Dividend Growth

Portfolio Update: Fourth Quarter 2024

For the quarter ending December 31, 2024, the Dividend Growth Strategy (the "Strategy") returned -4.67% net of fees, compared to the -2.20% return for the Morningstar U.S. Dividend Growth Index (MSDGI) benchmark index and the broader market's +2.41% total return for the S&P 500 Index.

Performance	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception (4/1/2005)
Dividend Growth (net of IM fees)	-4.67%	+5.41%	+5.41%	+2.68%	+10.39%	+10.67%	+8.39%
Dividend Growth (net of IM & WM fees)	-4.91%	+4.40%	+4.40%	+1.68%	+9.31%	+9.58%	+7.32%
Morningstar U.S. Dividend Growth Index	-2.20%	+13.86%	+13.86%	+3.31%	+7.79%	+8.65%	+7.49%
S&P 500 Index	+2.41%	+25.02%	+25.02%	+8.94%	+14.53%	+13.10%	+10.65%

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, 2024.

U.S. markets ultimately achieved further modest overall gains in a quarter that saw the recent trend of broadening market leadership revert to being driven by larger, growthier stocks as has been the pattern of much of the past two years. Volatility during the quarter was tied to two unsurprising factors: the U.S. Presidential election outcome and the Fed. The election of President Trump initially triggered a rise in the MSDGI benchmark, increasing +5.0% from the election until the end of November. However, by December 18th, the market took back much of the gains, punctuated by the Fed's "hawkish cut" to the policy to a range of 4.25% - 4.50%. The committee introduced a new qualifier on the "extent and timing" of future rate cuts and the median rate projection on the "dot plot" within the summary of economic projections implied just two rate cuts in 2025 (down from the prior dot plot, which implied four cuts in 2025). This subdued monetary policy twist may have also contributed to the lack of a "Santa Claus rally" in late December. When all was said and done, the 4th quarter was a lackluster ending to what was still a very strong year.

Within the DGRO Index, Financials and Technology were the only sectors that gained ground in the quarter (up 9.3% and 4.6% respectively). The strength in financials was concentrated in the large banks -- JPMorgan Chase & Co. (JPM), Morgan Stanley (MS), Bank of America Corp. (BAC), and The Goldman Sachs Group, Inc. (GS) -- given the prospect for increased dealmaking under the new administration. Technology strength in the benchmark was driven entirely by the strong performance of Broadcom Inc. (AVGO), which is the largest weight in the DGRO benchmark. AVGO shares were up nearly 35% in the quarter, driven by a better-than-expected outlook for AI revenues from its large customers. Healthcare and Consumer Staples were the two sectors that had the largest drag on benchmark performance in the quarter. Weakness in both of these sectors may be attributed to concerns of disruption from President Trump's nomination of Robert F. Kennedy, Jr. to lead the Department of Health and Human Services (HHS).

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Contributors and Detractors

JPMorgan Chase & Co. (JPM) was a major contributor to returns in Q4. JPM reported a strong third quarter and raised guidance on net interest income for the year, which supported the stock price after the report. Even more pronounced, however, was the positive move following the U.S. Presidential election, when the stock increased by over 11%. The election was a catalyst not only for JPM, but for banks more broadly. The new regime is expected to reduce regulatory burdens for banks and is expected to be friendly to M&A, the former could reduce JPMs regulatory capital requirements, and the latter may flatter their Investment Banking revenues.

Morgan Stanley (MS) was also a positive contributor in the quarter for many of the same reasons. MS reported a very strong third quarter with broad-based revenue upside in both its fee-based businesses and in net interest income. Furthermore, Net New Assets (NNA) rebounded from a softer Q2. Similar to JPM, MS also rallied on the U.S. election outcome. With equity and fixed income underwriting still below historical averages, a cyclical improvement in the capital markets business could help drive growth in 2025.

