Dividend Growth

Portfolio Update: Annual Letter 2022

For the year 2022, the Dividend Growth Strategy (the "Strategy") decreased -12.69% net of fees, outperforming the -18.11% return for the S&P 500 Index while underperforming the -9.98% return for the Morningstar U.S. Dividend Growth Index. 2022 was the worst return year for U.S. equities since 2008. We were disappointed that the Strategy underperformed the more style pure benchmark, but note that it substantially outperformed the S&P 500 as the Strategy's approach related to dividend paying securities was more in favor this year.

Performance	Q1	Q2	Q3	Q4	1 Year	3 Years	5 Years	10 Years	Since Inception (4/1/2005)
Dividend Growth (net of IM fees)	-6.53%	-10.80%	-3.61%	+8.66%	-12.69%	+9.74%	+12.01%	+12.44%	+8.06%
Dividend Growth (net of IM & WM fees)	-6.77%	-11.03%	-3.85%	+8.39%	-13.56%	+8.67%	+10.91%	+11.33%	+7.00%
S&P 500 Index	-4.60%	-16.10%	-4.88%	+7.56%	-18.11%	+7.66%	+9.42%	+12.56%	+9.08%
Morningstar U.S. Dividend Growth Index	-3.99%	-10.89%	-6.56%	+12.61%	-9.98%	+5.90%	+7.52%	--	--

Inception date: April 1, 2005. Performance is presented net of RMB Asset Management's maximum management fee and transaction costs. Performance is annualized for periods greater than one year. Please see important disclosures at the end of this document. Past performance is not indicative of future results, and there is a risk of loss of all or part of your investment. All data is as of December 31, 2022, except the Q1, Q2, and Q3 performance which is as of March 31, 2022, June 30, 2022, and September 30, 2022, respectively.

2022 was a year when the value style of investing absolutely trumped the growth style. The Russell 3000® Value Index was only down -8.0% relative to a decline of -28.9% for the Russell 3000® Growth Index, nearly a 21% differential and the largest growth to value differential since 2000. We may all remember 2000 was the end of the late 90's speculative excess in Technology, Media, and Telecommunications, highlighted by the "dot.com's", and 2022 was also the end of the speculative excess in many areas (crypto, meme stocks, SPAC's[1], unprofitable companies). Core Equity is run as a "growth at a reasonable price" (GARP) strategy, as we seek to own high quality, secular growing businesses, which puts us square in the growth style of investing, but certainly not aggressive growth or "growth at any price". Fortunately, our adherence to quality kept us out of the more speculative segments of growth equities (unprofitable companies and untested business models), which performed the worst this year after being the hottest parts of the market in 2021. The outperformance of value over growth was most pronounced in the Energy sector, which was ***up*** +63%[2], the best year ever for the sector and just remarkable relative to the overall market return. It might surprise you that oil prices basically round tripped in 2022, as they shot up after the onset of the Ukrainian conflict, but then came back down over the balance of the year. We would consider the performance of the Energy sector to be an extreme outlier event that is unlikely to recur, especially at this magnitude. The sector compromised about 3% of the benchmark at the start of the year and, with the outperformance, is now about 5% of the index. Dividend Growth's concentrated strategy did not own any names in the Energy sector, which cost the Strategy 225 basis points (bps) in relative performance against the S&P 500 and 43bps against the Morningstar index which has a smaller Energy weighting. We generally don't find business models in the sector that have significant economic moats, sustainably earn high returns on invested capital, or exhibit secular growth characteristics. Over a much longer period (5-10 years), we think avoiding low quality, secularly challenged business models will be a tailwind to performance, although acknowledge this does lead to higher tracking error to the passive benchmark in any particular year. As strong believers in concentrated, long-term investing with high active share, we believe Dividend Growth is

1 Special Purpose Acquisition Company (SPAC).

2 Russell 3000® Energy sector; Source: RMB Capital.

positioned to outperform and compound returns for our investors over long periods of time. On that front, despite a mixed 2022 we believe the Strategy's relative returns over the past three and five years still look quite strong.

