RMB Fund

Portfolio Update: Third Quarter 2022

During the third quarter ending September 30, 2022, the RMB Fund (the "Fund") decreased, -6.08% net of fees, behind the -4.88% S&P 500 Index return for the for the same period. Year to date, the Fund decreased -25.07%, modestly behind the -23.87% return for the benchmark.

	Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
RMBHX	-6.08%	-25.07%	-17.53%	+7.26%	+9.37%	+9.45%	+10.24%
S&P 500 Index	-4.88%	-23.87%	-15.47%	+8.16%	+9.24%	+11.70%	+11.06%
RMBHX (Load Adjusted)	-10.77%	-28.82%	-21.67%	+5.45%	+8.25%	+8.89%	+10.12%

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 1.12%.

The Fund's investment advisor, RMB Capital Management, LLC, has adapted a contractual expense limitation agreement for each fund through April 30, 2023 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.

Stocks rallied from the end of the second quarter through mid-August, but then came plummeting back down through the end of September to finish down for the quarter and back to their year-to-date lows. Looking at the Fund's quarterly performance from a traditional attribution perspective, the underperformance relative to the passive benchmark was driven by sector allocation, with a small positive impact from stock selection. Our weightings and holdings in the Health Care, Energy, and Consumer Discretionary sectors were notable detractors to performance, partially offset by positive contribution from the Consumer Staples, Information Technology, and Communication Services sectors. We will discuss individual holdings impact on third quarter performance in a moment. Style wise, value stocks outperformed growth stocks in the quarter, creating a style headwind, given the Fund's gearing towards a growth at a reasonable price style. We will continue to work hard to optimize the Fund's long-term positioning and hope to see some better relative performance in the fourth quarter. As a reminder, as long-term investors, we tend to measure our relative performance across several years and various market cycles, not just a quarter or two. On that note we believe the 5 year and since inception returns for the Fund still remain solid.

The third quarter of 2022 continued to be an environment of exceptional volatility in financial markets, macroeconomics, and geopolitics. Interest rates continued their rapid ascent, with the yield on the 10-year U.S. Treasury increasing from 3.01% to 3.83% and up from 1.51% at the end of 2021.[1] The Consumer Price Index (CPI) rose over 8% year over year in the quarter. As any U.S. resident can attest to, inflation has increased dramatically and impacted nearly everything we purchase in a noticeable way. This shock to our systems has occurred after decades of relatively benign inflation, making it even more eye-opening. While the headline inflation number remains way too high, there are some emerging signs that inflation may be peaking. Oil prices have come down well off their June highs, basic commodity prices have fallen, and the pervasive supply chain tightness that affected many industries appears to be correcting for the better. Hopefully this will show up in the government inflation statistics in the next several months. The Fed has remained steadfast in its message that it will continue to raise interest rates until it gets inflation under control, even if that means that the economy softens. Trying to raise rates while avoiding pushing the economy into a recession will be a difficult task and the probability of a recession (if we're not

[1] Source: WSJ.com Market Data

already in one now) has risen significantly. As we've penned in the past, we believe the Fed kept rates too low and should have been hiking in early to mid-2021 when it was clear that the economy was recovering from the pandemic. Adding in very aggressive fiscal stimulus from the Federal government along with frothy financial markets and created the inflation mess that we're in today. While it's easy to criticize the Fed for what is a clear policy mistake in hindsight, the pandemic-induced recession was certainly an unusual one, with no obvious playbook to draw on.

In the "good news" category, the domestic employment market remains healthy, with plentiful job openings and a historically low unemployment rate. However, labor markets tend to be a lagging indicator of current economic health, so we wouldn't be surprised to see unemployment rise somewhat in the next few quarters. There is much discussion today as to when and at what levels the Fed will have to back off its aggressive rate campaign, i.e., the so-called "Fed pivot." Outside the U.S., the economic picture appears much worse than domestically. In some ways, the U.S. feels like the "best house on a bad block" right now. The Eurozone economy is clearly beginning a significant contraction, as surging energy prices and the war in Ukraine have had a material negative impact. Germany, Europe's largest economy that is highly reliant on manufacturing, is going to really struggle with natural gas and electricity prices. The Eurozone recession will be much worse than the one that may occur here in the U.S. China's economy also seems to be rapidly decelerating due to the crash in its residential property market and recurring lockdowns from its "zero COVID" policy. It's pretty clear that the global macroeconomy is likely in for a painful period over the next 12-18 months, as central banks work to get inflation under control through higher interest rate policies.

