Select Equity

Portfolio Update: Second Quarter 2025

During the quarter ending June 30, 2025, the Select Equity Composite (the "Strategy") returned +9.29% gross of fees (+9.16%, net of fees) compared to +10.94% for the S&P 500 Index (the "Benchmark").

	3 Months	YTD	Since Inception (12/31/2024)
Select Equity (Gross of fees)	+9.29%	+3.71%	+3.71%
Select Equity (Net of IM fees)	+9.16%	+3.46%	+3.46%
Select Equity (Net of IM & WM fees)	+8.90%	+2.94%	+2.94%
S&P 500 Index	+10.94%	+6.20%	+6.20%

Inception date: December 31, 2024. Performance for periods 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 June 30, 2025. 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.

The second quarter brought significant trade and geopolitical headwinds for U.S. equity markets, but U.S. large cap stocks ultimately gained ground. Markets started off the quarter with a sharp risk-off response to details of the "Liberation Day" tariff rates. The Russell 1000® Value index and the Russell 1000® Growth index declined 11.8% and 12.8% respectively in the days following the announcement. At the same time, the 10-year treasury yield spiked nearly 50 basis points, leading to the Trump administration to pause implementation of the new tariffs for 90 days. Following this announcement, the markets made a notable comeback. The value benchmark recovered its losses, increasing 16.4% between April 9th and June 30th. The growth index had a much more impressive rebound, increasing 32.6% over the same period. We believe growth stocks were in favor due to several factors: 1) the lower threat from a spike in long-term interest rates that could have outsized impact on longer-duration securities like growth stocks; 2) the reduced risk of an all-out trade war that could put our large tech exports (including services) at risk; and 3) a continuation of the long-standing "buy the dip" and "nothing ever happens" mentality of market participants. Beyond sentiment, there were also fundamental reasons for the growth-led recovery – namely around spending for Artificial Intelligence, which is one of the most important factors driving the mega-cap tech stocks. Microsoft Corp. (MFST), Alphabet Inc. (GOOGL), Amazon.com Inc. (AMZN), and Meta Platforms Inc. (META) are expected to increase capex an average of ~40%. These four companies alone are expected to spend approximately $325Billion in 2025 based on current guidance.

Later in the quarter, geopolitical risks spiked with the U.S. and Israeli strikes on Iranian nuclear sites. While this led to a modest decline in stocks and a flight to safe havens like the dollar and gold, the impact was not long-lasting. Oil prices briefly increased above $75 per barrel, but fears of supply disruptions quickly dissipated, and oil prices slipped back below $67 per barrel by the end of the quarter.

Companies in the Information Technology, Consumer Discretionary, Industrials, Communication Services, Financials, and Consumer Staples sectors contributed positively to results, while Healthcare, Materials, and Energy sectors detracted from results.

Contributors and Detractors

Microsoft Corp. (MSFT) was a positive contributor to performance during the quarter. Microsoft is a tech giant historically best known for Windows and Office, but these days it also runs one of the world's biggest cloud platforms (Azure), owns LinkedIn and Xbox, and builds everything from AI tools to enterprise software. On its fiscal third quarter earnings report, growth in Microsoft's overall cloud business accelerated with Azure's growth specifically improving to 35% year-over-year, particularly impressive given peer Google Cloud decelerated during the quarter. While all three of the major cloud services providers (Amazon, Microsoft, Alphabet) have recently cited capacity constraints as headwind to growth, Microsoft managed that a bit better this quarter. We see it as a clear artificial intelligence software leader with multiple ways to benefit from the rise of AI.

Select Equity
SECOND QUARTER 2025 CONTRIBUTION REPORT
Ranked by Basis Point Contribution

	Basis Point Contribution	Average Weight
Top Contributors		
Microsoft Corp.	+287	9.54%
NVIDIA Corp.	+194	4.52%
Amazon.com Inc.	+100	6.01%
Alphabet Inc.	+66	4.67%
Broadcom Inc.	+63	1.12%
Bottom Detractors		
UnitedHealth Group Inc.	-122	1.02%
Apple Inc.	-40	4.46%
Diamondback Energy Inc.	-34	0.61%
Berkshire Hathaway Inc.	-33	3.64%
International Paper Co.	-27	1.52%

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 Curi Capital'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.

