RMB Mendon Financial Services Fund

Portfolio Update: Fourth Quarter 2024

During the fourth quarter ending December 31, 2024, the RMB Mendon Financial Services Fund Class I shares (the "Fund") returned +5.53% net of fees, while its benchmark, the Nasdaq Bank Index, returned +6.15%. For the year ended December 31, 2024, the Fund returned +17.53% net of fees, while its benchmark, the Nasdaq Bank Index, returned +20.57%.

	Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception Class I (2/1/2017)	Since Inception Class A (6/7/1999)
RMBLX (Class I)	+5.53%	+17.53%	+17.53%	-0.06%	+8.15%	--	+7.03%	--
RMBKX (Class A)	+5.47%	+17.06%	+17.06%	-0.30%	+7.88%	+10.05%	--	+11.57%
NASDAQ Bank Index	+6.15%	+20.57%	+20.57%	-0.85%	+5.20%	+7.84%	+4.75%	+6.02%
Russell 3000® Index	+2.63%	+23.81%	+23.81%	+8.01%	+13.86%	+12.55%	+14.02%	+8.12%
RMBKX (Class A) (Load Adjusted)	+0.19%	+11.20%	+11.20%	-1.99%	+6.79%	+9.49%	--	+11.35%

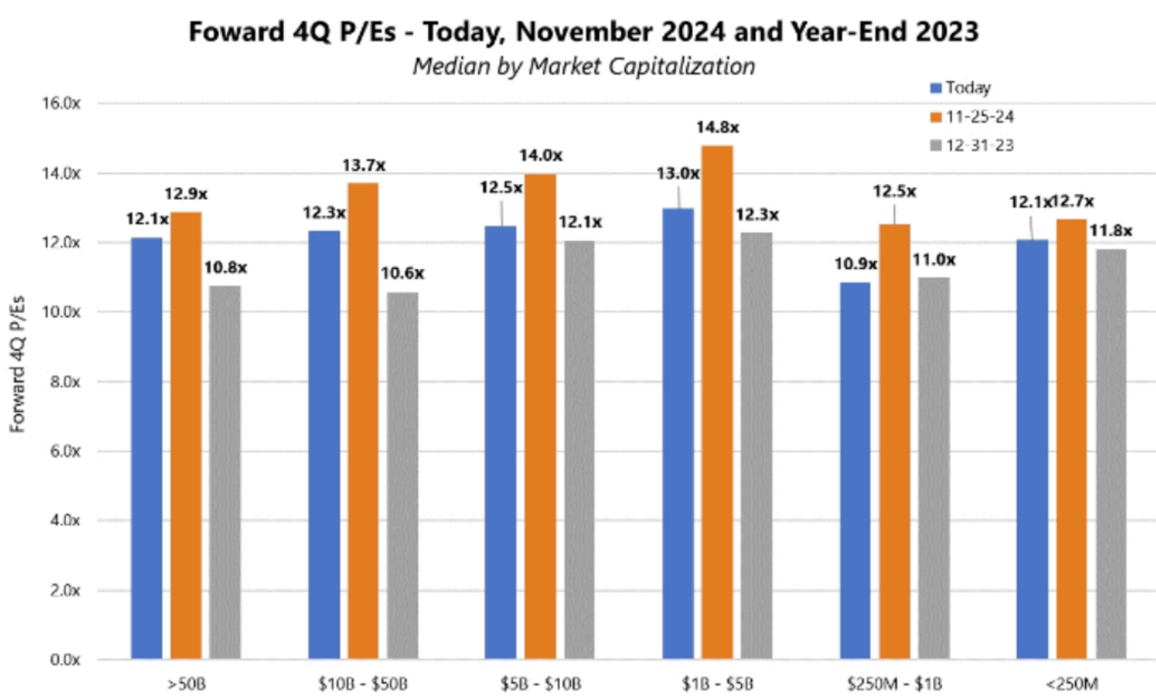
Performance listed is as of December 31, 2024. Performance over one year is annualized. The performance data quoted represents past performance and is not a guarantee of future results. The investment return and principal value of an investment will fluctuate, so that those shares, when redeemed, may 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 1.13% for RMBLX and 1.38% for RMBKX.
The Fund's investment advisor, RMB Capital Management, LLC, has adapted a contractual expense limitation agreement for each fund through April 30, 2025, 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.

