RMB SMID Cap Fund

Portfolio Update: First Quarter 2022

During the first quarter ending March 31, 2022, the RMB SMID Cap Fund (the “Fund” or “RMBMX”) returned -8.88%, net of fees, compared to a -5.82% return for the Russell 2500 Index.

	Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception (12/31/2004)
RMBMX	-8.88%	-8.88%	+7.67%	+18.38%	+14.89%	+12.25%	+9.45%
Russell 2500® Index	-5.82%	-5.82%	+0.34%	+13.79%	+11.57%	+12.09%	+9.42%

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 0.90%.

The Fund’s investment advisor, RMB Capital Management, LLC, has adapted a contractual expense limitation agreement for each fund through April 30, 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 first quarter was eventful. Markets absorbed multiple shocks, including the tragic invasion of Ukraine by Russia, the highest inflation rate recorded since 1981, commodity price spikes, rising interest rates, a tightening shift in monetary policy, and the transition from lockdowns to re-opening the economy. Stock and bond markets sustained significant losses early in the quarter before stocks rallied into the final two weeks.

After such a strong 2021, the Fund gave back some of the significant excess return earned over the last 12 months as investors responded to several geopolitical and economic shocks. This quarter, factor risk blew out and trumped company specific risk. The companies in the portfolio delivered exceptional company specific results, but the Fund lagged for primarily two reasons. First, the portfolio is overweight companies that got a boost last year from COVID-related spending in the healthcare, consumer, and industrial sectors, specifically, innovative healthcare companies that serve the biotech sector and companies that benefit from a strong housing market. Second, the portfolio is underweight industries that benefit from the commodity inflation shock emanating from the War in Ukraine.

On balance, companies in the Fund reported great fundamental quarters and outlooks. However, positive fundamentals for many companies were not rewarded because the market shifted its focus to anticipating deteriorating fundamentals due to higher interest rates, tighter liquidity conditions, slower growth, and increased odds of a recession over the next 12 months.

Interestingly, credit spreads have yet to reflect increased recession risks. We expect several of our quality cyclical names to come roaring back if the Federal Reserve successfully threads the needle between restraining inflation while avoiding a recession. If we don’t avoid a recession, we expect credit spreads to widen which we believe will reward the Fund’s quality bias.

Contributors and Detractors

Contributors were dominated by companies that benefit from factors favorably associated with the "shocks" this quarter: War, commodity inflation, re-opening, rising interest rates.

Devon Energy Corp. (DVN +36.52%) benefitted from the spike in oil prices which resulted from sanctions removing Russian oil from the global market. DVN is a low-cost producer that acquired our holding WPX last year at an attractive price when oil was near $55 a barrel. That deal looks exceptionally savvy today with oil at around $100.

Steel Dynamics Inc. (STLD +34.95%) is a diversified, vertically integrated steel company. 70% of revenues come from steel production, 20% from metals recycling, and 10% from fabrication. STLD is benefitting from higher steel prices and a strong scrap business, as demand for scrap is higher when steel prices are higher, a nice little hedge. Very strong fundamentals are guiding the shares higher as well as anticipated greater demand.

Markel Corp. (MKL +19.55%) is a "Berkshire-like" insurance company managed by great allocators of capital. It is basically a savvy investment firm structured as an insurance company to exploit the tax benefits of long-term tax advantaged compounding plus free float.

Royal Gold Inc. (RGLD +35.09%) is an asset and employee light company (only 35 employees) that benefits from interest in and rising prices of gold.

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FIRST QUARTER 2022 CONTRIBUTION REPORT
Ranked by Basis Point Contribution

	Basis Point Contribution	Return
Top Contributors		
Devon Energy Corp.	+73	+36.52%
Steel Dynamics Inc.	+54	+34.95%
Markel Corp.	+40	+19.55%
Royal Gold Inc.	+39	+35.09%
ServisFirst Bancshares Inc.	+33	+12.46%
Bottom Detractors		
Repligen Corp.	-70	-28.98%
Trex Company, Inc.	-64	-51.53%
Eagle Materials Inc.	-62	-22.74%
Fox Factory Holding Corp.	-52	-42.42%
ITT Inc.	-47	-26.15%

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.