Global stock markets, including the U.S., have not reacted well to the deteriorating macro environment. While it's important to remember that the stock market is not the economy, it is highly influenced and tends to be more forward looking than shorter term economic statistics. It's also important to remember where we started the year. Stocks ended 2021 at relatively high valuations by historical measures with little margin of safety priced into the factors that influence equity valuations, including macro economics, discount rates, long-term growth rates, tax rates, margins, and returns on invested capital. Volatility can be the friend of the long-term investor, as it can provide opportunities to buy great companies at attractive prices and also let go of names where we have less confidence or see less attractive risk-rewards embedded in valuations. While it's very difficult to forecast where the overall market is heading, and the Fund will stay fully invested at all times, we still remain modestly in the bearish camp, with perhaps another 5-15% downside ahead of us if this turns out to be a typical bear market. Calling the bottom of the market is a tough task and we would not advise investors to attempt to time the market. We also have some hesitation to even opine on "the market" and its future direction as if it's one single entity. The good news that after this substantial pull back, we are finding better risk-reward opportunities in individual stocks amongst our quality growth universe than we were finding a year ago. Today the Fund has an average reward-to-risk ratio of about three to one, whereas it was in the mid 2's at the end of last quarter and sub one at year end 2021. This gives us more confidence that fresh capital allocated today, could provide attractive returns with a three-to-five-year horizon. It's important to understand that the starting point in the price paid makes all the difference in the long-term returns generated. Of course, macro market predictions are very difficult to make with any hopes of being consistently accurate, so we'll remain "macro aware" but keep our efforts principally focused on bottom-up stock selection. 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 and earn attractive returns on invested capital. 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.

RMB Fund

Contributors and Detractors

TJX Companies Inc. (TJX, +11.75%), a national retail chain under the TJ Maxx, Marshall's, and Home Goods banners, was the Fund's largest contributor in the third quarter. The stock performed well as its second quarter earnings report was "better than feared" and TJX continues to take market share in the apparel and home furnishings markets. We are currently witnessing a lot of U.S. retailers having too much inventory on hand, which creates an exceptionally good environment for TJX to purchase discounted merchandise. Given recent earnings reports from suppliers and other retailers, we expect this to continue. While not immune, TJX's business model has historically been quite resilient to weaker economic times, as it has gained shoppers with its "treasure hunt" value proposition. We expect this to continue and like TJX's long term growth prospects. The position is scaled around average in the Fund at quarter end.

RMB Fund
THIRD QUARTER 2022 CONTRIBUTION REPORT
Ranked by Basis Point Contribution

	Basis Point Contribution	Return
Top Contributors		
TJX Companies Inc.	+16	+11.75%
Amazon.com Inc.	+14	+6.39%
Morgan Stanley	+8	+4.85%
Nordson Corp.	+6	+5.15%
PTC Inc.	+3	-1.64%
Bottom Detractors		
Alphabet Inc.	-68	-12.22%
Microsoft Corp.	-65	-9.12%
Catalent Inc.	-60	-32.56%
American Tower Corp.	-43	-16.00%
Cooper Companies Inc.	-35	-15.71%

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.

The second largest basis point contributor to the Fund for the quarter was Amazon.com Inc. (AMZN, +6.39%). As we penned in last quarters letter, Amazon was bought on weakness late in the second quarter. The stock performed well for us out of the gate in the third quarter as its earnings report was better than expected. Part of our long-term thesis on Amazon is improving margins in its core retail business and the earnings report provided some ballast that margins will improve in subsequent quarters, albeit it will likely be a bumpy ride. We continue to like the long-term prospects for Amazon and it is the Fund's fourth largest position at quarter end.

On the negative side of the performance ledger, we had names adversely affecting the Fund's overall return, both relative and absolute. Google's parent company, Alphabet Inc. (GOOG, -12.22%) was the largest of the negative contributors. After a very strong run from 2019-2021, the stock has retreated, as the on-line advertising market has clearly softened from the boom that occurred during the pandemic. Given the very difficult year-over-year comparisons and a weakening economy, we would not be surprised to see growth struggle for Alphabet for a few quarters. That said, we think the stock has more than priced this slowdown in and is inexpensive today on both an earnings and sum of the parts basis. Alphabet is the Fund's second largest position at quarter end.

Microsoft Corp. (MSFT, -9.12%) was the second largest basis point detractor in the Fund for the quarter. Outside of the negative near-term translation impact on revenue and earnings from a strong U.S. dollar, we still believe the fundamental outlook remains bright for the next several years, although it won't be immune to a weakening macroeconomic environment. Microsoft should benefit from the decade plus long shift of computing workloads to the cloud and has a very dominant position in its core enterprise software business. We think that earnings can compound over the next several years at a mid-teens growth rate and, under CEO Satya Nadellas' strong stewardship, can reallocate capital wisely. The pending acquisition of Activision Blizzard Inc. (ATVI) could be a valuable asset to Microsoft's gaming business in coming years. We believe that most of the decline in the stock price that has occurred this year has been from a rising discount rate's impact on growth stock's forward multiples rather than much idiosyncratic about the company. Microsoft remains the Fund's largest position at quarter end.