Two of the top contributors to the Fund's quarterly returns were First Horizon Corp. (FHN), and USCB Financial Holdings Inc. (USCB). The Fund's top detractors were Homestreet Inc. (HMST) and Abacus Life Inc. (ABL) Two of the top contributors to the Fund's annual returns were USCB Financial Holdings Inc, and Equity Bancshares Inc. (EQBK). The Fund's top detractors for 2024 were Primis Financial Corp. (FRST) and Flagstar Financial Inc. (FLG).

The fourth quarter of 2024 capped off another turbulent year for bank stocks. Following a noisy 2023 that saw several bank failures and a liquidity crisis, 2024 started the year with fears around commercial real estate, ignited by Flagstar Bancorp (formerly New York Community Bancorp). At the beginning of the year, and especially following the headlines created by Flagstar, we felt valuations were at a bottom. Similarly to 2023, we saw the challenges of a few or even a single bank spread through the entire industry. Though only a few banks faced a legitimate liquidity crisis in 2023, it was assumed all banks faced liquidity crises. After the commercial real estate concerns at Flagstar, it was assumed anyone with CRE (commercial real estate) exposure was surely going to experience significant credit deterioration. Just as in 2023, the industry fears blew over and the world realized the idiosyncrasy of those events. Following a sell-off at the beginning of the year, bank stocks rallied, seemingly because they were too cheap to ignore. Several tailwinds throughout the year led to improved stock prices. With a few rates cuts during the year, banks faced an environment with a more favorable yield curve, which would lead the industry to generally better net interest margins, possibly more loan growth, and a better environment for credit. Credit fears waned during the year, as none of the concerns from Flagstar appeared systematic. The largest driver of rallies during the year was results from the presidential election, with a bump in financials stock prices occurring during a strong republican debate with President Biden and another following the results of the election. The prospect of a potentially better macroeconomic, regulatory, and M&A (mergers and acquisitions) environment under the new administration lifted bank stocks higher.

A notable theme in the fourth quarter and for the entire year has been the outperformance of large and mid-cap banks relative to small and micro-cap banks. Since 2023, the presence of institutional generalist investors in the space has been sparse. In the periods where valuations become too cheap to ignore or the underperformance of financials relative to the market leaves generalists in a position to re-weight into financials, we have seen perceived safety in scale. With better trading liquidity profiles and much larger balance sheets, we believe generalists move into mid and large cap financials, but tend to ignore the small caps. Given that much of our portfolio qualifies as small and micro-cap, we don't see the same movements in our stocks during the rallies. For the constituents of the NASDAQ bank index, the benchmark total return for mid-cap ($5bn-$50bn market cap) was 25.61% for 2024 versus small-cap ($1bn-$5bn market cap) of 17.24% and micro-cap ($0-$1bn market cap) of 16.41%. This means mid cap banks outperformed micro-cap banks by just over 9% for the year. The case in the fourth quarter was similar, with mid caps outperforming small caps by 2.5% and micro caps by 0.64%. Almost half of the NASDAQ bank index weighting is in mid-caps, whereas our fund is usually around 5-10% mid and large cap.

