RMB Fund

Portfolio Update: Fourth Quarter 2023

During the fourth quarter ending December 31, 2023, the RMB Fund (the "Fund") increased, +12.52% net of fees, ahead of the +11.69% increase in the S&P 500 Index (the "Benchmark") return for the for the same period. Year to date, the Fund increased +21.19% versus +26.29% for the Benchmark.

	Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
RMBHX	+12.52%	+21.19%	+21.19%	+7.47%	+14.57%	+10.07%	+10.51%
S&P 500 Index	+11.69%	+26.29%	+26.29%	+10.00%	+15.69%	+12.03%	+11.46%
RMBHX (Load Adjusted)	+6.89%	+15.12%	+15.12%	+5.65%	+13.40%	+9.51%	+10.40%

Performance listed is as of December 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 expense ratio is 1.20%.

The Fund's investment advisor, RMB Capital Management, LLC, has adapted a contractual expense limitation agreement for each fund through April 30, 2024 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.

The fourth quarter saw a significant rally in both equities and bonds, as the Fed sent the message to financial markets that it was likely done raising interest rates and could actually move to start cutting rates in 2024. The Fund was able to outperform during this strong equity rally, as the market broadened out a bit beyond the concentration of the Mag 7 stocks[1] and we had some positive company specific developments in some of our holdings. From a traditional attribution perspective, the Fund's outperformance in the fourth quarter relative to the S&P500 was all driven by positive sector allocation, with a fairly neutral contribution from stock selection. The Energy, Industrials, and Real Estate sectors were notable positive contributors to performance, partially offset by negative contribution in the Communication Services and Health Care sectors.

Macroeconomics continued to play an important factor in the backdrop of the fourth quarter of 2023. With interest rates moving higher in the first three quarters of the year, rates took an abrupt U-turn and declined significantly in the fourth quarter. The yield on the U.S. 10-year Treasury started the year at 3.88%, peaked at just under 5% in mid-October, before a rapid decline to finish the year at 3.87%. Rates started dropping in November on lower long-term bond issuance and cooler inflation, followed by the very surprising December "pivot" message that the Fed may be open to cutting interest rates next year. The bond market reacted quickly by pricing in rate cuts as early as March 2024 and the stock market soared on the news. The Fed's mission to kill off rampant inflation by raising interest rates while trying to engineer a soft landing for the economy (i.e. avoid a recession) is a real tightrope of a task. We've been skeptical that they would be able to pull this off and thought interest rates would stay higher for longer for inflation to be fully brought back under control. So far, rate hikes appear to have done a good job in bringing down inflation, as monthly Core CPI has declined to much more reasonable levels of around 3% during the fourth quarter, within shouting distance of the Fed's target of 2%. The last mile to bring it down to 2% may prove to be the most difficult part. While the probability of a soft landing in 2024 has

[1] The Mag 7 refers to the following stocks: Apple Inc. (AAPL), Microsoft Corp. (MSFT), Alphabet Inc. (GOOG), Amazon.com Inc. (AMZN), Tesla Inc. (TSLA), Meta Platforms, Inc. (META), and NVIDIA Corp. (NVDA)

increased as a result of this change, we still have some skepticism that the Goldilocks scenario of inflation returning to 2%, unemployment remaining low, and GDP staying solidly positive will play out.

The narrowness of the stock market driven by the mega cap technology stocks that we experienced in the first three quarters of the year did broaden out somewhat in the fourth quarter. Even though we have solid exposure in four of the Mag 7 stocks, the Fund would welcome more broad market with lower correlations between individual securities as it allows for better opportunities for stock selection in the Fund. We will continue to look for opportunities in new names within our high quality, GARP[2] universe while adhering to our long-term investment philosophy. We have built a concentrated, yet diversified, portfolio of high-quality individual companies that we believe may grow their earnings for years into the future and may 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.

