RMB Fund

Portfolio Update: Third Quarter 2021

The RMB Fund (the "Fund") increased +1.77% net of fees in the third quarter of 2021, ahead of the +0.58% total return for the S&P 500 Index for the same period. Year to date the Fund has returned +18.12% net of fees versus +15.92% for the benchmark. From a traditional attribution perspective, the Fund's outperformance in the quarter was all driven by stock selection with no impact from sector allocation. Our holdings in the Health Care, Communication Services and Industrials were the most notable positive contributors to performance, partially offset by negative contribution from the Financials sector. We will discuss individual holdings impact on second quarter performance below.

	Quarter	Year to Date	1 Year	3 Years	5 Years	10 Years	Since Inception
RMBHX	+1.77%	+18.12%	+37.77%	+17.64%	+17.55%	+14.54%	+10.93%
S&P 500 Index	+0.58%	+15.92%	+30.00%	+15.99%	+16.90%	+16.63%	+11.72%
RMBHX (Load Adjusted)	-3.31%	+12.21%	+30.90%	+15.64%	+16.36%	+13.95%	+10.81%

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 1.23%.

The Fund's investment advisor, RMB Capital Management, LLC, has adapted a contractual expense limitation agreement for each fund through May 1, 2022, 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 theme of the third quarter of 2021 was a bit of a reversal from the surging optimism around the pace of the U.S. economic recovery that was prevalent in the second quarter. The Delta variant appears to have had some modest impact on the so called "reopening" of the economy. However, the stock market largely looked through this temporary setback, as consumers remained resilient over the summer, including a return to purchasing more consumer services that had derailed during the pandemic. Domestic inflation has become a very hot topic, as underlying prices on many goods and services have surged in the past several months. The debate around inflation being transitory for a few quarters or potentially longer-lasting has become front and center. The bond market has largely taken the inflation data in stride, with quarter over quarter interest rates moving modestly higher (the 10 year U.S. Treasury yield moved from 1.45% to 1.52%). The message from the Fed has remained fairly consistent and we will probably see some level of tapering in asset purchasing levels this quarter, with actual Fed hikes in rates still likely another year away. As we opined last quarter, we fear that the Fed could get behind the curve if inflation proves to be more persistent and the economic recovery strengthens in coming months. Fed policy of reducing unemployment seems to be taking priority over managing inflation. The job market continues to show a very strong recovery, as job openings have surged to record levels and labor shortages have emerged in many sectors of the economy. Unemployment hasn't declined nearly as fast as opportunities have opened, likely due to enhanced unemployment benefits, accelerated retirements of older workers, child care issues, and lingering safety concerns. We are hopeful that these headwinds will subside in the coming months and the economy will get closer to the full employment level it was at pre-pandemic. Outside the U.S., activity in the Chinese economy has also become front page news, as the government has quickly implemented several anti-capitalism policies and a debt default from one of its largest real estate development companies occurred. An economic slowing in China would not be good for the global economy, as China's growth has been a substantial contributor to global GDP over the past decade.

Our opinion that the stock market has priced in a fairly optimistic recovery scenario hasn't changed. Valuations remain high by historical measures, although the strong corporate earnings recovery of 2021 and 2022 have beaten even the most optimistic expectations of 2020. Substantial upwards revisions for forward estimates have occurred over the past couple of quarters. Second quarter earnings reported this quarter were particularly strong, as Wall Street estimates had still not adjusted higher for the better revenue growth and profit margin environment that corporate America has enjoyed. In fact, year to date forward earnings estimates have climbed faster than prices, such that the overall price earnings (P/E) multiple has actually declined a bit. Interest rates have a huge impact on the market multiple (the discount rate) and higher rates in the coming quarters is arguably the biggest risk to the overall stock market. Underlying the overall market indices performance, we've seen a tug of war between the more value oriented sectors such as Financials, Industrials, Energy, and Materials against the more secular growth sectors such as Technology, Health Care, and Consumer Discretionary. Economic growth and interest rates are at the forefront of this style battle and will continue to be for the next few quarters. As bottom-up equity investors, we generally aren't finding great entry points into new names to be abundant, particularly in our quality growth universe. No different from last quarter, the Fund's holdings have more reward-to-risk ratios under one than greater than one, also signaling that current valuations aren't overly compelling. That said, we continue to be constructive on the market and acknowledge that macro market predictions are very difficult to make with any hopes of being consistently accurate. We remain 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 we believe 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 strategy positions us to outperform over the long run without taking undue risk.

Contributors and Detractors

After being the largest contributor last quarter, Alphabet Inc. (GOOGL +9.49%), the holding company of Google, YouTube and Waymo, was once again the largest contributor in the third quarter. Alphabet's core on-line advertising business has come roaring back, as customer ad spend recovers and on-line commerce continues to take share. YouTube is also flourishing, as eyeballs and advertisers continue to migrate to this powerful on-line video platform. Alphabet's second quarter results reported in July were again well ahead of Street expectations. Despite the run in the stock this year, we continue to like the long-term prospects for Alphabet and don't find the current valuation as being overly demanding, particularly when you account for substantial net cash on the balance sheet and the operating losses in their "Other Bets" segment, largely Waymo. The stock is the second largest weighting in the Fund at quarter end.

