



**Disclosure Brochure  
(Form ADV Part 2A)**

**March 17, 2020**

**RMB Capital Management, LLC**

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This Part 2A of Form ADV (this “Brochure”) provides information about the qualifications and business practices of RMB Capital Management, LLC (“RMB” or “Adviser”). If you have any questions about the contents of this Brochure, please contact us at 1-800-601-5228 or [compliance@rmbcap.com](mailto:compliance@rmbcap.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

RMB is registered as an investment adviser with the SEC. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser.

The information provided in this Brochure should not be considered a recommendation to purchase or sell any particular security.

Additional information about RMB is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **ITEM 2: MATERIAL CHANGES**

There are no material changes to report since the Adviser's last Brochure filed January 3, 2020.

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## ITEM 4: ADVISORY BUSINESS

### About RMB

RMB Capital Management, LLC (“RMB”, “Adviser” or “we”) is an independent, majority employee-owned firm offering advisory services and investment solutions to a diverse range of clients. RMB was established in Chicago, Illinois, on April 1, 2005 with a team of 19 employees. Since then, we have grown to approximately 180 employees with additional offices in Denver, Colorado; Jackson Hole, Wyoming; Lake Forest, Illinois; Bloomington, Minnesota; Milwaukee, Wisconsin; New York, New York; St. Joseph, Michigan; Atlanta, Georgia and Washington, D.C. and satellite offices in Skaneateles, New York; Rochester, New York, and Oak Brook Terrace, Illinois. RMB’s principal owner is RMB Capital Holdings LLC. Richard M. Burrige and Frederick Paulman are the principal owners of RMB Capital Holdings LLC.

As an independent firm, RMB is able to make autonomous decisions without the influence of corporate ties or shareholder influences. Our business is structured to help ensure our clients’ best interests are the driving force behind our practices and recommendations.

RMB services its clients through two primary business units: Wealth Management and Asset Management. Our Wealth Management business focuses on providing holistic solutions to our client’s financial needs while our Asset Management business provides separately managed accounts and other investment products that serve as the building blocks for our clients’ investment portfolios. Our two units are described more fully below.

### Wealth Management

For high-net-worth individuals and families, Wealth Management provides personalized, holistic financial planning services as well as asset allocation recommendations and investment implementation. Our goal is to pilot a personalized financial plan designed with each client’s best interests, unique needs, and long-term objectives in mind.

We dedicate ourselves to understanding the intricacies of each client’s financial picture. Through ongoing, in-depth conversations, we work to build a personal relationship with our clients and their families. We also act as the “central adviser” by collaborating with clients’ other trusted advisers—including estate planning attorneys, tax advisors, and corporate benefits managers—to maintain a well-informed perspective. This familiarity, both practically and personally, establishes the foundation for us to create and manage a highly customized financial plan.

Our approach to investing for our Wealth Management clients is a natural extension of our approach to financial planning. We establish personalized asset allocations based on each client’s specific circumstances, taking into consideration investment goals, time horizons, risk tolerances, income requirements, and total asset levels. We then implement our recommendations using internally and externally managed investment strategies. We hold steadfast to the core principles of our investment philosophy—taking a long-term view, conducting fundamental analysis, being opportunistic yet disciplined, and avoiding unnecessary risk.

Whether developing financial plans or investment solutions, we are keenly focused on the long term, as we believe being diligent, disciplined, and conservative are keys to driving results over

time. The above wealth management services described herein are collectively referred to as “Wealth Management Services”.

From time to time, RMB acquires the assets of other investment advisers that established other fees, account minimums or investment programs. While RMB’s goal is to move these clients to RMB’s investment programs and services, there may be a period of time where a client’s account is managed under an investment management agreement and program of the previous adviser until the client executes an RMB investment management agreement (“WM Legacy Clients” or “WM Legacy Accounts”).

### **Third-Party Separately Managed Account Strategies And Products**

In addition to proprietary strategies and products described below, we provide our Wealth Management clients with access to third-party managers and their products (each a “third-party manager”). This service provides clients access to a wide range of investment opportunities and asset classes, including international equities, emerging market equities, global fixed income, high-yield fixed income, private equity, commodities, hedge funds and real assets. By combining our third-party managers and products with our extensive in-house resources, we seek to optimize our customized portfolio management capabilities for clients. In selecting approved third-party managers or products, we may employ certain proprietary tools as detailed below.

### **Advisory Oversight for 401(k) and 529 College Savings Plan Participants**

RMB provides investment supervisory services to individuals who participate in their employer’s 401(k) Plan or in a 529 College Savings Plan by providing periodic recommendations on the allocations of investments across the menu of investment choices available in their plan. Depending on the client’s instructions, RMB either acts as a discretionary or non-discretionary manager. RMB’s advisory relationship, in these circumstances, is with the client and not the plan sponsor or administrator.

### **Family Office Services**

RMB provides family office services to certain existing clients and family offices. In addition to the advisory services we provide these clients, RMB provides other non-advisory services. These other non-advisory services include portfolio accounting, investment operations, administrative services, reporting, tax and legal facilitation, audit and financial control facilitation, estate planning and insurance administration, and family consulting services.

### **Asset Management**

Asset Management offers separately managed account strategies, private funds and mutual funds. Our goal is to deliver solutions that satisfy distinct objectives within each institution’s overall asset allocation. The following asset management services described herein are collectively referred to as “Asset Management Services”.

## **Separately Managed Account Strategies**

We offer certain separately managed account strategies, including through IronBridge (“IronBridge”) and JB Investment Management (“JBIM”) (each a division of RMB). Our equity strategies follow a bottom-up, fundamental approach focused on finding investments with attractive risk/reward profiles. These strategies include Core Equity, Dividend Growth, Special Situations, Japan, and International Focused Equity.

Our fixed income strategies follow a fundamental, relative value approach focused on capital preservation and income. We internally manage portfolios of taxable and tax-exempt accounts. We may provide separately managed account strategies as a sub-adviser to other investment advisory firms.

## **Private Fund Strategies**

Our alternative and private fund strategies focus on generating absolute, risk-adjusted returns that have low correlation to the broad equity market. We offer long/short distressed-debt (Twin Lake Total Return Partners), long/short equities (Rail-Splitter), long/short U.S. and global financials (Mendon Capital), equity market neutral, relative value arbitrage (Logan Stone Capital), and multi-manager absolute return (Iron Road Multi-Strategy, Iron Road Equity and Iron Road Diversified), Private Equity Opportunities, Real Estate Opportunities, Japan Opportunities, and Fixed Income Opportunities.

## **Mutual Funds**

RMB serves as the investment adviser to open-ended registered investment companies (“mutual funds”), currently the RMB Fund, the RMB Mendon Financial Services Fund, RMB Mendon Financial Long/Short Fund, RMB International Fund, RMB Japan Fund, RMB Small Cap Fund, RMB SMID Cap Fund and RMB Dividend Growth Fund. For the RMB Mendon Financial Services Fund and RMB Mendon Financial Long/Short Fund, RMB employs a sub-adviser to manage the portfolio, Mendon Capital Advisors Corp. (“MCAC”). While there are disclosures in this Part 2A of Form ADV that relate to the mutual funds, most disclosures relate solely to RMB’s Wealth Management Services and Asset Management Services. This document should not be considered an offering document for any mutual fund. Please see the respective fund’s offering materials such as the prospectus, statement of additional information, and other reports to investors for complete disclosures relating to the products.

## **Client Restrictions**

RMB generally permits Wealth Management and Asset Management clients (other than private funds and mutual funds) to impose restrictions on their accounts managed by RMB. Clients must provide prior notice in writing to RMB of any restrictions. Additionally, the client may remove its restrictions upon written notice to RMB.

## Other Businesses and Investment Programs

### Proprietary Tools

RMB, through its IronBridge division, developed a proprietary risk analysis tool that seeks to help institutions understand the risks associated with expected return which could result in better informed active manager selection. The tool also allows multiple portfolios to be aggregated to assess the overall risk associated with the plan's total allocation to equity. With improved insights as to the forward-looking risks inherent in a portfolio, this knowledge may be applied to assess that each manager's skill is aligned with the risks that are being taken and reflects the intended risks within the overall allocation.

### Retirement Plan Solutions

RMB West (also known as RMB Retirement Plan Solutions) was formed on April 21, 2011 and is an affiliate of RMB. Based in Denver, Colorado, RMB West is a separately registered investment adviser and offers retirement plan advisory services. RMB West will not recommend any mutual funds or private funds managed by RMB to its clients. RMB West will recommend, in some circumstances, RMB's Wealth Management services to persons related to their clients. For more information, please refer to the brochure for RMB West.

## Regulatory Assets Under Management

As of December 31, 2019, RMB had \$8,664,870,131 regulatory assets under management, of which \$7,761,170,614 is discretionary and \$903,699,517 is non-discretionary.

## ITEM 5: FEES AND COMPENSATION

RMB is customarily compensated on the basis of fees calculated as a percentage of assets under management (as further described below). Such fees are generally charged quarterly, in advance, based upon the amount of assets under management at the beginning of each quarter, except for certain separately managed account products offered by IronBridge and JBIM. IronBridge (long equities) and JBIM (fixed income) client accounts are generally billed quarterly in arrears. Generally, the fees are deducted from the clients' custodial account unless RMB is instructed by the client to collect its fees by billing the client directly. Billing adjustments will be made in each quarter to reflect substantive contributions or withdrawals made during the preceding quarter (if any). In the event of termination during a quarterly period, the client is entitled to a pro rata refund of that portion of the quarterly fee for the remaining balance of the quarter if fees were paid in advance. Client investment management agreements are terminable upon notice as specified in such agreements.

RMB offers differing fee levels for various categories of clients. The variance in fee schedules takes into account factors such as the degree of supervision required, the nature of the service provided, and the types of guidelines and restrictions imposed upon the management of the accounts. Fees for clients receiving Wealth Management Services differ from fees for clients that only receive Asset Management Services. Separate fees are generally charged for services provided by RMB's Wealth Management unit and RMB's Asset Management unit. Please see "Conflicts of Interest" below for more information.

Individual clients will typically pay Wealth Management Fees (as described below) for Wealth Management Services. These Wealth Management Fees are in addition to the Asset Management Fees (each as described below), as applicable. Fees for third-party managers may be charged separately to the client or we may charge a separate Asset Management Fee and pay a portion of the additional fee to the third-party manager.

Institutional clients (not receiving Wealth Management Services) will typically pay Asset Management Fees for Asset Management Services.

RMB employees generally do not pay Wealth Management Fees but generally are subject to reduced Asset Management Fee.

### **Wealth Management Fees**

Wealth Management Fees will vary by client based upon the services provided and other considerations deemed relevant to RMB, but will generally be between 0.25% and 1.00% of assets under management. Wealth Management Fees are applied to all discretionary assets and may be applied to nondiscretionary assets. Family Office Services clients generally pay a fixed family office fee, which is negotiable, in addition to the asset based Wealth Management Fee and Asset Management Fees.

