

Strategy Overview – Third Quarter 2021

Special Situations Equity Strategy

Investment Philosophy

The Special Situations Strategy (“the Strategy”) is designed to capitalize on stock market inefficiencies. We define “special situations” as opportunities that have uncommonly favorable risk/reward characteristics, including spinoffs, turnarounds, deep value, reorganizations, transformative acquisitions, overreactions, underfollowed securities, event-driven circumstances, and capital structure changes. These situations can arise for a variety of reasons and can create confusion about the true value of a particular stock.

Inception Date: January 1, 2010

Portfolio Manager: Todd M. Griesbach, CFA

Investment Approach

Utilizing a bottom-up, fundamental approach, we search for catalyst or event-driven investments trading at attractive valuation levels. We believe the Strategy’s process is distinguished by three key attributes:

Opportunistic Approach

- Seek to exploit pockets of inefficiency that generally occur when limited information is available
- Seek catalyst- and/or event-driven anomalies
- Utilize variable time horizons
- Hold cash when opportunities are not abundant

Strong Contrarian View

- Out-of-favor and/or misunderstood stories where our fundamental research gives us confidence to invest
- Undervalued companies with significant upside potential that is mispriced by the market
- Often underfollowed companies given their idiosyncratic profiles

Concentrated Portfolio

- Reflects our deep conviction in holdings
- Ensures our clients’ assets are focused in our best ideas
- Enables us to conduct rigorous, fundamental research on every holding

Performance

	Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception (1/1/2010)
Special Situations	-2.19%	+15.06%	+49.69%	+14.79%	+12.27%	+12.47%	+13.49%
Russell 2000 Index	-4.36%	+12.41%	+47.68%	+10.54%	+13.45%	+14.63%	+12.82%
S&P 500 Index	+0.58%	+15.92%	+30.01%	+15.99%	+16.90%	+16.63%	+14.48%

Holdings

Strategy Profile	Top 10 Holdings	Weighting	GICS Sectors	Weighting
Assets \$38.2 million	Skyline Champion Corp.	7.16%	Information Technology	29.24%
Total Number of Holdings 18	PayPal Holdings Inc.	6.44%	Financials	18.04%
Assets in Top 10 Holdings 53.48%	Verra Mobility Corp.	5.74%	Health Care	12.05%
Weighted Avg. Market Cap 41,328	Ameris Bancorp	5.42%	Consumer Discretionary	11.95%
Turnover Ratio 35.70%	Columbus McKinnon Corp.	5.02%	Industrials	9.24%
Active Share 98.61%	Citigroup Inc.	4.99%	Energy	4.31%
	Bausch Health Companies Inc.	4.84%	Real Estate	0.00%
	Ingersoll Rand Inc.	4.65%	Materials	0.00%
	Marathon Petroleum Corp.	4.65%	Utilities	0.00%
	Digimarc Corp.	4.56%	Consumer Staples	0.00%
			Communication Services	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 September 30, 2021 and is subject to change. Actual client holdings may vary. Number of holdings only includes holdings with a weight greater than 1%.

Active Share is measured against the Russell 2000 Index.



Special Situations Strategy

RMB Asset Management

Special Situations 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 Special Situations Strategy reflects the performance of fully discretionary equity accounts and is designed to capitalize on stock market inefficiencies in addition to conventional buy-and-hold strategies. "Special Situations" are defined as those that have extraordinarily favorable risk/reward characteristics and, for comparison purposes, are measured against the Russell 2000 and S&P 500 indices. The inception date of the Special Situations Composite is January 1, 2010 and the Composite was created on January 1, 2010. The strategy evolved from a Small-Cap Investment Strategy which began January 1, 2008 and became the Special Situations Strategy on January 1, 2010. 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)	Composite Assets		Annual Performance Results								
		USD (\$M)	# of Accounts Managed	Composite Gross-of-Fees (%)	Composite Net-of-Fees (%)	Russell 2000 (%)	S&P 500 (%)	Composite 3-YR ST DEV (%)	Russell 2000 3-YR ST DEV (%)	S&P 500 3-YR ST DEV (%)	% Non-Fee Paying Assets	Composite Dispersion (%)
2020	5,240.6	32.3	40	32.45	31.03	19.96	18.40	25.11	25.27	18.53	0.00	3.76
2019	4,947.9	37.2	88	31.95	30.52	25.52	31.49	16.66	15.71	11.93	0.27	1.13
2018	4,196.9	43.3	143	-24.29	-25.14	-11.01	-4.38	16.39	15.79	10.80	1.45	0.57
2017	3,610.6	90.0	214	18.66	17.33	14.65	21.83	13.46	13.91	9.92	1.45	1.01
2016	3,047.5	76.5	206	15.44	14.07	21.31	11.96	15.84	15.76	10.59	0.15	0.87
2015	3,706.0	56.4	192	8.87	7.65	-4.41	1.38	13.74	13.96	10.47	0.17	0.62
2014	3,312.9	76.5	237	-4.95	-6.00	4.89	13.69	14.09	13.12	8.97	0.12	0.96
2013	3,248.5	89.8	259	21.77	20.40	38.82	32.39	15.74	16.45	11.94	0.20	0.81
2012	2,585.9	42.2	141	20.95	19.61	16.35	16.00	19.45	20.20	15.09	0.19	1.17
2011	2,218.0	27.5	80	6.05	5.60	-4.18	2.11	N/A	N/A	N/A	0.00	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 January 1, 2011, RMB Capital's asset management fee schedule for this Composite is as follows: 1.25% on the first \$250,000 in assets; 1.125% on next \$750,000; 1.00% on next \$2.0 million; 0.9% on next \$2.0 million; 0.8% on next \$5.0 million; 0.75% over \$15 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 72% 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 Special Situations composite is currently \$250 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 Russell 2000 and the S&P 500. 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 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. 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. You cannot invest directly in an index. The returns of the indices 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.

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