SMID Cap Core

Portfolio Update: First Quarter 2024

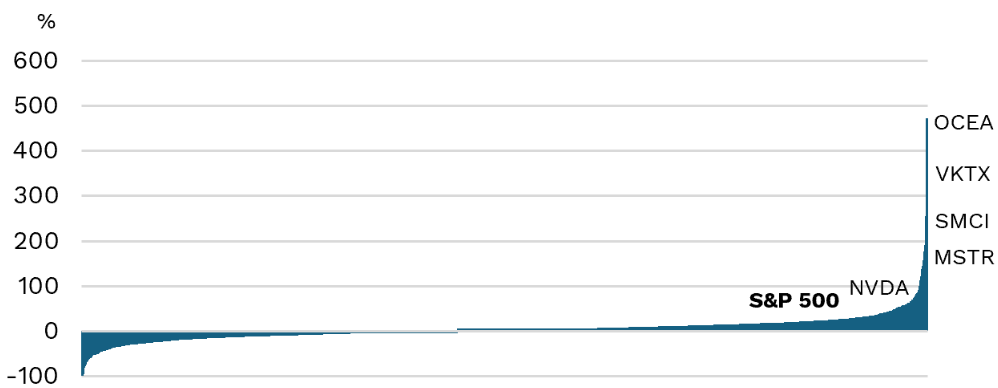
During the first quarter ending March 31, 2024, the SMID Cap Core Equity Composite (the "Strategy") returned +8.68%, gross of fees, (+8.50%, net of fees), compared to a +6.92% for the Russell 2500® Index.

	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception (Annualized)
SMID Cap Core (Gross)	+8.68%	+8.68%	+24.90%	+7.76%	+14.49%	+11.17%	+10.37%
SMID Cap Core (Net)	+8.50%	+8.50%	+24.00%	+7.00%	+13.65%	+10.28%	+9.44%
Russell 2500® Index	+6.92%	+6.92%	+21.43%	+2.97%	+9.90%	+8.84%	+9.13%

Inception date: March 31, 2004. 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 March 31, 2024. Curi RMB Capital acquired the composite by combining with IronBridge Capital Management on June 24, 2017. Composite performance prior to that date was achieved by IronBridge Capital Management. Refer to important information regarding performance and fees at the end of the document.

Stocks continued to grind higher despite higher interest rates and the Federal Reserve "wary of cutting too soon." That's because the economy continues to defy low expectations, logging a robust +3.2% growth rate. However, looking beneath the broad index returns, one observes a narrow market with small stocks lagging large stocks and a few powerful themes leading the way.

Exhibit 1. Total Returns of Russell 3000® Index Constituents – Q1 2024



Source: RMB Asset Management. Total Returns for the constituents of the Russell 3000® Index for the 3 months ended March 31, 2024. The Russell 3000® Index measures the performance of the largest 3,000 U.S. companies representing approximately 96% of the investable U.S. equity market. 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 U.S. economy. The S&P 500 focuses on the large-cap segment of the market and covers approximately 75% of U.S. equities. Ocean Biomedical Inc. (OCEA), Viking Therapeutics Inc. (VKTX), Super Micro Computer Inc. (SMCI), MicroStrategy Inc. (MSTR), NVIDIA Corp. (NVDA).

In fact, the median stock was up only +2% for the quarter, and a relatively few number of huge winners are responsible for most of the index gains. Readers may be familiar with this effect in the S&P 500 large cap index where the Magnificent 7 stocks[1] accounted for 58% of the S&P 500 return for 2023. That sort of skew was seemingly impossible for an index of the smallest 2000 stocks in the Russell 2000® Index - at least until this quarter. Amazingly, three stocks connected to mega

[1] The "Magnificent 7" refers to the following stocks: Apple Inc. (AAPL), Microsoft Corp. (MSFT), Alphabet Inc. (GOOG), Amazon.com Inc. (AMZN), Tesla Inc. (TSLA), Meta Platforms Inc. (META), and NVIDIA Corp. (NVDA).

themes: Artificial Intelligence (Super Micro Computer Inc. SMCI +265%), The Biotech Revolution (Viking Therapeutics Inc. VKTX+327%), and Cryptocurrency Sponsorship (MicroStrategy Inc. MSTR +160%) accounted for 43% of the Russell 2000® return this quarter. While the Strategy did not directly hold these stocks, it held ample exposure to these powerful investment themes to keep pace and even modestly exceed the Russell 2000® returns by 100bps, gross of fees, for the quarter.