WM Legacy Accounts may be subject to different Wealth Management Fees, including but not limited to hourly financial planning fees and asset-based fees for advice regarding 401(k) and 529 Plans.

### **Asset Management Fees (General)**

#### **Separately Managed Accounts**

The fees below represent the advisory fees charged by RMB for Asset Management Services. Such advisory fees are not all-inclusive and clients may be charged other fees for additional services as described herein. Certain strategies listed below have different minimum account size requirements. Please note the strategies we offer will change from time to time.

#### **Model Based Strategies:**

0.350%-First \$250,000  
0.350-Next \$750,000  
0.325-Next \$2.0 million  
0.300-Next \$5.0 million  
0.275-Next \$15.0 million  
0.250-Over \$25.0 million

#### **Core Equity/Balanced Strategies:**

0.500%-First \$1.0 million  
0.500-Next \$2.0 million  
0.475-Next \$2.0 million  
0.450-Next \$5.0 million  
0.425-Next \$15.0 million  
0.400-Over \$25.0 million



**Taxable and Tax-Exempt  
Fixed Income:**

0.350%-First \$1.0 million  
0.350-Next \$2.0 million  
0.325-Next \$2.0 million  
0.300-Next \$5.0 million  
0.275-Next \$15.0 million  
0.250-Over \$25.0 million

**Other Strategies:**

1.250%-First \$250, 000  
1.125-Next \$750,000  
1.000-Next \$2.0 million  
0.900-Next \$2.0 million  
0.800-Next \$5.0 million  
0.750-Next \$15 million

**Tax Advantaged Fixed Income\*:**

0.350%-First \$5.0 million  
0.300%-Next \$5.0-\$10.0 million  
0.250%-Next \$10.0-\$15.0 million  
0.200% Next \$15.0-\$20.0 million  
0.150% Over \$20.0 million

\*For the Tax Advantage Fixed Income Strategy accrued interest  
will be included in the fees.

**International Focused Equity Strategies:**

1.000%-First \$1.0 million  
0.975-Next \$2.0 million  
0.950-Next \$2.0 million  
0.900-Next \$5.0 million  
0.825-Next \$15.0 million  
0.750-Over \$25.0 million

**Small Cap Focus:**

0.750%-First \$2.0 million  
0.700%-Next \$2.0-\$5.0 million  
0.650%-Next \$5.0-\$10.0 million  
0.600%-Next \$10.0-\$20.0 million  
0.550%-Over \$20.0 million

**JBIM and IronBridge Separate Account Fees**

JBIM provides fixed income separate account solutions to our Asset Management clients. JBIM fees vary by strategy but range up to .50% of assets under management. IronBridge provides long equity separate account solutions to our clients. IronBridge fees vary by strategy but range up to 1.00% of assets under management. The fees may be structured using breakpoints.

**Private Fund Fees**

Clients invested in private funds managed by RMB are generally subject to management fees charged by the private fund. Certain private funds managed by RMB are subject to an incentive fee or an incentive allocation payable to RMB or an affiliate of RMB (collectively, the "Private Fund Fees"). The Private Fund Fees and expenses of each private fund managed by RMB are fully described in the Confidential Private Placement Memorandum (the "PPM") for each private fund.

Generally, the Private Fund Fees payable to private funds managed by RMB are in addition to the Wealth Management Fees and Asset Management Fees. However, in certain circumstances, alternative fees for an investment in a private fund managed by RMB will be negotiated between

RMB and clients receiving Wealth Management Services and/or Asset Management Services. Private Fund Fees for non-employee advisory clients generally range from a management fee of 1.0%-1.5% and an incentive fee from 0% to 20% on the net new profit or a performance allocation of up to 20% payable after the investor has achieved a preferred return.

### **Mutual Fund Fees**

RMB receives advisory fees in connection with RMB-sponsored mutual funds. In addition, for the RMB Mendon Financial Long/Short Fund, the advisory fee can increase or decrease by a maximum 0.10% of average daily net assets, depending on the performance of this fund relative to the KBW Bank Index. Information on the fees and expense of RMB-sponsored mutual funds is set forth in the applicable prospectus and offering materials for each fund.

### **Sales Based Compensation**

RMB may compensate employees for business development activity, including the attraction or retention of client assets. Certain employees of RMB are registered representatives of a registered broker-dealer. Currently, these registered representatives do not receive transaction based compensation from the broker-dealer for the sale of securities. With respect to the RMB-sponsored mutual funds, the Adviser does seek reimbursement from the registered broker-dealer to cover the costs of base compensation for these registered reps, if and when there are available excess 12b-1 fees.

### **Proprietary Tool Fees**

Our risk analysis tool is provided to clients on a subscription basis. Fees are negotiated separately from investment management fees on a client by client basis.

### **Sub-Advisory Fees**

RMB may retain a sub-adviser for certain strategies or solutions not managed by RMB directly. In these cases, RMB receives a portion of the fee received by the unaffiliated investment manager and may be paid either in advance or in arrears depending on the agreement between the investment manager and its underlying client. The amount of the fee is negotiated on a case by case basis and RMB takes into consideration the level of assets to be managed and the account servicing required to determine these fees.

### **Additional Fees**

The fees described in this section do not include expenses paid to broker-dealers for executing transactions in client accounts or other transaction costs. See Item 12 "Brokerage Practices" below for a description of the factors that RMB considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their brokerage fees. Also, in certain circumstances and at the request of a client, RMB will include assets not managed by RMB ("unsupervised securities") in its reports to requesting clients. If so, the client is likely to be charged an additional negotiable fee to report on assets not managed by the RMB. RMB also provides financial management services for a limited number of its clients. Each financial

management relationship is individually agreed upon and subject to negotiated fees. RMB offers non-advisory services to certain family office service clients. These fees are typically fixed fees and negotiable depending on the individual clients and the non-advisory services RMB provides to these clients.

Mutual funds, closed-end funds, ETFs, structured products and other pooled investment vehicles are subject to commissions, fees and expenses, which are disclosed in the applicable fund's prospectus or offering documents. Such charges, fees and commissions are exclusive of and in addition to RMB's fees. Although clients will not bear any sales load for any RMB-sponsored mutual fund or private fund, clients may be charged a sales load with respect to an investment in an unaffiliated fund.

Many funds offer multiple share classes available for investment based upon certain eligibility and/or purchase requirements. For instance, in addition to more commonly offered retail mutual fund share classes (typically, Class A (including load-waived A shares), B and C shares for mutual funds), some funds offer institutional share classes or other share classes specifically designed for purchase by an account for a fee-based investment advisory program. These share classes commonly feature higher transaction costs and/or minimum purchase criteria that limit availability to larger transactions. RMB and its affiliates are not obligated to aggregate client investments for purposes of meeting institutional share class criteria or similar eligibility requirements. Accordingly, clients may not be invested in the share class (regardless of the type of fund structure - e.g. mutual fund, closed-end fund, hedge fund, private equity fund or other investment vehicle) with the lowest fees and/or lowest expense ratio for which a client may otherwise qualify.

### **Conflicts of Interest**

RMB charges different fees for its various services and products. This creates an incentive for RMB to guide clients to products and services that generate higher fees for RMB. Additionally, when allocating investment opportunities among its investment programs, products and clients, RMB has an incentive to favor the investment programs, products and clients that generate the most revenue for the firm, including its Asset Management products. In addition, when recommending the use of a third-party manager, RMB has an incentive to recommend a manager which will result in the highest residual fee to RMB. RMB has procedures designed and implemented to help ensure that clients are treated fairly and to help prevent these conflicts from influencing selection of a client's investments and the allocation of investment opportunities among clients. See Item 6 "Performance-Based Fees and Side-by-Side Management" for a description of the conflicts of interest related to performance fees.

Our Wealth Management advisors select the relevant policy benchmarks for clients, which may include affiliated products and other unaffiliated investment products. Although the Wealth Management advisor does not receive any direct compensation for allocating client assets to affiliated products, the advisor nonetheless has a conflict of interest in recommending the use of affiliated products to the extent the overall firm revenues increase.

## **Retirement Assets in Proprietary/Affiliated Products**

With respect to retirement client assets in proprietary products or mutual funds managed by affiliates, RMB must comply with applicable requirements of ERISA and/or the Internal Revenue Code. These requirements include, but are not limited to, disclosure and avoiding double fees for retirement plans and IRAs. RMB will either waive the portion of the advisory fee that is attributable to the client's assets invested in a proprietary or affiliated product or rebate the client's advisory fee by an amount equal to the proprietary or affiliated product's fees associated with the total assets invested in such product. If the account is not charged an investment advisory fee by RMB, it will not receive a rebate of the proprietary or affiliated product's fees.

## **ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

### **Performance-Based Fees**

The incentive allocations and incentive fees charged by certain private funds managed by RMB described above are performance-based fees. The variable advisory fee of RMB Mendon Financial Long/Short Fund is also a performance-based fee as more fully described in its prospectus and other offering documents. Additionally, certain institutional separately managed account clients will be charged an asset management fee and a performance fee. RMB will structure any performance or incentive fee arrangement to comply with Section 205(a)(1) of the U.S. Investment Advisers Act of 1940 (the "Advisers Act"). Performance-based fee arrangements create an incentive to make investments which are likely be riskier or more speculative than those which would be made under a different fee arrangement.

Such fee arrangements also create an incentive to favor higher fee-paying accounts over other accounts in the allocation of investment opportunities. RMB has procedures designed and implemented to help ensure that clients are treated fairly and to help prevent this conflict from influencing the allocation of investment opportunities among clients. Portfolio managers are required to manage each client account in the clients' best interest without regard to the relative level and structure of compensation paid to RMB and cannot favor performance-based fee accounts to increase RMB's compensation.

### **Side-by-Side Management**

In some cases, RMB manages clients in the same or similar strategies. This may give rise to potential conflicts of interest if the clients have, among other things, different objectives or fees. For example, potential conflicts may arise in the following areas: client orders do not get fully executed; trades may get executed for an account that may adversely impact the value of securities held by a client; there will be cases where certain clients receive an allocation of an investment opportunity when other accounts may not; and/or trading and securities selected for a particular client may cause differences in the performance of different accounts or funds that have similar strategies.

RMB has adopted written policies and procedures designed to treat accounts equitably regardless of the fee arrangement. In addition, we have adopted trading practices designed to address potential conflicts of interest inherent in proprietary and client discretionary trading. During periods of unusual market conditions, RMB may deviate from its normal trade allocation

practices. There can be no assurance, however, that all conflicts have been addressed in all situations.

From time to time, certain RMB strategies may invest in private investments or limited investment opportunities. The allocation of these investments across client portfolios is generally not executed on a pro rata basis as a number of factors will determine whether the private or limited offering is appropriate or suitable for a client. Accordingly, such opportunities may be allocated based on another approach, including random selection, selection based on account size or another methodology. Factors which may impact the allocation include, but are not limited to: account size, liquidity, investor qualification and risk tolerance. We note that private investments or limited investment opportunities may not be appropriate for smaller accounts, depending on factors such as minimum investment size, account size, risk, and diversification requirements, and accordingly may not be allocated such investments.

