Small Cap Core

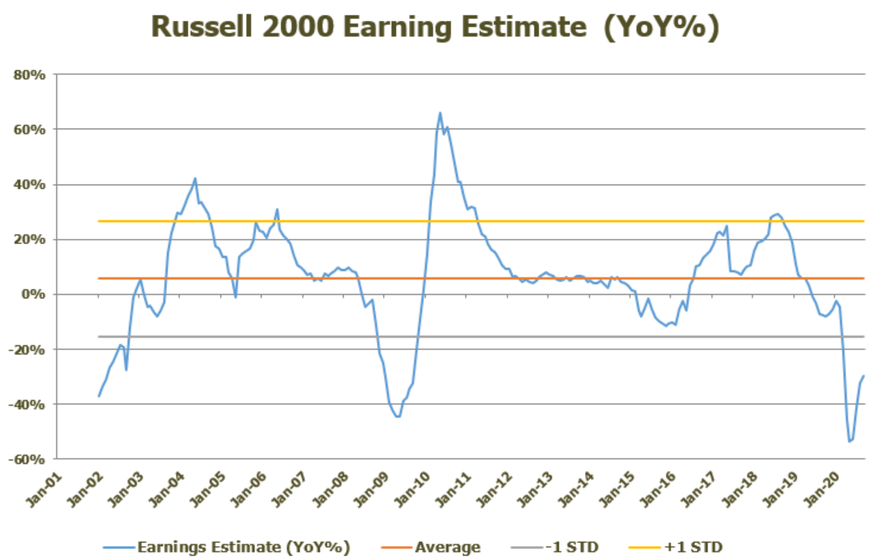
Portfolio Update: Third Quarter 2020

During the third quarter, the Small Cap Core Equity Composite (the "Strategy") increased +3.05%, net of fees, compared to a +4.93% increase for the Russell 2000 Index.

	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception (Annualized)
Small Cap Core (Gross)	+3.28%	-7.55%	-1.43%	+5.27%	+8.74%	+10.38%	+10.64%
Small Cap Core (Net)	+3.05%	-8.22%	-2.41%	+4.25%	+7.68%	+9.30%	+9.53%
Russell 2000 Index	+4.93%	-8.69%	+0.39%	+1.77%	+8.00%	+9.85%	+7.43%

Inception date: April 30, 1999. 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.

Companies reported an unprecedented collapse in earnings posting a year over year decline of more than 50%.



Source: FactSet

Third quarter earnings were generally better than feared and have started to recover.

The Federal Reserve and international central banks continued to support financial markets with record purchases of financial assets (QE - $6 trillion and counting YTD). In addition, the Federal Reserve committed to keep rates low for several more years, even if inflation accelerates above its target 2%.

This policy shift assures debt investors negative real returns on their capital if inflation accelerates. While negative real interest rates would be bad for government debt investors, it could be good for equity investors of highly leveraged companies, since, theoretically, inflation would make it easier to pay back debt in cheaper dollars. This policy shift favors the most highly leveraged companies in the Russell 2000, which may be why the most highly leveraged companies led performance for the quarter.

Table 1 below shows the performance of the Russell 2000 index broken down by debt to capital, where those with the highest debt to capital ratios were up 13.88% compared to those with the lowest debt to capital which were only up 1.62%.

Small Cap Core

Our portfolio holdings skew toward higher quality, lower debt/capital and away from higher debt/capital which was a headwind for the quarter, particularly for credit sensitive sectors like consumer and financials.

Table 1.

Russell 2000 Index 3Q2020

Total Debt as % Total Cap	Total Return
80 - 100%	13.88%
60 - 80%	10.78%
40 - 60%	3.39%
20 - 40%	2.82%
0 - 20%	1.62%

Source: FactSet

Our "zombie company apocalypse thesis" for highly leveraged companies is being tested by current Fed and market action. However, we do not believe the performance leadership of highly leveraged companies this quarter is sustainable for the following reasons:

1) Credit spreads have narrowed to desired levels and not likely to narrow much further,

2) The Fed's liquidity fix (QE) is not a solvency fix,

3) Solvency problems are likely to re-emerge as the stimulus from the CARE's Act winds down and certain sectors may experience a structural decline in demand. According to the *Financial Times* (8/21/20), a record 45 corporate bankruptcies have occurred this year despite the $9 trillion dollars in government aid so far.