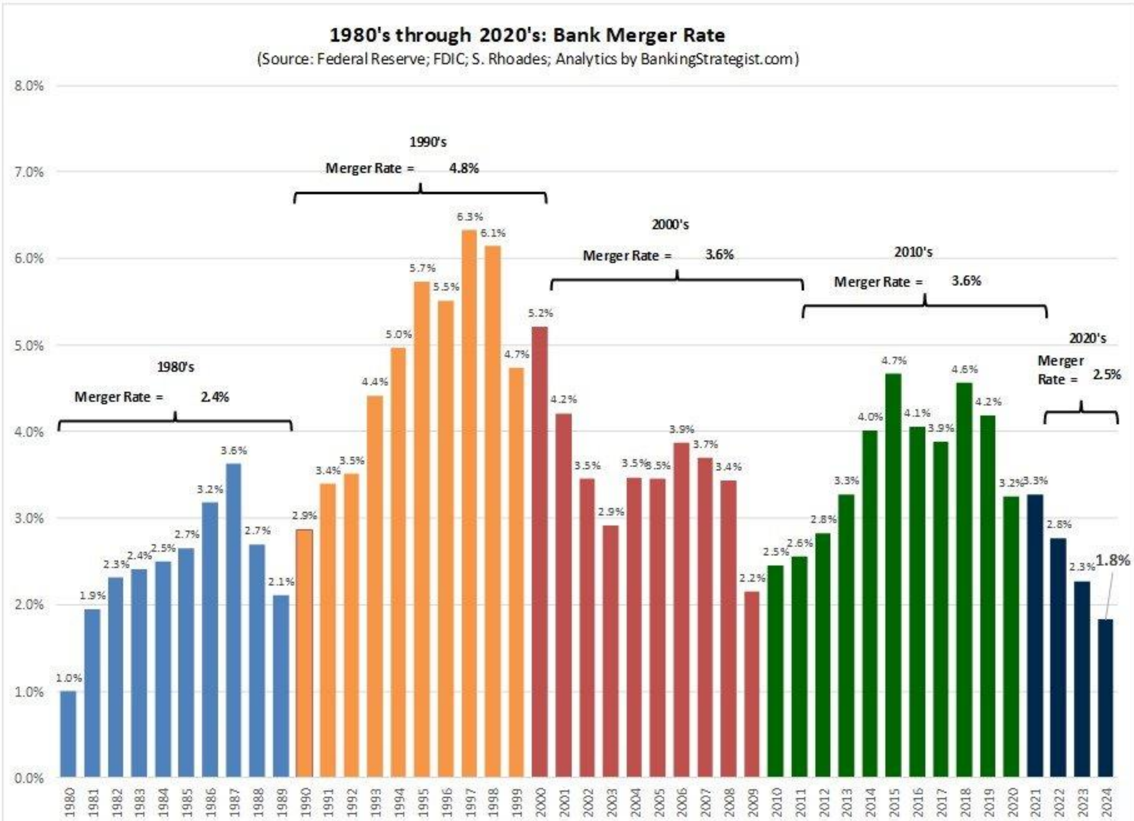
We continue to believe there is more ability to create value in the small and micro cap bank stocks for a few reasons. First, they are more likely to engage in M&A as a buyer or a seller. At a certain scale, the addressable market for M&A gets smaller the larger you get (not as impactful, fewer deals make sense, smaller universe of buyers and sellers). For smaller banks, there is a large universe of potential buyers and even smaller, non-public banks that can prove valuable in an M&A transaction. We see more upside from M&A in the small and micro cap bank space. Second, the banks are less susceptible to national trends. As we have noted in previous letters, it is difficult to be a regional bank in entirely good markets. For small banks, it is easier to exist in and target strong markets. As for fears about safety and solvency, we would note that the public mid and large cap bank failures of recent (SBNY, SIVB, FRC) outnumber the smaller cap names (FRBK, a bank that had been troubled for many years). Safety in scale may hold water theoretically, but the bank failures since 2023 have not demonstrated that. Third, there continues to be a valuation gap between small and micro cap bank stocks and mid/large cap bank stocks as demonstrated in the chart below. There has been forward P/E expansion from 12/31/23 to early January for all categories except $250M-$1bn market cap bank stocks.



Source: Janney Research (FIG Group), S&P Cap IQ, Bloomberg LP. Data as of January 8, 2025.

The most notable event of the year for bank stocks was the much-anticipated presidential election. The outcome was the most favorable result for bank stock, with an improved outlook on the macro, regulatory, and M&A environment. The stock price reaction in the 2016 election was a sharp and sustained move, likely due to the tax cuts. This election, there was a sharp temporary move, possibly from knee jerk reactions and short covering. Currently, many bank stocks are trading below their election day price, giving up all the gains from that day. Under a republican administration, we view the operating environment as favorable, but interest rates and the yield curve have been steering the ship.

Bank stocks seem almost tethered to the 10-year treasury, with the index and 10 year yields trading in a correlated fashion. While these moves have an impact on the shape of the curve, balance sheet growth, margin, AOCI (Accumulated Other Comprehensive Income), and general macroeconomic conditions, we see opportunities for these stocks outside of the 10 year moves. There is not much the administration can do with regards to interest rates (maybe indirectly in the long-term), but there are still ways for banks to create value and increase earnings. M&A has continued to be incredibly slow, but consensus in the industry is that trend is about to reverse. As demonstrated in the chart below, bank consolidation has been slowing down on a relative basis to an almost 40 year low. There are several reasons for that. First, the purchase accounting has been challenging. If interest rates continue to move lower, that should be beneficial to purchase accounting impacts on pro forma tangible book value and capital. Second, credit uncertainty made buyers more hesitant to buy another balance sheet. Given credit costs have remained benign for the industry and rates have come down, those fears have faded slightly. Third, the regulatory approval process was more arduous and less likely to close in the Biden administration. Though it wasn’t drastic, the time to get a deal done was higher and the likeliness of approval was lower. While these regulators aren’t disappearing, we expect them to return to the standards held in the first Trump administration, which saw a large relative amount of bank consolidation.