Drilling further into performance from a traditional attribution perspective, the Strategy's out performance in 2022 relative to the S&P 500 was fairly balanced between stock selection and sector allocation. The Communication Services, Information Technology, Consumer Discretionary, and Health Care sectors were notable positive contributors to performance, partially offset by negative contribution in Energy, Utilities and Consumer Staples. Comparing the Strategy's 2022 performance relative to the Morningstar Index, the underperformance was mostly driven negative sector allocation. The Consumer Discretionary, Staples, Industrials, and Real Estate were notable detractors to performance, partially offset by positive contribution in the Financials and Communication Services. 2022 was a year where the S&P 500 and Morningstar Index were unusually uncorrelated, with a substantial spread in their returns at just over 800 basis points. This was largely due to the performance difference between growth and value, with the S&P having a higher concentration in growth stocks and the Morningstar Index having a higher value component. In most years, the two benchmarks tend to be more correlated to each other than what we witnessed in 2022.

Financial markets started 2022 with optimism around a global economic recovery, with the effects of the pandemic receding. As it turns out, it was a year where macroeconomics and geopolitics dominated the investing landscape, but in a more negative way than anyone would have forecasted at the beginning of the year. Surging inflation and the corresponding rise in interest rates was the financial story of the year, both in the U.S. and around the world. The outbreak of the war in Ukraine dominated headlines, as both the economic, geopolitical, and human costs of the conflict will have long lasting consequences. Optimism quickly turned to pessimism as the year unfolded and we now begin 2023 with a highly uncertain landscape. As a reminder, often some of the best long-term investing opportunities occur at points of maximum pessimism and uncertainty. While we wouldn't opine that we are at that type of extreme just yet, it pays to be somewhat contrarian when making asset allocation decisions and stay focused on the long-term.

In reviewing 2022 financial markets, there were very few places to hide from negative returns. Most notably, domestic stocks and bonds both declined significantly, as the diversification benefits from holding a mix of stocks and bonds didn't work. The yield on the U.S. 10-year Treasury rose from 1.50% to 3.88%, one of the more dramatic historical increases and on the heels of fairly low interest rates for over a decade, post the global financial crisis of 2008-2009. The surge in inflation that we first saw last year persisted to levels that the U.S. had not seen since the early 1980's! The Fed's belief that inflation would be "transitory" had to be abandoned in favor of an aggressive rate hiking cycle to try and dampen CPI, which ran into +9% year-over-year territory mid-summer. The policy mistake of waiting too long to raise rates along with unprecedented fiscal stimulus in 2020 and 2021 ultimately were two principal factors that led to the inflation problem we experienced this year. Lagging supply chain issues and the Ukrainian war threw fuel on the fire. We believe that we've likely seen peak inflation and it will be tamed in 2023, although it may be difficult to get all the way down to the Fed's 2% long-term target by year end. The rate hikes are already having an impact on economic growth and consensus is for some level of economic contraction this year. We tend to agree that it does seem more likely than not that the U.S. will enter a recession, although we have a hard time opining on the hard vs. soft landing debate, i.e. the severity and duration of a downturn. The starting point of an extremely tight domestic labor market (mid 3% unemployment) might make inflation stickier than it would otherwise be in a typical downturn, but also make a recession less impactful to the average worker in terms of job losses. There are few similar points in past economic history to draw upon, making it even more difficult for economists to forecast what's most likely to happen in the next 12-24 months.

