Small Cap Core

Portfolio Update: Second Quarter 2021

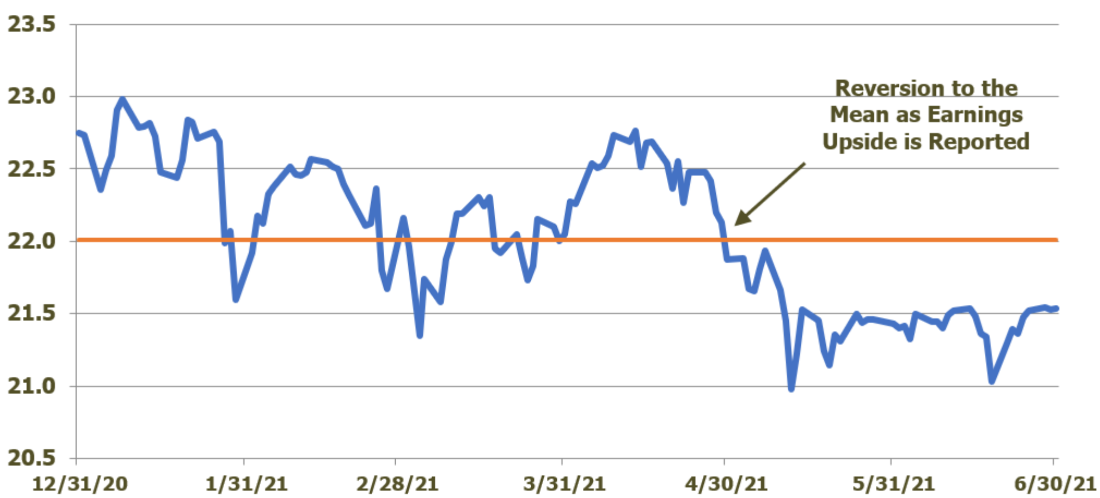
During the second quarter, the Small Cap Core Equity Composite (the "Strategy") increased +5.67%, net of fees, compared to a +4.29% increase for the Russell 2000 Index.

	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception (Annualized)
Small Cap Core (Gross)	+5.89%	+16.50%	+55.51%	+16.02%	+15.94%	+12.45%	+12.31%
Small Cap Core (Net)	+5.67%	+16.02%	+54.20%	+14.90%	+14.84%	+11.36%	+11.20%
Russell 2000 Index	+4.29%	+17.54%	+62.03%	+13.52%	+16.47%	+12.34%	+9.29%

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.

The quarter was defined by a robust economic recovery and 40% corporate earnings growth. Such a powerful earnings recovery is helping companies grow into elevated valuations.

Exhibit 1. S&P 500 2021 P/E YTD



Source: RMB Capital; Data as of 6/30/21.

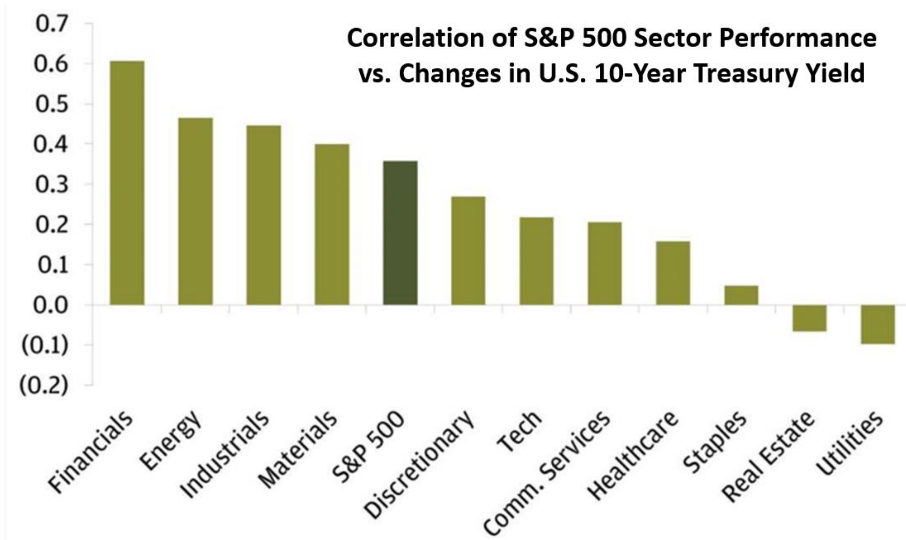
The excessive risk taking observed in the first quarter dissipated to some degree in the second quarter, as highly speculative stocks, SPAC'[1]s, and cryptocurrencies came back to earth, while broader equity and credit markets delivered more "normal" returns. However, underneath the apparent tranquility of the equity market's new highs lies much greater volatility than meets the eye. The primary issues driving intra-market volatility beneath the surface include: inflation vs. deflation, growth vs. value, meme stocks vs. short sellers, and resulting higher dispersion. Our thoughts on these topics and what it means for the strategy are below:

