RMB Japan Fund

Portfolio Update: Third Quarter 2023

During the third quarter ending September 30, 2023, the RMB Japan Fund (the "Fund" or "RMBPX") declined, -2.07%, net of fees. During the same period, the MSCI Japan Total Return Index (dividends reinvested), which represents large capitalization companies in Japan, declined, -1.59% in USD.

	Quarter	YTD	1 Year	3 Years	5 Years	Since Inception (12/27/2017)
RMBPX (net of fees)	-2.07%	+10.02%	+23.85%	+1.74%	+0.77%	+0.84%
MSCI Japan Index	-1.59%	+11.21%	+25.92%	+2.81%	+2.06%	+2.04%

Performance listed is as of September 30, 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 1.64% and the net expense ratio is 1.31%.

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, 2024 and cannot be terminated prior thereto without the approval of the Fund's Board of Trustees.

Overview of Third Quarter

Japanese equities experienced a slight decline in the quarter, ending a streak of quarterly gains that had lasted for the previous three quarters. The stock market got off to a solid start in July, as the global stock market continued to move up on signs that U.S. inflation might be slowing. Investors also dismissed the Bank of Japan (BOJ)'s announcement that it will make its yield curve control more flexible at least initially, after triggering temporary market swings in both equity and currency markets. As the quarter progressed, however, long-term interest rates began to rise once again, and the stock market started to decline, which was triggered by a credit rating downgrade on U.S. treasuries, as well as ongoing inflation in Japan. Concerns about China's challenging macroeconomic conditions also resurfaced, with their impact becoming increasingly evident during the earnings season. Towards the end of the quarter, Japan's equity market continued its downtrend, as the Federal Reserve signaled a prolonged period of monetary tightening. Nevertheless, the performance of Japanese equities was still ahead of their counterparts in the U.S. and Europe for the quarter, and that was despite the Japanese Yen's depreciation of -3.39% over the same period.

Contributors and Detractors

Mitsubishi UFJ Financial Group Inc. (8306 JP) and Mitsui Fudosan Co. Ltd. (8801 JP) were two major contributors during the quarter.

Mitsubishi UFJ Financial Group (MUFG) is Japan's largest financial group, offering a comprehensive range of financial services, including commercial banking, trust banking, securities brokerage, consumer financing, leasing, and asset management. The group also holds a significant stake of approximately 22% in Morgan Stanley (MS US). The country's steepening yield curve continues to benefit Japanese banks. As the leading financial group within the banking industry, MUFG has executed successfully to capitalize on this market environment. The banking group's better-than-expected earnings have raised expectations for more shareholder returns, creating a positive feedback loop for the stock. The country's still in the process of allowing long-term rates to gradually increase, and it may take some time before we start seeing short-term rate hikes, let alone any yield curve inversion. Valuation is catching up, but it is still trading below its book value. We remain constructive about the industry's earnings environment in the near future.

Mitsui Fudosan is the largest real estate conglomerate in Japan. The company generates most of its earnings from leasing and property sales, both for commercial and residential properties, while engaging in property and asset management operations. Overall, the company's business is progressing as anticipated in our initial thesis: While vacancy rates in Tokyo in general appear to be stabilizing at higher levels than those typically seen before the pandemic, Mitsui Fudosan's premium properties are well-occupied, supported by increasing demand from companies seeking smaller spaces in better locations. While long-term rates in the country are still considerably lower than those seen in other developed countries, compressed cap rates may pose a potential risk in the future. However, we believe these risks appear to be largely factored into the stock's deep discount to its net asset value (NAV). We will continue to monitor our exposure in this space to reflect our view on the balance between risk and reward, as well as Mitsui Fudosan's idiosyncratic fundamentals.

Fanuc Corp. (6954 JP) and Stanley Electric Co. Ltd. (6923 JP) were two major detractors during the quarter.

Fanuc is a global leading manufacturer of factory automation systems, equipment, and industrial robots. Its products include CNC systems, servo motors, laser systems, industrial robots, wire-cut electrical discharge machines, and CNC drills. During the quarter, Fanuc reported earnings that portrayed a challenging market environment for the company in the near term, especially in China. Orders experienced a sharp decline due to weakening investments in electric vehicles (EVs) in China, leading to a cut in management's guidance. High uncertainty surrounds China's macroeconomic environment, and Fanuc's shares are facing pressure due to their significant exposure to China, compared to other industrial companies in Japan. On the other hand, it is worth noting that the stock's valuation has also dropped to a level close to its historical lows, which was not seen except during the period of deep recessions, reflecting the associated risks. We believe this offers an improved risk/reward opportunity for us. We remain constructive about the secular growth prospects of the factory automation industry and Fanuc's role in such industry-wide transition. In the interim, the stabilization of China remains a crucial factor for the recovery of the company's fundamentals.

