U.S. Alpha Equity

Portfolio Update: Fourth Quarter 2018

During the fourth quarter, the U.S. Alpha Equity strategy (the "Strategy") decreased -13.59% gross of fees (-13.77% net of fees), outperforming the Russell 3000 Index's -14.30% return. During the year, the Strategy increased +3.45% gross of fees (+2.58% net of fees), sizably outperforming the Russell 3000 Index's decline of -5.24% and delivering an absolute return during a dismal year for the capital markets. Superior stock selection allowed the Strategy to outperform during "risk on," and the high-quality nature of the Strategy allowed us to preserve excess return during the recent "risk-off" period. From a traditional attribution perspective, stock selection drove the majority of excess return during 2018, led by holdings in the information technology, consumer discretionary, health care, materials, and industrial sectors. The lone sector of slight underperformance was consumer staples.

	3 Months	YTD	1 Year	3 Years	Since Inception (Annualized)
U.S. Alpha (Gross)	-13.59%	+3.45%	+3.45%	+11.56%	+10.49%
U.S. Alpha (Net)	-13.77%	+2.58%	+2.58%	+10.64%	+9.57%
Russell 3000 Index	-14.30%	-5.24%	-5.24%	+8.97%	+6.78%

Inception date: December 31, 2014. 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.

What a difference 12 months can make. The passage of tax reform at the end of 2017 propelled the stock market into 2018 until a correction in January foreshadowed what was to come. The stock market brushed off the correction and surged to record highs during the third quarter and beginning of the fourth quarter, driven by strong earnings and robust economic growth. In the last quarter of the year, intense "risk-off" selling of equities and widening of credit spreads were triggered by quantitative tightening, slowing global growth (China and Europe), and the specter of protracted trade wars. Absolute return was scarce in capital markets around the world in 2018. Despite the recent surge in volatility, fundamentals are increasingly being expressed in the stock market, as evidenced by dispersion being at its highest level in over a decade. This environment favors portfolio managers that are able to select undervalued (attractive risk-reward) stocks due to distinct company-specific reasons (i.e., not factor or systematic risk). In this regard, the "reversion to dispersion" and heightened volatility during 2018 served as a significant stress test for the "stock picker" active manager—were you able to earn excess return on the way up and keep it on the way down? The Strategy outperformed in all four quarters of 2018, and we are pleased with the attractive risk-adjusted returns we have delivered for our clients.

Contributors and Detractors

Our top performer for the quarter was Teledyne Technologies Inc. (TDY, "Teledyne"), a provider of enabling technologies for industrial growth markets that require advanced technology and high reliability. The company delivered a solid quarter and provided positive guidance bolstered by strength across all end markets and geographies. Management remains sharply focused on capital allocation, and we remain bullish that recent investments are not fully appreciated by the stock market.

Ecolab Inc. (ECL, "Ecolab"), a best-in-class specialty cleaning chemical company with a heavy focus on customer service, was the Strategy's second-biggest contributor. The company reported the highest level of quarterly organic growth in over five years, with accelerating pricing and cost-savings results, driving double-digit earnings-per-share (EPS) growth despite difficult near-term headwinds. Although Ecolab has "staple" characteristics, it is truly a science-based company, with a Vitality Index of 30% (sales from products introduced in the prior five years), 1,600 people in the Research & Development (R&D) organization, and 8,200 patents.

Amazon.com Inc. (AMZN, "Amazon"), a leader in two large and rapidly growing markets—eCommerce and Cloud Services, was the Strategy's biggest detractor. Even though the company delivered robust, strong operating income, which far exceeded estimates, the stock was weak given concerns about "light" topline growth in the retail segment. Offsetting this is continued

U.S. Alpha Equity

strength in Amazon Advertising, Amazon Web Services, and Third-Party Seller. While topline results will be lumpy on a quarterly basis, we believe the Amazon platform is in the early innings of increased operating leverage.

Jack Henry & Associates Inc. (JKHY, "Jack Henry"), a leading provider of core processing solutions for banks and credit unions, was the Strategy's second-biggest detractor during the quarter. Although Jack Henry delivered solid revenue growth, the company ostensibly "lowered" 2019 sales guidance due to a new accounting revenue recognition rule (ASC 606), which has no impact to the free cash flow of the business. Jack Henry remains a long-term holding given its track record of allocating capital consistent with wealth creation and its attractive risk-reward profile.

