RMB Japan Fund

Portfolio Update: First Quarter 2024

During the first quarter ending March 31, 2024, the RMB Japan Fund (the "Fund" or "RMBPX") returned +10.51%, net of fees. During the same period, the MSCI Japan Total Return Index (dividends reinvested), which represents large capitalization companies in Japan, returned +11.01% in USD.

	Quarter	YTD	1 Year	3 Years	5 Years	Since Inception (12/27/2017)
RMBPX (net of fees)	+10.51%	+10.51%	+22.73%	+3.06%	+6.59%	+3.73%
MSCI Japan Index	+11.01%	+11.01%	+25.78%	+3.69%	+7.77%	+4.90%

Performance listed is as of March 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 gross expense ratio is 1.64% and the net expense ratio is 1.31%.

Curi RMB Capital, LLC (the ''Adviser'') has contractually agreed to reduce its compensation due from and/or assume expenses of the Fund to the extent necessary to ensure that the Fund's operating expenses (excluding interest, taxes, brokerage commissions and other transaction costs, expenditures that are capitalized in accordance with generally accepted accounting principles, acquired fund fees and expenses, short sale dividends, and extraordinary expenses not incurred in the ordinary course of business) do not exceed 1.30% of the average daily net assets of the Class I shares (the ''Expense Cap''). The Expense Cap is in effect until April 30, 2024 and cannot be terminated prior thereto without the approval of the Fund's Board of Trustees.

Overview of the Quarter

In the first quarter, Japanese equities led the global market rally, surpassing their developed market peers in the U.S. and Europe. The country's equity market also celebrated a couple of historical moments during the quarter. In February, the Nikkei 225 index broke through its previous high, set in 1989. Throughout the so-called 'lost decades,' underlying earnings have nearly tripled, while overstretched valuation multiples have deflated. In March, the Bank of Japan (BOJ) announced its decision to lift its negative interest rate policy and discontinue purchases of ETFs, signaling that the country's economy is finally emerging from decades-long structural deflation. These changes did not escape the notice of global investors, as foreign investors remained consistent net buyers, providing support to the market throughout the quarter.

In contrast to the U.S., where Large Cap Growth stocks continued to outperform Value, the Japanese market was largely driven by Large Cap Value stocks, with Financials and Energy emerging as the top-performing sectors. Foreign investors appear to be prioritizing bargain opportunities unavailable elsewhere from the pool of more established Large Cap companies in Japan. Meanwhile, the Japanese Yen (JPY) depreciated by -6.81%, reversing last quarter's temporary strength, as investors continued to hold the view that the pace of the BOJ's tightening process is likely to be slow and carefully controlled.

Contributors and Detractors

Toyota Motor Corp. (7203 JP) and Mitsubishi UFJ Financial Group Inc. (8306 JP) were two major contributors during the quarter.

Toyota is the world's largest automotive OEMs, producing around 10m units annually under the brands Toyota and Lexus. Toyota has clearly been a global auto OEM leader for decades but its reluctance to go "all in" on EVs caused most investors to shy away from the stock. Our view is that the auto industry will need hybrids, ICE, and EVs well into the future and a more pragmatic approach to powertrain technology is better suited to compete in this environment. When Toyota reported fourth quarter sales, record demand for hybrid vehicles drove significant upside in both sales and profitability, verifying our key investment thesis in Toyota.

Mitsubishi UFJ Financial Group Inc. (MUFG) is Japan's largest financial group, offering a comprehensive range of financial services, including commercial banking, trust banking, securities brokerage, consumer financing, leasing, asset management, and more. The group also holds a significant stake of approximately 23% in Morgan Stanley (MS US). During the quarter, the Financial sector was one of the best-performing sectors in the country, with investors correctly expecting the Bank of Japan's negative rate policy to end on the back of sustained wage increases. The overseas business environment also remained favorable, supported by widened net interest margin spreads. MUFG executed successfully to capitalize on this market environment, surpassing market expectations in its quarterly earnings report. We continue to view MUFG as one of our core holdings within the Financial sector to capture Japan's rapidly changing macroeconomic environment.

Murata Manufacturing Co. Ltd. (6981 JP) and Daikin Industries Ltd. (6367 JP) were two major detractors during the quarter.