Outside the U.S., the macro environment appears to be far worse. Europe is struggling with the surge in energy prices as a result of the end of cheap natural gas from Russia and appears to be in a fairly severe recession. China, the world's second largest economy, has done a 180 degree move, largely abandoning its zero Covid policy in favor of reopening with minimal restrictions. Its massive population has less natural immunity and vaccine protection, so it's questionable how this will play out over the next couple of months. If China can endure some difficult initial months, the reopening could be positive for the global economy later this year. Emerging markets around the world are also struggling with the global surge in inflation and will likely struggle along with developed economies. When you add it all up, in many ways, the U.S. today feels like the "best house on a bad block" as we enter the new year.

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U.S. corporations enter this uncertain period in relatively good shape, and we see signs that they are proactively taking steps for a recession. Earnings recovered substantially in 2021 off 2020's pandemic depressed levels and grew an estimated additional 3% in 2022, largely driven by strength in the Energy sector. Forward estimates have been declining in the second half of 2022 and we believe that 2023 estimates are likely still too high. We wouldn't be surprised to see forward estimates fall further during the fourth quarter earnings season that is about to get underway. Wall Street analysts are notorious for missing inflection points and bottom-up estimates are likely still too optimistic. With an estimated 3% growth in S&P 500 earnings in 2022, the markets P/E ratio declined nearly 22% (about 5 points), which can be largely attributed to the rise in interest rates and worries about future earnings power. Long-term expectations for interest rates influence the discount rate on which stocks are valued, with P/E multiples being loosely defined as the inverse of the long-term discount rate, adjusted for a 3-4% equity risk premium. When we penned this letter last year, we saw downside risk in the market's historically high multiple and we certainly saw that play out in 2022. While there could be more downward bias to the market multiple, depending on where interest rates move, underlying earnings power for 2023 and 2024 could be more influential on where market indexes go this year. We believe quality companies with resilient business models that have secular growth stories could be more resilient than cyclicals, but time will tell. Above average volatility and so-called "bear market rallies" seem highly likely.

As bottom-up equity investors, we always have some hesitation to opine on "the market" as if it's one homogenous entity, yet we routinely follow this standard industry practice. Last year we told you that both our macro and bottom-up process found that the market was quite expensive overall. We also mentioned that we were not finding bargains in individual companies to be overly abundant, particularly in our quality growth universe. After an 18% decline in the U.S. equity market this year, we are finding more opportunities and better risk-rewards today, although not to the levels where we get so excited that we want to "back up the truck" and advise investors to allocate significantly more money to equities. Today a bottom-up analysis of the Strategy shows a median reward-to-risk ratio around 2x, which shows more upside than downside, but not the levels of 3x or more that really get us excited. Macro market predictions are very difficult to make with any hopes of being consistently accurate, so we'll remain "macro aware" but keep our efforts principally focused on bottom-up stock selection. We have built a concentrated, yet diversified, portfolio of high-quality, individual companies that we believe can grow their earnings for years into the future and earn attractive returns on invested capital. No matter what happens with the current market cycle, we strongly believe the Strategy positions us to outperform over the long run without taking undue risk.

Contributors and Detractors

The accompanying chart shows the Strategy's largest contributors and detractors to performance during the year. In a year where stocks were down significantly, we only had a small number of names with positive absolute returns. The largest contributor was biotech drug manufacturer, Amgen Inc. (AMGN). The stock performed well in 2022 as the market favored defensive, consistent earners with minimal cyclical exposure and attractive dividend yields. Amgen and other large cap pharma peers fit this "safety" profile perfectly. The company's fundamentals were reasonably healthy, as earnings estimates generally met expectations and they reported some moderately positive updates to their drug development pipeline. The big story for Amgen was the acquisition announcement of Horizon Therapeutics PLC (HZNP) late in the year. We have mixed feelings on the deal with both positives and negatives, recognizing it will require good execution by management in the coming years to extract revenue and cost synergies. At year-end, we see Amgen's risk-reward about balanced and have the position sized as a bit below the median in the Strategy.