For these reasons, we believe higher quality, lower debt to capital companies will likely regain market leadership within the benchmark Russell 2000 over the next several years.

Contributors and Detractors

Like last quarter, the biggest contributors to performance were mostly companies that will likely continue to benefit from faster adoption curves as a result of the COVID Pandemic. New to the list of contributors was Chart Industries Inc. (GTLS, +45%). Chart Industries is in a unique position to benefit from the world's shift to natural gas as a cleaner burning, preferred fossil fuel. Chart's virtual pipeline to move natural gas from places where it is abundant to places where it is needed should drive economic returns and growth higher. The board fired the old CEO and has an entirely new C-Suite that is implementing operational improvements and better capital allocation decisions.

Small Cap Core

THIRD QUARTER 2020 CONTRIBUTION REPORT

Ranked by Basis Point Contribution

	Basis Point Contribution	Return
Top Contributors		
West Pharmaceutical Services Inc.	+79	+21.18%
Pool Corp.	+76	+23.27%
Chart Industries Inc.	+70	+44.59%
Repligen Corp.	+56	+19.36%
Catalent Inc.	+39	+16.86%
Bottom Detractors		
TriCo Bancshares	-51	-18.90%
WPX Energy Inc.	-32	-23.20%
Seacoast Banking Corporation of Florida	-32	-11.62%
Carpenter Technology Corp.	-31	-24.51%
Investors Bancorp Inc.	-24	-13.34%

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.

The rest of the major contributors should be familiar to readers of these letters. West Pharmaceutical Services Inc. (WST, +21%) manufactures packaging and delivery systems for biologics and is a natural monopoly designed into FDA approvals. Repligen Corp. (RGEN, +19%) is a biopharma pure-play focused on the provision of advanced bioprocessing solutions to the biologic drug development industry. The company is a key provider of protein products central to the monoclonal antibody development process, as well as hardware for upstream and downstream workflows.

Pool Corp. (POOL, +23%) is a skilled consolidator of pool distributorships and had another very strong quarter. It continues to benefit from what is expected to be sustained record low interest rates and therefore low mortgage rates. Consumers are shifting leisure dollars from travel to the home.

Detractors were mostly concentrated in the low dispersion sectors like banks, steel, and energy. Banks remained weak due to a flat yield curve and slow loan growth, while steel and oil companies continue to experience deflationary pressures. Investors Bancorp Inc. (ISBC, -13%), Seacoast Banking Corp. of Florida (SBCF, -12%), and TriCo Bancshares (TCBK, -19%) were three of the biggest detractors. We have been wrong so far in our belief that banks are a great way to play the eventual cyclical recovery and rotation out of growth stocks into value. Our thesis that banks would outperform in a "V" recovery because they are as cheap as they were in the financial crisis, but with a fraction of the credit risk, has not been recognized by the market - yet. It might seem odd that we are bullish on banks given our belief in the "zombie company apocalypse", but to be clear, we believe the credit risk referenced earlier in this letter resides in structured credit funds, ETF's, CLO's and other shadow banking forms of credit. The more highly regulated bank credit risk is manageable, especially among the banks we own. Time will tell whether we were wrong or just early, but for now, we believe banks offer some of the best values in an otherwise frothy market. Earlier this year, we reduced the bank portfolio weight from overweight to equal weight, given our concerns regarding the flat yield curve and loan growth, but may increase our weighting again when we see improvement in both. Carpenter Technology Corp. (CRS, -25%) declined with concerns about one of its larger customers, Boeing, but is a quality cyclical that we believe will recover strongly when the current "K" shaped recovery broadens to include more cyclicals that are not in secular decline.

Portfolio Activity

Most of our portfolio activity occurred earlier in the year in the throes of the market sell off. This quarter, we sold J & J Snack Foods Corp. (JJSF) as it became clearer to us that their business would be much slower to recover than we originally anticipated. They sell snack food through grocery stores and Seven-Elevens, but a significant portion of revenues is sold through major sporting and entertainment venues. While management is skilled, it appears it will be a long time before we are filling sports stadiums and theaters to capacity.