Higher dispersion was evident at the stock specific and sector levels. Losing sectors were those that are interest rate sensitive (hurt by higher rates) and include Utilities (-3.6%), REITS (-1.7%) and Financials (-1.3%). Winning sectors were those that benefit from a stronger economy and include Energy (+12%) and Industrials (+9%). Technology (+14%) was supercharged by investor enthusiasm for "anything AI" and Bitcoin related.

Contributors and Detractors

SMID Cap Core
FIRST QUARTER 2024 CONTRIBUTION REPORT
Ranked by Basis Point Contribution

	Basis Point Contribution	Avg. Weight
Top Contributors		
Eagle Materials Inc.	+110	3.49%
Copart Inc.	+84	4.75%
Carlisle Companies Inc.	+67	2.72%
Diamondback Energy Inc.	+54	1.98%
Steel Dynamics Inc.	+41	1.69%
Bottom Detractors		
Bio-Techne Corp.	-22	1.99%
Insulet Corp.	-15	0.56%
Teledyne Technologies Inc.	-12	2.64%
Visteon Corp.	-11	1.48%
PotlatchDeltic Corp.	-10	1.98%

Contributors benefited from a combination of better-than-expected company specific execution, as well as positive tailwinds from a stronger than expected economy and positive mega-themes.

Eagle Materials Inc. (EXP) is a manufacturer of construction materials: cement, concrete and aggregates, gypsum wallboard and recycled paperboard. As a low-cost producer and skilled consolidator, it has become a local monopoly, strengthening its competitive position. Additionally, strong tailwinds from the construction and homebuilding markets helped EXP significantly beat analyst expectations this quarter.

Copart Inc. (CPRT) is a leading auctioneer of salvage vehicles with a unique network effect business model. Copart's large global buying network brings global demand to local supply and drives the highest yields in the two-player industry. Copart has continued to strengthen its competitive position relative to IAA and is gaining market share based on its most recent stellar results.

Carlisle Companies Inc. (CSL), a building products company, has transformed its business under the leadership of CEO Chris Koch. By implementing lean principles to drive greater productivity and allocating capital away from non-core businesses and towards environmentally friendly building supply businesses, CSL continues to create significant shareholder value.

Portfolio detractors reported disappointing company specific results.

Bio-Techne Corp. (TECH) is a manufacturer of cytokines and T0Cell activation technologies used in drug discovery. The whole group has faced post COVID inventory headwinds, but TECH was particularly hard hit due to their relatively higher exposure to China which has been very weak.

After a strong recovery in 4Q23, Insulet Corp. (PODD) was a detractor in 1Q24 due to both macro and idiosyncratic factors. From a macro perspective, PODD's stock price continues to be volatile related to the potential impact of GLP-1s on the diabetes long-term addressable market. In addition, while 4Q23 earnings were well-above consensus expectations, PODD's stock price declined post-earnings as 2024 revenue growth guidance was below expectations. In 4Q23, U.S. distributors placing additional orders ahead of PODD's transition to a new ERP system in January. As a result, 2024 revenue balances were in-line with consensus, but the growth rates were below as some orders were pulled into 4Q. We continue to have high conviction in PODD's large addressable market, low penetration rates in Type 1 and Type 2 diabetes, record volumes and multiple catalysts in 2024.