Danaher Corp. (DHR +13.52%), a medical and life sciences company, was the second largest contributor. Similar to Alphabet, Danaher also posted much better than expected revenue and earnings, driven by a faster recovery in the base business as well as strong demand for COVID testing solutions. Management noted that overall medical activity is returning to pre-pandemic levels, supported by a strong sales funnel and order book growth. Service levels are at or near pre-pandemic levels as site-access improves and they are seeing an uptick in equipment revenues, as customers are initiating new projects and upgrading with capital investments. Danaher remains exposed to a number of attractive secular growth drivers, namely biologic drugs where penetration is still at a single digit levels, and capital investment by big pharmaceutical and biotech companies remains robust. We continue to like the long outlook and compounding nature of the business model and Danaher is the third largest position at quarter end.

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

	Basis Point Contribution	Return
Top Contributors		
Alphabet Inc.	+57	+9.49%
Danaher Corp.	+45	+13.52%
Microsoft Corp.	+32	+4.27%
Edwards Lifesciences Corp.	+29	+9.31%
Salesforce.com Inc.	+26	+11.03%
Bottom Detractors		
PTC Inc.	-37	-15.12%
Terminix Global Holdings Inc.	-28	-12.66%
CME Group Inc.	-17	-8.65%
Union Pacific Corp.	-16	-10.61%
Visa Inc.	-16	-4.60%

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. Engineering and design software company PTC Inc. (PTC -15.12%) was the largest detractor in the quarter. Second quarter earnings and its outlook for 2021 was modestly disappointing, relative to expectations of a faster recovery. We think PTC's growth prospects and economic moat remain quite sound and added a bit to our position size after the stock came down. Arguably, the stock had maybe gotten ahead of fundamentals last year, after a nearly 60% return in 2020, but, as long-term investors, we like its prospects for strong growth and view the current risk-reward as attractive.

Terminix Global Holdings Inc. (TMX -12.66%), the provider of residential and commercial pest control services, was the quarter's second largest detractor. The stock came under some pressure despite a respectable second quarter earnings report, as its organic growth rate trailed a couple of its public company peers. Terminix has been in a bit of a turnaround mode to get its growth rate up and margins in-line with other industry peers. We believe it's newish CEO is the right person to lead these efforts and see the stock as undervalued within a very attractive industry. With patience, we believe the stock can move higher over time, although will continue to monitor milestones and challenge our investment thesis.

Outlook

From when we last wrote you three months ago, market and economic conditions have improved, albeit with a "speed bump" from the Delta variant. We remain hopeful that declining COVID case counts and further vaccinations will allow more progress in getting the health crisis behind us. We don't foresee any demand issues in the economy, if anything it's the lagging supply in physical goods, supply chain bottlenecks, and insufficient labor that is holding the economy back from reaching its full potential. Hopefully many of these issues will resolve themselves with a little bit of patience in coming quarters, although the persistency of inflation will be something we will all be paying close attention to. U.S. corporate earnings growth, which is the biggest long-term driver of stock prices, is rapidly recovering, with 2021 earnings above 2019 levels and expectations for solid growth in 2022. We expect more good news as the third quarter corporate earnings season is just now getting underway, although the magnitude of upside surprises is unlikely to be as good as what we saw in the first half of the year. As we've penned in the past, the stock market is a forward discounting mechanism and has clearly foreseen this earnings recovery as it has unfolded. P/E multiples remain high by historical standards, but not outlandish, given strong economic fundamentals and low interest rates. Today the market is trading at 21.9x 2021 and 20.2x 2022 earnings estimates versus a very long-term average around 16x. With forward multiples being fairly full, it feels like it will take additional forward revisions to move the overall market indices higher and these upwards revisions may be tougher to come by. Underlying interest rates will have a significant impact on long-term discount rates and P/E multiples which makes the debate around sustainability of the current bout of inflation extremely important. 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's 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 also continue to focus the Fund's efforts on bottom-up, individual company analysis, with a long-term ownership mindset. With improved economic prospects, the market has rewarded more cyclical, economically sensitive stocks year to date. While our style focuses more on "quality growth" with a valuation discipline (often referred to as "growth at a reasonable price"), this has created a bit of a performance headwind this year. Though tilting the Fund on the margin, we will not change our stripes and will continue to focus on owning companies with what we believe to be 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 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 Griesbach
Portfolio Manager

TOP 10 HOLDINGS AS OF 9/30/21

Company	% of Assets
Microsoft Corp.	6.79%
Alphabet Inc.	6.17%
Danaher Corp.	3.59%
Visa Inc.	3.57%
IHS Markit Ltd.	3.46%
Edwards Lifesciences Corp.	3.18%
Dollar General Corp.	3.06%
American Tower Corp.	2.94%
Morgan Stanley	2.92%
Apple Inc.	2.91%

Holdings are subject to change. The above is a list of all securities that composed 38.59% of holdings managed as of 9/30/2021 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 9/30/2021. 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.

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-to-earnings (P/E) ratio** is defined as a ratio for valuing a company that measures its current share price relative to its per-share earnings.*

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