Based in Kyoto, Japan, Murata is a leading electronic component manufacturer and the largest supplier of multilayer ceramic capacitors (MLCC), boasting approximately 40% of the global market share. Murata's stock has been weighed down by a weak recovery in end demand and concerns over MLCC prices. The impact of inventory adjustments reflected in the company's quarterly results reaffirmed that the industry's downcycle has been more severe than the market expected. Nevertheless, we maintain our constructive view on the stock in the mid to long term, especially on a relative basis within the Information Technology sector. Rising demand across various applications including auto, smartphone, PC, and server also provides secular growth potential for the company's core MLCC business. Additionally, the business is well-positioned to benefit from the transition of AI technology. With generative AI technology increasingly penetrating edge devices, higher computing needs could drive content upgrades on top of a renewed replacement cycle. More complex devices would require a greater number of sophisticated MLCCs.

Daikin primarily sells HVAC systems and has expanded beyond its core Japanese market into the US, Europe, and China over the past decade. Although Daikin had been successful in effectively executing during China's construction boom, and more recently has also benefited from new environmental policies in Europe, its fundamentals began to deteriorate rapidly with major shifts in these trends. In the meantime, the housing industry in the US has also put significant pressure on demand for its products. It also appears that Daikin is losing market share when viewed vs peers and we do not have confidence at this point in a full recovery. We fully exited the stock during the quarter.

RMB Japan Fund
FIRST QUARTER 2024 CONTRIBUTION REPORT (in USD[1])
Ranked by Basis Point Contribution

	Basis Point Contribution	Return
Top Contributors		
Toyota Motor Corp.	+232	+38.55%
Mitsubishi UFJ Financial Group Inc.	+177	+20.72%
Mitsui Fudosan Co. Ltd.	+150	+31.56%
Hitachi Ltd.	+109	+28.42%
ULVAC Inc.	+92	+34.46%
Bottom Detractors		
Murata Manufacturing Co. Ltd.	-31	-10.52%
Daikin Industries Ltd.	-30	-12.42%
Kao Corp.	-30	-8.26%
Stanley Electric Co. Ltd.	-19	-6.40%
Hamamatsu Photonics K.K.	-17	-9.67%

[1] All return figures above are lower than the returns in local currency due to the -6.81% depreciation of the Japanese Yen during the quarter.

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.

Portfolio Activity

In the first quarter, our portfolio turnover was higher than usual, primarily due to our deliberate decision to divest from four small positions in illiquid stocks. This move is part of our ongoing efforts to optimize our holdings and better align them with the portfolio's objectives. Consequently, we exited Gungho Online Entertainment Inc. (3765 JP), a mobile game developer; Takuma Co. Ltd. (6013 JP), an engineering company specializing in waste incinerators; TV Asahi Holdings Corp. (9409 JP), a TV broadcasting company; and Tokyo Steel Manufacturing Co. Ltd. (5423 JP), an electric arc furnace steel manufacturer. On the other hand, we sold Daikin Industries reflecting its deteriorating fundamentals as explained in the Contributors and Detractors section above. We also fully exited Toyo Suisan Kaisha Ltd. (2875 JP), an instant noodle manufacturer, as its stock had reached our target price.

The capital raised from the aforementioned sells has been redeployed into four new buys. Cosmos Pharmaceutical Corp. (3349 JP) is one of the major players in the highly consolidated drug store industry in Japan. The company has gradually been gaining market share from traditional supermarkets, leveraging its highly competitive cost leadership achieved through operational excellence and efficient procurement. Hamamatsu Photonics K.K. (6965 JP) is a manufacturer of optical sensors, electric light sources, and other optical devices. Its cutting-edge technology has contributed to three Nobel Prize-winning researches in physics, including the discoveries of neutrinos and the Higgs boson, also known as the 'God particle.' Komatsu Ltd. (6301 JP) is a leading manufacturer of construction, mining, utility, forestry, and industrial heavy equipment. With a 30% market share domestically and ranked No. 2 globally in the construction and mining machinery market after CAT, we are focused on the company's potential to expand market share, especially in Asia, amidst the market's skeptical outlook for the mining cycle. The last addition was Sky Perfect JSAT Holdings Inc. (9412 JP), the number one satellite operator in Asia, boasting 17 geostationary orbit satellites (GEOs) and over 30 years of operational history. Stagnant broadcasting demand for satellites is rapidly being replaced by defense demand and other sectors, creating new growth opportunities for the company.