Stanley Electric is the second largest automotive headlamp manufacturer in Japan, holding a 40% domestic market share in Japan, while it ranks as the third largest player with a 10% market share in the global market. The company delivers 40% of sales from Honda Motors. The stock began the quarter on a downbeat note due to weaker-than-expected earnings and slow progress toward meeting full-year guidance. Additionally, the media headlines that Honda is struggling in China, combined with the company's seemingly significant exposure to Asia, further dampened investor sentiment on Stanley. While China's macroeconomic environment poses a near-term risk, the stock's valuation has adjusted to its historical low levels to reflect this risk. We believe current stock price presents an attractive risk/reward opportunity over a full market cycle.

RMB Japan Fund
THIRD QUARTER 2023 CONTRIBUTION REPORT (in USD[1])
Ranked by Basis Point Contribution

	Basis Point Contribution	Return
Top Contributors		
Mitsubishi UFJ Financial Group Inc.	+125	+15.62%
Mitsui Fudosan Co. Ltd.	+46	+11.68%
Inpex Corp.	+36	+36.74%
NEC Corp.	+27	+13.42%
Sanyo Shokai Ltd.	+26	+0.90%
Bottom Detractors		
Fanuc Corp.	-65	-25.07%
Sysmex Corp.	-58	-29.62%
Itochu Corp.	-51	-7.94%
Stanley Electric Co. Ltd.	-50	-21.09%
Keyence Corp.	-45	-20.99%

[1] All return figures above are lower than the returns in local currency due to the -3.39% 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.

Portfolio Activity

During the quarter, we initiated positions in Daikin Industries Ltd. (6367 JP), a leading manufacturer of air conditioning equipment; NEC Corp. (6701 JP), an IT consulting and system integrator; Tokio Marine Holdings Inc. (8766 JP), one of the major property and casualty insurer; Tokyo Electron Ltd. (8035 JP), a leading manufacturer of semiconductor equipment; Tokyo Steel Manufacturing Co. Ltd. (5423 JP), an electric arc furnace steel manufacturer; and Toyo Suisan Kaisha Ltd. (2875 JP), the second largest instant noodle maker under the Maruchan brand.

We fully exited Amuse Inc. (4301 JP), an artist management company; and Sompo Holdings Inc. (8630 JP), a Japanese property and casualty insurer, because our initial investment thesis appeared unlikely to pan out in the foreseeable future.

Outlook

While the level of uncertainty surrounding the global economy remains high, we are optimistic on Japan's economic outlook that we believe will remain favorable compared to other developed market peers. It appears that the country’s inflation expectations, which have been stagnant for decades, are finally rising, thanks to sustained increases in core inflation. The labor market remains tight, and wages are rising across the board. For the first time in decades, Japanese companies are realizing that they can pass on not only higher raw materials costs but also the total input costs, including the impact of wage hikes. This shift of the collective mindset is now creating a virtuous circle in the economy. The BOJ is also supportive, fully committed to not prematurely curbing inflation, while the economy is still benefitting from the country's belated reopening upcycle. This is the reason we believe that the country is finally reaching an inflection point, moving away from decades-long deflation.

Abenomics reform and corporate governance improvement initiatives, key themes we have been reiterated in the past ten years, are finally gaining traction to drive business fundamentals in Japan. Government and regulators are keep driving reform policies. Leaderships at companies are focusing on capital efficiency and shareholder return on the back of the upgraded corporate governance. We expect these changes will result in re-rating of Japanese equities going forward.

Outlook for money flowing into the country is also favorable. Since Warren Buffett's high-profile investments in the country, we have observed more analysts and investors turning bullish on Japan's equity market. It appears that some investors are shifting funds from the U.S. equity markets due to valuation reasons, while others are reallocating capital away from China for geopolitical reasons. We believe that Japan is well-positioned to offer a great combination a relatively stable geopolitical status and attractive valuations, in addition to paradigm-shifting growth opportunities.

Despite its recent outperformance, we believe the country's equity market remains undervalued compared to its developed market peers. With the economic momentum building up in the country, we believe that Japan will continue to provide an attractive risk-reward profile moving forward. 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 9/30/23	
Position	**% of Assets**
Mitsubishi UFJ Financial Group Inc.	8.41%
ITOCHU Corp.	5.82%
Subaru Corp.	5.21%
Mitsui Fudosan Co. Ltd.	4.85%
Hitachi Ltd.	4.19%

Holdings are subject to change. The above is a list of all securities that composed 28.48% of holdings managed as of 9/30/2023 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 9/30/2023. 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.

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.

*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.*

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.

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