

## Portfolio Update: First Quarter 2023

During the first quarter ending March 31, 2023, the RMB Japan Fund (the "Fund" or "RMBPX") was up, +7.46%, net of fees. During the same period, the MSCI Japan Total Return Index (dividends reinvested), which represents large capitalization companies in Japan, was also up, +6.19% in USD.

	Quarter	YTD	1 Year	3 Years	5 Years	Since Inception (12/27/2017)
RMBPX (net of fees)	+7.46%	+7.46%	-1.64%	+7.63%	+0.47%	+0.47%
MSCI Japan Index	+6.19%	+6.19%	-5.23%	+7.39%	+1.27%	+1.34%

**Performance listed is as of March 31, 2023. 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.**

Japanese equities rallied further in the first quarter, continuing their momentum from last quarter's rebound. The country's equity market had a strong start to the quarter, participating in another round of risk-on rallies across global equity markets from last year's selloffs. China's drastic shift away from the zero-COVID policy also helped improve investors' sentiment on the Asia region. Towards the end of the quarter, however, the risk-on mood quickly deteriorated in March when the collapse of Silicon Valley Bank (SVB) spread fear on credit risks across global markets. The Japanese banking industry and other cyclical stocks were hit particularly hard, even though they are remote from the U.S.-based regional banking concerns. The selloffs began to stabilize after government interventions across the world, and the Japanese market almost recovered to its mid-quarter highs by the end of the quarter.

## Contributors and Detractors

Shin-Etsu Chemical Co. Ltd. (4063 JP) and Sanyo Shokai Ltd. (8011 JP) were two major contributors during the quarter.

Shin-Etsu Chemical is a specialty chemicals company, manufacturing a range of chemical products from semiconductor wafers to polyvinyl chloride (PVC). The company is the global leader in many of its business areas, holding the top market share in silicon wafers, synthetic quartz, synthetic pheromones, and PVC. During the quarter, the company reported strong earnings, primarily driven by a sustained PVC upcycle on the back of the construction demand in North America. Higher earnings guidance and dividends, along with management's optimistic outlook for a potential wafer cycle recovery in the second half, helped improve investors' sentiment.

Sanyo Shokai is a manufacturer and retailer of luxury apparel and fashion accessories, such as coats, suits, dresses, and bags. The company's brand portfolio includes its original brands as well as third-party licensed brands, such as Mackintosh and Paul Stewart. The company's turnaround story remained one of the top contributors to our portfolio again this quarter, as the company's turnaround story became better understood by the market. The company is close to reaching its major turning point in the fourth quarter by officially reporting a full-year profit for the first time since 2015, reassuring the business will be consistently profitable going forward. We expect the commitment by the management team to proactively return excess capital to shareholders will support Sanyo's stock prices going forward.

Ono Pharmaceutical Co. Ltd. (4528 JP) and Mitsubishi UFJ Financial Group Inc. (8306 JP) were two major detractors during the quarter.

Ono Pharmaceutical is a Japanese pharmaceutical company focusing on prescription pharmaceuticals, including treatment for cancer, diabetes, and osteoporosis. The company is best known for its antibody-based cancer treatment, Opdivo, which is used to treat several types of cancer, including stomach cancer, melanoma, non-small cell lung cancer, renal cell carcinoma, and bladder cancer. During the quarter, the stock was sold off due to weaker-than-expected sales of Opdivo. A stronger Japanese Yen was another factor for weak stock performance, as Ono's revenue in the U.S. would be translated lower in Yen. The market's concern about the emergence of a new competing product from Astellas and Opdivo's patent cliff in the long-term also weighed on the stock. While the stock may lack any near-term catalysts, we believe that the company is making good progress in building up its pipeline in its four key focused areas (oncology, immunology, neurology, and specialty areas). We believe that the current stock price has already factored in the negative factors mentioned above and expect Ono that provides upside opportunity in the long run.