We trimmed Trex Company Inc. (TREX) and West Pharmaceutical Services Inc. (WST), as they are beginning to grow out of our small cap mandate, and re-allocated to smaller names within the "small cap value" universe. We invested in Community Healthcare Trust Inc. (CHCT). CHCT is positioning its real estate portfolio to benefit from secular tailwinds of health care delivery away from the highest cost locations (hospitals) into lower cost of delivery locations (physician offices, specialty centers, outpatient facilities). We also invested in Helen of Troy Ltd. (HELE). We have been following HELE for many years and have gained conviction in our thesis that HELE is a skilled acquirer. New CEO Julien Mininberg is driving better focus at HELE to structurally improve its growth prospects by better leveraging the company's portfolio of leading brands. Targeted investment in market research, R&D, bolt-on M&A, and advertising is driving more successful new products and improving its existing portfolio. We believe these positive changes are not fully reflected in today's share price. Finally, given our bullish thesis on banks, we could not resist adding to TriState Capital Holdings Inc. (TSC), where we think very highly of the management team, and its business model seems similar to the pre-eminent bank First Republic.

While our turnover is typically low, it was a little higher for the first half of the year and trades have added 253 basis points of excess return year to date.

Outlook

Long-term, we remain bullish on owning higher quality smaller companies. Currently, our research suggest smaller companies are attractively priced relative to larger companies by a magnitude not seen since 1999. The near-term is highly uncertain, as it relates to the timeliness and availability of a COVID vaccine, which will impact how quickly and broadly the economy recovers, which may impact how sustainable the market recovery is or indeed how high it can go from current levels through year end. At times like this, it is important to remember that time in the market is more important than timing the market to long-term investors' returns.

Current market expectations reflect confidence in a rapid economic and earnings recovery. Expectations also reflect increased enthusiasm for healthcare and technology companies that are experiencing faster adoption curves due to how COVID has changed the way we work, play, and live. Expectations also reflect a high degree of pessimism as it relates to energy, banking, and travel.

We suspect if a vaccine is available sooner rather than later, investors may take profits from their "COVID stocks" (technology & healthcare) and reallocate to "value stocks" (financials and cyclicals). Alternatively, if there is a major second COVID wave that proves as deadly, and a vaccine is still far off from approval, we suspect the market could test the March 2020 lows, but hold on to their "COVID" stocks. Unfortunately, we do not have an edge on how this will all play out, which is why we believe a core portfolio of higher quality companies diversified by industry and lifecycle is the best way to manage uncertainty and deliver great long-term risk adjusted returns.

Adding to investor uncertainty is the election. It may turn out to be one of the most contested in U.S. history, as both sides have lawyered up ahead of election day. While we do not believe the market should be surprised by a delayed outcome, one never knows. If the market sells off, we will be ready. We will leverage insights from our research team and proprietary research platform to add value for our clients like we did in March.

Uncertainty and risks are constantly changing in ways that are difficult to forecast. Our north star is to think long-term, own great businesses, managed by great business managers who allocate capital in ways that create value for clients, employees, communities, and ultimately shareholders. We are grateful to be part of the capital allocation process and are excited about the continued opportunities to add value for our clients.

Thank you for your commitment to the Strategy. Should you have any questions regarding your investment, please do not hesitate to reach out to us.

Sincerely,

Chris Faber
Portfolio Manager

Jeff Madden
Portfolio Manager

Small Cap Core

TOP TEN HOLDINGS AS OF 9/30/20	
Company	**% of Assets**
Pool Corp.	3.87%
West Pharmaceutical Services Inc.	3.51%
Repligen Corp.	3.46%
EastGroup Properties Inc.	3.17%
Fair Isaac Corp.	2.76%
Catalent Inc.	2.69%
NeoGenomics Inc.	2.33%
Seacoast Banking Corporation of Florida	2.27%
Neogen Corp.	2.17%
TriCo Bancshares	2.17%

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

Small Cap Core Composite // Annual Disclosure Presentation

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 period April 1, 2005 through December 31, 2018. 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.

