

# RMB Mendon Financial Services Fund

## Portfolio Update: Third Quarter 2021

For the three months ended September 30, 2021, the RMB Mendon Financial Services Fund (the "Fund") returned +6.73% net of fees, while its benchmark, the Nasdaq Bank Index, returned +5.29%.

	Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception (6/7/1999)
RMBKX	+6.73%	+42.36%	+105.21%	+9.80%	+13.68%	+17.13%	+12.93%
NASDAQ Bank Index	+5.29%	+35.31%	+93.12%	+8.25%	+12.17%	+15.64%	+6.79%
RMBKX (Load Adjusted)	+1.40%	+35.23%	+94.91%	+7.94%	+12.52%	+16.53%	+12.67%

**Inception date: 6/7/1999. The performance data quoted represents past performance and is not a guarantee of future results. The investment return and principal value of an investment will fluctuate, so that those shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the data quoted. To obtain performance as of the most recent month end, please call 855-280-6423. The Fund's expense ratio is 1.42%. The Fund's investment advisor, RMB Capital Management, LLC, has adapted a contractual expense limitation agreement for each fund through April 30, 2022, reducing the applicable Fund's operating expenses. This may be continued from year to year thereafter if agreed upon by all parties. In the absence of such waivers and/or reimbursements, the applicable Fund's total return and yield would be lower. The Funds have a maximum front-end sales charge of 5.00%. Sales charges are waived for clients of investment intermediaries, or for those who purchase shares via no-transaction-fee platforms.**

### RMB Mendon Financial Services Fund THIRD QUARTER 2021 CONTRIBUTION REPORT *Ranked by Basis Point Contribution*

	Basis Point Contribution	Total Return
<b>Top Contributors</b>		
Triumph Bancorp Inc.	+76	+36.17%
Howard Bancorp Inc.	+75	+25.52%
Live Oak Bancshares Inc.	+64	+8.01%
Equity Bancshares Inc.	+55	+9.73%
Veritex Holdings Inc.	+52	+10.37%
<b>Bottom Detractors</b>		
Cowen Inc.	-46	-14.74%
First Horizon Corp.	-15	-2.68%
NCR Corp.	-14	-15.02%
WesBanco, Inc.	-14	-8.65%
Primis Financial Corp.	-8	-4.65%

The performance presented above is sourced through Factset Research Systems Inc. Past performance is not indicative of future results, and there is a risk of loss of all or part of your investment. The above does not represent all holdings in the Fund. Holdings listed might not have been held for the full period. To obtain a copy RMB's calculation methodology and a list of all holdings with contribution analysis, please contact your client service team.

Examining the top contributors and detractors, to the Fund's quarterly returns, there are several familiar names that we have devoted a significant amount of commentary in historical letters, but our second largest contributor, Howard Bancorp Inc. (HBMD +25.52%), may not be as familiar to some. Howard was one of the last community banks in the Baltimore, MD area and, like Select Bancorp Inc. (SLCT) in the second quarter, the bank sold for a large (41%) premium to a competitor wanting to gain greater scale in their markets, proving that scarcity value is alive and well. Several top contributors and detractors switched roles from the second quarter, showing that despite the overall positive direction of the group, there is still volatility that we are willing to accept due to our longer-term theses. Lastly, in the trivia category, Veritex Holdings Inc. (VBTX +10.37%) describes itself as "The Golf Bank of Texas" and proved that it knows how to back winners, as two of their Golf Ambassadors, Bryson DeChambeau and Scottie Sheffler, were among the 12 golfers comprising the U.S. Team in the Ryder Cup, winning five of the team's nineteen points.

Returning to the quarter, banks outpaced the S&P 500 Index, returning +5.29%, as noted above,

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versus +0.58% for the S&P 500. YTD as of the third quarter, the Nasdaq Bank Index returned +35.31% versus the S&P return of +15.92%. We are pleased that during the same period, the Fund returned +42.36%. Returns were influenced by the higher rates toward the end of the quarter. We still see the back and forth between different market aspects, i.e., growth vs. value, defensives vs. cyclicals, etc., but believe that financials may very well escape many of these macro factors to be valued on an idiosyncratic basis, because of the positive industry fundamentals present in the group. Wells Fargo analyst, Mike Mayo, recently stated in a CNBC interview, "Banks during the pandemic played very good defense. Now, banks are ready to play offense."

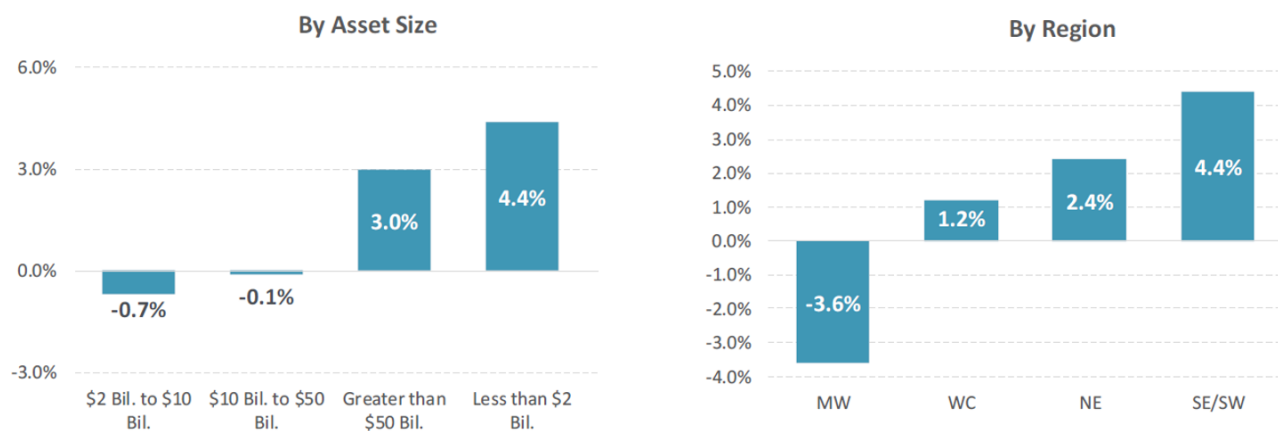
Comparing third quarter to second quarter and the whole of 2021, there is not a lot different, which is typically a good thing in banking. Credit remains pristine, balance sheet liquidity is high, expenses are manageable, and mergers and acquisitions continue at a very healthy clip. Capital levels remain robust, to say the least, which provides the raw material to generate future earnings through loan growth and share buybacks. Dividends are another use of capital that we believe will continue to grow. The challenges to the industry remain low spreads/margins and anemic loan growth. As banking is a rate/volume exercise (provided one gets credit right), if one or both of these aspects were to turn positive, we would expect significant upside to estimates and accompanying multiple expansion, leading the group to hopefully trade closer to historical bank multiples.