U.S. Alpha
FOUTH QUARTER 2018 CONTRIBUTION REPORT
Ranked by Basis Point Contribution

	Basis Point Contribution	Return
Top Contributors		
Illumina Inc. (ILMN)	-06	-4.42%
Teledyne Technologies Inc. (TDY)	-26	-16.06%
Ecolab Inc. (ECL)	-37	-5.73%
Roper Technologies Inc. (ROP)	-39	-9.90%
First Republic Bank (FRC)	-42	-9.29%
Bottom Detractors		
Amazon.com Inc. (AMZN)	-183	-25.01%
Jack Henry & Associates Inc. (JKHY)	-126	-20.76%
Vail Resorts Inc. (MTN)	-118	-22.18%
American Financial Group Inc. (AFG)	-88	-16.91%
Markel Corp. (MKL)	-80	-12.66%

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 Portfolio. 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.

Portfolio Activity

One the fastest growing fields in healthcare is genomics, which encompasses the sequencing and analysis of the human genome. Illumina Inc. ("Illumina") is the dominant leader in DNA sequencing with greater than 90% market share and was purchased on weakness during the quarter at $307 per share. DNA sequencing dramatically reduces the time it takes to identify safer and more efficacious new drug candidates. It took government-funded scientists over $3 billion and 13 years to sequence the first human genome by 2003. Illumina has driven down the cost to $1,000 per genome and sequencing time to one hour. Illumina is powering the Genomics Revolution with massive population sequencing projects around the world at a scale never seen before, and we believe the stock market is missing the long-term asset reinvestment opportunity for the company. Moreover, Illumina makes extraordinarily large intangible investments in R&D ($546 million in fiscal 2017), which should provide future benefits. But Generally Accepted Accounting Principles (GAAP) requires full expensing, which greatly depresses reported earnings, and the firm's resulting price-to-earnings ratio (P/E) is ostensibly expensive.

Converting a deep analysis of intangible assets into economic reality and warranted market valuation is where we can gain an alpha advantage. A distinct advantage from our analysis of Illumina that spans nearly *fifteen years* is asking and answering the right questions: What is the break out between "Research" and "Development"? What is the asset life of the "Research" versus the "Development"? Who are the R&D leaders at the organization? What are their incentives? Has R&D spending been sustained during economic downturns? Is it appropriate to capitalize 100% of R&D "GAAP expense" in the form of an economic investment? Are a firm's R&D or advertising outlays mandatory to just maintain their competitive position or the path to growth and profitability? The answers to these questions inform the appropriate R&D capitalization level for Illumina at roughly $2 billion in fiscal 2017 (~40% of total assets defined by GAAP). The cash flow forecast and valuation impact with a roughly 40% higher gross investment-based assumption is enormous given Illumina's economic returns are well in excess of the cost of capital. Illumina has been on our "wish list" given the firm's high managerial skill, knowledge-building culture, distinct, adaptable capabilities, and massive total addressable market. But we remained patient for an opportunistic entry point, which presented itself during the quarter, and we look forward to reporting to you on the firm's progress in the years ahead.

U.S. Alpha Equity

Outlook

TOP FIVE HOLDINGS AS OF 12/31/18	
Company	**% of Assets**
Ecolab Inc. (ECL)	6.34%
Amazon.com Inc. (AMZN)	6.32%
Markel Corp. (MKL)	6.29%
Johnson & Johnson (JNJ)	6.28%
Visa Inc. Class A (V)	6.09%

Holdings are subject to change. Portfolio characteristics are intended to provide a general view of the entire portfolio, or Index, at a certain point in time. Characteristics are calculated using information obtained from various data sources. Past performance is not indicative of future results, and there is a risk of loss of all or part of your investment. The data provided is supplemental. Please see disclosures at the end of this document.