Detractors included companies that reported great fundamentals and guidance but did not perform due to investor fears that their businesses are on the wrong side of "factor risk." Repligen Corp. (RGEN -28.98%) is a manufacturer of protein A to purify a biologic drug. Its products are used to increase product yield during the fermentation stage of biologic drug manufacturing. COVID boosted demand for its products as well as revenues. RGEN reported great earnings and raised guidance, but investors sold based on overly skeptical concerns of a "COVID cliff" of lost revenues, as the pandemic devolves into an endemic. Expectations have become too pessimistic. We believe the roll off will be more of a gentle COVID hill rather than a cliff.

Trex Company Inc. (TREX -51.53%), an ESG (Environmental, Social, and Governance) friendly manufacturer of recycled plastic for decking supplies used in home building and remodeling, also reported a great quarter. However, investor concerns about the impact rising rates will have on homebuilding and remodeling, as well as the COVID demand pull forward from "work from home" and recession fears, have investors selling the shares. Eagle Material Inc. (EXP -22.74%), a low-cost cement manufacturer and gypsum producer, also reported great results and guidance, but fell for the same reasons as TREX.

Portfolio Activity

After several quarters of very modest portfolio activity, the volatility of this quarter created more opportunities to add to higher conviction names as well as reduce or eliminate some lower conviction names. We think the greatest mispriced idiosyncratic risks within the Fund right now are in our healthcare holdings, which are being sold as the tailwind associated with the COVID crisis winds down. During the quarter, we topped off our bio-tech basket stocks and added to higher conviction names. We also added to Trex Company Inc. (TREX) and Five9 Inc. (FIVN), names being sold due to the "COVID Cliff" fears from demand pull forward related to "work from home."

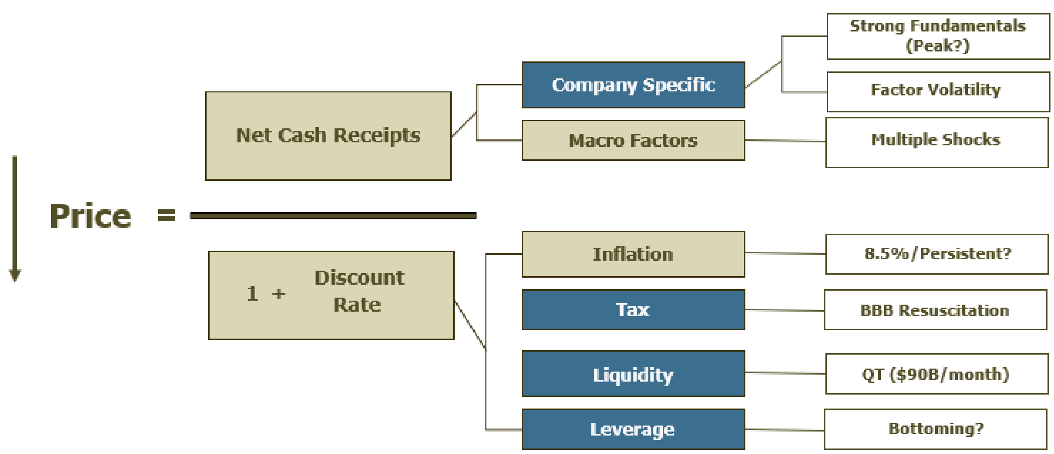
We sold Brink's Co. (BCO) because they missed their value creation milestones and we lost conviction. We also sold CyrusOne Inc. (CONE) since it is being taken over and its discount to takeover value finally closed. We trimmed Steel Dynamics, Inc. (STLD), given how large it had become, the fact that the price of steel is a big part of what makes the stock work, as well as the recognition that we are overweight materials. Finally, we sold SVB Financial Group (SIVB), as it has outgrown our mandate, and we wanted to reduce our overweight to banks given the yield curve inversion, as well as potentially increasing risk to its private equity technology portfolio.

Outlook

Uncertain. That one word captures our current outlook. War, de-globalization, inflation and rising rates, a more hawkish Fed, and a post-COVID world are the new risks that investors have to price into the market. For investors, the outcome of the war in Ukraine may have important long-term consequences. The successful defeat of Putin could strengthen the existing world order by discouraging other leaders among the "axis of evil" from testing the West geopolitically. A Putin defeat might also encourage greater cooperation with the West from China and India. Alternatively, if Putin gets part of what he wants and remains in power, it could weaken the existing world order by encouraging China to invade Taiwan, creating new trading blocks and further incentivizing a competing international reserve currency backed by commodities, which would result in a significantly weaker dollar, weaker NATO, and threaten European security and economic growth. At the time of this writing, the outcome is far from certain.

