

# Strategy Overview – Second Quarter 2021

## Dividend Growth

### Investment Philosophy

The Dividend Growth Strategy (“the Strategy”) seeks quality companies trading at attractive valuation levels with growing dividend payments. The Strategy primarily invests in large-capitalization companies with management teams focused on increasing their return to shareholders in the form of dividends.

**Inception Date:** April 1, 2005

**Portfolio Manager:** Todd M. Griesbach, CFA

### Investment Approach

Utilizing a bottom-up, fundamental approach, we search for quality companies with growing dividend payments trading at attractive valuation levels. We believe the Strategy’s process is distinguished by three key attributes:

#### High Quality Approach

- Strong and sustainable business models
- Competitive advantages, barriers to entry and unique differentiation
- Strong returns on invested capital and high levels of free cash generation

#### Dividend Growth

- Ability and willingness to return more cash to shareholders through dividend payments
- Dividends growing faster than the market
- Target a portfolio yielding at or above the benchmark

#### Concentrated Portfolio

- Reflects our deep conviction in holdings
- Controls risk through diversification and appropriate position sizing
- Enables us to conduct rigorous, fundamental research on every holding

### Performance

	Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception (4/1/2005)
<b>Dividend Growth</b>	+7.32%	+14.77%	+40.09%	+20.43%	+17.52%	+13.65%	+8.87%
<b>S&amp;P 500 Index</b>	+8.55%	+15.25%	+40.79%	+18.67%	+17.65%	+14.84%	+10.56%
<b>Morningstar US Dividend Growth Index</b>	+4.43%	+12.39%	+33.75%	+13.65%	+12.94%	N/A	N/A

### Holdings

Strategy Profile	Top 10 Holdings	Weighting	GICS Sectors	Weighting
Assets <b>\$347.7 million</b>	<b>Microsoft Corp.</b>	7.01%	<b>Information Technology</b>	22.57%
Total Number of Holdings <b>23</b>	<b>Lowe's Companies Inc.</b>	5.47%	<b>Financials</b>	18.13%
Assets in Top 10 Holdings <b>49.51%</b>	<b>CDW Corp.</b>	4.97%	<b>Health Care</b>	15.61%
Weighted Avg. Market Cap <b>339,784</b>	<b>American Tower Corp.</b>	4.96%	<b>Consumer Discretionary</b>	13.53%
Turnover Ratio <b>14.60%</b>	<b>JPMorgan Chase &amp; Co.</b>	4.91%	<b>Industrials</b>	12.66%
Active Share <b>84.27%</b>	<b>UnitedHealth Group Inc.</b>	4.68%	<b>Consumer Staples</b>	7.52%
	<b>Morgan Stanley</b>	4.62%	<b>Real Estate</b>	4.72%
	<b>Keurig Dr Pepper Inc.</b>	4.40%	<b>Materials</b>	3.82%
	<b>CME Group Inc.</b>	4.29%	<b>Utilities</b>	0.00%
	<b>Accenture PLC</b>	4.20%	<b>Energy</b>	0.00%
			<b>Communication Services</b>	0.00%

Source: RMB Capital Management, FactSet. Performance is net of the RMB Asset Management’s management fee charged to client accounts and transaction costs. Performance presented is not net of RMB’s Wealth Management advisory fee (if applicable). Performance for periods longer than one year is annualized. Information above is based on a representative account as of June 30, 2021 and is subject to change. Actual client holdings may vary.

Active Share is measured against the S&P 500 Index.



# Dividend Growth Strategy

## RMB Asset Management

Dividend Growth Strategy // 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 periods April 1, 2005 through December 31, 2019. 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. 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) USD (\$M)		Composite Assets Annual Performance Results							
			# 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 (%)
2020	5240.6	168.0	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
2011	2,218.0	112.7	344	3.10	2.59	2.11	18.23	18.70	0.00	0.64

**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.

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 strategy overview 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 strategy overview. 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, expressed 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 strategy overview. The information and data in this strategy overview does not constitute legal, tax, accounting, investment, or other professional advice. The information provided in this strategy overview 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 strategy overview 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 Morningstar U.S. Dividend Growth Index is a subset of the Morningstar U.S. Market Index, a broad market index representing 97% of U.S. equity market capitalization. It is a benchmark consisting of securities that: (i) pay qualified dividends. (ii) are screened for a minimum of five years of uninterrupted annual dividend growth. 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. 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.



**RMB**  
Asset Management