Portfolio Activity

After being fairly active compared to historical levels in the second quarter, the Fund was less active in the third quarter. We did not purchase any new names in the quarter but did exit two names. Salesforce Inc. (CRM) was sold as part of trade to harvest tax losses. Similarly, SVB Financial Group (SIVB) was a small position and could also be sold to harvest a loss while at the same time, reducing our relative overweight in the Financials sector. We look for positions that have losses and can be sold to help realize losses in the Fund's fiscal tax year. While we never want to let "the tax tail wag the dog" in our decision making, we believe it is valuable for our taxable shareholders to help lower annual distributions. During significant pullbacks in the market like we are experiencing this year, these opportunities can become more abundant. That said, even with the substantial market selloff, most of our positions are still in long-term gain status, as they have compounded higher over multiple years.

Outlook

From when we last wrote you three months ago, market and macro conditions have deteriorated, and the level of forward-looking uncertainty has risen even further. The stock market hates uncertainty and thus we continue to find ourselves in the middle of a bear market of unknown duration. We believe that action by the Fed will likely dictate when and where the market ultimately bottoms. Signs that inflation has peaked and the Fed could back off its rate hiking campaign would be very well received by the market. The Fed's messaging is that beating inflation is job number one, so it seems unlikely that a more dovish Fed is going to come to the rescue in the very near-term, but perhaps in the first half of 2023. U.S. corporate earnings, which is the biggest long-term driver of stock prices, weakened in the second quarter and we suspect there could be more downwards revisions once third quarter earnings are reported in the next few weeks. Companies are clearly facing inflationary pressures in their cost structures, and many are seeing end market demand for their products and services deteriorate both in the U.S. and key overseas markets. Street estimates for 2023 look too high in our opinion and we will be eagerly listening to this quarter's corporate earnings calls for signals about the future. U.S. corporate profit margins are at all-time highs, which only raises the probability that they could come down over the next one to two years, impacting earnings power.

After the further sell off in the third quarter that leaves the S&P 500 Index -23.87% year to date, valuations on stocks appear to be discounting a lot of the bad news, but perhaps not all. The market is trading at 16.0x 2022 and 14.8x 2023 current operating earnings estimates versus a very long-term average around 16x[2]. As we mentioned, given deteriorating macroeconomics, forward estimates are likely too high. 2022 has been a year of falling P/E multiples, as discount rates increased to reflect rising interest rates and growing macro uncertainty. Only now are we starting to see the early signs of estimate cuts, which could lead to further pressure on the market. A modest recession that isn't all that long lasting or severely damaging to the labor market wouldn't necessarily be the worst outcome though. The stock market is a forward discounting mechanism, so it could bottom a few months before macroeconomic, inflation, and interest rate fundamentals. Making the call around "how much has the market discounted?" is a very difficult one to make with any precision. While we may opine on our view of the overall market, we do not pretend to be able to predict 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 remain fully invested at all times, focusing the Fund's efforts on bottom-up, individual company analysis with a long-term ownership mindset. With the substantial pullback in the market and more attractive valuations, now is the time to consider easing into additional equity exposure, as we believe the probability of better forward returns goes up after a substantial drawdown. The starting point for fresh capital makes a big difference to long-term returns.

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[2] $3,586 closing price divided by $223.7 for 22 and $241.8 for 23; Data source: Yardeni Research, Inc.

We will continue to focus our efforts on owning companies we believe have good secular growth prospects, strong economic moats, underleveraged balance sheets, and superior management teams. If we are right more than we are wrong with these assessments, these companies may compound value for shareholders for years into the future. The opportunities to find high-quality growth companies selling at attractive valuations has become much more achievable than just nine months ago when the market was peaking. In general, valuations are still not screamingly inexpensive relative to our appraisals of fair value but are much more favorable than the stretched levels of last year. We will continue to optimize the Fund, 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 9/30/22

Company	% of Assets
Microsoft Corp.	7.41%
Alphabet Inc.	5.72%
Apple Inc.	4.05%
Amazon.com Inc.	3.80%
Visa Inc.	3.56%
Dollar General Corp.	3.53%
Danaher Corp.	3.53%
Keurig Dr Pepper Inc.	3.40%
UnitedHealth Group Inc.	3.35%
Diageo PLC	2.85%

Holdings are subject to change. The above is a list of all securities that composed 41.20% of holdings managed as of 9/30/2022 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 9/30/2022. 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.

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.

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.

***Basis Point (bps)** is a unit that is equal to 1/100th of 1% and is used to denote the change in a financial instrument.*

***The Consumer Price Index (CPI)** is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services.*

*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.*

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