Mitsubishi UFJ Financial Group (MUFG) is Japan's largest financial group, offering a wide range of comprehensive financial services, including commercial banking, trust banking, securities brokerage, consumer financing, leasing, and asset management, among others. The group also holds a significant stake of approximately 22% in Morgan Stanley (MS US). Like the rest of Japan's banking industry, MUFG experienced a challenging quarter, as market sentiment turned negative due to the collapse of Silicon Valley Bank (SVB) in the U.S. This resulted in industry-wide selloffs, causing MUFG's stock to slightly decline year to date after erasing earlier gains. Despite the uncertainty surrounding the banking industry, we believe MUFG has a strong capital structure, diversified depositor base, and conservative asset portfolio construction, and is well positioned to withstand macro shocks if any in the future.

## Portfolio Activity

During the quarter, we fully liquidated our remaining positions in Nidec Corp. (6594 JP), a large manufacturer of motors; Nintendo Co. Ltd. (7974 JP), a leading video game developer with globally recognized intellectual properties; SMC Corp. (6273 JP), a manufacturer of pneumatic equipment; and SoftBank Group Corp. (9984 JP), an investment holding company specializing in the technology and telecommunication space, as our investment thesis appeared unlikely to pan out in the foreseeable future.

## Outlook

While the quarter marked a strong start of the year for global equity markets, the outlook remains uncertain as the repercussions of the Federal Reserve's rapid rate hikes begin to manifest. The Fed's commitment to prioritizing inflation control over economic growth and pulling back aggregate demand may continue to test highly leveraged areas in the global financial system.

### RMB Japan Fund FIRST QUARTER 2023 CONTRIBUTION REPORT (in USD<sup>1</sup>)

Ranked by Basis Point Contribution

	Basis Point Contribution	Return
<b>Top Contributors</b>		
Shin-Etsu Chemical Co. Ltd.	+76	+32.33%
Murata Manufacturing Co. Ltd.	+75	+22.14%
Nippon Steel Corp.	+75	+39.00%
Sony Group Corp.	+64	+18.81%
Sanyo Shokai Ltd.	+60	+14.76%
<b>Bottom Detractors</b>		
ONO Pharmaceutical Co. Ltd.	-48	-10.05%
Mitsubishi UFJ Financial Group Inc.	-29	-3.62%
Sompo Holdings Inc.	-20	-8.94%
Recruit Holdings Co. Ltd.	-15	-13.10%
SoftBank Group Corp.	-13	-12.27%

<sup>1</sup> All return figures above are lower than the returns in local currency due to the -1.31% appreciation 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 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 other hand, Japan's economic outlook appears relatively favorable compared to other developed economies. As we have discussed in our previous comments, we believe that the country is approaching an inflection point, making the beginning of a multi-generational regime shift away from the 30-year-long deflationary trend. Rising wages and successful price increases by corporations have led to a stable rise in the country's core consumer price index (CPI), while the Bank of Japan (BOJ) remains committed to managing inflation without extinguishing inflation prematurely. The situation in Japan today appears anything but deflationary.

The improving market outlook in Japan did not go unnoticed by global investors including Warren Buffet, who visited Japan in April and discussed his plan to invest more in the country. As more allocators shift their focus away from the U.S. towards other regions, including Asia, Japan may be appealing as one of the first destinations with its improving economic activities, stable inflation, and favorable policy support. Furthermore, we observe that Japan's equity market remains undervalued compared to its developed market peers and its own historical levels, despite the economic momentum that is building up in the country, offering attractive risk-reward asymmetry. We remain committed to identifying and investing in attractively valued stocks that have the potential to outperform over a full market cycle.

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

Sincerely yours,



Masakazu Hosomizu, CFA  
 Partner, Portfolio Manager



Ilhwa Lee, CFA  
 Portfolio Manager

#### TOP FIVE HOLDINGS AS OF 3/31/23

Position	% of Assets
Mitsubishi UFJ Financial Group Inc.	6.91%
ITOCHU Corp.	6.17%
Subaru Corp.	4.78%
Sanyo Shokai Ltd.	4.74%
Ono Pharmaceutical Co. Ltd.	4.54%

*Holdings are subject to change. The above is a list of all securities that composed 27.13% of holdings managed as of 3/31/2023 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 3/31/2023. 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, 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 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](http://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.*

*Source: MSCI. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indexes or any securities or financial products. This report is not approved, endorsed, reviewed or produced by MSCI. None of the MSCI data is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such.*

*Foreside Fund Services, LLC, Distributor*