Many of our employees invest in mutual funds, separately managed accounts or private funds managed by us. This may create an incentive for us to favor these separately managed accounts, mutual funds or private funds over other clients. In addition, we manage accounts on behalf of certain employees which serve as seed accounts for potential investment strategies (“Incubator Accounts”). In certain circumstances, Incubator Accounts invest in the same securities as other client accounts which may create an incentive for us to put our interests ahead of clients. We maintain investment, trade allocation and account valuation policies and procedures designed to address such conflicts of interest. Further, our Code of Ethics requires employees to put client’s interests ahead of their own or the firm’s as well as report investments in mutual funds, private funds, separately managed accounts and Incubator Accounts we manage.

For more information on the risks of side-by-side management, please see Item 12 – “Brokerage Practices” below.

## **ITEM 7: TYPES OF CLIENTS**

RMB provides Wealth Management Services and Asset Management Services to individuals, high-net-worth individuals, corporate pension and profit-sharing plans, pooled investment vehicles, charitable organizations, foundations, endowments, mutual funds, corporations, government entities, Taft-Hartley funds and other institutions. RMB also provides sub-advisory services to private funds and investment advisers.

### **Individuals**

For individual clients and small- and medium-sized institutions, a minimum initial investment of \$1,000,000 is generally required to establish an investment account with RMB. A minimum contribution of \$250,000 is generally required for investment in an internally managed private fund. In certain circumstances, RMB will raise or lower the minimum investment amount or accept an initial investment below the established minimum at its discretion or in accordance with applicable law. Certain WM Legacy Accounts were established by previous investment advisers and account minimums with lower minimums.

## **Institutional**

For institutional clients, a minimum investment of \$1,000,000 is generally required for investment in any internally managed strategy, and a minimum contribution of \$250,000 is generally required for investment in any internally managed private fund. In certain circumstances, RMB will raise or lower the minimum investment amount or accept an initial investment below the established minimum at its discretion or in accordance with applicable law. Certain clients established an equity account with a minimum amount of \$500,000 (“JBIM Legacy Clients”).

## **Private Funds and Mutual Funds**

Please see the relevant offering materials for more information on the eligible investors and minimum investment amount for each fund managed by RMB.

### **ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS**

The following is a summary of the methods of analysis and investment strategies RMB uses when formulating investment advice for clients. Please see the PPM of each private fund managed by RMB for more information regarding the fees, strategies, and risks related to an investment in these private funds. Please see the prospectus of each mutual fund advised by RMB for more information regarding the strategies, fees, and risks related to an investment in these mutual funds.

## **Method of Analysis**

RMB primarily uses fundamental analyses and active management strategies; however, RMB will consider other strategies such as quantitative and technical analyses and passive or indexed strategies.

## **Investment Strategies**

### **I. Equity Strategies (Domestic and International)**

Equity strategies generally follow a bottom-up, fundamental approach focused on finding investments with attractive risk/reward profiles. RMB offers the following long-only equity products: Core Equity, Dividend Growth, Special Situations, Japan, and International Focused Equity.

### **II. Fixed Income Strategies**

Fixed income strategies generally follow a fundamental, relative value approach focused on capital preservation and income. RMB offers two long-only fixed income products: Taxable Fixed Income and Tax-Exempt Fixed Income. In addition to the above two fixed income strategies, RMB offers the following:



#### **(A) Core Investment-Grade Fixed Income Strategies**

RMB's primary goal for our core investment-grade fixed income strategy is to match or exceed the return of a fixed income benchmark. The benchmark must be both appropriate and representative of the client's individual investment objective.

#### **(B) Tax-Advantaged Fixed Income Strategies**

One of RMB's strategies is a tax-advantaged fixed income strategy whose objective is to blend the most efficient combination of fixed income assets together in order to maximize after-tax income consistent with the client's income requirements and their risk/volatility guidelines. We believe a customized approach is required to derive tax advantages from fixed income investing. Attention to the variables influencing the after-tax income and long-term returns we believe helps ensure that the client's assets are optimally invested.

#### **(C) Treasury Inflation-Protected "Real Return" (TIPS) Strategies**

RMB offers a treasury inflation-protected "real return" (TIPS) strategy which offers investors a way to help ensure steady-state "real" return, irrespective of the inflationary environment. "Real" return strategies generally provide investors with an inflation protected rate of return. Often the "real" return is expressed as a return in excess of inflation, commonly the consumer price index (CPI-U). We provide an indexed-based product and strategy to provide exposure to the U.S. TIPS market. We rely on recognized worldwide leaders and providers of Fixed Income Indices, provide the rules-based, market value-weighted index that we use to track the TIPS market.

#### **(D) Liability-Driven Investment Strategies**

Our Liability-Driven Investment (LDI) Strategies offer an effective approach and efficient solution for risk-based fund management. We develop a highly customized asset/liability solution focused solely on each client's unique funding requirements. Our portfolio management team conducts an in-depth analysis of the underlying liabilities and creates a portfolio optimized for each client's needs. JB Investment Management's mandate is to leverage the best available technologies with our proprietary quantitative models to ensure that each client's portfolio achieves its investment objective: an effective, optimal, and consistent funding of their liabilities.

### **III. Private Fund Strategies**

Alternative strategies generally focus on generating absolute, risk-adjusted returns that have low correlation to the broad equity market. RMB manages the following alternative strategies: long/short stressed-debt (Twin Lake Total Return Partners), long/short U.S. financials (Mendon Capital), long/short US mid and large cap equities (Rail-Splitter), equity market neutral, relative value arbitrage (Logan Stone

Capital), and multi-manager absolute return (Iron Road Multi-Strategy Fund, Iron Road Equity Fund and Iron Road Diversified Fund).

Opportunistic equity investments tend to be lower quality, short term, less liquid, and difficult to value. These investments tend to be more aggressive and will likely be highly concentrated in specific investment themes. Opportunistic fixed income investments include, but are not limited to, non-agency mortgage backed securities and other structured credit, below-investment-grade bonds, floating rate loans, and emerging market debt. RMB offers the following opportunistic strategies: RMB Fixed Income Opportunities, RMB Private Equity Opportunities, RMB Real Estate Opportunities, RMB Japan Opportunities, and RMB Equity Opportunities.

#### **IV. Other Available Investment Strategies**

From time to time, RMB also recommends third-party investment strategies to clients. The assets allocated to these other strategies generally will be managed by other registered investment advisory firms as a sub-adviser to RMB. RMB oversees the management of these accounts for clients invested in these portfolios. RMB also reviews the sub-advisers' performance and adherence to stated objectives.

RMB, together with a client's legal and tax professionals, recommends that certain clients use donor-advised funds for estate planning purposes. RMB will generally retain investment discretion for a client's assets at a donor-advised fund and will charge a Wealth Management Fee for its Wealth Management Services. Additionally, under certain circumstances, RMB will recommend the use of a donor-advised fund that is itself a client of RMB and from which RMB receives a Wealth Management Fee separate from the Wealth Management Fee charged with respect to the client's investment at the donor-advised fund.

RMB may also recommend that client funds be invested in other investment vehicles managed by third-party investment advisory firms. RMB generally oversees these investments and tracks them as part of the overall portfolio diversification and performance for the client.

Generally, the fees payable to any independent private fund or a third-party manager will be in addition to the Wealth Management Fees and Asset Management Fees payable to RMB.

#### **Risk of Loss**

All investments in securities and other financial instruments involve substantial risk of volatility (potentially resulting in rapid declines in market prices and significant losses) arising from any number of factors that are beyond the control of RMB. Legal, tax, and regulatory changes could occur which in certain cases materially adversely affect the ability of an account to pursue its investment strategies or achieve its investment objective.

Although RMB believes that its investment program should mitigate the risk of loss through a careful selection and monitoring of investments, an investment is nevertheless subject to loss,



including possible loss of the entire amount invested. No guarantee or representation is made that an investment will be successful, and the investment results will vary substantially over time.

In addition to the general investment risks listed herein, there are additional material risks associated with the types of strategies and private funds in which your account invests from time to time. Please refer to the relevant prospectus or PPM for more information regarding risk factors for a particular investment in a mutual or private fund.

## **Investment Selection**

The success of client positions depends in large part on RMB's ability to accurately assess the fundamental value of those positions. An accurate assessment of fundamental value depends on a complex analysis of a number of financial and legal factors. No assurance can be given that RMB will be in a position to assess the nature and magnitude of all material factors having a bearing on the value of client positions, or that RMB will accurately assess the impact of all factors of which it is aware.

### **I. Equity**

RMB expects to invest client assets in equity and equity derivative securities. The value of these securities generally will vary with the performance of the issuer and movements in the equity markets. As a result, clients will likely suffer losses if RMB selects equity securities of issuers whose performance diverges from RMB's expectations or if the equity markets generally move in a single direction and RMB has not anticipated such a general move.

### **II. Long Positions**

The success of the long positions established by RMB will depend in large part on the RMB's ability to accurately assess the fundamental value of those positions. An accurate assessment of fundamental value depends on a complex analysis of a number of financial and legal factors. No assurance can be given that RMB will be in a position to assess the nature and magnitude of all material factors having a bearing on the value of the long positions, or that RMB will accurately assess the impact of all factors of which it is aware.

### **III. Short Selling**

The principal risk in selling a particular security short is that, contrary to RMB's expectation, the price of the security will rise, resulting in a loss equal to the difference between the cost of acquiring the security (for return to the lender) and the net proceeds of the short sale. This risk of loss is theoretically unlimited, since there is theoretically no limit on the price to which the security sold short may rise. In addition, an account would be responsible for the payment of any accrued interest on a bond it has sold short while the short sale is outstanding.

### **IV. Trading in Non-U.S. Companies and Markets**

Trading in the securities of a non-U.S. companies involve certain considerations not usually associated with trading in securities of U.S. companies, such as general social, political, and economic uncertainty and instability; adverse diplomatic developments; the small size of some markets in foreign countries and the low volume of trading,

resulting in potential lack of liquidity and in price volatility; fluctuations in the rate of exchange between currencies and costs associated with currency conversion etc. In addition, disclosure, accounting, reporting standards, and regulation authorities that prevail in foreign countries are generally not equivalent to United States standards.

**V. Small- and Medium-Capitalization Companies**

Depending on the strategy, RMB invest assets in the stocks of companies with small- to medium-sized market capitalizations. While RMB believes they often provide significant profit opportunities, those stocks, particularly smaller-capitalization stocks, involve higher risks in some respects than investments in stocks of larger companies. For example, prices of small-capitalization and even medium-capitalization stocks are often more volatile than prices of large-capitalization stocks, and the risk of bankruptcy or insolvency of many smaller companies is higher than for larger, “blue-chip” companies. In addition, due to thin trading in some small-capitalization stocks, an investment in those stocks are likely illiquid (see discussion below).

