

# RMB Mendon Financial Long/Short Fund

## Portfolio Update: Fourth Quarter 2019

For the three months ended December 31, 2019, the RMB Mendon Financial Long/Short Fund (the "Fund") returned +7.79% net of fees, while its long-only benchmark, the KBW Bank Index, returned +14.15%.

	Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception (4/30/2004)
RMBFX	+7.79%	+13.67%	+13.67%	-4.16%	+2.02%	+5.23%	+7.01%
KBW Bank Index	+14.15%	+36.13%	+36.13%	+9.93%	+11.40%	+12.53%	+3.69%
RMBFX (Load Adjusted)	+2.43%	+8.01%	+8.01%	-5.78%	+0.98%	+4.69%	+6.66%

***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 1.74%.***

***The Fund's investment advisor, RMB Capital Management, LLC, has adapted a contractual expense limitation agreement for each fund through May 1, 2020, 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.***

During the quarter, two of the top contributors to the Fund's returns were Veritex Holdings Inc., which continued its snapback rally from year end 2018, and Opportun Financial Corp. As Opportun is a new, non-bank position initiated at its September initial public offering and given its contribution to performance this quarter, we wanted to highlight the company. The company fits within one of our target themes of investing in financial firms that are using technology to take share and drive superior growth and/or operating performance. In this case, the firm is utilizing a technology-enabled credit scoring system that features 20 data sources honed over 10 years and three million loans to underwrite low-income borrowers with thin-to-no credit files at a very attractive rate relative to the traditional alternatives for such a borrower, including payday loans. The centralized underwriting process works over its retail footprint as well as online presence, helping drive 20–30% growth rates. But what is more impressive is the extremely consistent track record of relatively low credit losses for this target consumer. While we believe the IPO was overshadowed by some of the Democratic presidential candidates' history of pursuing predatory lending practices in the consumer finance space, we actually think Opportun is well-positioned to take share amidst any increased scrutiny of the consumer finance sector. The firm is already certified as a Community Development Financial Institution by the U.S. Treasury and has an APR below common state rate caps and far below payday lenders or the likes of installment lenders, such as World Acceptance. We were happy to participate in Opportun's IPO given it began trading below 5x 2021 earnings expectations and have continued to hold the shares as the recent price performance followed a strong inaugural quarter in which forward estimates were raised. The top detractors for the quarter were a put option on a small cap index and a short position in a southeast community bank.

An additional item we'd like to highlight is the expansion of the Fund's investable universe to include international financial services companies. Several members of the team have considerable experience investing in global financials and we believe it is a logical extension of the domestic strategy to include compelling companies outside of the U.S. when such opportunities arise. While domestic companies will remain a majority of the portfolio, the global opportunity set is both underfollowed and robust and the Mendon process, combining deep sector expertise with on-the-ground-research, should lead to differentiated investing results.

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

Sincerely,



Anton Schutz  
Senior Portfolio Manager

## TOP 10 HOLDINGS AS OF 12/31/19

Company	% of Assets
FB Financial Corp.	9.88%
Veritex Holdings Inc.	9.37%
Bank of America Corp.	8.08%
Ameris Bancorp	7.61%
Live Oak Bancshares Inc.	7.48%
The First Bancshares Inc.	4.83%
Origin Bancorp Inc.	4.31%
Far Point Acquisition Corp.	4.18%
BayCom Corp.	4.06%
Spirit of Texas Bancshares Inc.	3.82%

*Holdings are subject to change. Holdings are subject to change. The above is a list of all securities that composed 63.63% of holdings managed as of 12/31/2019 under the RMB Mendon Financial Long/Short 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 12/31/2019. 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 and the RMB Mendon Financial Long/Short Fund are sector funds. 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 these funds concentrate their investments in one sector of the economy (financial services) and invest in derivative securities (currently RMB Mendon Financial Long/Short Fund engages in short sales of equities), 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 KBW Bank Index [BKX; PHLX/KBW Bank Index] is an unmanaged index comprised of 24 geographically diverse stocks representing national money center banks and leading regional institutions. One may not invest directly in an index. The KBW Bank Index performance data quoted above are total return numbers.*

*Forside Fund Services, LLC, Distributor*