RMB | INVESTED

AN ANNUAL PERSPECTIVE AND COMMENTARY FROM RMB / FALL 2023

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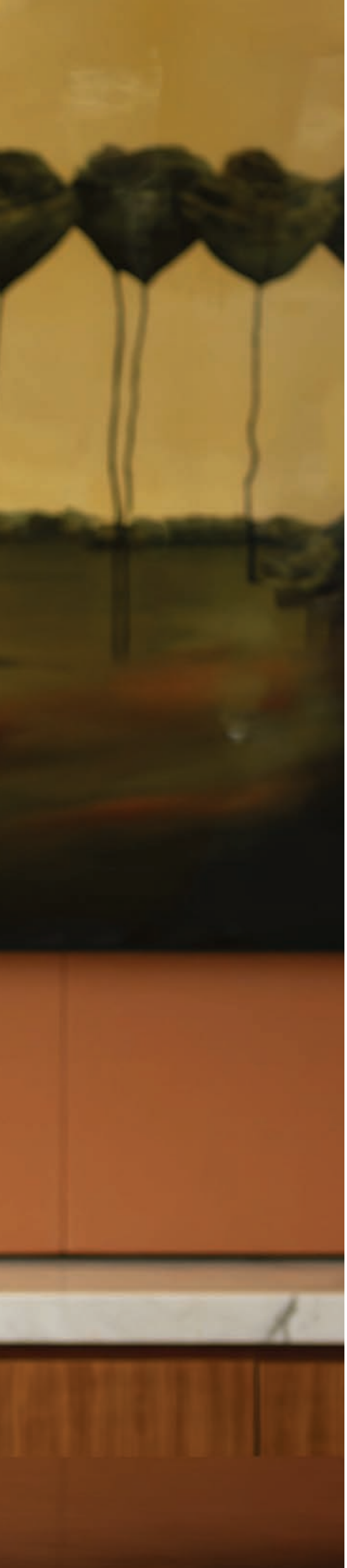


While a lot has happened this year in the markets, the economy, and the world, believe it or not, things feel relatively “normal” compared to the past few years.

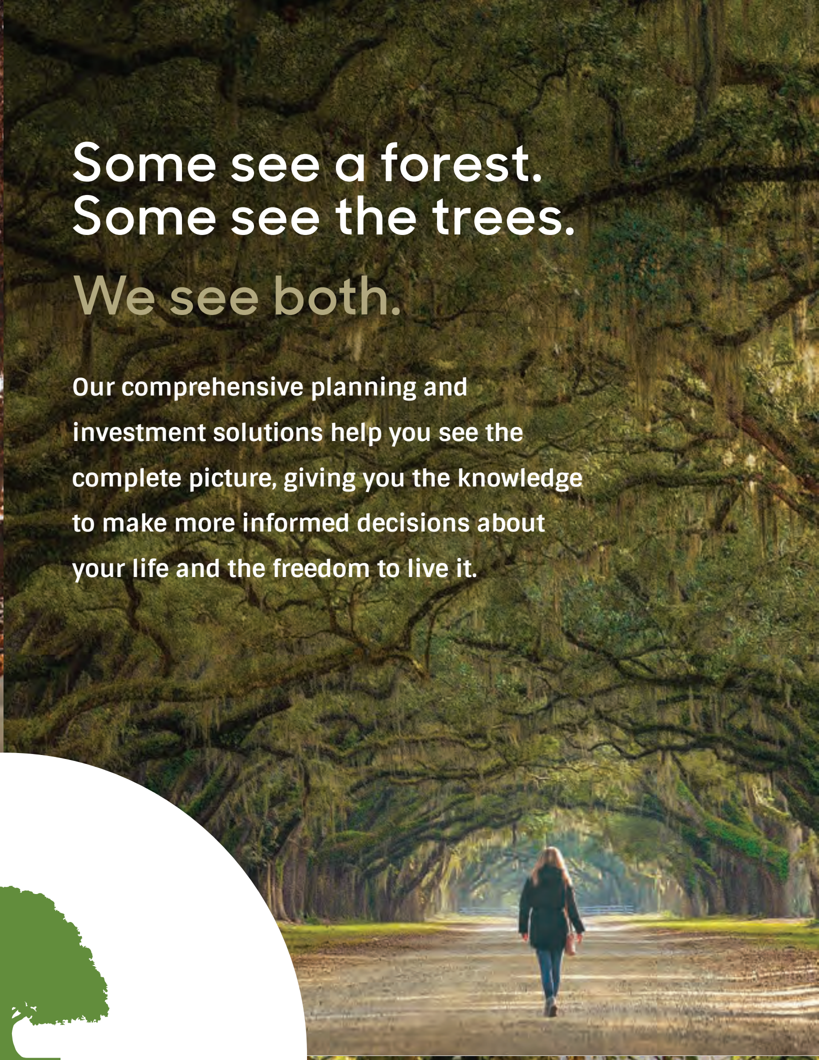
It has been a busy year at RMB. Most importantly: we continue to keep our clients at the center of everything we do. It begins with our people—I recently learned that nearly a quarter of our employees have been at RMB for over 10 years. Incredible. We’ve taken that foundation of knowledge and added formidable talent over the years—some of whom you can “meet” on pages 24–26. We are a values-based firm, and having the right people—those you know and those behind the scenes—is critical to our mission of helping every client reach his or her goals.

In other news—we are pleased to have launched an evolved brand, as you see in the new look and feel throughout this magazine. And we continue to tap into the depth of expertise across the firm to produce events and articles and other content that might be meaningful to you—supplementing the relationship you have with your direct team. Please enjoy a flavor of that commentary here.

Wishing you the best for the remainder of 2023. I hope you and your family have a happy and healthy year ahead.

All the best,

Dick Burridge



Some see a forest.
Some see the trees.
We see both.
Our comprehensive planning and investment solutions help you see the complete picture, giving you the knowledge to make more informed decisions about your life and the freedom to live it.

RMB

RMB
Comprehensive Planning
& Investment Solutions
Great People are in Our Roots
Thank you to the Denver Business Journal for naming RMB as a Best Place to Work! This honor is a direct reflection of the people in our workplace, and the great culture we've worked so hard to build.
Big thanks to Ally, Amber, Belen, Casey, Don, James, Janelle, Jay, Jeff, Jen, Josh, Liz, Loren, Margo, Matthew, Patrick, Ryan, Sam, Seth, Sophie, and Zahava for making every day at work an awesome day.

18 Years of RMB

2023 marked 18 years of serving our clients and helping them achieve their financial and life goals. As we celebrate this milestone, we reflect on the vision and commitments that brought us here and the opportunities ahead.

RMB was founded on the belief that creating an independent wealth management firm was the best way to ensure that our clients were served in the most beneficial manner—in terms of both personalized care and innovative investment solutions. Co-founders Dick Burridge, Jr. and Fred Paulman believed that this business model would also foster an environment that would be highly rewarding and inspiring for employees.

Dick, Fred, and our original 13 employees had already gained rich experience working together for one of the world's most well-known financial organizations, and on April 1, 2005, RMB Capital Management opened our doors. From day one, our firm was staffed with what we believe are best-in-class professionals who were eager to work for an independent, entrepreneurial team. As a testament to our strong client relationships, nearly 100% of the team's previous clients hired RMB to manage their personal financial assets.