**VI. Debt Securities**

RMB expects to invest client assets in debt securities. While most debt securities are used as an investment to produce income to an investor as a result of a fixed payment schedule, debt securities also will increase or decrease in value over time. The market value of debt securities generally varies in response to changes in interest rates and the financial condition of each issuer

**VII. Non-Investment Grade Bonds**

Depending on the strategy, a client account will invest in bonds (commonly known as “junk bonds”) that are of below investment grade quality (rated below Baa3 by Moody’s Investors Service, Inc. or below BBB- by Standard & Poor’s Ratings Group and Fitch Ratings or, if unrated, reasonably determined by RMB to be of comparable quality (“non-investment grade bonds”). An account’s investments in non-investment grade bonds are predominantly speculative because of the credit risk of their issuers. While normally offering higher yields, non-investment grade bonds typically entail greater potential price volatility and will likely be less liquid than investment grade securities.

Analyses of the creditworthiness of issuers of non-investment grade bonds will likely be more complex than for issuers of investment grade instruments. Credit quality of non-investment grade issuers can change suddenly and unexpectedly, and even recently issued credit ratings will likely not fully reflect the actual risks posed by a particular non-investment grade instrument.

**VIII. Distressed Securities**

An account, depending on the strategy, will invest in securities of companies that are experiencing or have experienced significant financial or business difficulties. Distressed securities may generate significant returns for an account, but also involve a substantial degree of risk. In certain circumstances, an account will lose a substantial portion or all of its investment in a distressed company or be required to accept cash

or securities with a value less than an account's original investment. Depending on the circumstances, such investments also will be adversely affected by state and federal laws and the laws of non-U.S. jurisdictions. The market prices of such investments are also subject to abrupt and erratic market movements and above average price volatility, and the spread between the bid and asked prices of such investments will likely be greater than for non-distressed securities.

**IX. Private Debt Investments**

Certain client accounts will invest in privately issued secured and unsecured debt of both public and private companies. Private debt investments generally are of non-investment grade quality, frequently are unrated, and present many of the same risks as investing in non-investment grade loans and non-investment grade bonds. Whenever an account invests in companies that do not publicly report financial and other material information, it assumes a greater degree of investment risk and reliance upon the RMB's ability to obtain and evaluate applicable information concerning such companies' creditworthiness and other investment considerations.

**X. Interest Rates**

An account's investments will be subject to interest rate risk. Generally, the value of debt securities will change inversely with changes in interest rates. As interest rates rise, the market value of debt securities tends to decrease. Conversely, as interest rates fall, the market value of debt securities tends to increase. This risk will be greater for long-term securities than for short-term securities. In certain circumstances, an account will likely from time to time seek to hedge such risks (including through long or short investments in treasury securities or derivative instruments), there is no assurance that such measures, even if implemented, will be effective.

**XI. Limited Experience in Certain Areas of the Credit Market**

To the extent that RMB has limited experience in a particular area of the credit market which it determines offers an attractive investment opportunity for an account, RMB may, but will be under no obligation to, arrange for outside advisors or other persons acting in similar capacities to advise an account on such areas in consideration for a fee or in certain circumstances an equity participation or share of the return on investments in such areas, which may be pursuant to a joint venture or similar arrangement. There can be no assurance that the limited experience of RMB in any such additional area of the credit market will not result in a lower return than anticipated or a greater risk of loss on such investments even if RMB arranges for outside advisors with experience in such areas to advise it.

**XII. Reliance on Corporate Management and Financial Reporting**

Many of the investment strategies implemented by an account rely on the financial information made available by the issuers in which it invests. RMB will not necessarily have the ability to independently verify the financial information disseminated by the issuers in which an account invests and will consequently be dependent upon the integrity of both the management of these issuers and the financial reporting process in general. Recent events have demonstrated the material losses that investors in such

an account can incur as a result of corporate mismanagement, fraud, and accounting irregularities.

**XIII. Illiquid Investments**

Depending on the strategy, a portion of an account's assets will from time to time be invested in securities and other financial instruments or obligations for which a limited market exists. Because of the absence of any trading market for these investments, RMB will likely take longer to liquidate these positions than would be the case for publicly traded securities. Although these securities, under certain circumstances, may be resold in privately negotiated transactions, the prices realized on such sales could be less than those originally paid. Further, companies whose securities are not publicly traded will likely not be subject to public disclosure and other investor protection requirements applicable to publicly traded securities. In addition, at various times, the markets for securities purchased or sold by an account, although organized and active, will likely nevertheless be "thin" or illiquid, making the purchase or sale of securities at desired prices or in desired quantities difficult or impossible. This lack of depth could be a disadvantage, both in the realization of the prices which are quoted and in the execution of orders at desired prices.

In addition, and depending on the strategy, the markets for some of the instruments that will be traded by an account will have limited liquidity and depth. This lack of depth could be a disadvantage, both in the realization of the prices which are quoted and in the execution of orders at desired prices.

**XIV. Broad Investment and Trading Mandate**

The investment management agreement does not impose significant restrictions on RMB's investing and trading and permits an account to invest and trade in a broad range of securities and other financial instruments. RMB expects that, under current market conditions, an account will focus on a specific investment strategy. RMB, however, will engage in other strategies from time to time to take advantage of changing market conditions and investment opportunities, without notice. This could involve changes in the types of securities and other instruments in which an account trades and invests, as well as changes in the markets in which such securities and other instruments trade. There can be no assurance that pursuing additional strategies, either in lieu of or in addition to the strategy described herein, would be successful or not result in losses.

**XV. Counterparties**

Some of the markets in which an account invests could result in the risk that a counterparty will not be able to settle a transaction with an account in accordance with its terms because of a credit or liquidity problem of the counterparty, thereby exposing an account to loss. In addition, in the case of a default by a counterparty, an account could become subject to significant losses while it attempts to execute a substitute transaction.

**XVI. Cybersecurity**

RMB's information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by its professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although RMB has implemented various measures to protect the confidentiality of its internal data and to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, RMB will likely have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in RMB's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to clients. Such a failure could harm RMB's reputation or subject it or its affiliates to legal claims and otherwise affect their business and financial performance. RMB will seek to notify affected clients of any known cybersecurity incident that will likely pose substantial risk of exposing confidential personal data about such clients to unintended parties.

**XVII. Algorithmic Trading**

Certain strategies managed by RMB rely extensively on computer programs and systems to trade the client's assets. It will employ investment strategies that are dependent upon various computer and telecommunications technologies, including strategies that rely in whole or in part on certain algorithms. The success of relying on or using algorithms depends on a number of factors, including the validity, accuracy and completeness of the algorithm's development, implementation and maintenance, as well as its assumptions, factors, methodologies and the accuracy and reliability of the supplied historical or other data. Even if the basic concepts of the models are sound, RMB may make errors in developing algorithms for integrating the numerous factors and variables into them or in implementing the algorithms. Those errors, if any, will cause the models to generate results different from those intended. They may be difficult to detect in many market conditions, possibly influencing outcomes only in periods of stress or change in market conditions.

**XVIII. Treasury Inflation-Protection Securities (TIPS)**

Inflation-protected bonds typically have lower yields than conventional fixed-rate bonds. While TIPS may provide investors with a hedge against inflation, in the event of deflation, in which prices decline over time, the principal and income of inflation-protected bonds would likely decline in value.

**XIX. Mortgage and Asset Backed Securities**

Mortgage-backed securities represent direct or indirect participation in, or are collateralized by and payable from, mortgage loans secured by real property. The value of these securities may change more drastically than traditional debt securities due to the fact that they pay both principal and interest that can fluctuate during periods of changing interest rates. Asset-backed securities represent fractional interests in, or are secured by and payable from, pools of assets such as motor vehicle



installment sales contracts, installment loan contracts, leases of various types of real and personal property and receivables from revolving credit agreements. Asset-backed securities have structures and characteristics similar to those of mortgage-backed securities; accordingly, they are subject to many of the same risks.

**XX. Government Securities**

U.S. Government securities are subject to interest rate and inflation risks. Not all U.S. Government securities are backed by the full faith and credit of the U.S. Government. Certain securities issued by agencies and instrumentalities of the U.S. Government are only insured or guaranteed by the issuing agency or instrumentality, which must rely on its own resources to repay the debt. As a result, there is risk that these entities will default on a financial obligation.

**XXI. Municipal Securities Risk**

Municipal securities are subject to various risks based on factors such as economic and regulatory developments, changes or proposed changes in the federal and state tax structure, deregulation, court rulings and other factors. Repayment of municipal securities depends on the ability of the issuer or project backing such securities to generate taxes or revenues. There is a risk that the interest on an otherwise tax-exempt municipal security may be subject to federal income tax.

**XXII. ETF, Closed-end Fund and Mutual Fund Risk**

ETF, closed-end fund and mutual fund investments bear additional expenses based on a pro-rata share of operating expenses, including potential duplication of management fees. The risks of owning an ETF, closed-end fund or mutual fund generally reflect the risks of owning the underlying securities held by the ETF, closed-end fund or mutual fund. If the ETF, closed-end fund or mutual fund fails to achieve its investment objective, the strategy's investment in the fund may adversely affect its performance. In addition, because ETFs and many closed-end funds are listed on national stock exchanges and are traded like stocks listed on an exchange, (1) the strategy may acquire ETF or closed-end fund shares at a discount or premium to their net asset value, and (2) the strategy may incur greater expenses since ETFs are subject to brokerage and other trading costs. Since the value of ETF shares depends on the demand in the market, we may not be able to liquidate the holdings at the most optimal time, adversely affecting performance. Closed-end funds which are not publicly offered (also known as interval funds) provide only limited liquidity to investors. Accordingly, investments in interval funds can expose investors to liquidity risk, and that risk is greater in funds that invest in securities of companies with smaller market capitalizations, derivatives or securities with substantial market and/or credit risk.

**XXIII. REITs and Real Estate Risk**

The value of a strategy's investments in real estate investment trusts ("REITs") may change in response to changes in the real estate market. A strategy's investments in REITs may subject it to the following additional risks: declines in the value of real estate, changes in interest rates, lack of available mortgage funds or other limits on obtaining capital and financing, overbuilding, extended vacancies of properties,

increases in property taxes and operating expenses, changes in zoning laws and regulations, casualty or condemnation losses, and tax consequences of the failure of a REIT to comply with tax law requirements. A strategy will bear a proportionate share of the REIT's ongoing operating fees and expenses, which may include management, operating and administrative expenses.

**XXIV. Other Risks, Information and Sources of Information**

Client accounts are also subject to investment style risk. A client account invested in one of our investment strategies involves the risk that the investment strategy may underperform other investment strategies or the overall market. For example, growth companies are generally more susceptible to market events and sharp declines in value than established companies. Value stocks may not increase in price, may not issue the anticipated stock dividends, or may decline in price based on the market's belief of the issuer's intrinsic worth.

RMB does not offer any products or services that guarantee rates of return on investments for any time period to any client. All clients assume the risk that investment returns may be negative or below the rates of return of other investment advisers, market indices or investment products.