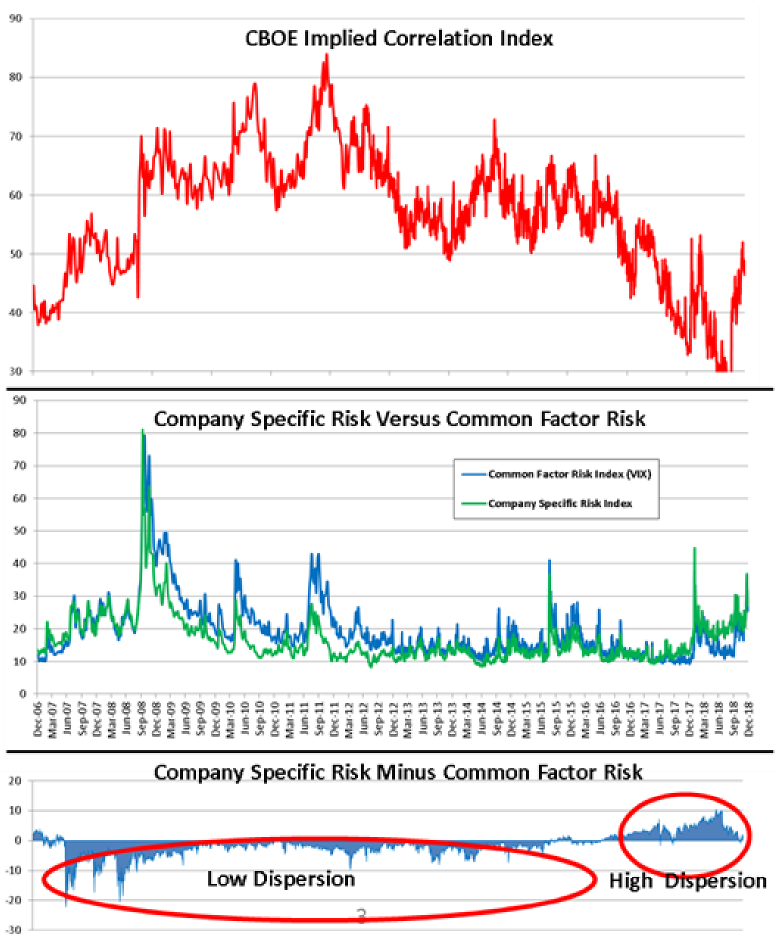
In our recent commentaries, we noted that the most significant risk to the U.S. equity market remains valuation, evidenced by the historically low level of the equity discount rate. Expected personal taxes and anticipated inflation inform the level of the equity discount rate beyond an investor's target return. The real, after-tax U.S. equity discount rate increased ~80 basis points during 2018 and is largely responsible for the decline in equities. We estimate that for every 50-basis-point increase in the equity discount rate, the stock market declines by roughly 10%. The real, after-tax U.S. equity discount rate ended the year at 5.4%. We continue to believe there is risk of a higher equity discount rate. The speed and magnitude of a higher equity discount rate will be influenced by the Federal Reverse's willingness to adapt to changing market prices and be dovish with interest rate levels and quantitative tightening. Also, the equity discount rate would be boosted if inflation jumps much higher.

The goal of the Strategy is to deliver long-term growth of capital, and we invest with a long-term owner's mindset. We find ourselves cutting against the grain given our long-term investment time horizon. Today, quantitative hedge funds account for 28.7% of trading in the stock market. Add to that passive funds, index investors, high-frequency traders, market makers, and others who are buying and selling equities for reasons outside of fundamentals, and you get to roughly 85% of trading volume. Much of this growth occurred during the stock market's ascent over the last 10 years, and we have been anticipating more magnified market extremes and opportunities for those prepared in advance. With an eye toward being opportunistic, we allow for cash levels to be a function of bottom-up opportunity. During the course of the year, we have patiently held ~9% cash and are now well positioned to exploit the stock market weakness.

No doubt, one must recognize that equity and debt markets are signaling that the risk of a U.S. recession has increased. But there remains positive signals for continued strong U.S. economic growth: stable leading indicators, low unemployment, lukewarm inflation, high household net worth, repatriation, share repurchases, and deregulation. We do not believe we are heading into a massive U.S. recession despite the recent stock market carnage. The S&P 500 is actually heading into 2019 with a P/E ratio in line with its historical average going back to 1929. And if you look just at the last 30 years going back to 1990, it is actually 16% undervalued. Moreover, the stock market has a tendency to overshoot at the extremes of euphoria and despondency.