Today, with 150-plus employees and nine locations nationwide, we still adhere to the same principles we did when we started: a fundamentals-based investment approach that allows us to be good stewards of our clients' wealth, and highly personalized client service that builds deep relationships to help our clients reach their financial goals.

Throughout our growth, we've prided ourselves on maintaining extraordinarily high client retention and low employee turnover—even through some of the worst downturns in recent market history. These combined measures of success establish a level of continuity that firmly positions us to manage our clients' financial future for generations to come.

A Refreshed Perspective

Following 18 years of RMB's iconic oak tree logo and branding, we unveiled an updated look across our firm earlier this year. We've moved to a more modern font and simpler color scheme, all the while keeping the mighty oak tree at the forefront of our brand.

The oak tree is a powerful icon that represents strength, stability, deep roots, growth, and longevity—characteristics that are at the heart of RMB. An oak can be around for generations. Under its protective branches, our lives are free to unfold in any way we choose, protected from the storms that are always a part of the landscape. At RMB, our beliefs and values are closely aligned with the characteristics of this iconic tree. It reminds us every day that it is the strength of our convictions, our reverence for time-tested investment strategies, and our unwavering focus on the long-term that make us who we are.

The connection to the oak tree until now has been expressed only by the logo. With our new creative concept showcasing powerful photography, we'll highlight how the characteristics of this tree closely align with our values and give RMB something it can own in a sea of sameness.

Intergenerational Care

Navigating the Sandwich and Grandsandwich Generations

Sue Christoph, CFA®, CFP®, CPWA®
Partner, Senior Relationship Manager, Family Office Services

Do you know someone caught between caring for aging parents and supporting children or grandchildren, all while trying to save for or enjoy retirement? It's likely you do, as the "sandwich" generation has expanded, thanks to trends including longer life expectancy and adult children needing support through life transitions.[1] Many caregivers are also helping to meet the needs of further removed generations such as grandchildren, creating a new "grandsandwich" generation.

This increasing generational overlap can lead to caregiving throughout one's entire adult life. Caring for family members can be a significant financial, emotional, and physical burden, charged with competing interests. Thankfully, there are financial and life planning considerations that can help set you up to support yourself and those you love.

Caring for Parents

Having difficult care conversations early can relieve some of the stress of managing a decline in a parent's cognitive or physical health when the time comes. These conversations are essential to understanding and honoring a parent's wishes, and they can also be a gift to future caretakers by clarifying a parent's needs and expectations.

Caregiving discussions can be sensitive and emotionally charged, so consider bringing in a neutral party such as your RMB financial and life advisor and an estate planning attorney to help guide these conversations.

Healthcare

- Ensure that your parents have adequate medical insurance by reviewing their current plans and coverage. If they rely on Medicare, review their plans annually during open enrollment.
- Ask your parents how they want to live as they age. If they're incapacitated, who should make healthcare and financial decisions for them?
- Create a list of primary and specialist healthcare providers' contact information.

Legal Documents

- Confirm your parents' trusts, wills, healthcare power of attorney, and property power of attorney reflect their current wishes while they are of sound mind to make any changes.
- Power of attorney agents should carry an electronic copy of legal documents to provide to a medical provider or financial institution, should they need to take action.
- Know the contact information for your parents' attorney for any questions and to help settle their estate when they pass.

Financial Accounts

- Inventory all financial accounts, insurance policies, and safe deposit boxes, and consolidate where feasible. Consider adding the financial agent as a signer to your parents' checking account to easily pay bills in an emergency.
- List all sources of income and itemize expenses, noting whether accounts are set up for automatic deposit or payment. Reliable sources of income could include Social Security, a pension, and an annuity. Consolidate charges on one or two credit cards for efficiency and to reduce fraud risk.
- Make a list of trusted advisors (financial advisor, tax advisor, insurance agent, etc.) and their contact information.
- Document usernames and passwords for all electronic accounts, including financial and memberships. Consider using an electronic password manager like Dashlane or LastPass to keep this information accessible and secure.

Final Wishes

- Have your parents document what they would like to happen after they die. Providing last wishes can include funeral or cremation plans, body disposition preferences, an obituary, messages to loved ones, and requests for their final days.
- There are a variety of ways to formalize these wishes, including through a letter, a directive to a funeral home, an online service such as Five Wishes, or directly through an attorney.

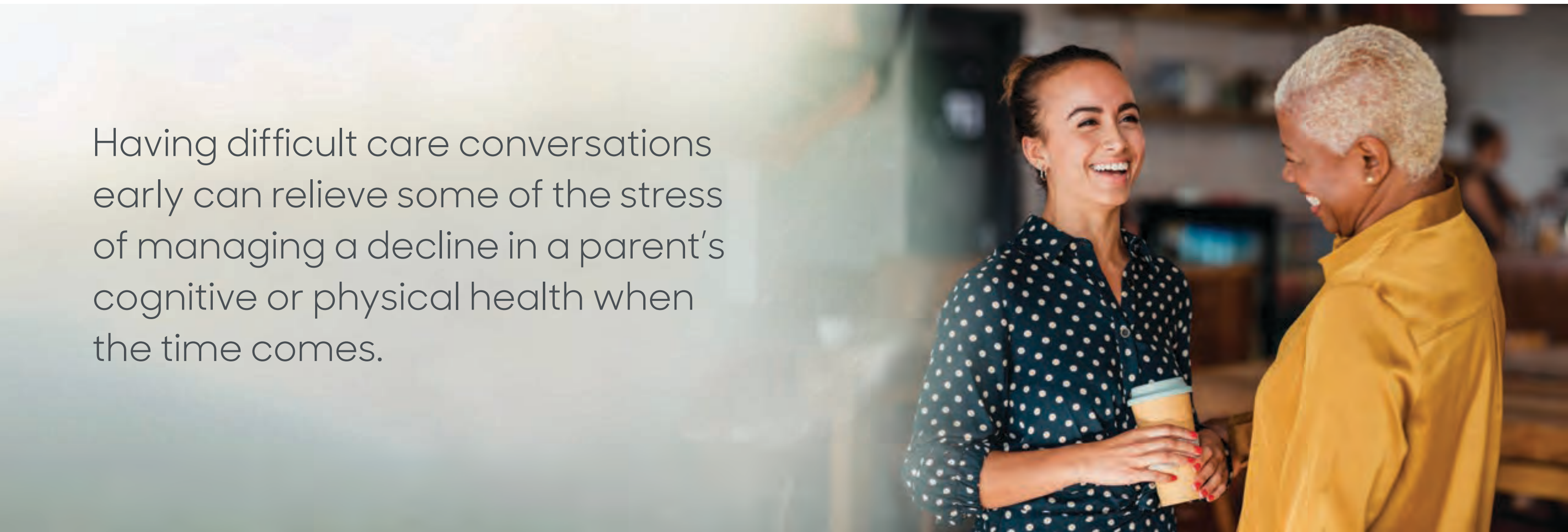
Caring for Children and Grandchildren

It costs about $17,000 a year for the average family to raise a child—that's over $300,000 through age 18.[2]

It is important to talk with your children and grandchildren at an early age about financial responsibility and, as they get older, involve them in decision-making around major costs.

