

RMB Japan Fund

Portfolio Update: Second Quarter 2021

For the second quarter of 2021, the RMB Japan Fund (the "Fund" or "RMBPX") was down -2.21%, net of fees. During the same period, the MSCI Japan Total Return Index (dividends reinvested), which represents large capitalization companies in Japan, was down -0.28% in USD. The Japanese Yen depreciated by -0.35% in the quarter.

	3 Months	YTD	1 Year	3 Years	Since Inception
RMBPX	-2.21%	-1.87%	+19.45%	+4.95%	+3.38%
MSCI Japan Index	-0.28%	+1.28%	+24.84%	+7.24%	+5.50%

Inception date: 12/27/17. 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 1.33% and the net expense ratio is 1.31%.

RMB Capital Management, LLC (the "Adviser" or "RMB") 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 1.31% of the average daily net assets of the Class I shares (the "Expense Cap"). The Expense Cap is in effect until April 30, 2022 and cannot be terminated prior thereto without the approval of the Fund's Board of Trustees.

Overview of Second Quarter

During the quarter, Japanese equities were mostly flat. Japan's slow rollout of the COVID-19 vaccine not only limited the country's much needed economic recovery but also hurt investor sentiment once again, leading to the underperformance of the country's stock market relative to its peers in the developed world. Elevated expectations for a reopening last quarter quickly fizzled out with yet another round of state of emergency restrictions being imposed, even though the absolute number of COVID cases stayed very low compared with other countries that did proceed with reopening their economies. COVID-19 related uncertainty also negatively impacted earnings outlooks for Japanese companies for the rest of the year, and a lack of conviction in the corporate sector provided little catalyst for the equity market sentiment to turn positive again. Meanwhile, the global shortage of semiconductor chips and increased costs of basic materials continued to weigh on the manufacturing-heavy economy, contributing further to the country's relative underperformance.

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Contributors and Detractors

Hitachi Ltd. (6501 JP, +26.43) and Isuzu Motors Ltd. (7202 JP, +22.99) were two major contributors during the quarter.

Hitachi is a major electronics conglomerate in Japan and manufactures a wide range of equipment and products such as communication equipment, electronic equipment, heavy electrical machinery, nuclear power systems and consumer electronics. Through its Lumada business initiative, the company has also been focusing on building an industrial IoT (internet of things) platform and strengthening its data analytics capability. The company's stock extended its rally into the second quarter, approaching its all-time high level recorded during the IT bubble 20 years ago. The stock's strong performance is reflective of the market's enthusiasm around Hitachi's structural reforms and the growth of the IT operation, in particular, Lumada. The company's announcement to sell Hitachi Metals during the quarter as part of its restructuring plan and strong guidance based on the assumption that the growth of Lumada will accelerate rapidly, were also received positively by investors, while the appointment of Kojima as new president also reconfirmed the company's commitment to growing the IT operation.

Isuzu is a manufacturer of trucks and automobile parts. The company's products include pickup trucks, light trucks, heavy duty trucks, buses and SUVs. The company's strong presence in the Southeast Asian region, particularly Thailand, provides a unique opportunity to tap into the secular economic growth story in emerging countries via high quality execution by a Japanese company. The day after the quarter's earnings release, Isuzu's stock jumped over 20% on strong earnings guidance that significantly exceeded the market's expectation. The record-high sales volume expected for this year is planned to be driven by strong demand for commercial vehicles overseas. Further, it was positively received that the company's production plan has been relatively unaffected by the semiconductor chip shortage and the impact of increasing raw material costs is offset by strong demand.

Takuma Co. Ltd. (6013 JP, -30.26%) and TV Asahi Holdings Corp. (9409 JP, -15.74%) were two major detractors during the quarter.