So, one may ask, how is the Fund positioned for this potential outcome while also guarding against a possible lower for longer interest rate environment? The answer is that we are in position by:

- 1.) Owning asset-sensitive banks that are not solely reliant on spread revenues;
- 2.) Owning banks in the strongest parts of the country, which we have detailed in great length in previous letters; and,
- 3.) Owning banks of a size and business focus where it is easier to "move the needle."

Piper Sandler recently published an outlook note that included this chart on 3Q expected loan growth by region and size:

**Exhibit 1. 3Q21 Loan Growth Expectation, Linked -Quarter Annualized (%)**



Source: Piper Sandler Estimates, Piper Sandler & Co. (PSC)

In conclusion, we wrote last quarter and still believe that the long-term drivers of performance remain in place with favorable economic tailwinds, the prospect for higher rates and continued consolidation, keeping us bullish on our ability to create value.

# RMB Mendon Financial Services Fund

As always, we welcome your feedback, comments, and questions.

Sincerely,



Anton Schutz  
Senior Portfolio Manager

## TOP 10 HOLDINGS AS OF 9/30/21

Company	% of Assets
Live Oak Bancshares Inc.	7.94%
Veritex Holdings Inc.	5.61%
Equity Bancshares Inc.	5.35%
The First Bancshares Inc.	4.49%
Spirit of Texas Bancshares Inc.	4.10%
Byline Bancorp Inc.	3.94%
First BanCorp/Puerto Rico	3.52%
Origin Bancorp Inc.	3.40%
FB Financial Corp.	3.03%
PacWest Bancorp	2.83%

*Holdings are subject to change. The above is a list of all securities that composed 44.20% of holdings managed as of 9/30/2021 under the RMB Mendon Financial Services Fund ("Fund") of RMB Capital Management, LLC ("RMB Capital") based on the aggregate dollar value. This list is provided for informational purposes only and may or may not represent the current securities managed. It does not represent all of the securities purchased, sold, or recommended for advisory clients (under the Fund or otherwise) during the calendar quarter ending 9/30/2021. The reader should not assume that investments in the securities identified and discussed were or will be profitable. For a complete list of historical recommendation for the Fund, please contact RMB Investors Trust at 855-280-6423.*

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*The opinions and analyses expressed in this letter are based on RMB Capital Management, LLC's ("RMB Capital") research and professional experience, and are expressed as of the date of our mailing of this letter. Certain information expressed represents an assessment at a specific point in time and is not intended to be a forecast or guarantee of future performance, nor is it intended to speak to any future time periods. RMB Capital makes no warranty or representation, express or implied, nor does RMB Capital accept any liability, with respect to the information and data set forth herein, and RMB Capital specifically disclaims any duty to update any of the information and data contained in this letter. The information and data in this newsletter does not constitute legal, tax, accounting, investment or other professional advice. Past performance is not indicative of future results, and there is a risk of loss of all or part of your investment. This information is confidential and may not be reproduced or redistributed to any other part without the permission of RMB Capital.*

***Investors should consider the investment objectives, risks, charges, and expenses carefully before investing. For complete information about the Fund, including a free prospectus, please contact RMB Investors Trust at 855-280-6423, or visit the website at [www.rmbfunds.com](http://www.rmbfunds.com). The prospectus contains important information about the funds, including investment objectives, risks, management fees, sales charges, and other expenses, which you should consider carefully before you invest or send money.***

*All investing involves risk including the possible loss of principal. The RMB Mendon Financial Services Fund is a sector fund. These types of funds may be susceptible to factors affecting their industries, and the funds' net asset values may fluctuate more than a fund that invests in a wider range of industries. Because this fund concentrates investments in one sector of the economy (financial services), investors should consider the risk that the funds may experience greater volatility than funds that invest across several sectors.*

*An investment cannot be made directly in an index. The index data assumes reinvestment of all income and does not bear fees, taxes or transaction costs. The investment strategy and types of securities held by the comparison index may be substantially different from the investment strategy and types of securities held by your account. The NASDAQ Bank Index includes securities of NASDAQ-listed companies classified according to the Industry Classification Benchmark (ICB) Banks. The NASDAQ Bank Index performance data quoted above are total return numbers. The S&P 500® is widely regarded as the best single gauge of large-cap U.S. equities. There is over USD 7.8 trillion benchmarked to the index, with index assets comprising approximately USD 2.2 trillion of this total. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization.*

*Foreside Fund Services, LLC, Distributor*