Financial Education

- Educate children on the importance of saving, budgeting, and setting priorities to achieve financial goals. Start earnings conversations early by relating them to income from chores, mowing a neighbor's lawn, or babysitting.
- Save for education expenses, including college, with a 529 plan. These plans offer tax-deferred growth and qualified education expense withdrawals free from federal income tax, and they are generally free from state taxes. Let family and friends know about the plans so they can contribute on birthdays and holidays.
- Manage children's expectations related to college costs, including their responsibilities and potential contributions. If they live with you during college or return home after college, make a financial agreement that ensures financial responsibility on their part and keeps you both on track with your goals.



On the upside

Caregivers in the sandwich generation are more likely than other adults to say they are very satisfied with their family life (48% vs. 43%).[3]

Young Adults

- Encourage young adults to strive for financial independence by developing a plan together. This includes expenses that will eventually become their responsibility when they age out of family plans, such as health insurance and cell phone coverage.
- Your RMB financial and life advisor welcomes the opportunity to help educate children and grandchildren on financial basics, develop sound financial habits, and understand employer benefit options such as 401(k) plans.

Caring for the Caregiver

With competing demands and limited resources, it can be difficult for caregivers to stay on track with their own needs and goals. It's just as important for caregivers to attend to themselves—financially, physically, and emotionally—so they can provide the best care for their loved ones.

Important planning for the caring generation includes:

Self-Care

- Reduce stress through physical activity, eating healthy, meditation, and getting enough sleep. Schedule time off in your daily/weekly calendar.
- Share what you are going through with a support group (try the National Alliance for Caregiving or Caring Across Generations), therapist, trusted friend, or journal.
- Talk with your doctor about your mental health or access resources in your community, such as the National Alliance on Mental Illness at http://www.nami.org.
- Recognize when you need time off from work. Understand your options for taking leave under the Family and Medical Leave Act (FMLA).

Setting Boundaries

- Consider setting financial boundaries by letting your parents, children, and grandchildren know what you can pay for and what you can't, and by creating a timeline for them to find other solutions.
- Make sure you stick with your financial plan, so you don't end up being a burden to your children.
- Ask for help from outside your family, including geriatric care managers, social workers, your faith community, an elder law attorney, and professional caregivers. Research resources in your community to help navigate caring for aging parents.[3]
- Ensure that other family members are sharing the responsibility to meet costs, fulfill care demands, and spend time with those needing care. Connecting across generations can also help reduce their loneliness!

Future Planning

- Just as you are asking parents to have difficult conversations and document their plans, make sure you are following the steps outlined above in case you find yourself in need of care. Remember, it's never too early to plan for the future!

Intergenerational care places increased physical, emotional, and financial demands on family members. It is essential to keep an open, ongoing dialogue when making decisions relating to your family that may impact your health and plan. Your RMB financial and life advisor is here to support you and your family through life's transitions.

[1] The "Sandwich Generation" Revisited: Global Demographic Drivers of Care Time Demands by Diego Alburez-Gutierrez, Carl Mason, and Emilio Zagheni, Population and Development Review 47(4): 997-1023 (December 2021)

[2] https://www.washingtonpost.com/business/interactive/2022/cost-raising-child-calculator/

[3] https://www.pewresearch.org/short-reads/2022/04/08/more-than-half-of-americans-in-their-40s-are-sandwiched-between-an-aging-parent-and-their-own-children/

[4] 40 Resources for Adult Children Caring for Aging Parents, Senior Lifestyle, www.seniorlifestyle.com/resources/blog/40-resources-for-adult-children-caring-for-aging-parents

[5] Valuing the invaluable: 2023 Update Strengthening Supports for Family Caregivers. Washington, D.C.: AARP Public Policy Institute, March 2023, Susan C. Reinhard, Selena Cladera, Ari Houser, Rita B. Choula, www.aarop.org/valuing

[6] Our Epidemic of Loneliness and Isolation 2023. The U.S. Surgeon General's Advisory on the Healing Effects of Social Connection and Community. https://www.hhs.gov/sites/default/files/surgeon-general-social-connection-advisory.pdf

Research shows:

60% of caregivers worked a full-time or part-time job.

40% cite the emotional stress of juggling caregiving with paid work as the biggest challenge.[4]

Considerations for Everyone

Social Connection Is the Best Medicine

Loneliness has become an epidemic in the U.S. People of all ages are spending less time in person with their friends, compared to two decades ago. Half of adults report measurable levels of loneliness, with young people being among the most affected, despite social media and technology.

Being socially disconnected increases the risk of depression, anxiety, and suicide, and it can also worsen physical health. Lacking connection can increase the risk of premature death to levels comparable to smoking 15 cigarettes a day, according to a U.S. Surgeon General advisory.[5]

Young people and older adults have an opportunity to leverage intergenerational relationships to improve cognitive function, increase empathy, and live longer lives. Invest time to rebuild social connections.

- Create sacred times and spaces in your life without technology to enable being fully present—at dinner, before bedtime, and when with friends and loved ones.
- Look for ways to help others. Service is one of the most powerful antidotes to loneliness.

Cybersecurity Health

As online scams proliferate, many explicitly target seniors. Scammers often push victims into feeling like they must act immediately, hoping to pressure victims into making rash decisions. Know that governmental agencies such as the IRS will never contact you asking for sensitive information.

Encourage parents to reach out to you if they are not sure about a message they receive. By working together, you can both develop healthy cybersecurity habits.

Email Security—Be wary of strange or unexpected messages, even if they're from people you know, and never open attachments unless you know the sender and were expecting their message. Consider helping your parents review their email so they don't click on links from unfamiliar senders.

Phone Security—Ignore unsolicited phone calls and robocalls. You can place your phone number on the FTC's "Do Not Call List," use spam-filtering apps, and block calls from unwanted numbers. Don't respond to or click on pop-up windows on your phone or computer.

Estate Planning 101

By Jason Largey, J.D.
Wealth Strategist

We're often asked what documents clients should include in their estate plans. The decisions you make and the people you select to oversee your estate are intensely personal and can directly impact what happens during your lifetime and beyond. Fortunately, your RMB advisor, estate planning attorney, and other professionals can help you think through the best ways to prepare for the future.

For most people, these five documents can help create a basic framework for enacting your last wishes or responding to an emergency. Keep in mind that this list is a starting point, and, depending on the complexity of your estate, you may need additional planning to protect your legacy.

Last Will and Testament

First, consider what is in your estate. This can include everything from personal property and real estate to investment and retirement accounts. With a comprehensive accounting of your assets, you can begin to document how you want your property allocated.

A will goes through probate court, which is the traditional way to inventory an estate, settle debts, and have a judge approve the distribution of assets to your beneficiaries. You will need to select an executor to oversee this process. This role is usually given to someone you trust to handle the administrative burden of your estate and honor your wishes and intent.