Inflation vs. deflation: Inflation is running hot at 5% of the Consumer Price Index (CPI), well above the Federal Reserve's target 2%. The Fed assures us this is transitory, but many investors believe the Fed is behind the curve. Further complicating

[1] A special purpose acquisition company (SPAC) is a company with no commercial operations, formed strictly to raise capital through an initial public offering (IPO) for the purpose of acquiring an existing company.

matters is the varying definition of "transitory" between market participants. Industries and companies that are sensitive to changes in real interest rates and inflation are experiencing greater volatility.

Exhibit 2. S&P 500 Sector Sensitivity to Changes in Rate



Source: Bloomberg Financial L.P. Data is as of April 29, 2021. Correlation analysis based on changes in S&P 500.

Growth vs. value: Value stocks (+4.56%) continued to outperform growth stocks (+3.92%) this quarter.[2] Value tends to perform better in a robust economic and rising inflation environment, whereas growth tends to perform better in a slower economic and disinflationary environment.

Meme stocks vs. short sellers: The meme stock phenomena is still with us. Our internal risk software, Alphacuity, indicates that the difference between the performance of the Russell 2000 and the Russell 3000 was largely due to company specific risk from the following meme stocks:[3]: AMC Entertainment Holdings, Inc. (AMC), GameStop Corp. (GME), Plug Power Inc. (PLUG), Novavax, Inc. (NVAX), and Caesars Entertainment, Inc. (CZR). MEME stocks have now become their own "risk" category and GME was one of the largest market caps in the Russell 2000. We find this simply incredible.

[2] Russell 2000 Value Index and Russell 2000 Growth index, respectfully, quarterly returns as of 6/30/21.
[3] As defined by Reddit.

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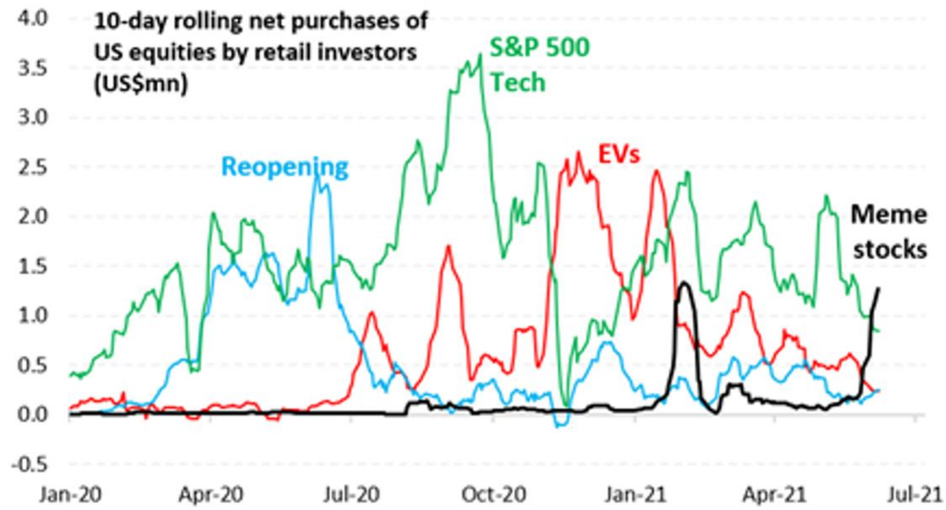
Exhibit 3. Meme Stock Inflows Exceed Other Sectors/Industries, including S&P Tech Sector