Outlook

We continue to believe that Japan's economic outlook remains favorable relative to other developed countries. In comparison to last year, when consumers faced pressure from high inflation driven by external factors, this year we believe to see real growth in disposable income, propelled by rising wages. With sustained inflation, corporations are no longer inclined to hoard cash, as the positive real return on cash enjoyed during the deflationary period is no longer available. This shift is likely to stimulate business activities in Japan, particularly in conjunction with an expansionary credit cycle typically observed in economies recovering from a liquidity trap, reminiscent of the situation in the U.S. during its rebound from the global financial crisis.

The tight labor market, increasing wages, companies' willingness to raise prices, and customers' acceptance of them all indicate that Japan has entered a virtuous economic cycle long awaited by investors. It's evident to us that Japan's multi-generational regime shift has just begun, and the upcoming inflationary period in Japan is expected to differ significantly from the deflationary environment that we have gotten used to in the past few decades.

The concept of inflationary Japan exists only in our distant memory; in reality, however, the country may not have changed as much as we believe. Japan's relentless pursuit of durability, unparalleled craftsmanship, and an overall quality-over-efficiency mindset are all partly the legacy of inflationary Japan that has survived through decades of deflation. The Japanese clearly did not undergo full readjustment and endured significant struggles during the prolonged period of deflation that followed. Nevertheless, their old inflation playbook might finally prove to be relevant again.

Together with the country's efforts to enhance corporate governance, all these positive changes in Japan have not gone unnoticed by global investors, including Warren Buffett. As global allocators struggle to balance rich valuations in the U.S. with geopolitical uncertainty overseas, Japan has emerged as one of the primary destinations for incremental allocation shifts, supported by Japan's improving economic activities, stable yet rising inflation, low valuations, and favorable policy support. Japan is also benefiting from heightened geopolitical tensions in the Asia-Pacific region in recent years, as global allocators increasingly view the country as a key proxy for their Asia exposure amidst a flight-to-quality process within the region. We believe this trend will continue for the time being.

RMB Japan Fund

Despite its recent relative outperformance, we believe Japan's equity market remains undervalued compared to that of its developed market peers. Even relative to its unimpressive historical levels, we believe the country's stock market is not fully appreciated for all the changes occurring. Considering the economic momentum that is building up in the country, we believe that investing in Japan should offer attractive risk-reward asymmetricity over the current market cycle. We remain committed to identifying and investing in attractively valued stocks that we believe have the potential to outperform over a full market cycle.

As always, thank you for your support and trust in the Fund. We look forward to updating you in the next quarter.

Sincerely yours,

Masakazu Hosomizu, CFA
Partner, Portfolio Manager

Ilhwa Lee, CFA
S.V.P., Portfolio Manager

TOP TEN HOLDINGS AS OF 3/31/24	
Position	**% of Assets**
Mitsubishi UFJ Financial Group Inc.	8.43%
Toyota Motor Corp.	6.88%
ITOCHU Corp.	5.85%
Mitsui Fudosan Co. Ltd.	5.43%
Hitachi Ltd.	4.18%
Nintendo Co. Ltd.	3.75%
Orix Corp.	3.70%
NEC Corp.	3.51%
Shin-Etsu Chemical Co. Ltd.	3.00%
ULVAC Inc.	2.97%

Holdings are subject to change. The above is a list of all securities that composed 47.71% of holdings managed as of 3/31/2024 under the RMB Japan 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 3/31/2024. 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 letter 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 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. 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 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 party of your investment. This information is confidential and may not be reproduced or redistributed to any other part without the permission 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 Fund invests in foreign securities which may be less liquid, subject to currency-rate fluctuations, be in areas with political and economic instability and be subject to less strict regulation of the securities markets.

*The **price-earnings ratio** (P/E ratio) relates a company's share price to its earnings per share. A high P/E ratio could mean that a company's stock is over-valued, or else that investors are expecting high growth rates in the future.*

***The Nikkei 225 Index**, or the Nikkei Stock Average, more commonly called the Nikkei or the Nikkei index, is a stock market index for the Tokyo Stock Exchange that tracks 225 top blue-chip companies listed on the Tokyo Stock Exchange from a range of industries.*

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 the Fund. The MSCI Japan Index is designed to measure the performance of the large- and mid-cap segments of the Japanese market. With approximately 320 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in Japan.

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