RMB Fund

RMB FUNDS

Portfolio Update: First Quarter 2021

The RMB Fund (the "Fund") increased +6.20% net of fees in the first quarter of 2021, in-line with the +6.17% total return for the S&P 500 Index for the same period. We've seen a dramatic divergence in underlying sector returns thus far this year, as cyclical sectors that are more dependent on macro economic growth did best in the quarter. The surge in interest rates and steepening of the yield curve also significantly benefited Financials. Value stocks vastly outperformed growth stocks, a significant headwind for the Fund's performance, which leans more towards growth. From a traditional attribution perspective, the Fund benefited from positive stock selection that was largely neutralized by negative sector allocation. Our holdings in the Information Technology, Communication Services, Consumer Staples, and Materials sectors were the most notable positive contributors to performance, partially offset by negative contribution from the Health Care, Energy, and Consumer Discretionary sectors. We will discuss individual holdings' impact on first quarter performance in a moment.

	Quarter	1 Year	3 Years	5 Years	10 Years	Since Inception (6/16/1975)
RMBHX	+6.20%	+61.43%	+17.88%	+16.96%	+11.97%	+10.80%
S&P 500 Index	+6.17%	+56.35%	+16.78%	+16.29%	+13.91%	+11.64%
RMBHX (Load Adjusted)	+0.88%	+53.37%	+15.88%	+15.76%	+11.40%	+10.68%

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 1.17%.

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.

The first quarter of 2021 saw a lot of change in just three short months. The most notable was the fairly dramatic surge in interest rates, albeit off extremely low levels, as the yield on the 10 Year U.S. treasury rate went from 0.93% to 1.74%. The surge was driven by increased optimism around domestic economic growth (the so-called "reopening" of the economy), progress with vaccination efforts, the passage of the massive $1.9 trillion dollar COVID relief bill, and growing fears that inflation could surge higher this year. The Fed has remained steadfast in their message that they will not raise interest rates anytime in the foreseeable future, even if the economy runs hot for an extended period of time. Fed policy of reducing unemployment is taking priority over managing inflation. The good news is that domestic hiring this spring appears to be strong, with the March employment report exceeding one million new jobs and weekly new jobless claims continue to trend downwards. We think there is a real risk that the Fed is too conservative and may be forced to raise the Fed Funds rate from the current 0-0.25% range sometime in 2022. As a reminder, we entered the COVID induced recession with the 10 year yield a bit under 2%, so it isn't unreasonable that the market may take rates back well into the 2's in coming quarters. Rising rates are typically a headwind for stocks, but the market took the first quarter's sharp increase in stride, as improving economic growth prospects, more government stimulus, and ultimately rising corporate earnings forecasts outweighed rising rates. We agree that there is a strong case for optimism that the U.S. economy should boom in 2021 and on into 2022, as the health crisis subsides, although global growth will likely lag the U.S., given slower progress in vaccination efforts. This optimism is increasingly being reflected in rising forward earnings estimates for U.S. corporations and we think the bias toward future estimates is higher. One exception to this positive trend is the potential for higher corporate tax rates, as the new administration has proposed an increase from 21% to 28% to help pay for a long-term infrastructure bill, which will bear watching in the second quarter. Estimates are that this change could impact after-tax corporate earnings by 5-10%, if fully implemented.

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As we penned last quarter, we feel that the market has priced in an optimistic recovery scenario, as valuations remain quite high, pricing in the strong corporate earnings recovery in 2021 and 2022, with interest rates remaining fairly subdued. As bottom-up equity investors, we aren't finding great entry points into new names to be abundant by any means, particularly in our quality growth universe. Within our existing holdings, the Fund has more reward-to-risk ratios under one than it has greater than one, also signaling that current valuations aren't overly compelling. Macro market predictions are very difficult to make with any hopes of being consistently accurate, so we keep our efforts principally focused on bottom-up stock selection and portfolio optimization, staying fully invested. We have built a concentrated, yet diversified, portfolio of high-quality individual companies that can grow their earnings for years into the future, earn attractive returns on invested capital, and compound value for shareholders. No matter what happens with the current market cycle, we strongly believe the Fund positions us to outperform over the long run, without taking undue risk.

Contributors and Detractors

After being the Fund's largest contributor in the fourth quarter, SVB Financial Group (SIVB +27.54%), the holding company of Silicon Valley Bank, was again the largest contributor in the first quarter. Along with other bank stocks, SIVB responded positively to the increase in interest rates and steepening of the yield curve, which should help net interest margins going forward. The company also posted a very strong fourth quarter earnings report and 2021 guidance, which calls for very strong loan and deposit growth. We continue to like this unique bank franchise that has strong secular tailwinds from growth of its customer base in the innovation economy but did trim back our position size during the quarter, after the strong rise in the stock. Alphabet Inc. (GOOGL +17.68%), the holding company for Google, was the second largest contributor. Alphabet's core on-line advertising business suffered for a couple of quarters during the COVID recession, but is now quickly recovering, as customer spend resumes and on-line commerce continues to take share. This recovery was very evident in the fourth quarter earnings report, as revenue and earnings were well ahead of Wall Street estimates. We continue to like the long-term prospects for Alphabet and don't find the current valuation as being overly demanding, thus the stock is the second largest weighting in the Fund at quarter end.