Revocable Living Trust

Many people who have accumulated real estate and investment assets will consider setting up a revocable living trust as a supplement to a last will and testament. A revocable living trust offers several benefits, such as protecting your assets if you become incapacitated. A living trust can receive assets that would otherwise be subject to probate through a will and can potentially allow your estate—or part of it—to avoid probate. Another important consideration for many people is the privacy that a living trust offers, in contrast to the public nature of probate.

Durable General Power of Attorney

A durable general power of attorney (POA) can help protect your interests, should you become incapacitated. It identifies an agent to manage your financial affairs and to make decisions on your behalf. This might include paying bills, making deposits or withdrawals at a bank, filing a claim with your insurance policies, and other important functions. A power of attorney drafted for your state will be honored by the institutions with whom you conduct business.

Identifying an agent to act on your behalf in advance is important for several reasons. Not having a POA when you need one will require your family to go through a court process to have a guardian appointed, costing you time and money, and further complicating an already stressful situation.

Medical Power of Attorney/ Healthcare Proxy

Similar to the financial matters a general power of attorney might handle, a separate medical power of attorney can be created to name a healthcare agent to make treatment or caregiving decisions on your behalf. If you're unable to communicate your decisions, your healthcare agent can carry out your wishes according to directions that you leave in advance, or, absent that information, according to their best judgment.

A medical power of attorney can be most effective in honoring your wishes when paired with an advance healthcare directive.

Advance Healthcare Directive/Living Will

An advance healthcare directive expresses your desires regarding medical treatment and end-of-life scenarios. Sometimes called a living will, this document can help family and friends to navigate difficult moments by making your preferences known for a range of situations. As part of creating an advance directive, you will need to consider the kinds of treatments that you would want, including questions of medical interventions, physical comfort, hospital vs. home care, and more.

Common Questions

Am I all set once I create these documents?
You should review your estate plans and documents every three to five years or whenever a major life event occurs, such as marriage, divorce, birth of a child or grandchild, or the purchase or acquisition of a major asset like a new home or an inheritance. Remember, additional planning may be needed to protect your assets or for tax planning purposes.

What if one of my beneficiaries has special needs?
A Special Needs Trust (SNT) can play an important role in preserving the financial security and lifestyle of a person with special needs. A SNT can help provide for supplemental care while allowing the beneficiary to remain eligible for other forms of government or public assistance. Consider asking your estate attorney if they can help with special needs estate planning.

Are there special estate planning considerations for elderly family members and loved ones?
Estate planning for elderly clients can involve long-term planning for future medical and financial needs. Medicaid, VA benefits, and other earned benefits may have requirements that need to be met to prevent disqualification. Elder law attorneys can assist with issues of discrimination and abuse and can aid a client in protecting their rights and best interests.

What Does Secure 2.0 Mean for Retirement?

By James Rosselle, CPFA, QPA, QKA
S.V.P., Director of Retirement Plan Solutions

Secure 2.0 Act Highlights

The Secure Act 2.0 brought a flood of changes to how Americans save for retirement. Here are a few of the biggest impacts that individuals and employers should be aware of. If you have questions about saving for retirement or would like to learn more about setting up a retirement plan for your company, we invite you to reach out to an RMB advisor or the Retirement Plan Solutions team.

Catch-Up Contributions

A mandatory provision effective January 1, 2024

Impact to Individuals

Participants with wages over $145K (prior year) must make their catch-up contributions as Roth contributions.

Impact to Employers

Plans that have catch-up contributions but not Roth will need to add a Roth provision to their plan.

Secure 2.0 changes how catch-up contributions will be made and taxed. Catch-up contributions are allowed for employees aged 50 and over who would like to make additional contributions to their retirement plans. While previously these have been allowed to be made as pre-tax contributions, Secure 2.0 now requires these to be post-tax Roth contributions for individuals making more than $145K. So, for an individual, if your employer doesn't allow for Roth contributions to your retirement plan, you won't be able to make catch-up contributions.

Employer Matches as Roth

An optional provision that went into effect immediately

Impact to Individuals

Employees can elect to have employer contributions to their retirement accounts made as Roth—assuming their employer is set up to do this.

Impact to Employers

Employers may need to work with their retirement plan providers to get set up to make after-tax contributions to employees' accounts.

Employer contributions to employee retirement accounts have always been made as pre-tax contributions, even if the employee is electing for their deferrals to be made as Roth.

Under Secure 2.0, employers now also have the option to make their contributions as Roth. While many companies and payroll providers are not yet set up to offer this, it may be helpful for plan participants to review their options with an RMB advisor.

Automatic Plan Features

A mandatory provision effective January 1, 2025

Impact to Individuals

Employees participating in a company-sponsored retirement plan created after December 29, 2022, will be automatically enrolled into the plan and their deferral rate will be auto-escalated at rates determined by the company. Individuals can always opt out of enrollment and deferral changes. Employees participating in plans created prior to December 29, 2022, will not see changes related to mandatory automatic features.

Auto-enrollment and auto-escalation features have been considered a best practice in retirement plans for a number of years now, but it has always been an optional feature. Effective January 1, 2025, all plans created after December 29, 2022, will be required to have both—auto-enrollment at 3% or higher annually, and auto-increases at 1% or higher annually. The hope is that this will result in more American workers enrolling in their company plans and saving more for retirement.

Required Minimum Distributions

A mandatory provision effective January 1, 2023, for people age 72 or over

Impact to Individuals

Individuals will have more time before they are required to start taking distributions. They will no longer be required to take distributions from Roth accounts.

Secure 2.0 made two big changes regarding required distributions from retirement accounts that will give individuals more choice and control over their funds. The age at which participants must take required minimum distributions (RMDs) increased from 72 to 73 starting in 2023; it will increase further to age 75 in 2033. Additionally, starting in 2024, RMDs will no longer be required from Roth accounts in employer retirement plans.

Tax Credits for Start-Up Plans

An optional provision for small- to medium-sized businesses

Impact to Individuals

More employees working for small- and medium-sized businesses could benefit from employer retirement plans and matching contributions.

Impact to Employers

Small businesses now have additional incentives in the form of tax credits to offer retirement plans to their employees.

The goal of Secure 2.0 was to give more Americans access to retirement savings. To encourage businesses to offer retirement plans and retirement plan matching contributions, companies with fewer than 50 employees are now eligible to receive 100% of qualified start-up costs back as a tax credit, up to $5,000 annually over three years. Companies with 51-100 employees are eligible for a 50% tax credit of start-up costs, also capped at $5,000 annually over three years.

A Firsthand Perspective

Vail Rubber Works, Inc., a fifth-generation, family-owned and operated enterprise based out of St. Joseph, MI

RPS and Vail Rubber Works, Inc., are celebrating a decade of partnering to provide the best retirement planning services to Vail's employees. Here's what President Vail Harding and V.P. of Finance Brian Nimtz had to say about working with Retirement Planning Services.

Going above and beyond

"The level of service and the depth of information that we receive far exceeds our expectations on every call that we have with the RPS team. It's been noted several times at the board level and at the shareholder level that we're receiving superior service that a company our size otherwise just wouldn't have access to."

