic Insurance Company, Trader/Senior Investment Analyst
Education: BA – Augustana College
Member of the CFA Institute



IMPORTANT DISCLOSURES

RISKS: Municipal bond fund income may be subject to state and local income taxes and the alternative minimum tax. Capital gains, if any, will be subject to capital gains tax. Investments in municipal bonds are subject to interest rate risk, or the risk that the bonds will decline in value because of changes in market interest rates. Municipal bonds are also subject to call risk, credit risk, liquidity risk, below investment grade securities risk, and interest rate futures risk.

Diversification does not eliminate the risk of experiencing investment losses.

An investor should consider investment objectives, risks, charges and expenses of the Fund(s) carefully before investing. This material must be accompanied or preceded by a prospectus, which contains this and other important information about the Fund(s). To obtain additional copies of the prospectus, please call (800) 734-9378 or visit us online at www.sbhfund.com. Please read the prospectus carefully before investing.

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