RMB Fund
FIRST QUARTER 2021 CONTRIBUTION REPORT
Ranked by Basis Point Contribution

	Basis Point Contribution	Return
Top Contributors		
SVB Financial Group	+102	+27.54%
Alphabet Inc.	+87	+17.68%
CDW Corp.	+70	+26.08%
Avery Dennison Corp.	+58	+18.81%
Morgan Stanley	+53	+14.00%
Bottom Detractors		
Edwards Lifesciences Corp.	-27	-8.32%
Apple Inc.	-27	-7.81%
MarketAxess Holdings Inc.	-24	-12.63%
Terminix Global Holdings Inc.	-19	-6.55%
Cerner Corp.	-18	-8.41%

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'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.

On the negative side of the performance ledger, we had names adversely affecting the Fund's overall return, both relative and absolute. Edwards Lifesciences Corp. (EW -8.32%), the leader in transcatheter aortic heart valve replacements, was the Fund's largest detractor. The stock failed to keep up with a strong market as its fourth quarter earnings report continued to show a sluggish recovery in procedural volumes while COVID continues to impact procedures in hospitals. We're optimistic that this will prove to be temporary, and growth will accelerate later this year. Longer-term Edwards has a large and growing addressable market to sell into and a track record of innovation to bring new products to market. Apple Inc. (AAPL -7.81%) was the second largest detractor in the quarter, as the stock sold off modestly after returning over 80% in 2020. We think Apple still has good fundamentals ahead of it, as the iPhone replacement market remains robust and Apple continues to grow its service revenues at a much faster rate. However, the valuation remains on the expensive side relative to its growth prospects and we have the position sized well below our underlying benchmark. The mega capitalization technology companies have grown to be very large parts of the S&P 500 over the past few years. While we do not let benchmark compositions drive our investment decisions, we do have to remain aware of intended or unintended deviations when weighting the Fund's underlying investments.

Outlook

From when we last wrote you three months ago, market and economic conditions have continued to improve. U.S. corporate earnings growth, which is the biggest long-term driver of stock prices, was impacted significantly in 2020 by the pandemic and recession but is rapidly recovering, with 2021 earnings expected to be above those of 2019. This short earnings recession looks like it will mirror the V-shaped recovery that we are seeing in the underlying economy. The stock market is a forward discounting mechanism and has clearly figured this out over the past three quarters, with unprecedented aid from fiscal and monetary policy. Given the significant P/E multiple inflation that has already occurred, we feel that further market appreciation will need to be driven by upwards revisions to forward earnings expectations. Today the market is trading at 23.3x 2021 and 20.2x 2022 current earnings estimates, versus a very long-term average around 16x. While not off the charts, this remains towards the top end of historical valuations, even when factoring in still low interest rates. Further increases in interest rates could put upward pressure on long-term discount rates, which lowers P/E multiples. Simply put, the near to intermediate direction of the market seems to be a push and pull between the forces of improving earnings prospects with downward pressure on P/E multiples. As always, while we may opine on our view of the overall market, we do not pretend to have any ability of predicting where the market is heading in the short or intermediate term. It is a very difficult, if not impossible, task to add value by timing the market, so we aim to remain fully invested at all times. We think it is prudent to keep return expectations modest for the next few years, as longer-term returns are almost certainly to be lower than what we've enjoyed over the past several years. We continue to focus the Fund's efforts on owning companies with good secular growth prospects, strong economic moats, underleveraged balance sheets, and superior management teams. These are companies we believe can compound value for shareholders for years into the future. The opportunities to find high-quality growth companies selling at attractive valuations is not abundant, but we will continue to use our "bottom-up" search to optimize the Fund. If we do our jobs well by adhering to a disciplined investment process and managing portfolio risk, we aim to continue to add value to market returns in subsequent years. We sincerely thank you for the continued trust you place in us to manage your assets. If you have any questions, please do not hesitate to contact us.

Sincerely,

Todd M Griesbach

Todd Griesbach
Portfolio Manager

TOP 10 HOLDINGS AS OF 3/31/21

Company	% of Assets
Microsoft Corp.	6.37%
Alphabet Inc.	5.34%
Visa Inc.	3.80%
Avery Dennison Corp.	3.46%
IHS Markit Ltd.	3.34%
Dollar General Corp.	3.28%
Morgan Stanley	3.27%
CDW Corp.	3.26%
Danaher Corp.	2.98%
American Tower Corp.	2.97%

Holdings are subject to change. The above is a list of all securities that composed 38.06% of holdings managed as of 3/31/2021 under the RMB 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 3/31/2020. 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 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 letter 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 RMB Capital.

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 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 **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.*

High-quality stocks are those that we believe offer greater reliability and less risk. The quality assessment is made based on a combination of soft (e.g., management credibility) and hard (e.g., balance sheet stability) criteria.

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 Fund invests in larger, more established companies, which may not respond as quickly to competitive challenges or have higher growth rates than smaller companies might have during periods of economic expansion. There can be no assurance that the Fund will achieve its investment objective.

Foreside Fund Services, LLC, Distributor