Chubb Ltd. (CB), a diversified commercial property and casual (P&C) insurance, was the Strategy's second largest contributor. Like Amgen, Chubb benefits from not being overly economically cyclical, given the need for insurance during all economic periods. The P&C industry has been enjoying a period of what's known as a hard market, where the industry is raising premiums to enhance returns and help offset loss cost inflation. Historically, Chubb has been one of the most disciplined underwriters, as it prices policies appropriately for the risk it takes and is less concerned about market share while other competitors are less rational. This pays off for shareholders in the long run with higher returns on equity. Rising interest rates also benefit insurers, as their bond portfolios can earn higher rates of return on their float, enhancing earnings. We continue to like Chubb as a long-term compounder and it's one of the Strategy's larger positions at year-end.

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On the negative side of the performance ledger, we had several names that detracted from performance in 2022. Not surprising, the two largest detractors are both from the Information Technology sector, which was one of the worst performing sectors for the year, as growth equities suffered relative to value. Enterprise software and cloud services provider Microsoft Corp. (MSFT) was the largest detractor, a function of its large position size and underperforming stock. Fundamentals for Microsoft remain reasonably good, although it did show some deceleration in revenue growth as the year played out. Microsoft is not immune to industry-wide weakening technology spending and very difficult comparisons to the pandemic boom quarters. We suspect we'll see some further slowing of growth in the next couple of quarters, but Microsoft should be more resilient than its peers. As one of the more global tech companies, Microsoft also had consistent pressure on earnings estimates in 2022 from the translation effect from a strong U.S. dollar, but perhaps that has peaked, as the dollar declined in the last couple months of the year. We generally look through foreign exchange translation effects (in either direction) and it has minimal influence on our stock selection. We continue to believe that Microsoft has a very durable economic moat and good secular growth prospects over the next several years, as it benefits from the move of technology workloads to the cloud. The stock has a very reasonable valuation, strong balance sheet, solid stewardship and is one of our more evergreen holdings. Microsoft is the Strategy's largest position at year-end.

Dividend Growth
2022 CONTRIBUTION REPORT
Ranked by Basis Point Contribution

	Basis Point Contribution	Average Weight
Top Contributors		
Amgen Inc.	+82	3.62%
Chubb Ltd.	+59	4.24%
UnitedHealth Group Inc.	+46	5.47%
Stryker Corp	+13	2.65%
Becton, Dickinson and Co.	+3	4.02%
Bottom Detractors		
Microsoft Corp.	-218	6.93%
Accenture PLC	-143	3.40%
Lowe's Companies, Inc.	-136	5.37%
American Tower Corp.	-117	4.69%
Apple Inc.	-116	3.83%

Past performance is not indicative of future results, and there is a risk of loss of all or part of your investment. The above does not represent all holdings in the Strategy. Holdings listed might not have been held for the full period. To obtain a copy of RMB's calculation methodology and a list of all holdings with contribution analysis, please contact your service team. The data provided is supplemental. Please see important disclosures at the end of this document.

Accenture PLC (ACN), the leading enterprise consulting and process outsourcing firm, was the second largest detractor. The stock has been held in the Strategy for over a decade now. Like many other technology companies, Accenture experienced a significant acceleration in demand during the pandemic, which has now slowed to more normal levels. As a human capital business, trying to staff to the appropriate level of demand, both on the way up and now on the way down, is a challenge. Accenture has done a commendable job in protecting margins so far through this cycle. They have also benefited from not being entirely reliant on the traditional consulting business, as their business process outsourcing business has continued to hold up well and is largely structured as a recurring revenue model, making it less cyclical. While it's possible that growth slows further in 2023 vs. difficult comparisons, we think Accenture is well positioned to benefit from longer-term secular demand drivers of digital transformations, artificial intelligence, cloud, and data security. Accenture remains a go-to source of expertise for enterprises needing outside help in a fast-changing, disruptive global marketplace. The stock is one of our smaller positions at year-end, although we would add to our position on further weakness if the stock gets to our target add price.