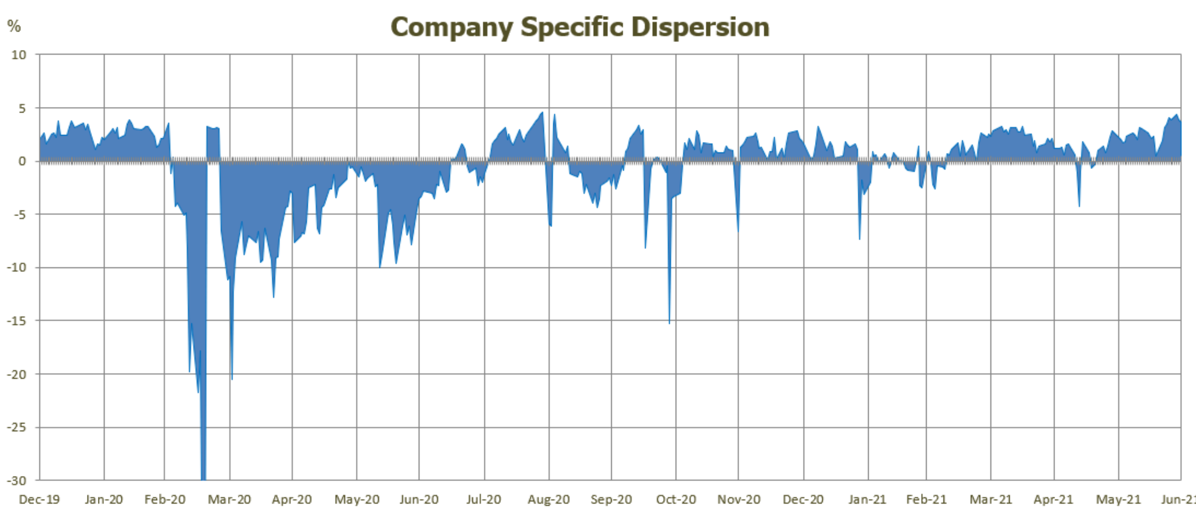


Source: Vanda Track, via the Irrelevant Investor Blog

We have noticed that during early Q1 and late Q2, periods where retail investors were buying Meme stocks, our performance lagged because our bias for quality prevents us from owning these stocks, but excess performance returns when investors stop buying these high-flyers.

Higher dispersion: Dispersion measures how closely stocks move together vs. apart. Low dispersion (together) occurs when excess liquidity created by the Fed balance sheet expansion dominates stock prices. The concept is captured eloquently by Warren Buffett's financial take on JFK's quip "a rising tide lifts all boats." Higher dispersion occurs when the liquidity cycle shifts from excess to neutral. We are starting to see this occur now as the Fed contemplates reducing the number of mortgage purchases as well as other financial assets.

Exhibit 4.



Source: FactSet. Company Specific Dispersion derived from S&P 500 index.

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So, what does all of this mean for strategy performance? Our dual diversification portfolio construction process (by lifecycle and sector) helps deal with the uncertainty and volatility associated with growth vs. value and/or inflation/deflation. While the meme phenomena can temporarily create headwinds/tailwinds, it does not present a longer-term challenge. Finally, given portfolio construction risk controls, factors out of our control are intentionally minimized, isolating idiosyncratic risk, which is in our control. Thus, higher dispersion creates more opportunity for our process to add value from company specific stock selection.

Contributors and Detractors

Last quarter, contributors and detractors were clearly divided between value and growth stocks. This quarter, contributors and detractors were more company specific, which is consistent with our observation of higher dispersion.

Pool Corp. (POOL +33.10%) is a skilled acquirer benefitting from a distribution-based network effect. We believe POOL has attractive competitive attributes and is a rare "Amazon-proof" business. Additionally, POOL is benefitting from a housing recovery but also has 60% recurring revenue tied to pool maintenance. Quarterly results revealed the resiliency of its business model and its ability to pass on significant inflationary costs through price increases. Devon Energy Corp. (DVN +35.14%), entered the portfolio through its purchase of WPX last quarter. We held the larger company, given the attractive acquisition price and synergies. DVN is an environmentally responsible oil & gas exploration and production company. DVN reported a blow-out quarter, confirming synergistic benefits of the deal as well as benefitting from higher oil and natural gas prices. West Pharmaceutical Services Inc. (WST +27.51%) is a long time holding, selling "picks and shovels" to the companies driving the biotech revolution. WST reported a very strong quarter, confirming rapid adoption of higher margin new products. Strong contributions from companies represented by different factors (growth, value, quality, inflation, interest rates) demonstrates how efficiently diversified portfolios can add value when volatility and dispersion increase within the market.