Putting Vail Rubber first

"RMB brings an independent advisory perspective, which is critical so that we as a company can do our fiduciary responsibility to our employees. RMB doesn't push any of their own funds; they help us monitor and advise on what funds make sense for our company. They're not trying to fit us in a pre-programmed group of funds; they're actually working with us and saying, 'OK, what's best for Vail Rubber?'"

A people-first focus

"The RPS team comes out and gets to know our people through group education and one-on-one meetings. That's big because a lot of our employees don't have a separate investment advisor, so they look to the RPS team for guidance. They fit culturally with Vail Rubber, and that's comforting to me."

We're Here for Your Company

Retirement Plan Solutions is a dedicated group of 401(k) specialists who help to make retirement plans easy and accessible for corporations and their employees. We can help companies lower overall costs, educate and engage employees, and develop a fiduciary governance process to reduce risk.

A Look into Inflation: What to Know About Recent Trends

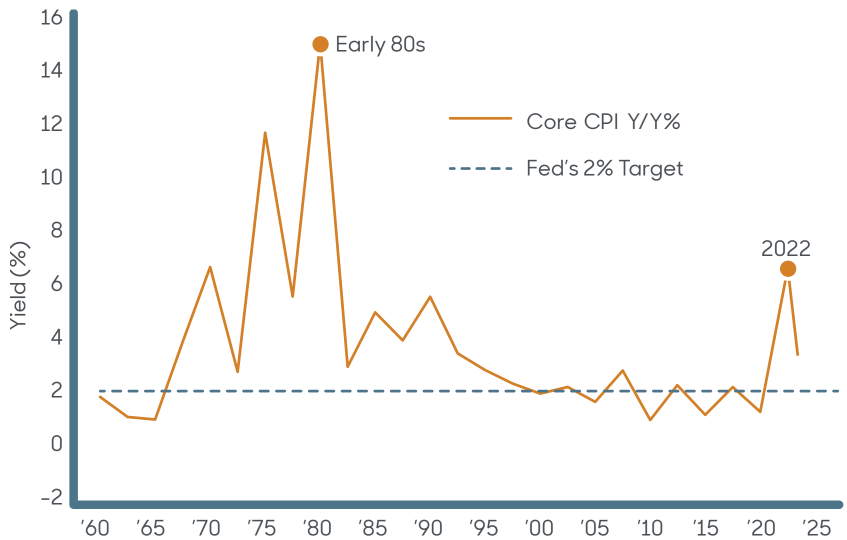
By **Ann Guntli , CFA®**
Partner, Portfolio Manager

Connor Fox
Investment Analyst

After decades of low and falling inflation, we saw a stark reversal as inflation rates started rising dramatically in 2021 and spiked further in 2022. The last two years have brought a dramatically different inflation environment than what the U.S. has experienced over the last 40 years. Though this can be unnerving for many investors and everyday consumers, understanding how the Fed is approaching fiscal policy in the U.S. can help contextualize what's happening today and where policy may go in the near future. As inflation continues to decline, the pace of the decline and where inflation stabilizes will be key to future Federal Reserve policy.

In 2021, inflation reached levels not seen since the 1980s.

Since the period of extremely high inflation in the 1970s and 1980s, the U.S. has enjoyed moderate inflation and low interest rates for much of the last three decades. For many Americans, including virtually anyone born after 1982, this is the first time they've experienced significant and sustained high inflation. Policymakers face the unfamiliar problem of dealing with inflation that hit a 40-year high last summer and remains stubbornly high.



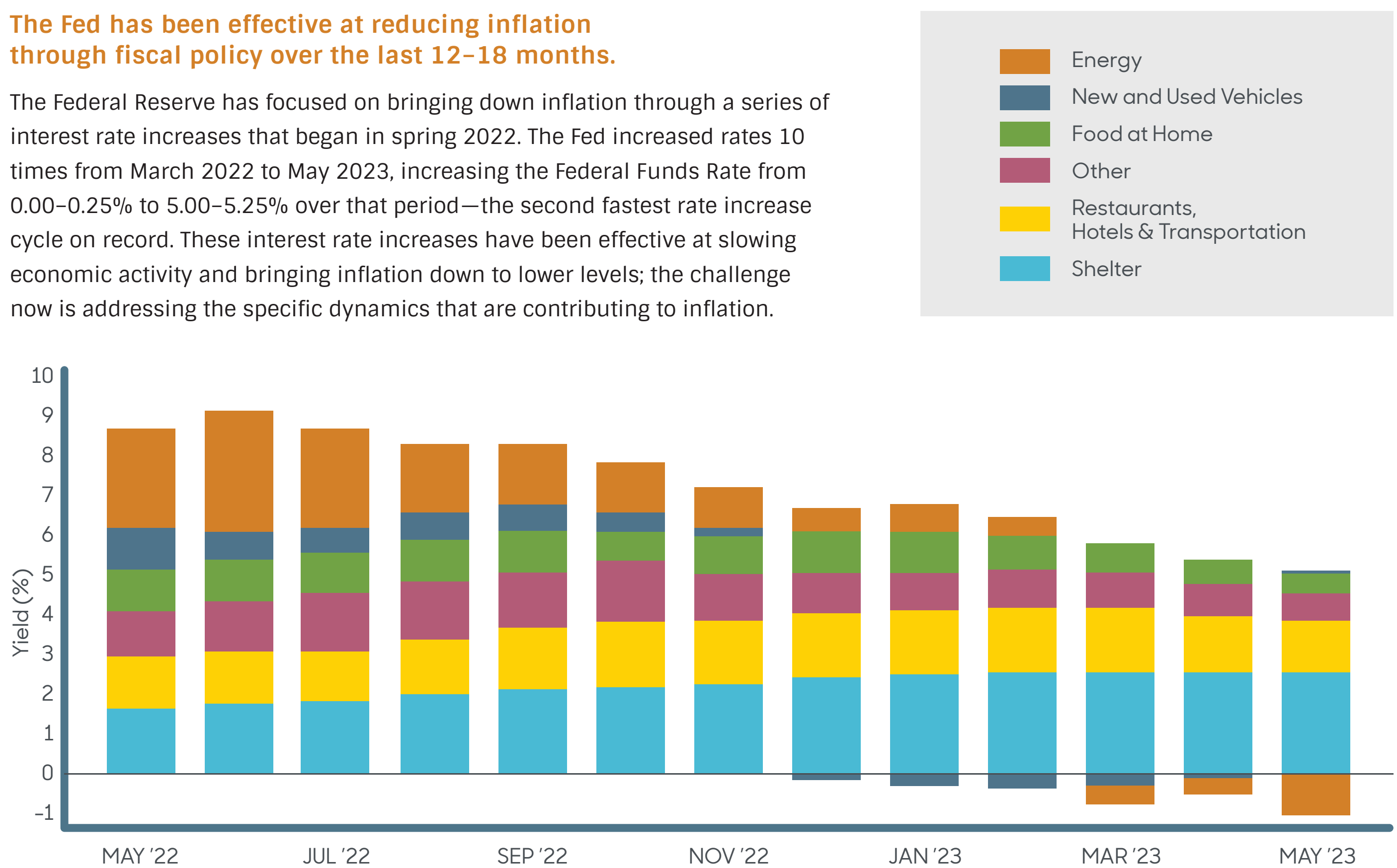
With inflation trending down, focus now shifts to the economic toll of the Federal Reserve's efforts to slow inflation and determine fiscal policy going forward.