Description | The Small Cap Strategy (formerly named IronBridge Small Cap Core Equity Composite) product reflects the performance of fully discretionary fee-paying equity accounts, which have an investment objective of long-term growth using a portfolio of primarily small-cap stocks and for comparison purposes is measured against the Russell 2000 index. The inception date of the Small Cap Composite is April 30, 1999 and the Composite was created on March 31, 2002. The composite includes small cap equity portfolios invested in undervalued companies as suggested by RMB Capital's proprietary economic return framework, with relatively small market capitalizations (generally under $2.5 billion at the time of initial purchase) and with both growth and value attributes. The composite excludes portfolios that have client-driven restrictions that hinder the investment strategy. Beginning January 1, 2015, the composite excludes portfolios under $2 million. Prior to that date, the composite excluded portfolios under $5 million. Beginning on January 1, 2018, accounts are included in the composite on the first day of the first full month the account is under management. Prior to 2018, an account was included in the Composite on the first day of the first full month following becoming fully invested and an account was removed from the Composite as of the last day of its last full month. Account performance is based on total assets in the account, including cash and cash equivalents. Results are based on fully discretionary accounts under management, including those accounts no longer managed by RMB. 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 (%)	Russell 2000 (%)	Composite 3-YR ST DEV (%)	Russell 2000 3-YR ST DEV (%)	Composite Dispersion (%)
2019	4,947.90	118.03	<5	28.91	27.57	25.52	13.97	15.71	0.34
2018	4,196.90	117.54	<5	-4.54	-5.40	-11.01	13.52	15.79	0.29
2017	3,610.61	453.90	6	11.70	10.59	14.65	11.58	13.91	0.30
2016	2,833.76	723.21	7	15.06	13.93	21.31	13.20	15.76	0.16
2015	3,230.87	684.92	10	-0.98	-1.97	-4.41	12.61	13.96	0.17
2014	4,796.43	714.83	5	7.46	6.39	4.89	12.01	16.59	0.25
2013	6,201.31	868.35	8	34.58	33.27	38.82	15.56	16.45	0.22
2012	6,022.19	1,077.20	14	14.24	13.12	16.35	18.67	20.20	0.23
2011	6,080.24	1,012.15	17	-2.65	-3.62	-4.16	23.42	24.99	0.17
2010	9,151.98	1,205.67	19	24.47	23.25	26.85	26.19	27.69	0.23
2009	7,415.09	1,106.92	20	25.70	24.27	27.18	23.71	24.84	1.06
2008	3,903.59	946.99	26	-30.64	-31.35	-33.79	18.82	19.85	0.34
2007	4,587.61	1,169.63	24	10.78	9.68	-1.57	13.07	13.16	0.42

* *Effective June 24, 2017 RMB Capital combined with IronBridge Capital Management. Firm AUM prior to 2017 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.*

Fees | *The standard management fee is 1% of assets annually, which is also our highest applicable fee. Net returns are computed by subtracting the highest applicable fee (1% on an annual basis, or 0.083% monthly) on a monthly basis from the gross composite monthly return, and the resulting monthly net figures are compounded to calculate the annual net return. In 2009, one account in the composite paid a fee higher than the usual highest applicable fee, at 1.16%. That fee level is used to compute the 2009 net figure, which is 24.27%. Actual investment advisory fees incurred by clients may vary. Composite performance is presented on a gross-of-fees and net-of-fees basis and includes the reinvestment of all income. The net returns are reduced by all actual fees and transactions costs incurred. The percent of non-fee paying assets in the composite is 0%. The annual composite dispersion is an asset-weighted standard deviation calculated for the accounts in the Composite the entire year. Prior to 2018, internal dispersion was calculated using the equal weighted standard deviation for the accounts in the Composite the entire year. Risk measures presented are calculated using gross-of-fees performance. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.*

Minimum Value Threshold | *The account minimum in the Small Cap Core product is currently $2 million. Prior to January 1, 2015, the composite excluded portfolios under $5 million.*

Comparison with Market Indices | *RMB compares its Composite returns to a variety of market indices. These indices represent unmanaged portfolios whose characteristics differ from the Composite portfolios; however, they tend to represent the investment environment existing during the time period shown. The returns of the indices do not include any transaction costs, management fees, or other costs. Benchmark returns presented are not covered by the report of* *independent verifiers. The benchmark for the Small Cap Core composite is the Russell 2000 Index, which for comparison purposes is fully invested and includes the reinvestment of income. The Russell 2000 is a subset of the Russell 3000 Index, representing about 8% of the total market capitalization of that index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership. The Russell 2000 index is an unmanaged index that is designed to measure the small cap segment of the U.S. equity universe. The index does not reflect investment management fees, brokerage commissions, or other expenses associated with investing in equity securities. You cannot invest directly in an index.*

***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 that the composite returns listed.*