RMB Japan Fund

Portfolio Update: Second Quarter 2022

For the second quarter ended June 30, 2022, the RMB Japan Fund (the "Fund" or "RMBPX") was down, -11.30%, net of fees. During the same period, the MSCI Japan Total Return Index (dividends reinvested), which represents large capitalization companies in Japan, was also down, -14.63% in USD.

	3 Months	YTD	1 Year	3 Years	Since Inception
RMBPX	-11.30%	-17.16%	-17.74%	+0.22%	-1.73%
MSCI Japan Index	-14.63%	-20.27%	-19.93%	+1.01%	-0.76%

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 1.38% and the net expense ratio is 1.30%.

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 1.30% of the average daily net assets of the Class I shares (the "Expense Cap"). The Expense Cap is in effect until April 30, 2023 and cannot be terminated prior thereto without the approval of the Fund's Board of Trustees.

Overview of Second Quarter

In the second quarter, global equity markets experienced heightened volatility amidst persistently high inflation and the U.S. ramping up monetary tightening. Japanese equities, however, fared relatively well compared to their U.S. counterparts, with the S&P 500 and Russell 2000 indices giving up -16.11% and -17.21%, respectively. We think that this performance is particularly impressive, considering the fact that most of its losses came from a weak Japanese Yen that depreciated by -10.34% against the dollar during the same period, due to the widening gap between forward-looking interest rates in the U.S. and Japan. The falling Japanese Yen clearly helped Japan's exporters and overseas asset owners, as the value of their dollar-denominated cashflows rose meaningfully when converted to the Japanese Yen. However, domestic play counterparts did not fall behind either, as the economy's belated reopening process finally began to help boost domestic demand, creating positive momentum in the country's overall economic activity level.

On top of the Japanese market's stability compared to its global peers, our portfolio also delivered a solid relative performance against its benchmark. We believe that the portfolio's value-tilt and our disciplined approach to stick with it even in tough times are finally paying off, while our selective exposure to high-quality exporters provided an additional hedge against the falling Japanese Yen. We have also maintained higher than usual cash levels since the beginning of the year. While this was primarily a result of our bottom-up research view on each investment that led us to significantly trim some of the richly valued names, the decision nevertheless has helped us protect our portfolio through the market downturn.

RMB Japan Fund

Contributors and Detractors

Subaru Corp. (7270 JP +10.52%) and Yakult Honsha Co. Ltd. (2267 JP +7.14%) were two major contributors during the quarter.

Subaru is one of the world's major auto OEMs, producing around 1 million vehicles each year under the Subaru brand, which is known for its strong sports utility vehicle (SUV) lineup and loyal customer base. During the quarter, Subaru's shares performed strongly after the company reported expectation-beating earnings. Its strong full-year guidance was particularly impressive, as many of its peers were busy cutting their initial production outlook due to ongoing supply chain-related issues. A weak Japanese Yen also provided a further boost to Subaru's Yen-based earnings, with the company delivering c.70% of its sales from the United States. While we trimmed our position sizes across our three strategies during the rally, we still see more room for Subaru's production catchup to play out. We remain constructive on Subaru's long-term fundamentals.

Yakult Honsha is a major probiotic drink manufacturer in Japan. The company is also known for its unique home delivery system through the Yakult lady channel and generates about half of its sales overseas largely in China, Mexico, and Indonesia. During the quarter, the company reported an earnings surprise driven by strong domestic sales of Yakult 1000, offsetting the weakness in China under the country's zero COVID policy. The successful migration of Yakult Honsha's customers to higher-end Yakult 1000 as a mass-market product has been a de facto cost pass-through strategy and the market recognized the company's smooth execution of the strategy. Towards the end of the quarter, investors continued to support the stock's rally, as they price in the impact of the weak Japanese Yen and potential post-lockdown demand recovery in China.

RMB Japan Fund
SECOND QUARTER 2022 CONTRIBUTION REPORT (in USD)
Ranked by Basis Point Contribution

	Basis Point Contribution	Total Return
Top Contributors		
Subaru Corp.	+67	+10.52%
Yakult Honsha Co. Ltd.	+15	+7.14%
ONO Pharmaceutical Co. Ltd.	+12	+1.48%
Kansai Electric Power Co. Inc.	+8	+4.52%
Nikon Corp.	+5	+6.61%
Bottom Detractors		
Itochu Corp.	-119	-20.93%
Sony Group Corp.	-114	-22.13%
ULVAC Inc.	-105	-34.40%
Mitsubishi UFJ Financial Group Inc.	-85	-14.40%
Shin-Etsu Chemical Co. Ltd.	-73	-27.23%

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.

Itochu Corp. (8001 JP -20.93%) and Sony Group Corp. (6758 JP -22.13%) were two major detractors during the quarter.