We started to see a meaningful shift in the inflationary environment starting in the second quarter of 2021. Prior to that, the inflation rate had been around the Fed's target rate. But in the last two years, it has more than doubled, reaching a maximum of 9.1% in June 2022.

The rate of the increase was also alarming, following inflation rates under 2% over the preceding few years. Much of this inflation was the result of global events such as the COVID-19 pandemic and the war in Ukraine. The Federal Reserve has been fighting to bring inflation down through a series of interest rate increases. Estimates for inflation are being revised down, but Fed policy will be a major factor in the trend of inflation going forward.

The Fed has been effective at reducing inflation through fiscal policy over the last 12–18 months.

The Federal Reserve has focused on bringing down inflation through a series of interest rate increases that began in spring 2022. The Fed increased rates 10 times from March 2022 to May 2023, increasing the Federal Funds Rate from 0.00–0.25% to 5.00–5.25% over that period—the second fastest rate increase cycle on record. These interest rate increases have been effective at slowing economic activity and bringing inflation down to lower levels; the challenge now is addressing the specific dynamics that are contributing to inflation.



Understanding Fixed Income

By Jeffrey L. Bryden, CFA®

S.V.P., Portfolio Manager

Interest rates have covered an incredible amount of territory over the past 60 years. The yield of the 10-year U.S. Treasury Note has offered investors yields ranging from 15.32% to 0.68%.

As investors, we consider the income component to be an important part of a typical portfolio asset allocation. The certainty of the annual income and return of the invested funds provide a sense of safety and security. Investments in bonds also provide protection in contrast to more volatile investments like equities, which provide growth in assets, but with more uncertain returns.

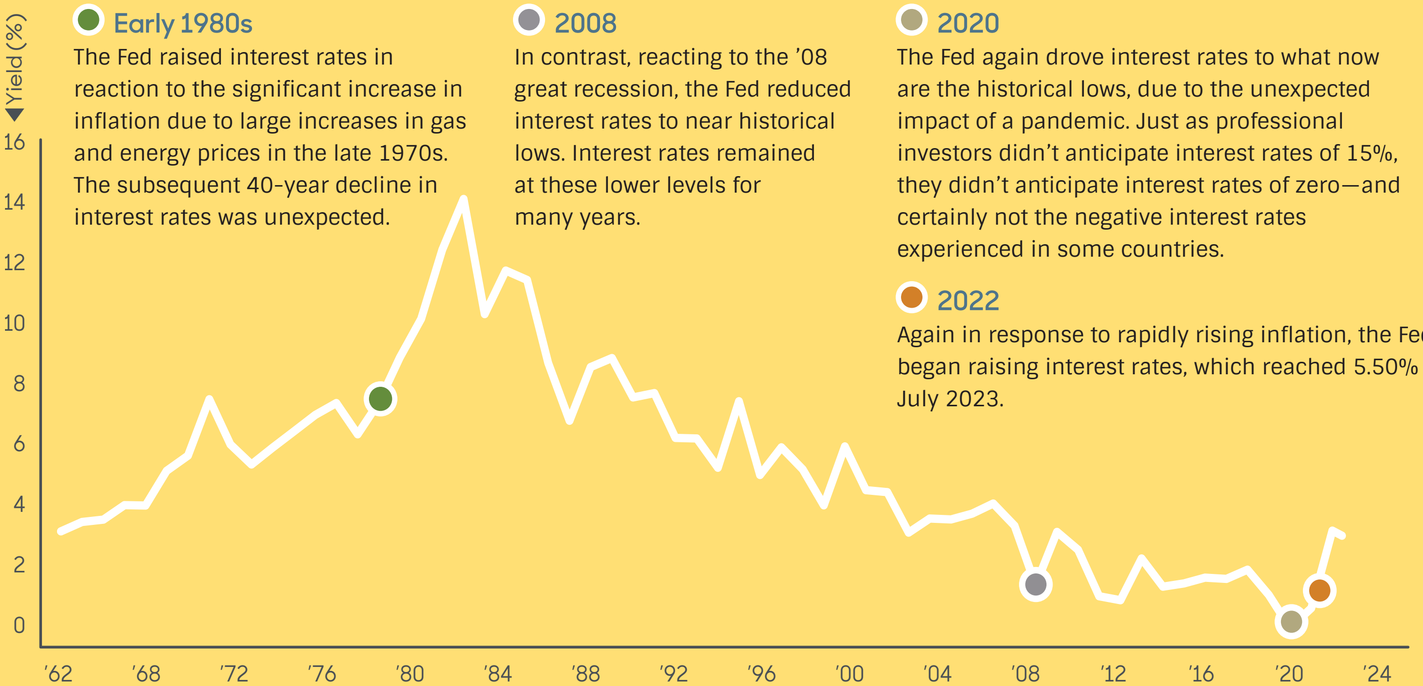
The chart below illustrates the significant range of annual income an investor could receive from investments in a 10-year U.S. Treasury Note.

Consider investing $100,000 at the yield rate of 3.72% in June 2023. This investment would provide $3,720 of income for 10 years, totaling $37,200, as well as the return your investment of $100,000. On the other hand, the same $100,000 investment invested at the mid-2020 lowpoint of 0.68% would provide just $680 of income for 10 years, totaling $6,800 and the return of your $100,000 investment. That's quite a difference in total income following just two years of rate increases.

What causes such extreme differences in interest rates? There are many economic and monetary factors that influence interest rates, but most powerful is the Federal Reserve Board (Fed). As the central banking authority of the U.S., the Fed controls the monetary system through a network of 12 Reserve Banks. The significant rise or fall in interest rates over the past 60 years was primarily driven by the Fed's actions in response to potential financial crises.

What is fixed income?

Fixed income refers to low-risk investments that offer a predetermined (or "fixed") return rate for a set period. For a 10-year Treasury Note, the investor would receive a set return amount each year for a 10-year span. In addition to this annual income, the investor receives their original investment at the end of the term.



Trends in Charitable Giving

By Meg Bunn, CFP®

V.P., Relationship Manager, Family Office Services

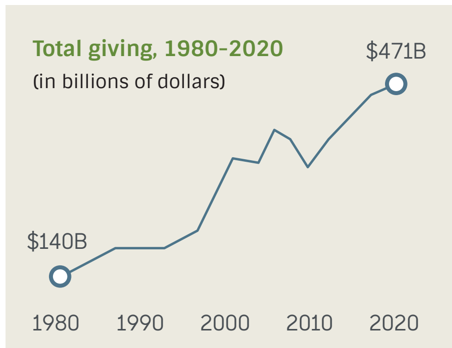
Whether you're giving to what you know or are inspired by current events to support a particular cause, your charitable dollars help shape the multi-billion-dollar philanthropy industry. Here are some of the recent trends shaping philanthropy and thoughts for donors considering a gift this year.