Portfolio Activity

During the year, the Strategy purchased two new names and exited two. Overall, we were on the low end of historical name turnover, but consistent with our "ownership mentality" that keeps turnover low and tax efficiency high by owning long-term compounding business models for years. The two new additions to the Strategy were Stryker Corp. (SYK) and Intuit Inc. (INTU). We'll discuss the investment thesis on each name in a moment. We exited our position in healthcare IT company Cerner Corp. (CERN) upon its acquisition for cash by Oracle Corp. (ORCL) and used the proceeds to buy Stryker.

In our view, the acquisition price was fair and we felt it was a good decision by Cerner's Board to sell the company. We also exited our position in Starbucks Corp. (SBUX) to the fund the new purchase in Intuit. While we remain admirers of the Starbucks business model, we had some concerns around the direction of leadership and the accelerating level of investment spend needed to change the business. We felt we had more long-term upside in Intuit and could also make the swap in a reasonably tax efficient manner.

Stryker Corp. is one of the world's leading medical technology companies, with a strong economic moat versus its competition. Products include implants used in joint replacement and trauma surgeries; Mako Robotic-Arm Assisted technology; surgical equipment and surgical navigation systems; endoscopic and communications systems; patient handling, emergency medical equipment and intensive care disposable products; neurosurgical, neurovascular, and spinal devices; as well as other products used in a variety of medical specialties. Orthopedics comprise 34% of revenue, MedSurg comprises 45%, and Neurotechnology and Spine 21%. Stryker has grown over the years through steady organic growth and a series of well-executed and integrated acquisitions in the medical technology space. Most recently, it acquired medical communication technology provider, Vocera Communications (VCRA).

As a highly respected market leader in all segments it serves, Stryker can deliver above-market organic growth, driven by innovation, a specialized sales force, and international expansion. Led by highly regarded CEO Kevin Lobo, Stryker has also shown an ability to acquire adjacent medical technology companies that are accretive to its internal growth rate. Aging domestic demographics should remain favorable for many years to come for its orthopedics and spine businesses and, with its MAKO robotic assisted surgeries, Stryker can continue to penetrate hip and knee replacements to take market share. With only 27% international exposure, Stryker also has plenty of opportunity for international expansion, as U.S. technology is adopted in other countries. At our initial point of entry, we felt the stock was timely, given recent underperformance as COVID, labor, and supply shortages moderately weighed on near term growth. We viewed these items as transitory in the near term as many elective surgeries have been delayed but will pick back up post pandemic. Combined with a very strong management team, we expect Styker to continue to execute at a high level to overcome these near-term macro challenges. Given the high-quality compounding nature of the business model, the stock rarely goes deeply on sale, but is trading at a reasonable entry point for a business that we can own for years to come. Stryker also has a good track record of growing its dividend and we expect it to grow at or above its long-term earnings growth rate and provide a nice kicker to an attractive total return.

Intuit provides financial management and compliance software and services to consumers, small businesses, and the self-employed. The company also provides specialized tax products to accounting professionals, who are key partners that help it serve small business customers. Its products, including TurboTax, Quickbooks, Mint, Mail Chimp, and Credit Karma, are designed to help consumers and small businesses manage their finances, pay off debt, and do their taxes. For those customers who run small businesses, it focuses on helping them get paid, pay their employees, access capital, ensure their books are done right, and find and keep customers. Its software becomes "mission critical" and highly embedded in its customers businesses and personal finances. Intuit serves approximately 100 million customers across its product offerings and platforms and 95% of revenue comes from the U.S.