For the IronBridge strategy, the primary resource for the selection of securities is a proprietary performance measurement/valuation methodology framework embodied in its Alchemy/Catalyst/Nexus research platform. Its research platform's main data source is S&P's Compustat, Thomson Reuters and InsiderScore, which provide us with market information and research. Its research platform provides leverage through improved communication, learning, feedback and a share path of analysis. IronBridge also receives research and market input from Thomson Reuters IBES.

For the JBIM fixed income strategy, the primary approach for security selection is based on a quantitative methodology. We believe this framework allows us to effectively evaluate and manage each client's principal risk characteristics. Each client's portfolio is designed, structured and managed to the client's selected performance benchmark index, detailed investment objectives and guidelines.

**XXV. Absence of Registration**

Certain strategies that are offered through private funds are exempt from registration under the Securities Act provided by Regulation D. In addition, these private funds will typically rely on the "exclusion" from the definition of "investment company" for certain "private" investment companies provided by the ICA. As a result, these private funds have not registered and are not subject to regulation under the ICA or the Securities Act, and investors are not afforded the protections that such registration and regulation might provide.

**XXVI. Allocations to third-party managers/sub-advisers and investors in private funds are subject to the following additional risks:**

Aggressive Investment Technique Risk – RMB or a third-party manager will, from time to time for certain strategies, use investment techniques and financial instruments that are considered aggressive, including but not limited to investments in derivatives such as futures contracts, options on futures contracts, securities and indices, forward contracts, swap agreements and similar instruments. Such techniques may also include taking short positions or using other techniques that are intended to provide inverse exposure to a particular market or other asset class, as well as leverage, which can expose a client's account to potentially dramatic changes (losses or gains). These techniques may expose a client to potentially dramatic changes (losses) in the value of its allocation to the manager.

Liquidity and Transferability – Certain private funds offer their investors only limited liquidity and interests are generally not freely transferable. In addition to other liquidity restrictions, investments in private funds may offer liquidity at infrequent times (i.e., monthly, quarterly, annually or less frequently). Accordingly, investors in private funds should understand that they may not be able to liquidate their investment in the event of an emergency or for any other reason.

Possibility of Fraud and Other Misconduct – When a private fund invests in an underlying fund, the private fund does not have custody of the underlying fund's assets. Therefore, there is the risk that the underlying fund or its custodian could divert or abscond with those assets, fail to follow agreed upon investment strategies, provide false reports of operations, or engage in other misconduct. Moreover, there can be no assurances that all underlying funds will be operated in accordance with all applicable laws and that assets entrusted to underlying funds will be protected.

Counterparty Risk – The institutions (such as banks) and prime brokers with which a manager does business, or to which securities have been entrusted for custodial purposes, could encounter financial difficulties. This could impair the operational capabilities or the capital position of a manager or create unanticipated trading risks.

*There can be no assurance that the methods described above will be successful or that clients will not suffer losses. Investing in securities involves risk of loss that clients should be prepared to bear. Private funds and mutual funds have different risks depending on the strategy implemented by the manager of the private funds and mutual funds. Please see the PPM or prospectus for a full list of risks associated with such investments.*

**ITEM 9: DISCIPLINARY INFORMATION**

Item 9 is not applicable to us as we have no reportable material legal or disciplinary events.

**ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

RMB has relationships and arrangements with related persons that are either an investment adviser, broker-dealer or investment company that are material to our advisory business or to



our clients. RMB uses and/or recommends the services and products of our affiliates when appropriate for a client.

With respect to the affiliated products described herein, there exists a conflict of interest in our recommending such products. RMB will recommend that certain clients invest in affiliated products should a client's advisor determine such investments are in the client's best interest and in accordance with the client's investment objectives. Except as noted herein, our affiliated products charge fees in addition to the fees charged by RMB. RMB has sought to mitigate this conflict by disclosing such fees to clients and not sharing any revenue from affiliated investment products with the wealth advisors who select client investments, although certain RMB managers are partners of the firm who share in the overall profits of RMB.

### **RMB Private Funds**

RMB has affiliated entities that serve as the general partner or investment manager of certain private funds managed by RMB. In addition, certain employees of RMB participate in the equity ownership of such entities and are entitled to receive a portion of the performance fees payable to such entities, if applicable. South LaSalle Managers LLC, Iron Road Capital Partners LLC, RMB Rail-Splitter Managers LLC, RMB Logan Stone Managers LLC and RMB Mendon Managers LLC are all general partners and/or investment managers of a fund family managed by RMB and its employees.

### **Outside Directorships and Other Management Positions**

A portfolio manager and assistant portfolio manager for our long/short equity financials strategy each serve as a member of the board of directors for a community bank. Each community bank is owned by the family of private funds managed by them and they each serve as a director, in part, to monitor these investments. Any compensation earned by them as members of the board of directors are paid to the private funds they manage.

An employee of RMB who is a portfolio manager of the long/short equity strategy and long only equity strategy serves as a director of a hedge fund fund-of-funds and receives compensation relating to his directorship. Additionally, an employee serves as an advisor to a family office investment management firm and receives fees associated with this role.

Certain employees of RMB may, from time to time, serve in an executive position for a family investment partnership. These family investment partnerships are legacy clients of an RMB branch. RMB provides investment services to these family partnerships but do not solicit clients who are not part of the extended family. Additionally, legacy clients of an RMB branch have invested in a fund of funds private equity partnership managed by an employee's family member. This employee receives no financial interest and does not have a relationship with this manager of the fund other than a family relationship.

RMB has employees that are on the Board of Directors and/or act as Chairman for Investment Committees for several charitable and/or non-profit organizations. In these positions our employees could work with pension or investment consultants that RMB also has a relationship with. In some situations, RMB acts as an investment manager for the same charitable or non-

profit organization. These potential conflicts of interest are fully disclosed to the charitable or non-profit organization prior to acceptance of any position.

These outside directorships and/or committees are required to be reported to RMB's Compliance Department by each employee.

### **Dual Employee Relationship**

MCAC serves as the sub-adviser to RMB Mendon Financial Services Fund and RMB Mendon Financial Long/Short Fund. MCAC's sole employee is also an employee of RMB. This employee is also the sole owner, director and Chief Investment Officer of MCAC. RMB also provides back office, compliance and other administrative services to MCAC.

### **Retirement Plan Solutions**

RMB's affiliate, RMB West, provides retirement plan solution services. RMB West is a wholly owned subsidiary of RMB.

### **RMB Mutual Funds**

Certain RMB staff members are registered with FINRA as a representative of unaffiliated distributors of each mutual fund. Some officers of these mutual funds also have roles with RMB that could create a conflict of interest due to competing priorities.

### **Limited Real Estate Services**

Certain employees of a RMB branch office provide limited real estate services to a limited number of clients through a real estate company licensed in their state. These employees generally offer property management services and other real estate services to their clients. These employees do not engage in the business of real estate brokerage. While these services are not currently offered to RMB clients, certain legacy clients pay a fee for these services to a limited number of employees of RMB.

RMB and its principals have no other financial industry activities or affiliations except as described in this item.

## **ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### **Code of Ethics**

RMB has adopted a Code of Ethics for all supervised persons of RMB describing its high standard of business conduct and fiduciary duty to clients. The Code of Ethics includes provisions relating to personal securities trading procedures and employee reporting and attestations, among other things. All supervised persons at RMB must acknowledge the terms of the Code of Ethics as a new employee, annually, or as amended.

### **Trading**

In general, RMB does not allow a portfolio manager for a strategy to establish or maintain contrary long and short positions in the same security in different client accounts that they manage for the same strategy. Exceptions to this policy may be given by RMB's Compliance Department.

When initiating a long position, portfolio managers are required to consider the investment strategies, risk tolerance, asset composition and size, investment guidelines and cash positions of each account in deciding whether to initiate a long position. Each account should be treated equitably and allocated an appropriate position in light of the above factors.

### **Personal Trading**

From time to time, employees or related persons of RMB will invest in securities that are also held in client accounts. All transactions in these and other securities must comply with RMB's Code of Ethics, a copy of which is available by request. The Code of Ethics requires, among other things, that employees and related persons of RMB:

- Are limited by size of trade in their ability to trade in such securities if RMB is trading for client accounts on the same day;
- Must report all personal trading and accounts to RMB's Compliance Department to review compliance with these standards;
- Must hold any securities purchased for their personal accounts for a minimum period.

In certain circumstances and upon written request, RMB will permit transactions in a security that would otherwise be prohibited under RMB's Code of Ethics.

### **Participation or Interest in Client Transactions**

Employees of RMB from time to time introduce their clients to private funds managed by RMB. In addition to management fees, depending on market conditions and the strategy, RMB will earn incentive allocations or incentive fees from certain private funds managed by RMB. While RMB has a financial incentive to recommend an investment in a private fund managed by RMB, it will consider the suitability of the investment in light of the client's objectives and restrictions. In addition, RMB will provide the client with a PPM for each private fund which outlines, among other things, the risks, fees, and conflicts of interest related to the private fund. Ultimately, clients retain final discretion with respect to making an investment into a private fund managed by RMB. RMB will also introduce their clients to mutual funds that it manages and is distributed by an independent third-party broker-dealer. RMB has a financial incentive to recommend the mutual funds it manages however, it will consider whether the mutual fund(s) is an appropriate investment for the client.

RMB does not directly buy or sell for itself publicly traded securities that it also recommends to clients, but accounts sponsored by RMB, including its 401(k) plan, may hold such securities. Any transactions in this plan that are directed by employees would be subject to RMB's Code of Ethics.

RMB's clients and prospective clients may request a copy of RMB's Code of Ethics by contacting its Compliance Department at (312) 993-5800 or [compliance@rmbcap.com](mailto:compliance@rmbcap.com).

## **ITEM 12: BROKERAGE PRACTICES**

### **Selection of Brokers**

RMB will suggest that the client use a particular broker-dealer to act as custodian for the funds and securities to be managed. In those cases, RMB generally recommends a broker-dealer with whom RMB has negotiated rates believed to be beneficial to RMB and its clients. Clients are not required to use this broker/custodian or to utilize the negotiated fee schedules. Negotiated rates include asset-based and transaction-based fees.

In determining the brokers through whom, and commission rates and other transaction costs at which, securities transactions for client accounts are to be executed, RMB will generally seek to negotiate a combination of the most favorable commission and the best price obtainable on each transaction. However, RMB will consider various additional factors when selecting a broker including, but not limited to, the nature of the portfolio transaction, size of the transaction, execution, clearing and settlement capabilities, desired timing of transactions, reliability, financial condition, confidentiality of trades, client direction and under appropriate circumstances, and the availability of research and research-related services provided.

RMB has arrangements with a number of broker-dealers that act as custodians for RMB clients (each, together with its affiliates, a "Custodian"). Certain Custodians provide RMB with "institutional platform services." The institutional platform services include, among other things, brokerage, custody, and other related services. The Custodians' institutional platform services that assist RMB in managing and administering client accounts include software and other technology that (i) provides access to client account data (such as trade confirmations and account statements); (ii) facilitates trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provides research, pricing, and other market data; (iv) facilitates payment of fees from its clients' accounts; and (v) assists with back-office functions, recordkeeping, and client reporting. Clients and/or RMB will select either asset-based or transaction-based custodial pricing at a Custodian, if offered.