Itochu Corp. is one of Japan's major trading companies, operating across various industries such as textile, machinery, metals, minerals, energy, chemicals, food, technology, and finance in Japan and overseas. Along with other trading companies, Itochu was one of the first Japanese value names that were "discovered" by foreign investors early on, before any actual value rotation started, thanks to Berkshire Hathaway's high-profile investment in Itochu and other trading companies in Japan. Serving as corporate Japan's export channel in their early days, Japanese trading companies have evolved to become the resource-constraint island country's solution for unstable input cost issues, through the acquisitions of natural resources and other assets overseas. After named as the top performer within the Fund just a quarter ago, Itochu became the biggest detractor this quarter. The stock's weakness was primarily driven by highly volatile commodity prices. While the volatile commodity market is hard to predict, Itochu's overseas asset portfolio is far more diverse than other trading company peers, at least partially mitigating the business's structural cyclicality. The asset value of the portfolio translated to the Yen also remains relatively stable, due to the weakness of the currency.

Sony is a global leader in various business domains across video game hardware, platform & software; music recording & publishing; motion pictures & TV programming; image sensors manufacturing; and the design & manufacture of consumer electronics such as mobile phones, digital cameras, and TVs. Sony is also engaged in various financial service businesses, such as life insurance and banking. The market's negative sentiment towards Sony, triggered by the news that Microsoft (MSFT US) will acquire Activision Blizzard (ATVI US) at the beginning of the year, had continued into the second quarter until the company reported decent earnings for the quarter and announced a shareholder return plan, which helped calm the market somewhat. Investors are concerned about the uncertainty around Sony's console business and the amount of investment it may be forced to make to keep up with the competition. On the other hand, we would highlight that Sony is a valuable intellectual property (IP) holder, not just in video games, but also in music and films, capable of creating cross-industry synergies among them. Sony has been one of the top contributors to the Fund's performance for a long time and this year's selloff has not changed our view on the business's fundamentals.

Portfolio Activity

During the quarter, we initiated positions in Nikon Corp. (7731 JP), a leading manufacturer of digital cameras, lenses, optical components, semiconductor equipment and healthcare devices; INPEX Corp. (1605 JP), an oil and gas exploration and production company.

We fully liquidated our remaining position in Kubota Corp. (6326 JP), a manufacturer of construction machinery and farm machinery; and Nitto Denko Corp. (6988 JP), a manufacturer of specialty chemical products such as industrial tapes and optical films, as our targets have been met. We also sold Tazmo Co. Ltd. (6266 JP), a manufacturer of production equipment for flat panel display (FPD) and semiconductor; and Meiji Holdings Co. Ltd. (2269 JP), a manufacturer of dairy products and processed food products because our initial investment thesis appeared unlikely to pan out in the foreseeable future.

Outlook

On July 8th, the former prime minister Shinzo Abe was killed by a gunman during a campaign for the upper house election in the country. This was a national tragedy for Japan no doubt, and we were shocked by the news, as we have been strong supporters of his initiatives, known as Abenomics, to turn around Japan's economy. We believe this tragedy will not change the course of the reform efforts in Japan, however. We expect the Abenomics initiatives will stay intact under the current administration by Mr. Kishida because the idea is shared and executed by so many people since Mr. Abe started the reform nine years ago.

In a world where the Federal Reserve is forced to rein back demand to offset the inflation pressure triggered by a series of supply-side shocks, we expect that the perceived opportunity cost of owning low-yielding and longer-duration type investments will continue to rise. While we believe that our portfolio's value-tilt should help mitigate some of the impacts of this macroeconomic risk, we also understand that it is a challenging market environment for equity investment in general.

That said, we think that the macroeconomic outlook in Japan is relatively positive at least in the near term. The country's long-awaited reopening has finally arrived, and pent-up demand supported by excess savings has begun to push up domestic economic activities. Exporters are already benefiting from the weak currency, but as the country gradually reopens its borders too, more tourists from its neighboring countries might consider Japan as their "inflation vacation" destination away from rising costs in their home countries, going forward. In the meantime, Japan's inflation readings remain far below those of the U.S., with the most recent one being at 2.5%. This helps the Bank of Japan (BOJ) maintain its easy monetary policy in the near term.

More importantly, though, Japanese equities still remain undervalued relative to their developed market peers as well as their own history, meaning we can buy them at a bargain, despite the economic momentum that is building up in the country. We are committed to identifying and investing in attractively valued stocks that could outperform over a full market cycle.

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

Sincerely yours,

Masakazu Hosomizu, CFA
Partner, Portfolio Manager

TOP FIVE HOLDINGS AS OF 6/30/22

Position	% of Assets
Mitsubishi UFJ Financial Group Inc.	5.25%
ITOCHU Corp.	4.98%
Sony Corp.	4.66%
TV Asahi Holdings Corp.	4.52%
Ono Pharmaceutical Co. Ltd.	4.47%

Holdings are subject to change. The above is a list of all securities that composed 23.88% of holdings managed as of 6/30/2022 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 6/30/2022. 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, 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 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 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 S&P 500 is widely regarded as the best single gauge of the United States equity market. It includes 500 leading companies in leading industries of the U.S. economy. The S&P 500 focuses on the large cap segment of the market and covers approximately 75% of U.S. equities. The MSCI Europe index is a European equity index which tracks the return of stocks within 15 European developed markets and covers approximately 85% of the free float-adjusted market capitalization of the European developed markets.

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