The State of Charitable Giving

As it did in so many other areas, 2022 brought major changes in philanthropy. Charitable giving dropped off significantly, with market performance, geopolitics, and inflation likely driving the decline. After two years of record highs, 2022 stands out as only the fourth decline in annual giving in 50 years.[1] Charitable giving tends to correlate with economic well-being. It's not surprising that gifts dropped significantly last year, when you look at how the stock market performed in 2022.

$499.3B	total charitable giving in 2022
-3.4%	year-over-year decline in charitable giving[1]
-10.5%	decline after adjusting for inflation[1]

However, giving patterns tend to rebound after periods of decline, which is exactly what we saw following the financial crisis of 2008 and other economic downturns.



Growing Sectors of Philanthropy

People continue to give to what they know, with religion, education, and human services remaining the top sectors for giving. However, donor funds are increasingly being directed to issues dominating news headlines:

- Humanitarian crises such as the war in Ukraine
- Climate change and sustainability efforts
- Ongoing social issues such as racial justice and LGBTQ rights

Donor-Advised Funds reached new records in 2021:

1.2M	DAF accounts opened in the U.S. (+27.6% YOY)
+$234B	Total charitable assets in DAFs (+39.5% YOY)
$45B	Grants out of DAFs to public charities (+28.2% YOY)

Going Beyond Cash Gifts

Savvy donors are employing strategic tactics with their giving by making non-cash contributions to charities.

- 57% of Fidelity Charitable's contributions in 2022 were in the form of non-cash donations.[3]
- Contributions of illiquid assets to Fidelity Charitable such as restricted stock, private equity, and limited partnership interests totaled over $1.4 billion in 2022.[3]
- Fidelity Charitable's cryptocurrency contributions exceed $500 million, $38 million of which was contributed in 2022.[3] Cryptocurrency donations currently total over $300 million annually and are only predicted to grow in coming years.[4]

Gifting highly appreciated securities can be a strategic way to eliminate capital gains taxes.

Is this the right time to explore the charitable or legacy gift you've been contemplating? Let RMB's team of experienced advisors help you consider the ways in which your giving can shape the world around you.

[1] https://philanthropy.iupui.edu/news-events/news-item/giving-usa:-total-u.s.-charitable-giving-declined-in-2022-to-$499.33-billion-following-two-years-of-record-generosity.html?id=422

[2] https://www.nytimes.com/2022/09/14/climate/patagonia-climate-philanthropy-chouinard.html

[3] 2023 Giving Report, https://www.fidelitycharitable.org/insights/2023-giving-report.html

[4] https://johnsoncenter.org/blog/11-trends-in-philanthropy-for-2022/

Investing in AI and Machine Learning Offers Compelling Opportunities, But Be Wary of Risks

By Tom Fanter
Partner, Director of Equities, Portfolio Manager

In recent months, markets have been buzzing about artificial intelligence and machine learning (AIML). Sparked by the November 2022 launch of ChatGPT, a generative AI transformer model designed to generate human-like text that amassed more than 100 million users in just two months, AIML technology has been at the forefront of financial media and investor attention since.

The excitement picked up steam this spring as U.S. equity sector funds that invest primarily in the tech sector saw inflows of $1.1 billion in the last week of May alone, according to Reuters. The fervor among investors over AI helped to drive a very uneven market rally in early summer, with more than 90% of the S&P rally driven by just a handful of tech stocks, including Nvidia, Apple, and Alphabet. According to a PwC report, it is estimated that AIML could contribute as much as $15 trillion to the global economy by 2030, signaling a potential longer-term impact for both investors and the economy.

AIML could contribute as much as $15 trillion to the global economy by 2030

The opportunities of AIML are real and attractive. There is potential for significant financial gain as AIML adoption expands across the economy, leading to improved efficiency, automation, and transformative solutions, along with its broad range of uses and potential boost to worker productivity in certain sectors.

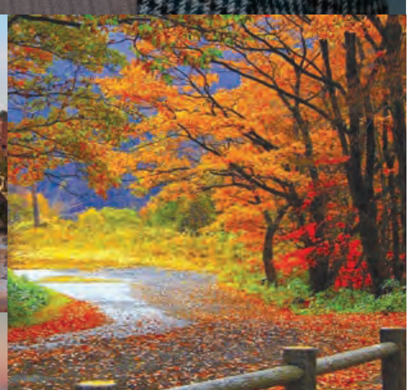
That said, the risks are numerous as well: ethical concerns, regulatory landscape changes and debates, and the highly competitive nature of the AIML market and the tech sector in general. In addition, AIML's potentially disruptive impact on the labor market could lead to structural changes in the distribution of jobs and skills, which could exacerbate income inequality and unemployment, particularly in developing economies.

Adding even more complexity is that AIML exposure comes in many different flavors beyond core foundational AIML enablers. These include "pick and shovel" tech providers that run data centers enabling AIML workloads, data infrastructure tech firms, cybersecurity companies, application software firms, and companies with indirect AIML exposure in industries as diverse as the financial and travel sectors. All these areas have varying degrees of potential opportunity and downside risk from widespread adoption of AIML.

Individual companies' strategies and capabilities will play an outsized role in this emerging landscape, necessitating thorough analysis before investing in any company in this space. As always, talk to your RMB advisor about your financial goals and level of risk tolerance before making any investment decisions.

Employee Profile

Barbara Black, CFP®



Our team is at the heart of everything we do at RMB. We believe in a people-first culture where our teams put our values at the forefront of our work. Barb Black, S.V.P. and senior wealth manager, is no exception. Our employee profile series continues as Barb shares her experience at RMB, her role leading our D.C. office, and some thoughts for investors.

INVESTED: Can you tell us a bit about your role at RMB and leading the Washington, D.C. office?

Barb: My time is split between working with clients and managing and growing the RMB D.C. team and client base. It's a wonderful combination of everything I am passionate about—helping clients achieve their most cherished financial goals and leading and mentoring my colleagues.

INVESTED: What do you think differentiates the D.C. team from other RMB teams?

Barb: Each RMB team is unique in its own way. What makes the D.C. team different from other RMB offices is that we are small but mighty, and there is no lack of drive on our team. Our team is made up of two retired college athletes, a former Marine, and an ultramarathoner—so we all come from competitive backgrounds, which is highlighted in the work we do. We are all passionate about what we are working for, which is to see RMB and our clients succeed.

INVESTED: What was your background before coming to RMB and what led you here?

Barb: I grew up outside of Baltimore, Maryland, and attended Georgetown University, where I played Division I lacrosse and earned a Bachelor of Arts degree in English. Out of college, I worked briefly in marketing and public relations before working for a wealth management firm as a client service representative. One night I was at an event in Maryland with my colleagues, when my family friend introduced me to RMB co-founder and President Fred Paulman, who gave me his business card. I enjoyed my old firm and was fortunate to have had great mentors, but I was ready to start managing my own relationships and join a firm with a more comprehensive approach to working with clients.

I was drawn to RMB because of the firm's team service model and goals-based approach to planning for clients, so I accepted a job as a wealth management associate, moved to Washington D.C., and the rest is history!

INVESTED: What keeps you busy when you're not in the office or focused on clients?