NVIDIA Corp. (NVDA) was a positive contributor during the quarter. NVDA is a chip design company that dominates the AI GPU accelerator market, and the de-facto AI infrastructure enabler. During the quarter, the company reported a solid beat despite tariff headwinds including a ban on selling some of its chips to China. Its most advanced GPU product family, Blackwell, saw a strong ramp up and sold-out conditions. More importantly, the foundational demand for AI infrastructure remains firmly above supply, creating an upside scenario for NVDA's near-term fundamentals.

UnitedHealth Group Inc. (UNH) detracted from performance in the quarter. UnitedHealth Group is the largest U.S. health insurer and healthcare provider through its technology-enabled Optum platform, which also offers data analytics, pharmacy benefit management, pharmacy services, and consulting to help improve outcomes for patients and providers. UNH had been in the headlines since late 2024 with criticism for not approving treatments and the PBM business model in general. However, our research showed that UNH's practices in these areas were better than industry average and would see limited impact from proposed regulations. This changed on May14th, when the *Wall Street Journal* reported that the DoJ is investigating UNH for Medicare fraud. The news alleged that UNH fraudulently bills for health conditions its members do not have to boost its revenues and profits. This allegation introduced an entirely new, non-fundamental risk that we do not have an edge in evaluating. Based on the non-fundamental tail risk and our assessment that reversion to industry-average Economic Returns could result in an additional 40%+ of downside, we decided to exit the position.

Apple Inc. (AAPL) was a detractor from the portfolio's performance during the quarter. AAPL design, manufactures, and markets consumer electronics, software, and online services, including iconic products like the iPhone, Mac, and iPad. The company reported solid Q2 earnings results amid an uncertain trade environment, but sentiment on the stock remained weak due to its oversized manufacturing presence in Asia and comparatively high exposure to potential tariff impacts. In addition, the highly anticipated WWDC 2025 event showed limited Apple Intelligence progress, a key factor for the next iPhone upgrade cycle which remains the key driver of the stock.

Portfolio Activity

During the first quarter, we initiated positions in three stocks: IDEXX Laboratories Inc. (IDXX), META Platforms Inc. (META), and EOG Resources Inc. (EOG). As mentioned above, we sold shares of UnitedHealthcare Group Inc. (UNH) to zero.

IDXX is a global leader in veterinary diagnostics. We have owned IDXX in our mid-cap strategy for over ten years so we are very familiar with the company. We have long viewed IDXX as the innovation leader in their end markets, spending 5x in R&D as their closest competitor. Further, IDXX has the ideal razor / blade business model as the company generates more than 75% of recurring revenue with 95%+ retention rates. The market is concerned about the declining vet visit trends. Declining vet visits are the result of the pet adoption boom during COVID. Vet visits are more frequent during early and later stages of a pet's life, and visits have declined as COVID pets have matured into middle age. We expect visits to rebound as the cohort ages, generating more utilization of IDXX's tests and compounded by newly released, innovative tests for conditions like cancer. We used this near-term, transitory concern to invest in the company as we believe that veterinary care is a long-term secular growth trend, IDXX is the best-in-class company in this end market and is in the early stages of new product launches that will drive strong long-term growth. While still early, and we are long-term shareholders, it is noteworthy that the stock has already increased almost 20% since our purchase in late April on the back of strong 1Q25 results.

META operates some of the world's most widely used social media platforms, including Facebook, Instagram, Messenger, and WhatsApp. These platforms generate the majority of Meta's revenue through digital advertising, where businesses pay to display targeted ads to users based on detailed demographic and behavioral data. The company also invests in AI, content moderation, and tools for creators and businesses to drive engagement and monetization across its ecosystem. We initiated a position in META based on the view that the company is successfully navigating a critical strategic transition—maintaining strong growth in its core digital advertising business while becoming significantly more capital intensive through aggressive investment in AI infrastructure. After five consecutive years of margin and ROI deterioration, Meta reversed course with 2023's "Year of Efficiency," cutting operating expenses and driving a sharp rebound in profitability, with operating margins rising from 25% in 2022 to 43% in 2024. This financial discipline has coincided with an ambitious ramp in capital spending as Meta builds out the data center capacity necessary to support its AI-first transformation. Earning adequate returns on this increased spending will be an important factor to monitor over time. Recent execution suggests that Meta is effectively leveraging AI to drive superior engagement and revenue growth, outpacing peers like Alphabet, while remaining a dominant force in global digital advertising. The company's founder-led structure also provides strategic continuity and agility that has historically enabled Meta to pivot successfully during key industry shifts.