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FOURTH QUARTER 2024 CONTRIBUTION REPORT
Ranked by Basis Point Contribution

	Basis Point Contribution	Average Weight
Top Contributors		
Morgan Stanley	+73	4.18%
JPMorgan Chase & Co.	+51	4.11%
CME Group Inc.	+31	4.16%
Vail Resorts Inc.	+24	2.45%
Apple Inc.	+23	3.34%
Bottom Detractors		
American Tower Corp.	-82	3.74%
CDW Corp.	-80	3.18%
Zoetis Inc.	-64	3.58%
UnitedHealth Group Inc.	-63	4.90%
Keurig Dr Pepper Inc.	-58	3.70%

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 Asset Management'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.

American Tower Corp. (AMT) was the largest portfolio detractor this quarter. AMT is a leading owner and operator of multitenant communications towers. Financial results this quarter disappointed expectations. Wireless carriers have completed much of their initial 5G rollouts, slowing the pace of growth in AMT's U.S. tower leasing market. Consolidation of carrier customers like T-Mobile and Sprint is leading to higher churn rates as they merge network infrastructure. As a result, there is growing investor skepticism about the growth potential of the U.S. tower market as well as the increased execution risk accompanying the shift in its growth focus to international markets.

CDW Corp. (CDW) detracted from performance in this quarter. CDW is the largest IT distributor in the U.S., serving small, medium, and large businesses, as well as government customers. The company's fundamentals are closely tied to the U.S. IT spending environment, which has been under pressure in the post-Covid era. In October, CDW released weaker-than-expected earnings and lowered its outlook. While the difficult IT spending environment was well understood by investors, the company cited incremental headwinds from lumpy infrastructure deals and competitors' irrational pricing. Those idiosyncratic headwinds are a new development after years of strong execution on the "controllables." The combination of idiosyncratic headwinds and a significant U.S. IT spending downcycle has lowered our conviction on CDW. During the quarter, we materially reduced our position.

Portfolio Activity

During the quarter, Target Corp. (TGT) reported disappointing results, leading to a 22% decline in the stock price on the day of the release. Continued softness in higher margin discretionary categories like home and apparel hurt the topline while elevated costs related to the East Coast port strikes further pressured margins. The sharp sell-off that followed gave us pause, particularly as Target was a recent addition to the portfolio. As with any significant price shock, we carefully evaluated the market's reaction in relation to the financial and strategic implications of the event. In this case, we determined that, while we were early in anticipating a recovery in Target's discretionary categories, the risk-reward profile was compelling despite the lower timeliness. Consequently, we took advantage of the weakness to add to our position. Subsequently, the stock recovered over half of the losses from that shock. We will continue to evaluate Target as it tries to get back on track in the face of a challenging interest rate and inflationary environment.

Outlook

As we begin the new year, we recognize that we have just experienced two consecutive years of exceptional market performance. The S&P 500 has not delivered back-to-back returns exceeding 20% since the late 1990s. It is natural to be cautious about the near-term outlook given the nature of mean reversion. However, we recognize that a combination of company-specific factors and macroeconomic factors will shape stock performance in the coming year. While our primary focus is on investments in companies that can achieve strong results through controllable, company-specific drivers, we remain aware and mindful of the external factors that affect both financial results and stock prices. In 2025, two significant external factors are likely to shape results: the policies of the new administration and the Federal Reserve. These can broadly be classified as fiscal and monetary policies, respectively.

Forecasting the impact of the new administration's fiscal policies and executive orders is inherently challenging. A range of pro-growth measures could support economic expansion and the markets in 2025. For instance, the potential extension of the 2017 Tax Cuts and Jobs Act and the easing of regulatory burdens are widely seen as favorable for growth. Conversely, uncertainty surrounds tariffs and the implications of stricter immigration policies. An additional wildcard will be the actions of the Department of Government Efficiency (DOGE), spearheaded by Elon Musk and Vivek Ramaswamy. While non-defense discretionary spending accounts for a small share of federal expenditures, any movement toward austerity would mark a significant departure from the expansive spending policies implemented since the onset of the COVID-19 pandemic.