Takuma is a leading engineering company that constructs, operates and maintains a range of environmental facilities from waste incinerators to biomass power plants to water treatment plants. We like the company's secular growth story around biomass power plants driven by the Japanese government's long-term commitment to renewable energy sources on top of strong replacement demand for incinerators. The stock's rally since the beginning of the pandemic finally peaked by the end of last quarter, shortly after the coverage initiation by key sell-side houses, giving up all its gains for the year so far. While the company's management expects to maintain the business's elevated earnings and order flows next year, the reality fell short of the market's raised expectation that the pace of growth will be sustained in the foreseeable future. Unlike many perceived pandemic beneficiaries, however, we do not think that Takuma's valuation had reached an exuberant status near the recent peak, as the company merely broke out of its value trap and was still trading at a mid-single digit free cash flow yield. We

RMB Japan Fund SECOND QUARTER 2021 CONTRIBUTION REPORT (in USD)¹

Ranked by Basis Point Contribution

	Basis Point Contribution	Total Return
Top Contributors		
Hitachi Ltd.	+83	+26.43%
Isuzu Motors Ltd.	+72	+22.99%
ULVAC Inc.	+38	+20.47%
Yakult Honsha Co. Ltd.	+38	+11.81%
Keyence Corp.	+22	+11.24%
Bottom Detractors		
Takuma Co. Ltd.	-71	-30.26%
SoftBank Group Corp.	-58	-17.06%
TV Asahi Holdings Corp.	-57	-15.74%
ONO Pharmaceutical Co. Ltd.	-444	-14.59%
Itochu Corp.	-39	-11.17%

¹ All return figures above are higher than the returns in local currency due to the -0.35% 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 RMB's calculation methodology and a list of all holdings with contribution analysis, please contact your client service team.

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have trimmed our position in the stock during the latter part of the rally, purely based on the risk/reward situation and we remain confident on Takuma's long-term business outlook.

TV Asahi is one of the major broadcasting companies in Japan. While the company is generally viewed as a pure play legacy broadcasting company, our focus is on its globally recognized IPs (intellectual properties), such as *Doraemon* and *Crayon Shin Chan*, as well as several show/drama franchises with high viewership ratings in Japan. We believe that TV Asahi's content-focused multiplatform strategy is well thought through to execute its IP monetization efforts. During the quarter, TV Asahi's stock gave up most of its gains it has earnings year to date, triggered by weak profit guidance for the rest of the year, which we believe is too conservative even though company may need to add investments in content and programming that have been put on hold since the beginning of the pandemic. We had trimmed our position in TV Asahi last quarter at around the peak price based on our risk/reward analysis and remain confident in the long-term fundamentals at the firm.

Portfolio Activity

There were no newly added or exited positions in the Fund during the quarter.

Outlook

We believe that the slow rollout of the COVID-19 vaccine in Japan has been one of the main reasons behind the weak relative performance of the country's equity market in the past few months. As we discussed above, lack of tools to fight the virus led to another round of restrictions that limited economic recovery in the country once again, creating a stark contrast to many of its peers in the developed world pushing to reopen. That said, we also note that Japan's daily COVID-19 cases remain far below those of the US after adjusting for population, for example, even without the vaccine. Also, with the distribution of the vaccine finally on track, the country's vaccine penetration rate has accelerated meaningfully from a mere 1% in May to close to a third of the total population receiving at least one dose by the end of the second quarter. With this rapid improvement we believe that Japan has a great chance to quickly catch up with the rest of the developed world going forward. Further, we also note that the valuation gap between Japan's equity market and its developed market peers, particularly Europe, has widened back to historically high levels during the country's struggle. In our view, the current circumstances surrounding Japan provide a strong basis for the country's equity market to start outperforming its peers again on a relative basis in the months to come.

As always, thank you for your support and trust in the Fund. I am looking forward to updating to you in the next quarter.

Sincerely yours,



Masakazu Hosomizu, CFA
Partner, Portfolio Manager

TOP FIVE HOLDINGS AS OF 6/30/21

Position	% of Assets
Shionogi & Co. Ltd.	4.78%
Mitsubishi UFJ Financial Group Inc.	4.76%
Sony Corp.	4.73%
Subaru Corp.	4.51%
Mitsui Fudosan Co. Ltd.	3.75%

Holdings are subject to change. The above is a list of all securities that composed 22.54% of holdings managed as of 6/30/2021 under the RMB Japan 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 6/30/2021. 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. 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.

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. The Tokyo Price Index—commonly referred to as TOPIX—is a metric for stock prices on the Tokyo Stock Exchange (TSE). TOPIX is a capitalization-weighted index that lists all firms in the "first section" of the TSE, a section that organizes all large firms on the exchange into one group. The Nikkei is Japan's leading stock index comprised of the country's top 225 blue-chip stocks. The Nikkei is a price-weighted index, which means the index is an average of the share prices of all the companies listed.

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