We swapped shares of Diamondback Energy Inc. (FANG) for shares of EOG Resources Inc. (EOG). Both companies are among the best exploration and production (E&P) companies, having advantaged acreage and operational efficiencies that have lowered costs. Our decision to swap into EOG was based on its business mix, which is more balanced between oil and natural gas. Given the current administration's focus on LNG exports and permitting, along with the potential increased demand for natural gas-derived electricity from data centers, we believe EOG will be better positioned in the coming years. EOG has established itself as a best-in-class, low-cost, and capital-disciplined E&P company with a proven track record of delivering high returns through innovation and premium drilling.

For clients with taxable accounts, you will also see several trades designed to harvest tax losses without sacrificing market exposure through the use of "blocker" ETFs. Such trades are always short-term in nature, typically about 31 days. We believe these tax loss harvest trades contribute to after-tax returns by helping to offset taxable gains recognized in the normal course of managing the portfolio.

Outlook

As we write this letter, the S&P 500 sits at all-time highs despite what could constitute a "wall of worry." That includes the uncertainty around trade policy and its effects on supply chains, structurally higher inflation that doesn't seem to be tamed by restrictive policy rates, geopolitical tensions, chronic budget deficits and growing interest costs on debt, rumblings about global central banks shifting more reserves away from US Dollars which could put upward pressure on interest rates, etc.

So, what might the market be discounting that could help overcome these larger concerns? In the short-to-medium term, it could amount to the direction of travel. That is, tariffs will likely settle below the Liberation Day announcements, the interest rate cutting cycle is expected to begin in September, and permanent tax policy and incentives for investments could lead to an improving economic picture and sow the seeds for a strong economic cycle. As mentioned previously, the largest and most profitable tech companies in the world are located in the U.S. and are investing massive amounts of capital into Artificial Intelligence, which could drive material advances the productivity of our resources. And we must always remember that the world remains awash in liquidity and equities likely still offer a positive real return.

The magnitude of the changes occurring may lead to a more rapid evolution of winning and losing companies. Companies adapting to the changing competitive environment will likely outperform those that are either stuck on the status quo or have more structural impediments to change. Businesses with strong value propositions should be able to raise prices to offset inflation. Well-managed companies can invest capital in R&D, production capacity, AI agents, and people to drive innovation that creates growth and supports higher returns on capital. This should create opportunities for active investors like us to differentiate performance vs. the indexes and the passive investors that follow them. We focus on identifying companies that we believe can beat market expectations for growth and returns on capital. Economic cycles, interest rates, and investor preferences all influence short-term absolute and relative performance. Over the long-term, we believe that investing in high quality companies that create value for shareholders can result in long-term shareholder returns that beat the overall market.

Thank you for your confidence in the team and the Strategy. If you have any questions, please do not hesitate to contact us.

Sincerely,

Tom Fanter
Portfolio Manager

John O'Connor, CFA®
Portfolio Manager

TOP TEN HOLDINGS AS OF 6/30/25	
Company	**% of Assets**
Microsoft Corp.	10.36%
Amazon.com Inc.	5.78%
NVIDIA Corp.	5.63%
Alphabet Inc. (Class A & C)	5.60%
Apple Inc.	4.24%
Visa Inc.	3.56%
Berkshire Hathaway Inc.	3.34%
JPMorgan Chase & Co.	3.02%
Tyler Technologies Inc.	3.02%
AMETEK Inc.	2.99%

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.

RMB Asset Management – Select Equity 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 Select Equity Strategy reflects the performance of fully discretionary equity accounts, which have an investment objective of long-term growth using a portfolio of primarily small-, mid-, and large-cap stocks and for comparison purposes is measured against the S&P 500 Index. The inception date of the Select Equity Composite is December 31, 2024 and the Composite was created on December 31, 2024. Valuations and returns are computed and stated in U.S. Dollars.

ANNUAL PERFORMANCE RELATIVE TO STATED BENCHMARK

No performance due to insufficient data (less than 1 year since inception date).

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 currently no account minimum in the Select Equity Composite.*

Comparison with Market Indices | *Curi RMB Capital compares its Composite returns to a variety of market indices such as the S&P 500 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 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. 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.*