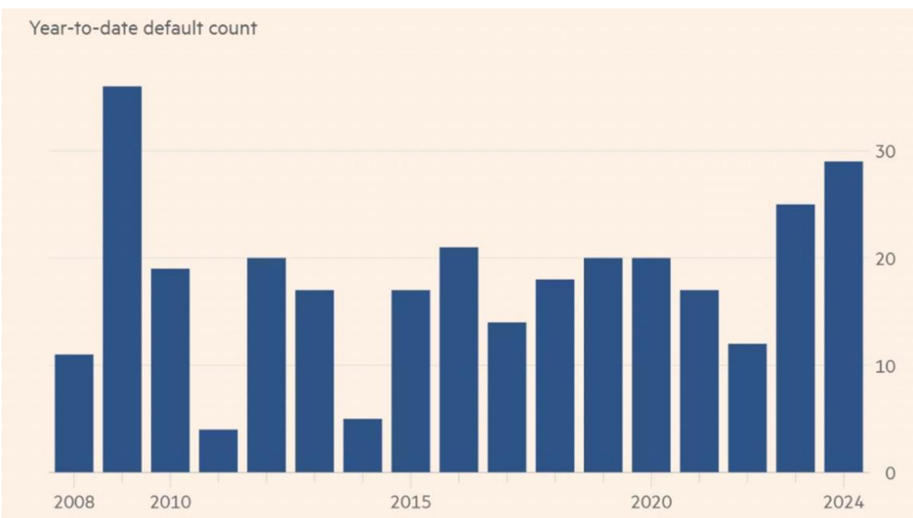
Portfolio Activity

As long-term business owners, turnover is typically low. However, we added to Devon Energy Corp. (DVN) due to its attractive payoff structure. We sold Fox Factory Holding Corp. (FOXF) after modeling their latest acquisition and confirming with our proprietary value creation framework that we believe their latest acquisition was value destructive.

Outlook

The near-term outlook is not clear. There are a lot of exciting innovations fueling growth and investor optimism like Artificial Intelligence, and exciting new drugs benefitting from the Biotech Revolution. The strength of the economy continues to defy expectations. The new consensus is no recession for 2024. However, there is still a lot of conflicting data. Rising interest rates but strong economic growth, housing prices and employment. Increasing corporate defaults but record low credit spreads.

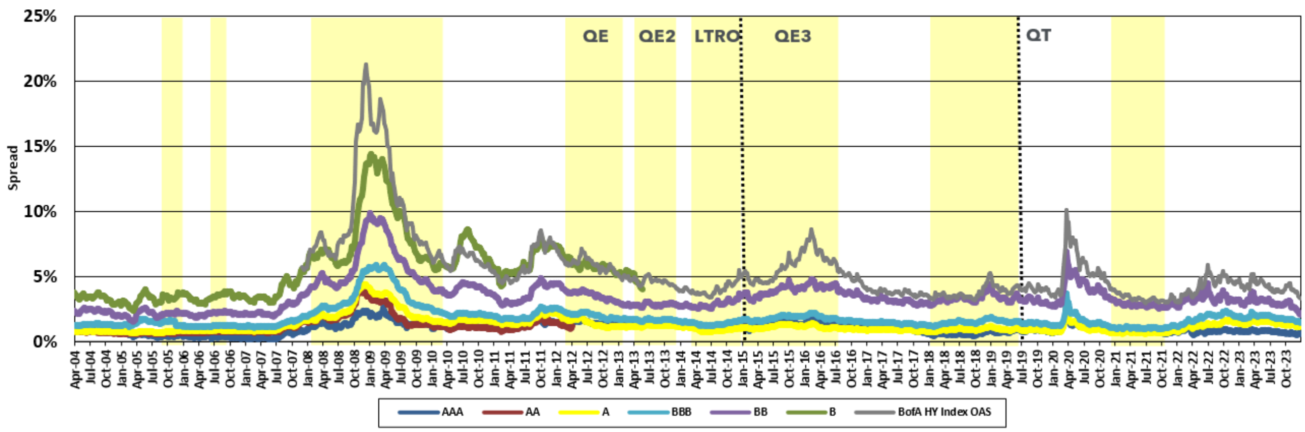
Exhibit 2. Global Corporate Default Tally at Highest since 2009



Source: Financial Times.

SMID Cap Core

Exhibit 3. U.S. Corporate Bond Spreads Over Treasuries



Source: RMB Asset Management; Data as of March 31, 2024. Past performance is not indicative of future results, and there is a risk of loss of all or part of your investment. Performance is net of the RMB Asset Management's management fee charged to client accounts and transaction costs. Actual investment advisory fees incurred by clients may vary. This information supplements the GIPS reports (as provided in the Appendix of this document). Yellow shaded areas indicate time periods when credit spreads were falling.

Headline 10% return from the Russell 3000® index of all companies, but only a 2% median return. Extreme volatility in parts of the market but a record low VIX (volatility index). Lower inflation but higher gold prices.