Barb: Travel! A lot of my close friends have recently tied the knot and so I've been to Tulum, England, Jackson Hole, and Lake Tahoe for weddings. Last October, I married my husband, Wyatt, and we plan on traveling around Italy this fall for our honeymoon! Back in D.C., I enjoy exploring downtown to find new bars and restaurants to try and I live a very active lifestyle. Maybe it's the D1 athlete in myself, but I play tennis, golf, pickleball—anything to get my competitive juices flowing. Right now, I'm reading *Killers of the Flower Moon* by David Grann and look forward to seeing the movie with my mom later this year.

INVESTED: What excites you most about working with clients and helping them plan for their future?

Barb: The work we do for clients, in my opinion at least, is one of the most impactful professions out there. Giving people financial freedom is an incredible thing and is something every person wants and needs. Our best work can be done only by getting to know our clients on a personal level and building a mutual connection with full transparency and trust between one another.

> *The work we do for clients is one of the most impactful professions out there. Giving people financial freedom is an incredible thing.*

INVESTED: How has your time at RMB shifted your perspective on a career in the financial industry? If you were to look back 10 years, what advice would you give your younger self?

Barb: Prior to RMB, when I was just starting my career, I was so focused on showing others what I know about wealth management and proving to them that I deserve to have a seat at the table. When I began at RMB, I started on this path of realizing what we can and can't control in the market and in our clients' lives. I began prioritizing helping clients do what they can to set themselves up for success, and I've enjoyed coaching clients through times of uncertainty.

Looking back 10 years, I would've told myself to slow down, listen more, and trust the process! Everyone's path is different, and you'll end up exactly where you need to be with open ears.

INVESTED: Are there any topics that you think often get overlooked by clients when thinking about their financial future?

Barb: I think the biggest risk that any investor faces is outliving your money. You're going to outlive your money if you haven't saved enough to fund your goals or if you aren't making sure that your savings will keep up with the rising costs of those goals over time. A dollar today isn't the same as a dollar tomorrow, so it's important to know what sum is needed to meet your future goals—and that's where your RMB advisor comes in.

INVESTED: Sandwiched between market optimism and the ongoing threat of recession, do you have any words of wisdom for investors as we enter 2024?

Barb: There are three ways that the market can go: it can go up, it can go down, or it can stay the same. We cannot predict where the market will go—particularly because many times in the past, what causes the market to drop is something we had not yet even considered. My words of wisdom for investors are to stay the course and remember that your investments are based on your goals. These investments shouldn't change unless your goals do! If you have any concerns or hesitations about the market, then call your RMB advisor and we'll navigate these fears together.

Employee News

Owen Duncan *(V.P., Relationship Manager, Milwaukee)* and wife Kathryn got married in Sonoma, California, in June.

Jake Eischens *(Wealth Advisor, Minneapolis)* proposed to his girlfriend, Eleanor, while traveling through Italy and Spain this spring.

Alex Christiansen *(Family Office Services Associate, Milwaukee)* and **Jameson Coslow** *(Senior Client Service Administrator, Chicago)* passed the Series 65 exam.

Connor Fox *(Investment Analyst, Chicago)* popped the question to his now fiancée, Mackensie, in May.

Margo Sweeney *(Partner, Senior Wealth Advisor, Denver)* welcomed her daughter Bonnie on March 13.

Patrick Stimson *(Wealth Advisor, Denver)* welcomed his son Bowen on July 5.

Matthew Cabel *(V.P., Senior Accountant, Denver)* ran the Chicago Half Marathon on June 4 in 1 hour and 17 minutes.

Liz Draper *(Digital Marketing Associate, Denver)* welcomed her son Theodore on June 8.

Ian Doll *(V.P., Wealth Advisor, Chicago and St. Joseph)* welcomed his son Rory on February 2.

Zachary Patzik *(Wealth Advisor, Chicago)* welcomed his son Bruce Solomon on July 21. Zach also passed the Certified Financial Planner® certification in July.

Matt Latarewicz *(Equity Analyst, Chicago)* graduated with an MBA from the Kellogg School of Management at Northwestern University.

Jessica Hunter *(V.P., Client Service Manager, Chicago)* welcomed her daughter Mia on July 8.

Lindsay LeValley *(Client Service Manager, St. Joseph)* welcomed her daughter Tillie on April 1. Lindsay was also named to the 2023 Class of the Moody on the Market 40 Under 40 young professionals from across Southwest Michigan.

Josh Rauterkus *(Wealth Management Associate, Denver)*, married Jamie Brew on September 3 in Colorado. Josh also passed the CPWA® in August.

Brian Klein *(Wealth Advisor, Milwaukee)* married his wife, Ali, in Milwaukee in May. The couple traveled to Italy for their honeymoon.

New Employees

Wendy Liang
Client Service Administer

Washington, D.C.

Casey Darmody
Communications and Content Associate

Denver

Jeanine Meola
Administrative Assistant

St. Joseph

Reece Piotter
Wealth Management Associate

Milwaukee

Ryan Emerson
Director of Wealth Builder

Denver

Lauren Saunders
Client Service Administer

Chicago

Cole Swearingen
Wealth Management Associate

Oak Brook Terrace

Shelly Carter
Client Service Administer

St. Joseph

Lori Godding
Client Service Administer

Minneapolis

Jason Largey
Wealth Strategist

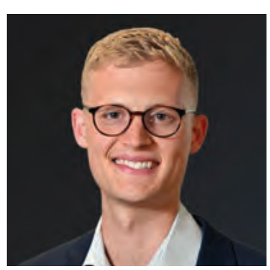
Denver

Jake Orsborn
Wealth Management Associate

Denver

Alexandra Joas
Family Office Services Associate

Minneapolis



John Weber IV
Wealth Management Associate

Washington, D.C.

Lauren West
Senior Accountant, Family Office Services

Milwaukee

Business Update

As a fiduciary, RMB periodically reviews agreements with our primary custodians, including Fidelity, Schwab, Pershing, and TD Ameritrade. We review the services provided by the custodian, as well as their corresponding fees. In May 2023, we re-negotiated the Fidelity custodian asset-based pricing/fees (ABP) and agreed to a more simplified structure that better aligns with industry changes and generally reduces the fees for RMB clients.

The new agreement allows RMB clients to use either transaction-based pricing (TBP) on accounts that hold positions that incur zero commissions for trading (like common stocks) or to use asset-based pricing (ABP) at a flat rate of 8 basis points on accounts that hold positions that do incur trading commissions (like mutual funds).

Our previous ABP agreement with Fidelity (shown right) was a tiered structure at the client household level, which became less economical as custodians adapted to a zero-commission environment. We are excited to have been able to negotiate this new pricing agreement on our clients' behalf.

Custodian fees can change from time to time, so if you have any questions, your advisor team is here to help.

Previous ABP Pricing Agreement

HOUSEHOLD SIZE	ANNUAL BASIS POINTS (BPs)
Up to $500,000	13
>$500,000–$1,000,000	11
>$1,000,000–$10,000,000	8
>$10,000,000	5

RMB

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Building Relationships. Making a Difference.

We are a majority employee-owned investment advisory firm whose top priority is keeping our clients at the center of what we do. With our research-backed, proprietary investment philosophy and approach, we offer holistic, sophisticated investment services to individuals, institutions, families, and employers.