



ROSENTHAL | HENRY

CAPITAL ADVISORS

February 2024 Quick Overview Summary

Summary Results Table: The table below presents our performance for 2024 by month and YTD (as of 2/29/2024); as well as the last 5 years.

Results Table

	Fund 1 ¹	Fund 2 ¹	^BANK ²	KRE ²	Russell 2000 ³
2024⁴	-5.7%	-3.0%	-5.7%	-8.2%	1.4%
Feb. '24	-2.4%	-1.2%	-1.8%	-0.1%	5.1%
Jan. '24	-3.4%	-1.8%	-3.9%	-8.2%	-3.5%
2023	-10.1%	4.6%⁵	-6.7%	-10.7%	15.1%
2022	-13.0%	-11.2%	-18.4%	-17.1%	-21.6%
2021	37.7%	32.7%	39.7%	37.0%	13.7%
2020	1.9%	-6.1%	-10.6%	-9.0%	18.4%
2019	17.4%	22.7%	21.2%	27.1%	23.7%

1. Average monthly net rate of return after fees/expenses
2. BANK is the Nasdaq Small Cap Bank Index and KRE are regional bank stock ETF's
3. Russell 2000 is a small-cap stock market index; S&P 500 tracks performance of 500 large companies
4. Year to date results January 1, 2024 – February 29, 2024
5. Average annual return for investors not fully redeemed in 2023

Headlines

- **In Case You Missed It, Last Month we Sent our [2024 Annual Letter to Investors](#) which You may Access in the Preceding Link. It is a Comprehensive Review of our Outlook for 2024.**
- **After the 14% Increase in Bank Stocks in November and the 16% Increase in December (KRE Benchmark), and in Spite of Good Earnings Performance Posted by Banks in Q4 2023, Bank Stock Prices Have Receded a bit in Both January and February of 2024.**
- **Nonetheless, Banks Appear to be in a Period of “Overall Operational Stability” Based on Stats Produced by Banks in Q4 '24.**
- **Specifically, Earnings are Steady, Banks are Generally Diversified and Reporting Continued Very Good Credit Quality Metrics and Capital Levels have Increased.**
- **The Revised Expectation of Higher Rates for Longer Seems to have Dampened Investors Forecast of Net Interest Margins and Net Interest Income and have led to Some Speculation About the Future of Overall Loan Quality. We believe Both of These Fears are Overdone.**
- **Offsetting These Concerns Are the Strength of the Job Markets and the Overall Economy.**
- **The Headlines Surrounding Issues Exclusive to NYCB, have Once Again Disturbed Unsophisticated Investors. We've Repeatedly Indicated that “The Sins of One Bank are NOT the Same for the Entire Banking Industry”. Our Banks are NOT Facing the Same Challenges as NYCB.**
- **Inflation, While Down, May Not Have Subsided Sufficiently to Allow the Fed to Cut Rates as Soon or as Much as Anticipated. Yet the degree to Which the Yield Curve is Inverted Continues to Improve.**
- **In 2024 we Focus on the Following to Drive a Soft Landing for the Economy and our Modest Bull Case for Banks:**
 - **Clean Credit, Increased Capital Levels, NIM Stabilization, and Operating Efficiencies.**

As always, you may reach us with any questions by calling the office at 574-243-6502, John's cell at 574-276-1128, or Adam's cell at 440-667-5974. Or by email: john@rosenthalpartners.net or adam@rosenthalpartners.net

With warmest personal regards,

John and Adam

Past performance may not be indicative of future results. Therefore, no current or prospective client should assume that the future performance of any specific investment, investment strategy (including the investments and/or investment strategies recommended by the advisor), will be profitable or equal to past performance levels.