The market vote seems to be telling us the conflicting data will reconcile in the following ways: economic growth will slow to a sustainable non-inflationary positive rate, corporate defaults will remain isolated to Real Estate and not the broader economy, housing prices should stabilize or fall modestly, unemployment may rise modestly, and since the Fed is still committed to lowering rather than raising rates, the resulting above target inflation is likely to fuel continued corporate earnings growth driving gold and stock prices unevenly higher. Businesses in a position to capitalize on Artificial Intelligence, Bitcoin, and Biotech will lead the party. It could play out that way. However, investors rarely get what they expect, which is why our portfolio construction diversifies by sector and lifecycle.

It is also possible that the market vote and price discovery is less reliable today than in the past now that capital allocated by price takers exceeds that of price makers. This quarter marks the first quarter where capital allocation to passive investing strategies exceeds active strategies by a margin of 52% to 48%. The irony of this statistic is that passive investors require efficient price discovery and that depends on active managers incorporating all available information into stock prices. What happens to price discovery when fewer and fewer market participants are looking and the few that are get their glasses (capital) taken away? The answer may be in a research paper published in 2012.

When Sam Eddins wrote his illuminating paper "The Hidden Risks of Passive Investing", passive investing strategies represented 30% of total invested capital in equities. Even back then, he was pointing out that the risks of price distortions significantly increase as passive strategies gain share. He concluded that "when passive flows collide with more inelastic supply and demand, ***higher market volatility and less market efficiency have to be the result***." We seem to have arrived at that moment where passive exceeds active ownership. Have we reached the moment of greater volatility and less efficiency?

We don't know. We are just pointing out that the conditions have aligned for that possibility. The 2,511% 3-year return from SMCI may indeed be justified by its position within the Artificial Intelligence ecosystem and it may be rationally priced by active investors at 46 times earnings.

Exhibit 4. Super Micro Computer Inc. (SMCI) Price March 31, 2021 – March 31, 2024

Source: Yahoo! Finance.

Alternatively, given that 15% of the market cap is owned by insiders (reduced supply) and SMCI's shares are in high demand from price insensitive passive strategies like AI based ETF's, multiple benchmark ETF inclusion, and recent inclusion in the S&P 500 index, a supply/demand imbalance may have distorted its price higher.

To be clear, we are investors and believers in Artificial Intelligence, the Biotech Revolution, as well as many other exciting innovations that create value and make the world a better place. However, we also remain disciplined and take our responsibility as stewards of capital and price discovery as seriously as ever. We believe our competitive advantages lie in our skillset for identifying long term value creation, lifecycle fade, which addresses the sustainability of value creation, and finally our proprietary discounted cash flow model which allows us to exploit market price inefficiency. Sometimes that means not owning hyped stocks that go up a lot. We own enough stocks that go up enough to outperform without the downside risk that comes with chasing hot stocks.

We are curious about the possibility that markets may become even less efficient now that price insensitive passive capital is the majority and believe we are able to exploit a potential increase in price inefficiencies. In the meantime, we continue to research and follow many smaller cap companies that have the potential to meet our goal of early identification of long-term value creation.

Even though the near-term outlook is a bit fuzzy due to conflicting data, and the potential for passive to distort price discovery, our long-term outlook never wavers. By owning what we believe to be the best allocators of capital with skilled management teams that demonstrate knowledge building cultures, adaptability, and capital allocation consistent with long-term value creation, we believe we can own a portfolio of smaller companies that will grow to become larger companies, thereby providing our investors attractive long-term risk adjusted returns.

Thank you for your commitment to the Strategy.

Sincerely,

Chris Faber
Portfolio Manager

TOP TEN HOLDINGS AS OF 3/31/24

Company	% of Assets
Copart Inc.	5.13%
Fair Isaac Corp.	4.40%
Eagle Materials Inc.	3.74%
PTC Inc.	3.62%
Watsco Inc.	3.58%
Monolithic Power Systems Inc.	3.54%
Pinnacle Financial Partners Inc.	3.21%
Avery Dennison Corp.	3.17%
West Pharmaceutical Services Inc.	2.98%
Carlisle Companies Inc.	2.92%

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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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 Curi 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 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 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 Russell 3000® Index is a capitalization-weighted stock market index that seeks to be a benchmark of the entire U.S. stock market. The indexes do not reflect investment management fees, brokerage commissions, or other expenses associated with investing in equity securities.