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SECOND QUARTER 2021 CONTRIBUTION REPORT
Ranked by Basis Point Contribution

	Basis Point Contribution	Return
Top Contributors		
Pool Corp.	+72	+33.10%
West Pharmaceutical Services Inc.	+62	+27.51%
Devon Energy Corp.	+60	+35.14%
American Financial Group Inc.	+51	+22.60%
CareDx Inc.	+48	+33.67%
Bottom Detractors		
TriCo Bancshares	-30	-9.62%
Veracyte Inc.	-21	-25.62%
Grand Canyon Education Inc.	-16	-15.99%
Exponent Inc.	-16	-8.25%
NeoGenomics Inc.	-14	-6.34%

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.

Detractors were also more company specific and diversified across multiple factors. Veracyte Inc. (VCYT -25.62%) was founded to provide tools that deliver clinicians key clinical answers as they determine the path forward for patients. Through various initiatives and recent M&A, VCYT has expanded the test menu, expanded biopharma collaborations, and developed a global platform and manufacturing operations. These products address large markets, including eight of the top ten cancers in the U.S. and ~$12B total available market (TAM), with a path to ~$50B in TAM. However, VCYT declined when it surprised the market with the replacement of founding CEO Bonnie Anderson with an industry veteran. Additionally, the holding is a large position in Cathy Wood's ARK funds, which have experienced large outflows lately. The VCYT fundamentals appear to be on track. Grand Canyon Education Inc. (LOPE -15.99%) is a low-cost Christian-based educational model, affordable to all socio-economic classes. Its spinout of the intangible online educational content into a for-profit business and hard assets into a non-profit subject LOPE to less governmental interference. LOPE reported results in-line with expectations but issued a rare downward guidance. While the downward guidance was modest, it stands in stark contrast with the rest of the companies reporting this quarter. Currently, we believe LOPE is too cheap to sell, but we are in the process of reviewing whether it can deliver on its potential in a post-COVID world. Exponent Inc. (EXPO -8.25%) is a science and engineering consulting company. EXPO operates in niche markets with teams of specialized experts in nearly 100 different technical disciplines that engage with customers to solve complicated issues in a diverse range of industries. EXPO reported a strong quarter, with higher guidance. While growth was strong, it was not strong enough to grow into its very high valuation.

Portfolio Activity

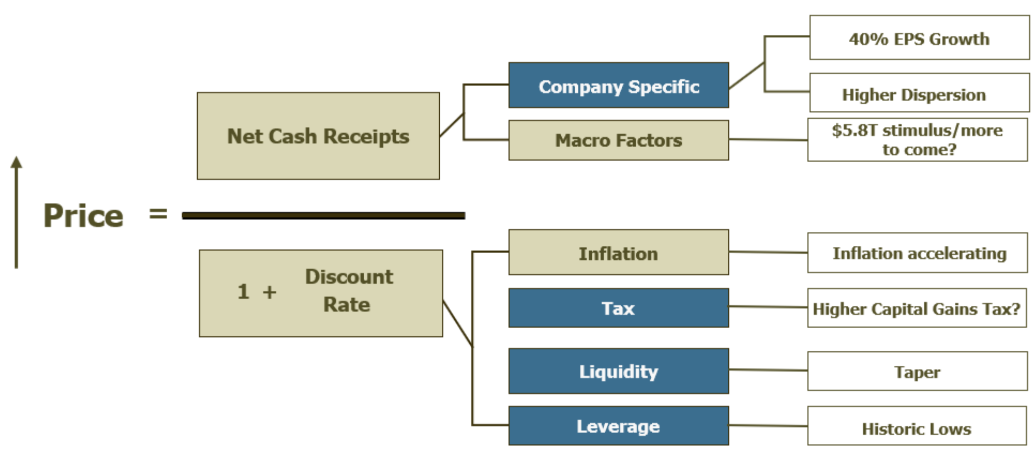
In previous letters, we have indicated that the team feels great about the companies we own and the portfolio structure in terms of the balance between growth and value. Most activity during the second quarter involved minor adds or trims to keep idiosyncratic risk aligned with our conviction. To that end, we added to BioLife Solutions Inc. (BLFS), CRISPR Therapeutics AG (CRSP), Editas Medicine Inc. (EDIT), Columbia Sportswear Co. (COLM), and PotlatchDeltic Corp. (PCH) after reviewing the quarterly results, gaining greater conviction in the companies, and the stock prices hitting attractive purchase levels. Sonos Inc. (SONO) was our only new purchase. We have been following SONO since its IPO and have been trying to evaluate whether it is just a hardware company or potentially a software platform with scalable intangible capital. After several conversations with management, and following it for several quarters, we believe Sonos is building a platform, and will be able to leverage its dominant brand in streaming music into other platform-based streaming services like E-sports/ Gaming/ Virtual reality and will ultimately gain important technological knowledge into blockchain/ AI and IoT. The market underappreciates the upside and, like ROKU, when the market understands the value of the platform and intangible capital, we believe the shares will break out significantly higher.