The Custodians also offer other services intended to help RMB manage and further develop its advisory practice. Such services include, but are not limited to, performance reporting, financial planning, contact management systems, third-party research, publications, access to educational conferences, roundtables and webinars, practice management resources, access to consultants and other third-party service providers who provide a wide array of business-related services and technology with whom RMB will contract directly, if required.

RMB is independently operated and owned and is not affiliated with any Custodian or other broker-dealer.

Each Custodian generally does not charge RMB's clients separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through the Custodian or that settle into the

Custodian's accounts (e.g., transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Custodians will likely provide access to no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges to suitable clients.

### **Soft Dollars**

In certain circumstances, RMB will select brokers to execute trades for clients that provide certain "soft dollar" benefits to RMB in exchange for client brokerage fees. RMB is generally obligated to pursue "best execution" for its clients (except with respect to directed brokerage for those clients that instruct RMB to use certain brokers for their accounts), but RMB will likely include the provision of such "soft dollar" benefits in its determination of best execution. RMB will limit its receipt of soft dollar benefits to those that meet the "safe harbor" under Section 28(e) of the Exchange Act – namely benefits relating to trading, research services, or seminars. When client brokerage commissions are used to obtain services such as research, RMB benefits from not having to produce or pay for the research. Clients that have directed brokerage arrangements will likely benefit from soft dollar products and/or services even though their brokerage may not be used to pay for such services. Soft dollar benefits are typically enjoyed by multiple clients but generally will not be in proportion to the commissions they pay. RMB has a committee that monitors its use of "soft dollars".

### **Asset-Based and Transaction-Based Fees**

When considering which fee option to choose (asset-based or transaction-based), several items should be considered. These include the frequency of trading, cash levels, and size of the account. For example, if a client elects to be charged an asset-based fee, it is generally anticipating a more actively managed account. In this case, the client accepts the risk that it could have been better off choosing transaction-based fees in the event the account has fewer transactions than was expected for that account. Similarly, if a client elects to be charged transaction-based fees, it is generally anticipating a less actively managed account and accepts the risk that it could have been better off electing an asset-based fee in the event the account experiences more frequent transactions than expected. An account being charged an asset-based fee will likely be invested temporarily in cash or cash equivalents, or otherwise not actively managed, for short periods of time as a result of decisions made by the clients or their adviser. Under these circumstances, the client acknowledges that the custodian continues to hold the account assets and accordingly continues to charge its custodial fees. A more detailed explanation of the types of considerations faced by a client that chooses an asset-based fee versus transaction-based fees is included in the asset-based pricing supplement of your Custodial Account Agreements.

### **Trade-Aways and Step-Outs**

Trade-aways or step-outs are trades in accounts that are executed by a broker outside of their Custodian. The broker receives a commission for executing the trade. The commission is a separate transaction cost which is charged in addition to the quarterly custodial fee charged by a Custodian.

## **Re-balancing Cross Trades, Principal Cross Trades and Agency Cross Trades**

In certain circumstances, RMB may effect “cross” trades between client accounts through an unaffiliated broker/ dealer at the prevailing market price. RMB will effect such transactions only when it deems the transaction to be in the best interests of both client accounts. The manner of calculating the cross price is documented within policies and procedures adopted by RMB as amended from time to time. The custodian may charge a service fee for crossing the trade. RMB, as the investment adviser, receives no transactional compensation in regard to cross trades. In addition, RMB executes buys and sells in the same security in different client accounts based on liquidity needs. RMB does not cross those transactions for proprietary or principal accounts; rather the trades for proprietary or principal accounts are executed at current market prices.

## **Competing Trades**

RMB’s various funds and trading strategies may trade in different positions from each other. For example, a private fund may trade and may continue to trade in securities and other financial instruments for the benefit of its investors which may not benefit the investors of another private fund and even if such trades compete with, occur ahead of or are opposite positions taken by the other private funds.

RMB’s funds and trading strategies may also compete with each other to buy certain securities, including securities with limited availability. This competition may cause one or more funds or accounts to obtain fewer securities and/or pay higher prices than would otherwise be the case.

## **Block Trades**

RMB may, at its discretion, aggregate trades done for multiple accounts in order to reduce commissions and execution costs. Block trades are initiated on a sequencing basis beginning with the smallest block to the largest block. All accounts for whom trades are aggregated will receive an average execution price for the relevant trading block. In cases when a trade is not completed in a single day, RMB will allocate the traded shares either randomly or pro-rata among all of the accounts in the trade block. The choice of an allocation method for a particular trade will be based on a variety of factors, including percentage of the trade completed, ability to settle the transactions efficiently and potential costs to clients.

## **For Third-Party Managers Managing RMB Models**

RMB will rotate the model update for its small cap block trades for the strategy utilized by a third-party manager. If there is a model update, RMB will alternate the delivery of the model trades changes between itself and the third-party manager. The Trading Department will maintain and document the rotational process which is subject to testing by the Compliance Department.

## **Wash Trades**

While neither RMB nor its affiliates are broker-dealers or FINRA members, RMB recognizes that certain FINRA rules and Notices to Members, which apply only to FINRA members, provide guidance to the broader industry regarding algorithmic trades which may result in wash trades.



RMB has policies and procedures in place to monitor and supervise any trade that contains characteristics of a wash trade.

## **Trade Errors**

Errors may occur in the process of making or implementing investment decisions on behalf of clients. RMB has policies in place to shield clients from any negative effects of an error caused by RMB. If the assets of the client are located at a broker-dealer and/or custodian that does not allow the netting of trade errors, clients may receive the benefit of any errors with positive effects in keeping with the policies of the client, the executing broker, and RMB. If the assets of the client are located at a broker-dealer and/or custodian that does allow the netting of trade errors, RMB's trade error account at the broker-dealer and/or custodian will receive the benefit and the burden of the error and not the client. In either situation, the clients will be made "whole".

For private funds managed by RMB, the private funds may be responsible for all trading errors (the funds will receive any gains and be responsible for any losses) except for such losses outlined in the Investment Management Agreement for each private fund, provided however, RMB may decide to reimburse a private fund at its sole discretion.

For RMB managed mutual funds, errors relating to the trading for RMB's mutual fund clients would be subject to the policies and procedures of the mutual fund in effect at the time of the error. RMB managed mutual fund investors are made whole by RMB for any trade errors.

Errors may arise in various situations due to clerical errors or violations of account restrictions. RMB's primary goal will be to correct the error as soon as practicable after being found. Procedures have been put in place to identify and resolve such errors.

## **Referral Programs**

RMB participates in a number of referral programs sponsored by Custodians through which RMB receives referrals from a Custodian or its affiliate. The Custodians do not supervise or control RMB, and the Custodians have no responsibility or oversight for RMB's provision of investment management or other advisory services.

Under these referral programs, a Custodian or its affiliate will typically act as a solicitor for RMB, and RMB will pay referral fees for each referral received based on RMB's assets under management attributable to each client referred or members of each client's household. This fee is usually a percentage of the Wealth Management Fee that the client pays to RMB, subject to a minimum aggregated annual fee in some instances. Any referral from a Custodian to RMB does not constitute a recommendation or endorsement by such Custodian of RMB's particular investment management services or strategies. RMB has agreed that it will not charge clients more than the standard range of advisory fees disclosed in its Form ADV 2A Brochure to cover solicitation fees paid to as part of a referral program. RMB receives additional benefits from the Custodians and their affiliates through RMB's participation in the referral programs.

RMB also participates in a Custodian's RIA Match program. RIA Match is a service providing RMB with merger and acquisition referrals. RMB would pay a fee to this Custodian upon the merger with or acquisition of a referral and the actual conversion of the referral's assets under management. RMB's participation in RIA Match may raise potential conflicts of interest as its participation in this program may give RMB an additional incentive to recommend that clients custody assets with the Custodian sponsoring RIA Match.

Please also refer to "Client Referrals and Other Compensation" below.

### **Directed Brokerage**

If a client directs where his or her brokerage is placed by RMB, RMB will not seek to negotiate commission rates for the client, as these have been pre-negotiated between the client and the broker-dealer. As such, a client who directs brokerage should consider that they: (i) may pay higher commissions on some transactions than may be attainable by RMB, or may receive less favorable execution of some transactions or both; (ii) may forego any benefit on execution costs that could be obtained for clients through negotiated volume discounts on bunched transactions; (iii) may not be able to participate in the allocation of a new issue, if the new issue shares are provided by another broker; (iv) may receive execution of a particular trade after the execution of such trade for clients who have not directed the brokerage for their accounts; and (vii) may not experience returns equal to clients who have not directed brokerage for their accounts. If a client does not specify a custodian, RMB will default to Fidelity Clearing & Custody Solutions.

### **Separately Managed Account Strategies-Third Party Platforms**

RMB offers separately managed account strategies to its Wealth Management clients. Full service Wealth Management clients of RMB invest in these strategies at a discounted fee and with lower account size minimums. Clients that are not full service Wealth Management clients of RMB, or clients that access these strategies through a third-party platform will pay higher fees and be subject to higher account size minimums. Full service clients are defined as those who receive financial planning services, asset allocation services, collaboration services (e.g. Adviser will work with client's other advisors for estate planning, tax planning or insurance planning purposes), and general account maintenance, reporting and administration services. Full service clients pay a separate advisory fee for these services.

## **ITEM 13: REVIEW OF ACCOUNTS**

Members of RMB's Asset Management team including the Managing Director of Asset Management, Portfolio Managers, and Analysts review accounts on a regular basis. The reviews generally include daily monitoring of performance for internally managed and externally managed portfolios, weekly reviews of pricing, valuation, and other fundamental holdings characteristics for internally managed equity and taxable fixed income strategies, weekly reviews of portfolio weights and cash levels versus targets for internally managed equity portfolios, monthly reviews of holdings in internally managed fixed income, ETF, and mutual fund portfolios, monthly reviews of non-standard holdings and quarterly reviews of externally managed portfolios. The Managing Director of Asset Management is responsible for initiating any action required to address the items found through these regular reviews. Action may



involve trading modifications, transferring assets to alternate accounts, or selection of new sub-advisers or third-party managers.

RMB's Wealth Management team reviews client accounts generally on a periodic and ad-hoc basis, depending on client inquiries and macro conditions, to ensure their asset allocations are within their tolerance ranges for the client's investment policy statement. Client accounts are formally reviewed no less frequently than annually, when any recommendations and/or financial plan changes are conveyed to clients.

For RMB's operations team performs or monitors regular reconciliations of client accounts to help ensure that reported positions match RMB's expected positions for such accounts.