By complementing its highly sticky core small business accounting and consumer tax preparation franchises with the recent highly strategic acquisitions of Credit Karma and Mailchimp, Intuit is further cementing its position as the critical technology platform for small-to-medium sized businesses. These acquisitions bring significant data advantages, customer scale, and engagement benefits, while potentially providing a launching pad for future, innovative financial services. Its core businesses should continue to provide healthy growth for many years on increased global adoption of mission critical back office/accounting software, while the consumer tax business pursues a promising "Finapp" strategy following the Credit Karma acquisition. The adoption of value-added services like payroll, payments, lending, HCM could help boost retention and monetization over time. This strategy should enhance unit economics by growing customer lifetime value and retention while effectively diluting customer acquisition costs. Intuit's revenue model is highly recurring and has largely moved to the cloud, enhancing the close relationship it has with its customers and deepening the economic moat it has with smaller competitors. Along with a very strong management team, we believe Intuit can drive financial metrics toward the higher end of its long-term targets.

Despite strong fundamentals and rising forward earnings estimates, the stock had de-rated substantially ahead of our initial purchase in the second quarter, to the point that we had an attractive risk-reward for long-term investment. While Intuit's absolute dividend yield of a little under 1% is a bit below the market, we believe it can grow at or above the 15-20% long-term earnings growth rate. Given that many of the highest quality technology stocks don't pay dividends, the sector can be a challenging place to find ideas for the Strategy without wading into "old technology" stocks that may have attractive yields but challenged business models. We are willing to accept a lower yield for substantially faster growth and a higher quality business. We feel that Intuit compliments the Strategy's existing tech holdings of Microsoft, Accenture, CDW Corp. (CDW), Analog Devices Inc. (ADI) and Apple Inc. (AAPL) quite well.

Outlook

U.S. corporate earnings, which is the biggest long-term driver of stock prices, recovered substantially in 2021, but plateaued in 2022 and are likely to contract in 2023, if the economy falters as expected. Valuations on stocks look neither expensive nor cheap compared to history. Today, the market is trading at 16.7x 2023 and 15.1x 2024 earnings estimates versus a very long-term average around 16x. As we mentioned earlier, we think there could be further downward revisions to current estimates, which would make the forward multiple higher. Typically, it’s hard for stocks to sustainably rise when forward estimates are being lowered, but once the market feels like they’ve bottomed, and better growth lies ahead, it can rally. The stock market is a forward-discounting mechanism after all. Interest rates and how they affect the discount rate is another important factor in market valuations. With the 10-year Treasury well off its fourth quarter peak, perhaps market rates have peaked for this cycle. Another rate phenomenon worth mentioning is the spread between short-term rates and long-term rates today. Currently the 10-year rate is significantly higher than the 2-year or 3-month rate, what is referred to as an inverted yield curve. This typically signals that a recession is on the horizon and it’s hard to argue with what the bond market implies. Whether this means that we will actually get outright rate cuts from the Fed later this year or that they need to hold them high to squash inflation is a central debate to where market indices may head in 2023. No matter what ultimately happens, we believe there is a fair amount of market volatility in both directions as this plays out.

As always, while we may opine on our view of the overall market, we do not pretend to have any ability of predicting where the market is heading in the short or intermediate term. It’s a very difficult, if not impossible, task to add value by timing the market. We think it’s prudent to keep return expectations modest for the next few years, although after the market decline in 2022, the risk-reward over a 3-5 year horizon has improved. As a reminder, the starting point makes a big difference to how returns compound. We continue to focus the Strategy’s efforts on owning companies with what we believe have good secular growth prospects, strong economic moats, underleveraged balance sheets, superior management teams and growing dividend payments. These are companies we believe can compound value for shareholders for years into the future. The opportunities to find high-quality dividend growth companies selling at attractive valuations is not abundant, but we will continue to use our “bottom-up” search to optimize the Strategy. If we adhere our disciplined investment process and manage portfolio risk, we aim to continue to add value to market returns in subsequent years.

We’d like to wish everyone a happy new year and a sincere thank you for the continued trust you place in us to manage your assets. If you have any questions, please do not hesitate to contact us.