To fund the above purchases and adds, we exited our entire Ultragenyx Pharmaceutical Inc. (RARE) position, after the company successfully met its value creation milestones and reached our estimate of full valuation. Additionally, we trimmed Seacoast Banking Corp. of Florida (SBCF), Stifel Financial Corp. (SF), CatchMark Timber Trust Inc. (CTT), and CareDx Inc. (CDNA).

Outlook

We remain cautiously optimistic. The pricing equation is helpful to understand how our outlook has shifted:

Exhibit 5.



Source: RMB Capital
EPS growth based on the annual percent change in the 12 month forward EPS expectations of the S&P 500 Index, 9/29/2000 – 7/9/2021

We suspect the heavy lifting in terms of higher market valuations is shifting from the denominator (Federal Reserve excess liquidity) to the numerator (company specific capital allocation). As the impact from excess liquidity moderates from excessive to neutral, dispersion should continue to increase. Higher dispersion is good for active managers who invest in the right businesses.

As always, the companies we invest in demonstrate high managerial skill in capital allocation, which creates value for customers, employees, communities, and shareholders.

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

TOP TEN HOLDINGS AS OF 6/30/21

Company	% of Assets
EastGroup Properties Inc.	3.01%
TriCo Bancshares	2.82%
Pool Corp.	2.77%
West Pharmaceutical Services Inc.	2.73%
Seacoast Banking Corporation of Florida	2.53%
MKS Instruments Inc.	2.49%
Essential Properties Realty Trust Inc.	2.45%
American Financial Group Inc.	2.43%
Fair Isaac Corp.	2.43%
Repligen Corp.	2.40%

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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The opinions and analyses expressed in this newsletter 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 presentation. 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 newsletter. The information and data in this presentation does not constitute legal, tax, accounting, investment or other professional advice. Past performance is not indicative of future results, and there is a risk of loss of all or party of your investment. This information is confidential and may not be reproduced or redistributed to any other party without the permission of RMB Capital.

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. 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 2500 is a subset of the Russell 3000, including approximately 2500 of the smallest securities based on their market cap and current index membership. The strategies include small- to mid-cap equity portfolios. The strategies may target investments in companies with relatively small market capitalizations (generally between $500 million and $10 billion at the time of initial purchase), that are undervalued as suggested by RMB Capital's proprietary economic return framework. The S&P 500 is widely regarded as the best single gauge of the United States equity market. It includes 500 leading companies in leading industries of the US economy. The S&P 500 focuses on the large cap segment of the market and covers approximately 75% of US equities. The Russell 2000 Value Index tracks the performance of companies with lower price-to-book ratios, which shows a company's market price relative to its balance sheet. The Russell 2000 Growth Index is a subset of companies with higher price-to-book ratios, or those expected to have higher growth values in the future.

The **price-to-earnings (P/E) ratio** is defined as a ratio for valuing a company that measures its current share price relative to its per-share earnings.

Earnings per share (EPS) is calculated as a company's profit divided by the outstanding shares of its common stock. The resulting number serves as an indicator of a company's profitability.

Correlation is a statistic that measures the degree to which two securities or indices move in relation to each other.

While "high-quality" has no single, strict industry definition, we define high-quality stocks as those that we believe offer more reliability and less risk based on a set of clearly defined fundamental criteria including hard criteria (e.g., balance sheet stability, operating efficiency, enterprise life cycle) and soft criteria (e.g., management credibility). We define well-managed companies as those that intentionally grow assets when their economic return on capital is above the cost of capital, are willing to shrink assets when economic return is below the cost of capital, and actively seek to improve economic return when it is approximately equal to the cost of capital.

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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 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 Small Cap Strategy 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 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 (%)
2020	5,240.59	116.94	<5	19.38	18.28	19.96	22.02	25.27	0.00
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 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 investments, calculating performance, and preparing GIPS Reports 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.*

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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. 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.*