

# Strategy Overview - Third Quarter 2024

## Government/Credit Fixed Income

### Strategy Overview

We believe successful fixed income management requires a thorough evaluation and clear understanding of the goals to include bonds within an asset allocation framework or portfolio strategy. We apply a consistent, disciplined, quantitative approach process across our Government Credit Income Strategies. The main objective is to match or exceed the performance results of the chosen benchmark index while maintaining lower volatility. A client's expected risk and return profile distinguishes the appropriate benchmark which can range from short to longer duration indices.

### Investment Philosophy

RMB Asset Management strives to provide customized fixed income solutions designed to fulfill and complement investors investment goals and objectives. Fixed income portfolios should be designed to fulfill clearly defined roles and objectives. The inefficiencies available in the marketplace, together with a lack of understanding of the dynamics of fixed income markets, provide opportunities to structure and actively manage these assets. Experience, analytical acuity and a disciplined investment process provide the ability to customize portfolio solutions for each client and provide the basis for potential success.

### Investment Approach

- Focus on client investment goals and objectives
- Proven quantitative investment style with analytic approach
- Unite portfolio analytics with benchmark attributes
- Effective risk management, assessment, and control
- Simulated portfolio and benchmark horizon-based results

### Representative Portfolio Characteristics as of September 30, 2024

	Taxable	Taxable Plus	Broad Taxable
<b>Effective Duration* (years)</b>	3.87	3.85	6.36
<b>Maturity (years)*</b>	4.33	3.74	8.95
<b>Credit Quality*</b>	Aa1	Aa3	Aa2/Aa3
<b>Yield to Worst*</b>	3.88%	3.91%	4.32%

Sources: Bloomberg and CMS BondEdge®  
\*Weighted Average

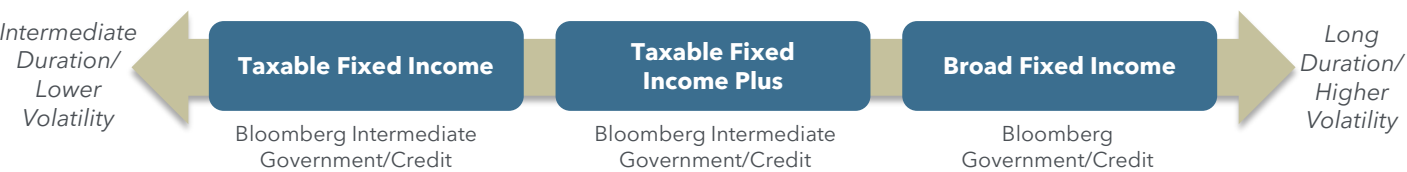
Sector	Taxable	Taxable Plus	Interm. Gov/Credit
<b>U.S. Treasury</b>	57.76%	45.91%	63.77%
<b>Corporate</b>	33.56%	39.55%	35.01%
<b>Agency</b>	0.00%	0.00%	1.22%
<b>Other</b>	8.69%	14.54%	0.00%

Sources: Bloomberg and CMS BondEdge®

*Our team's experience, understanding of the dynamics of fixed income markets, analytical acuity, and disciplined investment process provide us the opportunity to capitalize on market inefficiencies and effectively structure and actively manage customized fixed income portfolios.*

### Core Fixed Income Benchmarks

Our bond universe matches the criteria established for the selected index. We require consistency among portfolios and our duration bias, sector exposure, quality profile, and credit selection are uniformly applied across each strategy from Limited Duration to Broad Market. The most common benchmarks for Core fixed income strategies include:



# Strategy Overview - Third Quarter 2024

## Government/Credit Fixed Income

### Investment Process

#### Identify and Assess Risk Attributes

- Interest Rate (Duration)
- Credit (Quality)
- Structure (Convexity)

#### Establish Relative Value

- By Sector
- By Quality
- By Issuer

#### Construct Core Portfolio

- U.S. Treasury and Agency
- Investment-grade Corporate

#### Manage for Risk-Adjusted Return

Combine market-driven inputs with effective quantitative models and analytical techniques to produce risk-adjusted fixed income performance results

### Portfolio Construction

- Security and sector allocations varied by risk/return attributes along with market opportunities and inefficiencies
- Focus on individual bond selections and related impact on total portfolio results
- Portfolios generally contain a minimum of 25 securities and could expand depending on size, objective, and chosen benchmark
- Active security selection process and opportunistic re-allocation of sector exposures
- Market-based simulation of portfolio expected returns relative to benchmark returns
- Sector and security exposures are consistent across portfolio strategies

### Establish Optimal Risk/Return Profile

<b>Pricing Date:</b>	9/30/2024
<b>Instantaneous Horizon:</b>	12 months
<b>Reinvestment Rate:</b>	3.78%

Note: The accompanying chart demonstrates the risk and return attributes of the 1-10 Year Government/Credit and the Government/Credit benchmarks in specified instantaneous parallel interest rate shifts over a stated time horizon. Index returns will vary based on actual changes in interest rates, the yield curve, credit spreads, prepayment factors and other market related inputs. This chart is for illustration purposes only.

### Effective Decision-Making

- The collective experience of the portfolio management team, paired with advanced analytical modeling software, allows us to create optimal portfolios
- Portfolios designed and developed using current, real-time, market-based inputs

### Innovative Portfolio Management System

- Detailed risk attribute valuations for all major domestic benchmark indices or customized benchmarks
- Option-adjusted risk measures to effectively evaluate the risk/return profiles of securities and portfolios
- Proprietary modeling techniques which calculate risk measures and valuations for complex securities
- Scenario simulation technology that provide "what if" performance results relating to interest rate, yield curve, sector spread, or quality spread changes
- Expose and evaluate sources of potential tracking error
- Measure and confirm the impact of potential trades prior to inclusion in the portfolio

Yield Change (BPs)	BE 1-10 Year Govt/Credit (%)	BE Govt/Credit (%)
-200	11.87	18.88
-175	10.83	16.83
-150	9.79	14.78
-125	8.78	12.87
-100	7.77	10.97
-75	6.78	9.19
-50	5.79	7.41
-25	4.84	5.76
0	<b>3.876</b>	<b>4.103</b>
25	2.94	2.56
50	2.01	1.01
75	1.10	-0.44
100	0.20	-1.90
125	-0.69	-3.26
150	-1.57	-4.62
175	-2.43	-5.90
200	-3.30	-7.19

Source: CMS BondEdge®

The opinions and analyses expressed in this newsletter are based on Curi RMB Capital, LLC's ("Curi RMB Capital") research and professional experience are expressed as of the date of our mailing of this newsletter. Certain information expressed represents an assessment at a specific point in time and is not intended to be a forecast or guarantee of future results, nor is it intended to speak to any future time periods. Curi RMB Capital makes no warranty or representation, express or implied, nor does Curi RMB Capital accept any liability, with respect to the information and data set forth herein, and Curi RMB Capital specifically disclaims any duty to update any of the information and data contained in this newsletter. The information and data in this newsletter does not constitute legal, tax, accounting, investment or other professional advice. An investment cannot be made directly in an index. The index data assumes reinvestment of all income and does not bear 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 the strategies. The benchmarks are shown for comparison purposes and are fully invested and include the reinvestment of income. Please contact us for a detailed description of indices. \*The benchmarks referenced are the Bloomberg indices (including all definitions).

RMB Asset Management is a division of Curi RMB Capital.