Sincerely,

Todd M Griesbach

Todd Griesbach
Portfolio Manager

Dividend Growth

TOP TEN HOLDINGS AS OF 12/31/22

Company	% of Assets
Microsoft Corp.	6.32%
CDW Corp.	5.25%
UnitedHealth Group Inc.	5.23%
Lowe's Companies Inc.	4.77%
American Tower Corp.	4.74%
Keurig Dr Pepper Inc.	4.71%
JPMorgan Chase & Co.	4.71%
Chubb Ltd.	4.64%
Morgan Stanley	4.50%
Union Pacific Corp.	4.34%

Holdings are subject to change. Past performance is not indicative of future results, and there is risk of loss of all or part of your investment. The data provided is supplemental. Please see disclosures at the end of this document.

Past performance is not indicative of future results, and there is a risk of loss of all or part of your investment. The opinions and analyses expressed in this letter are based on RMB Capital Management, LLC's ("RMB Capital") research and professional experience and are expressed as of the date of our mailing of this letter. Certain information expressed represents an assessment at a specific point in time and is not intended to be a forecast or guarantee of future performance, nor is it intended to speak to any future time periods. RMB Capital makes no warranty or representation, express or implied, nor does RMB Capital accept any liability, with respect to the information and data set forth herein, and RMB Capital specifically disclaims any duty to update any of the information and data contained in this letter. The information and data in this letter do not constitute legal, tax, accounting, investment, or other professional advice. The information provided in this letter should not be considered a recommendation to purchase or sell any particular security. There is no assurance that any securities discussed herein will remain in the Portfolio at the time you receive this letter or that securities sold have not been repurchased. The securities discussed do not represent the entire Portfolio and, in the aggregate, may represent only a small percentage of their holdings. It should not be assumed that any securities transaction or holding discussed was or will prove to be profitable, or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the securities discussed herein. A complete list of security recommendations made during the past 12 months is available upon request. An investment cannot be made directly in an index. The index data assumes reinvestment of all income and does not account for fees, taxes or transaction costs. The investment strategy and types of securities held by the comparison index may be substantially different from the investment strategy and types of securities held by your account. The Russell 3000 measures the performance of the largest 3000 U.S. companies, representing approximately 98% of the investable U.S. equity market. The Russell 3000 Index is constructed to provide a comprehensive, unbiased, and stable barometer of the broad market and is completely reconstituted annually. The S&P 500 includes 500 leading companies in leading industries of the U.S. economy. The S&P 500 focuses on the large-cap segment of the market and covers approximately 75% of U.S. equities. High-quality stocks are those that we believe offer greater reliability and less risk. The quality assessment is made based on a combination of soft (e.g., management credibility) and hard (e.g., balance sheet stability) criteria.

RMB Asset Management

RMB Asset Management
Dividend Growth Strategy // GIPS Report

Organization | RMB Capital Management, LLC ("RMB Capital") is an independent investment advisor registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940 and established in 2005. The GIPS firm is defined as RMB Asset Management ("RMB AM"), a division of RMB Capital Management, LLC. Previously, the firm was defined as RMB Capital and was redefined on January 1, 2016 to only include the asset management business due to the difference in how its investment strategies and services are offered. RMB AM claims compliance with the Global investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. RMB AM has been independently verified for the periods April 1, 2005 through December 31, 2020. The verification report(s) is/are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of

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performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.

Description | The Dividend Growth Strategy reflects the performance of fully discretionary equity accounts, which have an investment objective of long-term growth using a portfolio of primarily large-cap stocks and, for comparison purposes, is measured against the S&P 500 index. The inception date of the Dividend Growth Composite is April 1, 2005 and the Composite was created on April 1, 2005. Valuations and returns are computed and stated in U.S. Dollars.