Basis Point (bps): A unit that is equal to 1/100th of 1% and is used to denote the change in a financial instrument.

The ***price-earnings ratio*** *(****P/E ratio****) relates a company's share price to its earnings per share. A high P/E ratio could mean that a company's stock is over-valued, or else that investors are expecting high growth rates in the future.*

The Volatility Index or VIX *is the annualized implied volatility of a hypothetical S&P 500 stock option with 30 days to expiration. The price of this option is based on the prices of near-term S&P 500 options traded on CBOE Options Exchange, formerly known as* the Chicago Board Options Exchange *(CBOE), is the world's largest options exchange.*

Life Cycle Stages

Rockets*: These are hyper-growth, early-stage companies which consume a lot of capital as they try to execute their business model. Typically, they are innovative with new products, new services, or new business processes that may threaten the status quo of existing larger companies. Upside potential may be huge, but so is downside risk. Volatility is high, and results are often binary.*

Golden Goodies*: These are Rockets that have survived and proven that they have viable long-term business models. They have historically tended to grow faster than the overall market and need to beat the fade in returns by continuing to fend off competitive threats. These have a history of being classic asset compounders and will continue to create wealth for as long as they can beat that fade.*

Falling Angels*: These are Golden Goodies whose growth rates have slowed because they have become so large or their economic returns have been falling because of competitive threats or an inability to find reinvestment opportunities at current high rates of return.*

Corks*: These are mature companies where the economic returns approximate the cost of capital. Asset growth does not add or destroy value, so improving the level of economic return is critical to their success.*

Turn Arounds*: These distressed companies are the victims of overcapacity, weak competitive position, or poor capital allocation. In order to be successful, they must divest the lower return segments of their overall business.*

SMID Cap Core

RMB Asset Management

SMID Cap Core 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 SMID Cap Core Strategy product reflects the performance of fully discretionary equity accounts, which have an investment objective of long-term growth that 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 Curi RMB Capital's proprietary economic return framework. For comparison purposes is measured against the Russell 2500® index. The inception date of the SMID Cap Composite is March 31, 2004 and the Composite was created on March 31, 2004. Valuations and returns are computed and stated in U.S. Dollars. Effective November 2021, Jeff Madden is no longer a portfolio manager for the strategy. There is no change to the strategy's investment process.

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 2500® (%)	Composite 3-YR ST DEV (%)	Russell 2500® 3-YR ST DEV (%)	Composite Dispersion (%)
2023	6,235.50	140.00	<5	21.14	20.10	17.42	20.24	20.15	0.51
2022	5,228.66	137.04	<5	-20.11	-20.87	-18.37	24.06	25.16	0.18
2021	6,277.61	348.24	<5	29.37	28.27	18.18	20.05	22.48	0.44
2020	5,240.59	269.42	<5	25.78	24.69	19.99	21.75	24.21	0.00
2019	4,947.90	178.96	<5	32.61	31.5	27.77	13.52	14.58	0.98
2018	4,196.90	175.89	<5	-4.12	-4.99	-10.00	13.24	14.10	0.14
2017	3,610.61	310.59	5	14.68	13.69	16.81	10.64	12.14	0.28
2016	NA	448.67	9	13.33	12.34	17.59	12.04	13.67	0.23
2015	NA	775.77	9	0.07	-0.82	-2.90	11.47	12.42	0.21
2014	NA	994.30	8	4.74	3.82	7.07	11.03	11.67	0.28

**Curi RMB Capital acquired the composite by combining with IronBridge Capital Management on June 24, 2017. Firm assets prior to 2017 are not presented as the composite was not part of the firm. Composite performance prior to that date was achieved by IronBridge Capital Management.*

Fees *| The standard management fee is 0.90% of assets annually, which is also the highest applicable fee. Net returns are computed by subtracting the highest applicable fee (0.90% 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 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. For periods prior to 2018, net returns are computed by subtracting the highest applicable fee (0.90% on an annual basis, or 0.075% 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. 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 SMID Cap Core Composite is currently $2.0 million. Prior to January 1, 2015, the composite excluded portfolios under $5.0 million.*

Comparison with Market Indices *| Curi RMB Capital 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 SMID Cap Core composite is the Russell 2500® Index, which for comparison purposes is fully invested and includes the reinvestment of income. 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 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 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.*