Another factor that may be beneficial to the M&A environment is the openness of the capital markets. We saw the capital markets for bank stocks come back to life in the fourth quarter, with one of the busiest weeks we have ever seen. We also saw capital raised for different reasons, all with strong demand (growth, M&A, balance sheet restructuring). Being able to access the capital markets makes it easier to get an M&A deal done with less tangible book value (TBV) dilution and impact to capital. It also provides and attractive entry point into some of these bank stocks that raise capital as the deals come at a discount to the market price. Access to the capital markets gives banks much needed dry powder to create value for shareholders.

We don't expect any fireworks during the fourth quarter earnings season. Any consistent themes that are dramatically positive or negative would surprise us. Generally, we think expectations laid out in the fourth quarter at the Goldman Sachs conference by the larger banks will be consistent. We expect modest asset and earnings growth, slight improvements in net interest margins, and no significant credit noise. AOCI will continue to be a variable that drags tangible book values around, blurring any positive impacts from retained earnings. We believe M&A may begin to pick up either during or right after earnings season.

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

Sincerely,

Anton Schutz
Senior Portfolio Manager

RMB Mendon Financial Services Fund
FOURTH QUARTER 2024 CONTRIBUTION REPORT
Ranked by Basis Point Contribution

	Basis Point Contribution	Return
Top Contributors		
First Horizon Corp.	+111	+30.09%
USBC Financial Holdings Inc.	+85	+16.69%
VersaBank	+81	+5.42%
Coastal Financial Corp.	+57	+62.43%
First Bancshares Inc.	+51	+9.58%
Bottom Detractors		
Homestreet Inc.	-84	-27.54%
Abacus Life Inc.	-76	-27.02%
Primis Financial Corp.	-27	-3.47%
Live Oak Bancshares	-22	-16.46%
Flagstar Financial Inc.	-20	-16.85%

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 of RMB Asset Management's calculation methodology and a list of all holdings with contribution analysis, please contact your service team. The data provided is supplemental. Please see important disclosures at the end of this document.

TOP 10 HOLDINGS AS OF 12/31/24

Company	% of Assets
Equity Bancshares Inc.	8.48%
USCB Financial Holdings Inc.	5.74%
Primis Financial Corp.	5.73%
Abacus Life Inc.	5.14%
VersaBank	4.99%
The First Bancshares Inc.	4.95%
Amerant Bancorp Inc.	4.62%
First Horizon Corp.	4.45%
Veritex Holdings Inc.	4.06%
California BanCorp.	3.84%

Holdings are subject to change. The above is a list of all securities that composed 52.01% of holdings managed as of 12/31/2024 under the RMB Mendon Financial Services Fund ("Fund") of Curi RMB Capital, LLC ("Curi 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 12/31/2024. 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.

The opinions and analyses expressed in this newsletter are based on Curi RMB Capital, LLC's ("Curi RMB Capital") research and professional experience are expressed as of the date of our mailing of this newsletter. Certain information expressed represents an assessment at a specific point in time and is not intended to be a forecast or guarantee of future results, nor is it intended to speak to any future time periods. Curi RMB Capital makes no warranty or representation, express or implied, nor does Curi RMB Capital accept any liability, with respect to the information and data set forth herein, and Curi RMB Capital specifically disclaims any duty to update any of the information and data contained in this newsletter. The information and data in this newsletter does not constitute legal, tax, accounting, investment or other professional advice. Returns are presented net of fees. 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. RMB Asset Management is a division of Curi 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. 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.

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

The ***tangible book value (TBV)*** *measures how much a company's tangible assets are worth, excluding its intangible assets.*

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 Russell 3000® Index is a capitalization-weighted stock market index that seeks to be a benchmark of the entire U.S. stock market. 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. The S&P 500 index is widely regarded as the best single gauge of the United States equity market. It includes 500 leading companies in leading industries of the U.S. economy. The S&P 500 focuses on the large-cap segment of the market and covers approximately 75% of U.S. equities.

Foreside Fund Services, LLC, Distributor