RMB generally makes various reports (generated by the custodian) available to clients on a quarterly basis, at a minimum. These reports detail the performance of the accounts, portfolio holdings, and transactions. Representatives of RMB will generally meet with clients on an annual basis, or more frequently as requested by the client. The relevant custodian(s) will also send information regarding account holdings, transactions, and cash flows directly to clients. Clients may also choose to receive trade confirmations directly from the custodian.

## **ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION**

### **Corporate Financial Planning Services**

RMB provides financial planning services to certain clients who are executives or employees of certain companies. RMB is retained directly by the company to provide such services. Each company compensates RMB directly for these services and the amount varies depending upon the level of the executive or employee. RMB may reimburse a portion of the wealth/advisory fees paid directly to RMB by the client in consideration of the amount paid by the company.

### **Retirement Plan Solutions**

RMB West may receive client references from RMB. RMB has an incentive to recommend RMB West to its clients.

### **Referral Programs**

As a result of RMB's participation in referral programs sponsored by certain Custodians and their affiliates, RMB may have potential conflicts of interest including its decision to use certain Custodians for execution, custody, and clearing for certain client accounts, and RMB may have a potential incentive to suggest the use of a Custodian and its affiliates to its advisory clients, whether or not those clients were referred to RMB by a Custodian or its affiliates. A Custodian will most likely refer clients to investment advisers that encourage their clients to custody their assets at such Custodian and whose client accounts are profitable to such Custodian. Consequently, in order to obtain client referrals from a Custodian, RMB may have an incentive to recommend to clients that the assets under management by RMB be held in custody with such Custodian and to place transactions for client accounts with such Custodian. In addition, RMB

will generally agree not to solicit clients referred to it by one Custodian to establish brokerage or custody accounts at other custodians, except when RMB's fiduciary duties require doing so.

There is no direct link between RMB's participation in any referral program and the investment advice it gives to its clients, although RMB receives economic benefits through its participation in referral programs that are typically not available to clients of a Custodian. These benefits at certain Custodians include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving RMB participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to RMB by third-party vendors. A Custodian may also have paid for business consulting and professional services received by RMB's related persons. Some of the products and services made available by may benefit RMB but may not benefit its client accounts. These products or services may assist RMB in managing and administering client accounts, including accounts not maintained at the Custodian providing the benefit. Other services made available may be intended to help RMB manage and further develop its business enterprise.

RMB's participation in a referral program does not diminish its duty to seek best execution of trades for client accounts. RMB has agreed that it will not charge clients more than the standard range of advisory fees disclosed in its Form ADV 2A Brochure to cover solicitation fees paid to as part of a referral program. As part of its fiduciary duties to clients, RMB endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by RMB or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the RMB's recommendation for custody and brokerage services.

Certain RMB employees attend a limited number of conference meetings and other meetings sponsored by certain Custodians. These Custodians pay for the flight, hotel, and transportation expenses for these employees to attend these meetings. In addition, the Custodians or RMB may pay for food and beverage expenses at periodic seminars conducted by RMB and attended by clients and prospects.

The Custodian referenced below has provided the following language for inclusion in this Brochure:

*Fidelity Wealth Advisor® Solutions*

RMB participates in the Fidelity Wealth Advisor Solutions® Program (the "WAS Program"), through which RMB receives referrals from Fidelity Personal and Workplace Advisors LLC ("FPWA"), a registered investment adviser and Fidelity Investments company. RMB is independent and not affiliated with FPWA or any Fidelity Investments company. FPWA does not supervise or control RMB, and FPWA has no responsibility or oversight for RMB's provision of investment management or other advisory services.

Under the WAS Program, FPWA acts as a solicitor for RMB, and RMB pays referral fees to FPWA for each referral received based on RMB's assets under management attributable to each client referred by FPWA or members of each client's household. The WAS Program is designed to help investors find an independent investment advisor, and any referral from FPWA to RMB does not constitute a recommendation or endorsement by FPWA of RMB's particular investment management services or strategies. More specifically, RMB pays the following amounts to FPWA for referrals: the sum of (i) an annual percentage of 0.10% of any and all assets in client accounts where such assets are identified as "fixed income" assets, by FPWA and (ii) an annual percentage of 0.25% of all other assets held in client accounts. In addition, RMB has agreed to pay FPWA a minimum annual fee amount in connection with its participation in the WAS Program.

To receive referrals from the WAS Program, RMB must meet certain minimum participation criteria, but RMB may have been selected for participation in the WAS Program as a result of its other business relationships with FPWA and its affiliates, including Fidelity Brokerage Services, LLC ("FBS"). As a result of its participation in the WAS Program, RMB may have a potential conflict of interest with respect to its decision to use certain affiliates of FPWA, including FBS, for execution, custody and clearing for certain client accounts, and RMB may have a potential incentive to suggest the use of FBS and its affiliates to its advisory clients, whether or not those clients were referred to RMB as part of the WAS Program. Under an agreement with FPWA, RMB has agreed that it will not charge clients more than the standard range of advisory fees disclosed in its Form ADV 2A Brochure to cover solicitation fees paid to FPWA as part of the WAS Program. Pursuant to these arrangements, RMB has agreed not to solicit clients to transfer their brokerage accounts from affiliates of FPWA or establish brokerage accounts at other custodians for referred clients other than when RMB's fiduciary duties would so require, and RMB has agreed to pay FPWA a one-time fee equal to 0.75% of the assets in a client account that is transferred from FPWA's affiliates to another custodian; therefore, RMB may have an incentive to suggest that referred clients and their household members maintain custody of their accounts with affiliates of FPWA. However, participation in the WAS Program does not limit RMB's duty to select brokers on the basis of best execution.

### **Solicitors**

RMB utilizes a limited number of solicitors to refer clients to its advisory business and/or private funds managed by RMB. Each solicitor retained by RMB has executed a solicitation agreement or other similar agreement to serve as a solicitor for RMB.

### **Affiliated Products**

As previously described in Item 10, if we determine that it is appropriate based on the client's investment objectives and investor status, we will invest client assets in affiliated products and/or will solicit clients to invest in affiliated products. These affiliated products charge fees in addition to and separate from the fees charged by RMB, as described in such products prospectuses or other offering documents. Clients are advised that a conflict of interest exists to the extent we recommend investment in affiliated products.

## **ITEM 15: CUSTODY**

As a general partner or investment manager of each of the private funds listed herein, RMB will generally be deemed to have custody of client assets (despite the fact that RMB will never have actual physical custody of such assets). RMB will use its best efforts to deliver audited financial statements for each private fund to its investors within 120 days after the end of each funds' fiscal year (except for RMB managed private funds with a 180-day deadline under the SEC's Custody Rule). Currently, RMB, has custody and signatory rights over a number of advisory client assets and is subject to a surprise examination every year is required by the Custody Rule.

For certain client accounts, RMB is deemed to have custody as a result of standing letters of authorization ("SLOA") in place from clients that allow RMB to direct the custodian to send client funds based on the SLOA. Advisers relying on SLOAs to make certain disbursements on behalf of the client may avoid obtaining a surprise asset verification if each such client provides written instructions to the custodian regarding specific transactions that the client authorizes the custodian to disburse upon request of RMB and provides RMB with written instructions that explicitly describe the specific transactions that the client authorizes RMB to disburse. Further, the custodian must verify these instructions when executing each transaction and confirm these instructions at least annually with RMB. RMB has no ability to change any routing information regarding such disbursements and the client can terminate such relationship at any time.

Except as outlined above, RMB will not have custody over other funds or securities for advisory clients. All advisory client funds and securities will be held at a broker-dealer, bank, or other qualified custodians.

Advisory clients should receive at least quarterly statements or links to their quarterly statements from the broker-dealer, bank, or other qualified custodian that holds and maintains clients' investment assets. RMB urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## **ITEM 16: INVESTMENT DISCRETION**

RMB provides both discretionary and non-discretionary investment advisory services to its clients.

Where investment discretion has been granted, RMB supervises and manages the account and makes investment decisions without consultations with the client. Discretionary decisions include determinations regarding which securities are bought and sold for the account, the total amount of the securities to be bought and sold, the brokers with whom orders for the purchase or sale of securities are placed for execution and the price per share and the commission rates at which securities transactions are effected. In some instances, RMB's discretionary authority in

making these determinations may be limited by conditions imposed by clients in their investment guidelines or objectives or in instructions otherwise provided to RMB.

RMB also has non-discretionary arrangements with clients where RMB will recommend securities or transactions with the clients having final authority. Generally, trading for discretionary and non-discretionary accounts will not be aggregated. Clients under non-discretionary arrangements should be aware that if RMB is not able to aggregate such trades, non-discretionary accounts will be traded after trading for discretionary accounts is executed which may result in inferior execution prices for those trades.

RMB will not exercise discretion when determining whether to make an investment in RMB-managed private funds.

## **ITEM 17: VOTING CLIENT SECURITIES**

RMB has adopted and implemented policies and procedures that RMB believes are reasonably designed to ensure that proxies are voted in the best interest of clients in those cases where a client has contractually given proxy voting responsibility to RMB.

Votes are cast in accordance with RMB's fiduciary duties and SEC rule 206(4)-6 under the Advisers Act. The proxy voting guidelines have been tailored to reflect these rules and the long-standing fiduciary standards and responsibilities for ERISA accounts set out by the Department of Labor. Clients may retain their right to vote proxies provided they give RMB prior written notice.

For clients who do not retain their right to vote proxies, RMB has contracted with a proxy advisory firm (the "Proxy Firm") to handle administration and voting of client proxies. Additionally, the Proxy Firm provides research on proxy proposals and vote recommendations based on written guidelines, which are reviewed and approved from time to time by RMB's Sub-Committee (the "Committee"). The Committee is made up of executives of RMB.

RMB, as a general matter, follows the voting recommendations of the Proxy Firm, though RMB retains the right to determine the vote on a particular proxy issue. Accordingly, there may be instances, including those in which the Proxy Firm recommends a vote in line with management, in which the Asset Management team or a Portfolio Manager for a private fund managed by RMB will provide the Committee with its written analysis as to why RMB should not vote as recommended by the Proxy Firm on a particular proxy issue. In those instances, the Committee may decide to vote contrary to the Proxy Firm recommendation if it is determined to be in the best interests of the clients. As a matter of course, members of the Committee will also review issues for which the Proxy Firm does not provide a recommendation.

In cases in which it is determined that RMB has a material conflict of interest that could influence how proxies are voted, such conflicts may be resolved by using the recommendation of the Proxy Firm if it is determined to be in the best interests of the client. Alternatively, RMB, when appropriate, may decide to disclose the conflict to the affected clients and give the clients the opportunity to vote their proxies themselves, or the Committee may review the issue and

determine a vote. In any of these material conflict of interest situations, the Committee will review the issue and determine a resolution.

Additionally, there may be cases where RMB deems that the cost-benefit analysis of voting proxies received for client accounts may lead to RMB declining to vote. Such instances may include:

- Voting for foreign securities in countries which require “share-blocking”
- Unsupervised securities
- Securities in Transition or already sold
- Completing ballots for companies held in the client account as of the record date, but which are no longer owned at the time that a vote would be cast.

