

# Equity Income

## Investment Philosophy

The Equity Income Strategy (“the Strategy”) seeks dividend income and capital appreciation. Dividend yield is a significant contributor to total return that can help limit portfolio volatility and can offer downside protection in down markets. The Strategy invests primarily in U.S. equities with market caps > \$2 Billion with a focus on companies that we believe to have sustainable, long-term competitive advantages.

**Inception Date:** December 31, 2021

**Portfolio Manager:** John O’Connor, CFA

**Benchmark:** Russell 1000® Value Index

## Investment Approach

Utilizing a bottom-up, fundamental approach, we search for high quality companies that offer a balance of attractive current dividend streams and prospects for capital appreciation. We utilize our proprietary corporate performance and valuation framework to identify companies we believe to be undervalued. We believe the Strategy’s process is distinguished by three key attributes:

### High Quality

- Management teams that convey a strategy consistent with prudent capital allocation
- Strong and sustainable business models
- Healthy balance sheets

### Equity Income

- Emphasizes companies with sustainable dividend policies and cash flow generation to support future dividends
- Targets a portfolio yield above the S&P 500
- Invests in companies offering both current income and capital appreciation potential

### 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

Strategy Profile	Top 10 Holdings	Weighting	GICS Sectors	Weighting
Assets <b>\$277.3 million</b>	<b>Federal Realty Investment Trust</b>	4.78%	<b>Financials</b>	22.33%
Total Number of Holdings <b>34</b>	<b>JPMorgan Chase &amp; Co.</b>	4.27%	<b>Health Care</b>	13.56%
Assets in Top 10 Holdings <b>40.16%</b>	<b>BlackRock Inc.</b>	4.19%	<b>Industrials</b>	11.93%
Weighted Avg. Market Cap <b>161,642</b>	<b>Verizon Communications Inc.</b>	4.17%	<b>Energy</b>	11.33%
Active Share <b>81.40%</b>	<b>Merck &amp; Co. Inc.</b>	4.04%	<b>Consumer Staples</b>	10.50%
Dividend Yield <b>2.90%</b>	<b>RTX Corp.</b>	3.98%	<b>Communication Services</b>	7.95%
Turnover Ratio <b>12.61%</b>	<b>Philip Morris International Inc.</b>	3.95%	<b>Information Technology</b>	7.69%
	<b>Berkshire Hathaway Inc.</b>	3.68%	<b>Materials</b>	4.72%
	<b>M&amp;T Bank Corp.</b>	3.60%	<b>Real Estate</b>	4.56%
	<b>International Business Machines Corp.</b>	3.50%	<b>Consumer Discretionary</b>	3.28%
			<b>Utilities</b>	0.00%

Source: RMB Asset Management, FactSet as of December 31, 2024 and is subject to change. Actual client holdings may vary. Active Share is measured in comparison to the Russell 1000® Value Index. The Russell 1000® Value Index measures the performance of the large- cap value segment of the U.S. equity universe. It includes those Russell 1000 companies with relatively lower price-to-book ratios, lower I/B/E/S. forecast medium term (2 year) growth and lower sales per share historical.

**Investment Terms:** *Dividend Yield* is a financial ratio (dividend/price) that shows how much a company pays out in dividends each year relative to its stock price. *Active Share* is a measure of the percentage of stock holdings in a manager’s portfolio that differs from the benchmark index. *Turnover Ratio* or Turnover Rate is the percentage of a mutual fund or other portfolio’s holdings that have been replaced in a 12-month period. *Weighted Average Market Capitalization* refers to a type of stock market index construction that is based on the market capitalization of the index’s constituent stocks; large companies would, therefore, account for a greater portion of an index than smaller stocks.

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# Strategy Performance - Fourth Quarter 2024

## Equity Income

Performance for Periods ended 12/31/2024	Quarter	YTD	1 Year	3 Year	Since Inception (12/31/2021)
Equity Income (Gross)	-0.29%	+17.57%	+17.57%	+8.83%	+8.83%
Equity Income (Net of IM fees)	-0.46%	+16.93%	+16.93%	+8.27%	+8.27%
Equity Income (Net of IM & WM Fees)	-0.71%	+15.81%	+15.81%	+7.22%	+7.22%
Russell 1000® Value Index	-1.98%	+14.37%	+14.37%	+5.63%	+5.63%

*Inception date: December 31, 2021. Performance for periods of greater than one year is annualized. 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. Data as of December 31, 2024. Investment management (IM) fees are charged for managed investment accounts, is intended to compensate the portfolio managers for their time and expertise for selecting investments and managing the specific strategy as well as other items, such as investor relations expenses and the administration costs. Wealth management (WM) fees are charged to cover the construction and management of a portfolio and the holistic wealth management services that a client has chosen beyond their investments including, but are not limited to, estate planning, tax strategies (and related services), risk management, financial planning, retirement planning, investment advice, and insurance/banking oversight services. These fees vary by client and for this presentation the highest possible wealth management fees has been applied in these calculations.*

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### RMB Asset Management - Equity Income Composite // 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 Equity Income Strategy reflects the performance of fully discretionary equity accounts, which have an investment objective of dividend income and capital appreciation using a portfolio of primarily U.S. stocks with market caps > \$2 Billion and for comparison purposes is measured against the Russell 1000® Value Index. The inception date of the Equity Income Composite is December 31, 2021 and the Composite was created on December 31, 2021. Valuations and returns are computed and stated in U.S. Dollars.

### ANNUAL PERFORMANCE RELATIVE TO STATED BENCHMARK

Year End	Composite Assets			Annual Performance Results					
	Total Firm Assets as of 12/31 (\$M)	USD (\$M)	# of Accounts Managed	Composite Gross-of-Fees (%)	Composite Net-of-Fees (%)	Russell 1000® Value (%)	Composite 3-YR ST DEV (%)	Russell 1000® Value 3-YR ST DEV (%)	Composite Dispersion (%)
2023	6,235.5	167.4	455	7.10	6.57	11.46	N/A	16.51	0.38
2022	5,228.7	89.0	265	2.38	1.87	-7.54	N/A	N/A	N/A

\* Composite dispersion is reported as N/A when the information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

**Fees** | Effective March 2, 2022, Curi RMB Capital's management fee schedule for this Composite is as follows: 0.50% on the first \$1.0 million, 0.5% on the next \$2.0 million, 0.475% on the next \$2.0 million, 0.45% 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 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. In addition to a 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** | There is \$100,000 account minimum for the Equity Income composite.

**Comparison with Market Indices** | Curi RMB Capital compares its Composite returns to a variety of market indices such as the Russell 1000® Value Index. 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 Russell 1000® Value Index measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000® companies with lower price-to-book ratios and lower expected and historical growth rates. 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. 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.

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