ANNUAL PERFORMANCE RELATIVE TO STATED BENCHMARK

		Composite Assets		Annual Performance Results						
Year End	Total Firm Assets as of 12/31 ($M)	USD ($M)	# of Accounts Managed	Composite Gross-of-Fees (%)	Composite Net-of-Fees (%)	S&P 500 (%)	Composite 3-YR ST DEV (%)	S&P 500 3-YR ST DEV (%)	% Non-Fee Paying Assets	Composite Dispersion (%)
2021	6,277.6	307.8	221	31.58	30.96	28.71	17.69	17.17	0.00	0.27
2020	5240.6	168.9	154	16.14	15.59	18.40	18.58	18.53	0.00	0.92
2019	4,947.9	243.7	460	37.62	36.95	31.49	11.39	11.93	0.05	0.45
2018	4,196.9	204.2	474	-2.11	-2.58	-4.38	10.89	10.80	0.07	0.36
2017	3,610.6	219.4	507	19.21	18.64	21.83	10.11	9.92	0.07	0.40
2016	3,047.5	204.6	516	14.77	14.21	11.96	10.95	10.59	0.06	0.41
2015	3,706.0	215.8	571	-6.54	-6.99	1.38	10.47	10.47	0.05	0.40
2014	3,312.9	260.4	640	12.48	11.93	13.69	9.68	8.97	0.04	0.38
2013	3,248.5	265.8	691	30.44	29.81	32.39	12.09	11.94	0.04	0.51
2012	2,585.9	200.5	621	14.52	13.93	16.00	14.98	15.09	0.04	0.47

Fees | *Effective January 1, 2011, RMB Capital's asset management fee schedule for this Composite is as follows: 0.50% on the first $3.0 million, 0.475% on the next $2.0 million, 0.450% on the next $5.0 million, 0.425% on the next $15.0 million, and 0.400% over $25.0 million. Actual asset management fees charged by RMB may vary. Composite performance is presented on a gross-of-fees and net-of-fees basis and includes the reinvestment of all income. Gross-of-fees returns means it is net of transaction costs but gross of asset management fees and custodian fees. The payment of actual fees and expenses would reduce gross returns. The compound effect of such fees and expenses should be considered when reviewing gross returns. The net returns are reduced by all actual fees and transactions costs incurred. The composite includes accounts that pay asset-based pricing for trading expenses. The maximum fee is 15 basis points per year; however, many accounts pay lower amounts due to household break-point relief. Returns for those accounts prior to 3/1/19 do not reflect the deduction of asset-based pricing, and are therefore gross of trading expenses. These accounts represent approximately 81% of composite assets. In addition to an asset management fee, some accounts pay a wealth management fee based on the percentage of assets under management to RMB Capital. The annual composite dispersion is an asset-weighted standard deviation calculated for the accounts in the Composite the entire year. Risk measures presented are calculated using gross-of-fees performance. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.*

Minimum Value Threshold | *The account minimum in the Dividend Growth composite is currently $500 thousand. Prior to July 2020, the composite did not have a minimum.*

Comparison with Market Indices | *RMB compares its Composite returns to a variety of market indices such as the S&P 500. The index represents unmanaged portfolios whose characteristics differ from the Composite portfolios; however, it tends to represent the investment environment existing during the time period shown. The S&P 500 Index is widely regarded as the best single gauge of the U.S. equity market. It includes 500 leading companies in leading industries of the U.S. economy. The index focuses on the large-cap segment of the market and covers approximately 75% of the U.S. The index includes dividends reinvested. An investment cannot be made directly in an index. The returns of the index do not include any transaction costs, management fees, or other costs. The investment strategy and types of securities held by the comparison index may be substantially different from the investment strategy and types of securities held by your account in the Composite. Benchmark returns presented are not covered by the report of independent verifiers.*

Other | *Past performance is no guarantee of future performance. Historical rates of return may not be indicative of future rates of return. Individual client performance returns may be different than the composite returns listed. Total Firm Assets as of 12/31 for the years 2011 and 2012 have been revised to exclude assets from personal trading accounts that were included in previously reported figures. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. A list of Composite Descriptions and a list of Broad Distribution Pooled Funds are available upon request.*