We continue to anticipate more volatility as the Fed pivots from quantitative easing—characterized by high equity correlations and low dispersion—to quantitative tightening and higher dispersion. Fundamentals are increasingly being expressed in the stock market, and we believe we are in the first inning of reversion to dispersion, which is good news for the Strategy. The following chart shows that dispersion is at the 83% percentile over the past decade.

U.S. Alpha Equity



A Higher Implied Correlation Index Indicates Higher Common Factor Risk Relative to Company Specific Risk

Common Factor Risk cannot be Diversified Away. Company Specific Risk can be Diversified.

While the VIX has been Recently Trending up, Company Specific Risk as measured through Option Prices is Trending Up Faster

Dispersion has been rising since late 2016, and is currently at the 83% percentile over the last 10 years.

Source: Credit Suisse.

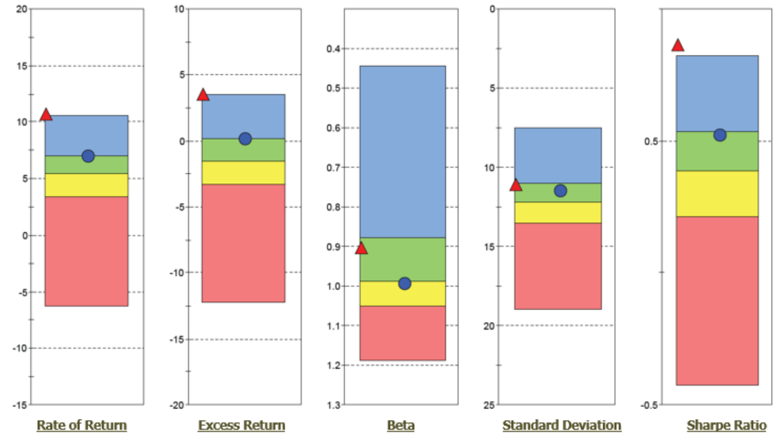
We welcome higher dispersion and continue to believe that the current environment is well suited for our Strategy. As a byproduct of our high-quality focus, we avoid speculative credit and low-liquidity risk. While this proved to be a headwind for high-quality managers during quantitative easing, we believe the reverse will be true during quantitative tightening. We are positioned to exploit increased volatility in the near term and anticipate our concentrated portfolio of high-quality businesses to continue to generate above-market returns over the long term.

Four-Year Track Record

The U.S. Alpha Equity strategy is designed to deliver strong absolute returns and attractive risk-adjusted returns over the long-term and is ranked in the first percentile for absolute return and on the Sharpe ratio relative to 328 institutional peers over the last four years.

U.S. Alpha Equity

U.S. Alpha Strategy vs. PSN All Cap Universe
For the period December 31, 2014 – December 31, 2018



	Rate of Return	Excess Return	Beta	Standard Deviation	Sharpe Ratio
High (0.95)	10.36	3.36	0.45	7.66	0.81
First Quartile	6.81	0.01	0.88	11.18	0.53
Median	5.25	-1.73	0.99	12.37	0.38
Third Quartile	3.16	-3.50	1.06	13.67	0.20
Low (0.05)	-6.50	-12.38	1.19	19.13	-0.43
Mean	4.94	-1.85	0.95	12.40	0.36
Valid Count	328	328	328	328	328

	Value	Rank	Value	Rank	Value	Rank	Value	Rank	Value	Rank
U.S. Alpha	10.48	1	3.36	1	0.91	32	11.29	28	0.85	1
Russell 3000	6.78	27	0.00	25	1.00	54	11.63	37	0.51	30

Source: PSN.

As shown above, the Russell 3000 Index is in the 27th percentile for the four-year period, indicating that a majority of managers underperformed the benchmark over that time.

Commitment to Our Investors

It has taken us much time and thoughtful evaluation from lessons learned over 20 years of investing to arrive at the following principals:

- Invest with a long-term owner's mindset and exploit short-term renters
- Focus on causation—high managerial skill, knowledge-building cultures, and distinct, adaptable capabilities
- Employ an economic return framework to minimize accounting distortions and convert analysis of intangible assets into long-term cash flow forecasts
- Require twice the upside versus downside for all investments
- Eschew the tyranny of benchmarks in favor of a concentrated portfolio of our highest-conviction investments
- Focus on the investment process, not the outcome
- Invest a significant portion of personal capital alongside our clients

We have been and will continue to be unwavering in applying these principles.