Additional information regarding RMB’s proxy voting policies and procedures can be obtained by contacting RMB by email at [compliance@rmbcap.com](mailto:compliance@rmbcap.com) or by phone at (312) 993-5800. Clients may request information on votes cast by making a request by phone or email.

RMB does not generally participate in class action lawsuits directly on behalf of clients. Clients are given an option to elect a third-party vendor to provide class action litigation monitoring and claim filing. RMB does, however, facilitate an exchange of information between the client and the third-party vendor. Any information received regarding class action lawsuits will be forwarded to the clients who may be eligible to participate and do not elect to utilize the services of a third-party vendor.

#### **ITEM 18: FINANCIAL INFORMATION**

Registered investment advisers are required in this section to provide you with certain financial information or disclosures about their financial condition. RMB has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.



**PRIVACY POLICY December 2019**

PRIVACY POLICY December 2019

FACTS	WHAT DOES RMB CAPITAL MANAGEMENT, LLC (“RMB”) DO WITH YOUR PERSONAL INFORMATION?		
WHY?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.		
WHAT?	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> <li>I. Social security number</li> <li>II. Income and Assets</li> <li>III. Investment Experience</li> <li>IV. Risk tolerance</li> <li>V. Transaction history</li> <li>VI. Account Balances</li> </ul>		
HOW?	All financial companies need to share customers’ personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers’ personal information; the reasons RMB chooses to share; and whether you can limit this sharing.		
Reasons we can share your personal information		Does RMB Share?	Can you limit this sharing?
For our everyday business purposes - such as to process your transactions, maintain your accounts(s) or respond to court orders and legal investigations.		Yes	No
For our marketing purposes - to offer our products and services to you		Yes	Yes
For joint marketing with other financial companies		No	We don’t share
For our affiliates’ everyday business purposes - information about your transactions and experiences		Yes	No
For our affiliates’ everyday business purposes - information about your creditworthiness		No	We don’t share
For our affiliates to market to you		Yes	Yes
For non-affiliates to market to you		No	We don’t share
To limit our sharing	<p>Call toll free: 1-800-601-5228</p> <p>Please note: If you are a <i>new</i> customer, we can begin sharing your information 30 days from the date we sent this notice. When you are <i>no longer</i> our customer, we continue to share your information as described in this notice. However, you can contact us at any time to limit our sharing.</p>		
Questions?	Call toll free 1-800-601-5228 or visit <a href="http://www.rmbcapital.com">www.rmbcapital.com</a> and <a href="http://www.rmbfunds.com">www.rmbfunds.com</a> .		

Privacy Policy, continued	
Who we are	
Who is providing this notice?	RMB Capital Management, LLC, RMB West, LLC, Iron Road Capital Partners, LLC, RMB Mendon Managers LLC, RMB Logan Stone Managers LLC, South LaSalle Managers, LLC, RMB Rail-Splitter Managers LLC and RMB Investors Trust
What we do	
How does RMB protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
How does RMB collect my personal information?	<p>We collect your personal information, for example, when you</p> <ol style="list-style-type: none"> <li>I. Enter into an investment advisory contract</li> <li>II. Open an account</li> <li>III. Tell us about your investment or retirement portfolio</li> <li>IV. Provide your employment information</li> <li>V. Show your Driver's license information</li> </ol>
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> <li>▪ sharing for affiliates' everyday business purposes – information about your creditworthiness</li> <li>▪ affiliates from using your information to market to you</li> <li>▪ sharing for non-affiliates to market to you</li> </ul> <p>State laws and individual companies may give you additional rights to limit sharing.</p>
What happens when I limit sharing for an account I hold jointly with someone else?	Your choices will apply to everyone on your account - unless you tell us otherwise.



Privacy Policy, continued	
Definitions	
<b>Affiliates</b>	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>• <i>RMB West, LLC</i></li> <li>• <i>Iron Road Capital Partners, LLC</i></li> <li>• <i>South LaSalle Managers, LLC</i></li> <li>• <i>RMB Mendon Managers LLC</i></li> <li>• <i>RMB Logan Stone Managers LLC</i></li> <li>• <i>RMB Rail-Splitter Managers LLC</i></li> <li>• <i>RMB Investors Trust</i></li> </ul>
<b>Non-affiliates</b>	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>• <i>RMB Capital Management doesn't share with non-affiliates so they can market to you.</i></li> </ul>
<b>Joint Marketing</b>	<p>A formal agreement between non-affiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> <li>• <i>RMB Capital Management doesn't jointly market.</i></li> </ul>

## DATA Privacy Policy December 2019

We are committed to protecting your privacy when you provide data to us. This Privacy Statement ("Privacy Statement" or "Statement") sets out the privacy practices for RMB Capital Management, LLC ("RMB," "us," or "we") with respect to information, including Personal Data (which means any information relating to an identified or identifiable natural person), we obtain from and about our employees, prospects, and clients.

Please read the information below to learn about the Personal Data collected about you and how it is used. The information we are collecting now will be treated consistently with this Statement. We may make changes to this Statement in the future, so please review the Statement regularly.

### 1. Personal Data Collected

#### 1.1. Sources of Personal Data

Personal Data is collected directly from you when you:

- Complete an online form on our website
- Complete an employment application
- Visit our website
- Respond to online event invitations
- Complete paper contact forms
- Call one of our locations

It is your responsibility to provide us with accurate data, and to provide us with updated Personal Data when it changes.

#### 1.2. Categories of Personal Data

The Personal Data collected by automated means or from other sources may include:

##### 1.2.1. *Identifiers*

- Name
- Postal address
- Telephone number
- Facsimile number
- Email address

We use this information to:

- Stay in touch with you and manage our relationship
- Provide investor and client services to you
- Communicate with you about your requests, questions and comments
- Process employment applications
- Comply with legal and regulatory requirements, relevant industry standards, and our policies

##### 1.2.2. *Personal information categories described in the California Customer Records statute*

- Social security number
- Driver's license number
- Passport number
- Account number

We use this information to:

- Identify users of our website
- Improve the functionality of our website
- Provide client services to you
- Manage and develop our relationship with you
- Complete transactions and process paperwork
- Protect against identity theft, prevent fraud, and other criminal activity

#### **1.2.3. *Characteristics of protected classifications***

- Disability
- Familial status
- National origin
- Gender
- Ethnicity
- Race
- Religion
- Sex
- Age
- Veteran status

We use this information to:

- Process employment applications
- Manage and develop our relationship with you

#### **1.2.4. *Commercial information***

- Financial information to complete a transaction

We use this information to:

- Manage and develop our relationship with you as a prospect and/or client

#### **1.2.5. *Biometric information***

- Fingerprints

We use this information to:

- Currently we do not intentionally collect biometric information from individuals; however, occasionally we may incidentally come into possession of this information

**1.2.6. *Internet or other electronic network activity information***

- Email addresses
- IP addresses

We use this information to:

- Improve the functionality of our website
- Manage our business, diagnose technical and service problems, and identify users of our website
- Protect against identity theft, prevent fraud and other criminal activity
- Provide client services to you, such as emails, newsletters, and other communications
- Communicate with you about your requests, questions, and comments
- Operate, evaluate, and improve our business
- Perform data analyses and other processing
- Manage and develop our relationship with you or the organization you represent

**1.2.7. *Geolocation data***

- IP addresses

We use this information to:

- Identify users of our website

**1.2.8. *Audio, electronic, visual, thermal, olfactory, or similar information***

- Voice mails

We use this information:

- Via recorded voicemails from prospects and clients, to facilitate the relationship and respond to requests

**1.2.9. *Professional or employment-related information***

- Employment applications
- Service provider/vendor/third party agreements
- RFPs
- Due diligence questionnaires

We use this information to:

- Process employment applications
- Manage and develop our relationship with you and/or the organization you represent

**1.2.10. *Education information***

- Employment applications

We use this information to:

- Process employment applications

## **2. With Whom We Share Personal Data**

We do not sell or otherwise share personal information about you except as described in this privacy notice. We may share personal information with third parties who perform services on our behalf. These third parties are not authorized to use or disclose the information, except as necessary to perform services on our behalf or comply with legal requirements. We may also share the personal information we obtain with our affiliates.

We may disclose information about you:

- If we are required to do so by law, regulatory obligation, or legal process;
- In response to requests by government agencies, such as law enforcement authorities or regulatory bodies;
- For the purpose of or in connection with legal proceedings, or otherwise for the purpose of establishing, exercising, or defending our legal rights;
- When we believe disclosure is necessary or appropriate to prevent physical harm or financial loss or in connection with an investigation of suspected or actual illegal activity; or
- In the event we sell or transfer all or a portion of our business or assets.

## **3. Retention of Data**

We will keep your Personal Data only for as long as reasonably necessary to fulfill the purposes for which Personal Data is collected as stated herein; for as long as is necessary for the performance of the contract between you and us, if any; and to comply with legal and statutory obligations, such as in tax, regulatory, and corporate laws. When we no longer need your Personal Data for our purposes, including regulatory purposes, we will destroy, delete, or erase that Personal Data or convert it into an anonymous form.

## **4. Security of Data**

We will take reasonable steps to protect your Personal Data in our possession from loss, misuse, unauthorized access, disclosure, alteration, and destruction. For example, we use security measures including safeguarding and monitoring our network and controlling access to our files, equipment, and buildings.

## **5. Your California Privacy Rights**

If you are a resident of the state of California, the following rights are available to you under the California Consumer Privacy Act.

### **5.1. Right to access**

You have the right to request that we disclose the categories of Personal Data collected, the categories of sources from which Personal Data is collected, the business or commercial purpose for collection, the categories of third parties with which we share Personal Data, and the specific pieces of Personal Data that we have about you. You also have the right to request that we provide your Personal Data to you in a readily useable format.

## **5.2. Right to request deletion**

You have the right to request that we delete Personal Data that we collected from you. Note, however, that certain requests to delete Personal Data may be denied if we are required to retain the information as a matter of law, the information is necessary for detecting security incidents, exercising free speech, protecting or defending against legal claims, or for internal uses reasonably aligned with consumer expectations.

## **5.3. Right to non-discrimination**

You have the right not to receive discriminatory treatment by us for exercise of these privacy rights. We do not offer financial incentives related to the provision of data.

## **5.4. Authorized agent**

You have the right to designate an authorized agent to make these requests on your behalf.

To exercise any of these rights, please call 1-800-601-5228 or email us at [compliance@rmbcap.com](mailto:compliance@rmbcap.com).

## **6. Contact Information**

Unless otherwise stated, RMB Capital Management, LLC is a data controller for Personal Data processed subject to this Statement. If you have any questions about this Statement or if you believe that your Personal Data has been processed or disclosed in violation of this Statement, please contact us by sending an email to [compliance@rmbcap.com](mailto:compliance@rmbcap.com), or a letter to:

RMB Capital Management, LLC  
ATTN: Compliance Department  
115 S. La Salle Street  
34<sup>th</sup> Floor  
Chicago, IL 60603