Change is the one thing that is certain. We view changing and emerging risks through the lens of the pricing equation to help us understand and shape our outlook.

Exhibit 1. The Pricing Equation



Source: RMB Capital
BBB refers to low grade bond ratings.
Quantitative tightening (QT) is a contractionary monetary policy applied by a central bank to decrease the amount of liquidity within the economy.

RMB SMID Cap Fund

At the company specific level, we couldn't feel better about the value creation fundamentals of our largest holdings. More broadly though, earnings growth expectations are beginning to moderate. External shocks are likely to slow global GDP, keep upward pressure on commodities, and increase volatility.

From a discount rate perspective, the market and the Fed had underappreciated inflationary pressures brought on by excessive fiscal and monetary stimulus. With inflation clocking in at 8.5%, the Fed has pivoted to a more hawkish stance, driving rate expectations and the discount rate higher.

In summary, what changed from Q4 to Q1 is the market moved from being "priced for strong earnings growth, supported by decent GDP growth, with very little risk that inflation remains high, and guarded by a Federal Reserve willing to provide liquidity when needed" to "priced for stagflation – higher inflation for longer and lower economic growth." If the market sniffs out a recession, stocks will likely head lower from here, but we believe the Fund should outperform on the downside due to its higher quality bias. If the Fed successfully threads the needle, tamping down inflation without causing a recession, we believe we would outperform, led by our higher quality cyclicals and secular growth companies. If the market remains priced for stagflation, the Fund may struggle to perform, due to lack of performance from our quality cyclicals and being somewhat underweight businesses that benefit from higher priced commodities.

In our last outlook, we noted "The contrarian in us suggests that the numerator and denominator are more vulnerable to negative shocks (mispriced risk) today than they were last year." Today, markets are pricing more risk, particularly recession risk, risk that innovative healthcare companies will collapse as COVID morphs into an endemic from pandemic, that technology companies will cannibalize each other in the race from the enterprise to the cloud, and commodity prices will stay elevated due to green initiatives and sanctions on Russia. We suspect again some of these risks are mispriced, especially innovative healthcare, where we remain overweight. And while factor risk volatility can drive returns over the short-term, over the long-term, company specific skill decouples from factor risk and creates excess return for investors. Our skill remains identifying mispriced risk at the company specific level. From that perspective, we continue to feel great about the companies we own in the Fund and believe our dual diversified portfolio construction process handles the high level of uncertainty always present but especially so in the current environment.

As always, the companies we invest in demonstrate high managerial skill in capital allocation, which creates value for customers, employees, communities, and shareholders.

Thank you for your commitment to the Fund. Should you have any questions regarding your investment, please do not hesitate to contact us.

Sincerely,

Chris Faber
Portfolio Manager

RMB SMID Cap Fund

RMB FUNDS

TOP 10 HOLDINGS AS OF 3/31/22

Company	% of Assets
ServisFirst Bancshares Inc.	2.97%
Devon Energy Corp.	2.96%
American Financial Group Inc.	2.96%
Teledyne Technologies Inc.	2.88%
EastGroup Properties Inc.	2.88%
Pinnacle Financial Partners Inc.	2.77%
West Pharmaceutical Services Inc.	2.75%
Catalent Inc.	2.39%
Monolithic Power Systems Inc.	2.36%
Copart Inc.	2.35%

Holdings are subject to change. The above is a list of all securities that composed 27.28% of holdings managed as of 3/31/2022 under the RMB SMID Cap 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 3/31/2022. 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 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.

Diversification does not assure a profit or protect against a loss in a declining market.

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 Russell 2500 Index measures the performance of the 2,500 smallest companies in the Russell 3000 Index. The Russell 3000 Index measures the performance of the 3,000 largest U.S. companies based on total market capitalization. The index does not reflect investment management fees, brokerage commissions, or other expenses associated with investing in equity securities. The Russell 2500 Value Index tracks the performance of companies with lower price-to-book ratios, which shows a company's market price relative to its balance sheet. The Russell 2500 Growth Index is a subset of companies with higher price-to-book ratios, or those expected to have higher growth values in the future.

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. There can be no assurance that the Fund will achieve its investment objective. Investments in small and mid cap companies involve additional risk such as limited liquidity and greater volatility.

Foreside Fund Services, LLC, Distributor