Monetary policy, which has been front and center on investors' minds since the Federal Reserve's introduction of Quantitative Easing in March 2009, remains influential but may take a secondary role to fiscal policy in 2025. As of the third-quarter Federal Reserve Summary of Economic Projections, policymakers expected the federal funds rate to decline to approximately 3.25%–3.50% by the end of 2025, implying four rate cuts. However, the December dot plot suggested a more conservative outlook, with only two cuts projected. In January, a stronger-than-expected December Jobs Report—showing 256,000 jobs added and a 4.1% unemployment rate—further raised doubts about the Fed's capacity to ease policy significantly in 2025. Persistent inflation could compel the Fed to maintain "higher for longer" restrictive policies, delaying the normalization of rates toward the neutral level where monetary policy is neither stimulative nor restrictive. We will continue to monitor the most interest rate sensitive parts of the economy like housing, commercial real estate and capital goods, while recognizing that short-term macro concerns can create great entry opportunities for long-term investors.

We focus on identifying companies that we believe can beat market expectations for growth and returns on capital. Economic cycles, interest rates, and investor preferences all influence short-term absolute and relative performance. Over the long-term, we believe that investing in high quality companies that create value for shareholders may result in long-term shareholder returns that beat the overall market.

Thank you for your confidence in the team and the Strategy. If you have any questions, please do not hesitate to contact us.

Sincerely,

Tom Fanter
Portfolio Manager

John O'Connor, CFA
Portfolio Manager

Dividend Growth

TOP TEN HOLDINGS AS OF 12/31/24

Company	% of Assets
Microsoft Corp.	8.30%
UnitedHealth Group Inc.	4.60%
Morgan Stanley	4.51%
JPMorgan Chase & Co.	4.45%
CME Group Inc.	4.42%
Stryker Corp.	4.31%
Accenture PLC	4.09%
Lowe's Companies Inc.	3.97%
Illinois Tool Works Inc.	3.92%
Union Pacific Corp.	3.88%

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.

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RMB Asset Management

Dividend Growth Strategy // GIPS Report

Organization | Curi RMB Capital, LLC ("Curi 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 Curi RMB Capital. 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, 2022. 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 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. Effective 1/1/2023, the Morningstar U.S. Dividend Growth Index was added as secondary benchmark for the strategy retroactively in order to provide an income-oriented benchmark alongside the primary benchmark. 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

Year End	Total Firm Assets as of 12/31 ($M)	Composite Assets USD ($M)	# of Accounts Managed	Annual Performance Results Composite Gross-of-Fees (%)	Composite Net-of-Fees (%)	MS Div Growth (%)	S&P 500 (%)	Composite 3-YR ST DEV (%)	MS Div Growth 3-YR ST DEV (%)	S&P 500 3-YR ST DEV (%)	Composite Dispersion (%)
2023	6,235.5	265.7	225	18.2	17.63	7.58	26.29	15.78	15.51	17.29	0.33
2022	5,228.7	242.7	208	-12.27	-12.72	-9.98	-18.11	20.36	19.54	20.87	0.35
2021	6,277.6	307.8	221	31.58	30.97	23.89	28.71	17.69	16.96	17.17	0.27
2020	5240.6	168.9	154	16.14	15.58	6.48	18.40	18.58	17.76	18.53	0.92
2019	4,947.9	243.7	460	37.62	37.00	26.74	31.49	11.39	11.28	11.93	0.45
2018	4,196.9	204.2	474	-2.11	-2.61	-4.56	-4.38	10.89	10.2	10.80	0.36
2017	3,610.6	219.4	507	19.21	18.64	19.90	21.83	10.11	9.42	9.92	0.40
2016	3,047.5	204.6	516	14.77	14.23	12.21	11.96	10.95	10.03	10.59	0.41
2015	3,706.0	215.8	571	-6.54	-7.01	-3.20	1.38	10.47	10.49	10.47	0.40
2014	3,312.9	260.4	640	12.48	11.95	10.80	13.69	9.68	8.41	8.97	0.38

***Fees** | Effective January 1, 2011, Curi 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. Net returns are computed by subtracting the highest applicable fee (0.50% on an annual basis) on a quarterly basis from the gross composite quarterly return, and the resulting quarterly net figures are compounded to calculate the annual net return. Actual asset management fees charged by Curi RMB Capital 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 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 Curi 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** | Curi RMB Capital 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.*