Sincerely,

Jeffrey B. Madden

Jeffrey B. Madden
Portfolio Manager

U.S. Alpha Equity

U.S. Alpha Equity Composite GIPS-Compliant Presentation

Returns Presented: Dec. 31, 2014 to Dec. 31, 2017 Assets & Returns in USD

Year	IronBridge Gross Return %	IronBridge Net Return %	Russell 3000® Return %	Number of Portfolios at End of Year	Internal Composite Dispersion	Composite 3-Year Standard Deviation	Benchmark 3-Year Standard Deviation	Total Firm End of Period $ Millions	Total Assets in Composite $ Millions
2015	7.33	6.43	0.48	<5	N/A	N/A	N/A	$3,230.87	$1.66
2016	8.50	7.58	12.73	<5	N/A	N/A	N/A	$2,833.76	$2.69
2017	23.75	22.72	21.13	<5	N/A	10.76	11.90	$3,965.40	$6.73

Rolling Annualized Performance as of Dec. 31, 2017 Inception Date: Dec. 31, 2014

	IronBridge Gross Return %	IronBridge Net Return %	Russell 3000® Return %
3 Years	12.95	12.00	11.12
Since Inception	12.95	12.00	11.12

RMB Capital Management, LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS Standards. RMB Capital Management, LLC has been independently verified for the periods April 1, 2005 – December 31, 2015. The verification reports are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

RMB Capital Management, LLC is an independent investment management firm that is not affiliated with any parent organization. RMB Capital is registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940.

RMB Capital manages assets for institutional investors and high-net-worth individuals and families in the U.S. and abroad. Effective June 24, 2017 RMB Capital combined with IronBridge Capital Management. Firm AUM prior to that date includes only IronBridge assets. Going forward firm AUM includes the combined assets of RMB Capital and IronBridge Capital. Prior to the combination, IronBridge Capital Management had been independently verified for the periods December 31, 2003 – December 31, 2016

The U.S. Alpha Equity Composite consists of all portfolios invested in our concentrated, all-cap equity strategy that seeks long-term growth of capital. The strategy invests in the equities of high-quality U.S. companies across the market capitalization spectrum, employing intensive fundamental and qualitative analysis to identify investment opportunities among companies with long-term track records of wealth creation and attractive valuations. Portfolios within this composite typically invest in 20-30 companies. The composite excludes portfolios under $500 thousand.

The benchmark is the Russell 3000® Index, which for comparison purposes is fully invested and includes the reinvestment of income. The index consists of the 3000 largest publicly listed U.S. companies, representing about 98% of the U.S. equity market.

The inception date of the composite is December 31, 2014. The composite was created on January 21, 2016. As of December 31, 2016, 100% of the accounts in the composite are non-fee-paying accounts.

Portfolios are valued daily on a trade date basis. Accrued dividends are included. Returns are calculated using the Time Weighted Return method. Gross of fees returns are presented after trading expenses, but before all other fees.

The standard management fee is 0.85% annually, which is also our highest applicable fee. Net returns are computed by subtracting the highest applicable fee (0.85% on an annual basis, or 0.07083% monthly) on a monthly basis from the gross composite return, and the resulting net figures are compounded to calculate the annual net return.

For the IronBridge composites, RMB Capital uses equal-weighted standard deviation as the dispersion measure. The three-year standard deviation for the composite and benchmark are not yet available, but will be added after the composite's track record reaches three full years.

This composite has no significant cash flow policy.

The composite portfolios calculate foreign withholding taxes using the rate applicable to each portfolio's country of domicile, and returns are net of those taxes. Derivative use within the composite is minimal and deemed immaterial.

A complete list and description of all RMB Capital composites is available upon request. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

Assets and returns are presented in USD. Past performance is not indicative of future results.

An investment cannot be made 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 strategy.

The Russell 3000 Index 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 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 S&P 500 focuses on the large-cap segment of the market and covers approximately 75% of U.S. equities. The Russell 1000 Index is an index of approximately 1,000 of the largest companies in the U.S. equity market. The Russell 1000 is a subset of the Russell 3000 Index. It represents the top companies by market capitalization. The Russell 1000 typically comprises approximately 90% of the total market capitalization of all listed U.S. stocks. It is considered a bellwether index for large-cap investing.

U.S. Alpha Equity

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 does 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.