Contributors and Detractors

The accompanying chart shows the Fund's largest contributors and detractors to performance during the year. Microsoft Corp. (MSFT) was this quarter's largest positive contributor, both from its better than market return and large position size. Fundamentals for Microsoft remained strong, with a solid fiscal first quarter earnings report in November. Its Azure cloud services business continues to grow, as corporate workloads move to the cloud and the industry operates as a rational triopoly. Microsoft has also benefited from the ongoing excitement around the emergence of artificial intelligence through its relationship with OpenAI, the owner of ChatGPT. Microsoft is arguably the second furthest-along of major technology companies in monetizing this emerging technology. There will certainly be much more to watch in 2024, including the recently launched Co Pilot add -on for its iconic Office enterprise software suite. Azure should also see its growth enhanced by the broader adoption of AI as its use is extremely computer intensive and generates vast amounts of data. Microsoft is the Fund's largest position at year end, and we continue to like its multi-year outlook, but will manage risk by not letting the position size get too large.

RMB Fund
FOURTH QUARTER 2023 CONTRIBUTION REPORT
Ranked by Basis Point Contribution

	Basis Point Contribution	Return
Top Contributors		
Microsoft Corp.	+197	+19.32%
Amazon.com Inc.	+88	+19.52%
Apple Inc.	+66	+12.60%
American Tower Corp.	+66	+33.66%
Visa Inc.	+53	+13.43%
Bottom Detractors		
Becton, Dickinson and Co.	-18	-5.30%
Danaher Corp.	-10	-2.55%
Vail Resorts Inc.	-3	-1.97%
STERIS PLC	-1	+0.43%
Diageo PLC	0	-0.01%

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.

Amazon.com Inc. (AMZN) was the second largest contributor in the quarter. It also reported a very solid third quarter that was confirmational to our long-term investment thesis. Most importantly, we are seeing improving margins in the core retail business. After over-investing during the pandemic, we believe CEO Andy Jassy has done a good job rightsizing the business and emphasizing more efficiency throughout the organization. We believe the margin embedded in Wall Street forward estimates remains to the upside and is key to driving the long-term earnings power for Amazon. Growth in the Web Services (AWS) division had also decelerated over the past few quarters, but now appears to be bottoming. A reacceleration in AWS growth in 2024 is

[2] Growth at a Reasonable Price

another potential key catalyst for the stock. We continue to like the multi-year outlook for Amazon and it is the third largest holding at the end of the quarter.

On the negative side of the performance ledger, we had a few names that detracted from performance in the quarter. Our top two largest detractors were both Health Care companies as the defensive nature of the sector underperformed in a very strong market. Diversified medical technology provider Becton, Dickinson and Co. (BDX) was the biggest detractor, as the stock reacted negatively to a mediocre fourth quarter and modestly disappointing initial fiscal 2024 guidance. With a longer horizon, we believe that Becton is poised to start reporting more consistent and predictable earnings results, which had been a long-time hallmark of the company up until the past few years. This would support a higher P/E multiple and improve value for shareholders. Our patience in the name has certainly been tested, but we feel the bias is to the upside with a positive risk reward in the stock.

Life sciences, biotechnology, and diagnostic product provider Danaher Corp. (DHR) was the second largest detractor to the Fund. Outside of a mediocre third quarter earnings report, there weren't a whole lot of idiosyncratic drivers to the stock during the quarter. Danaher has suffered a multi-quarter slump in demand for many of its products and services that are sold into the bioprocessing and biotechnology end markets. We like to refer to its portfolio of products as the "picks and shovels" that go to a large and diverse set of end customers throughout the pharma and biotech industries. The long-term secular growth going on with innovation throughout health care gives Danaher a long tail wind to grow. An ultra high-quality business, we believe Danaher may begin outperforming once orders start improving sometime in 2024 and the company gets back to a more attractive growth rate after a post pandemic hangover. Danaher also spun off its slower growing environmental solutions and water services business into a newly publicly traded entity, Veralto Corp. (VLTO) at the beginning of the quarter. We believe this was a logical move, as it simplifies Danaher and makes it more of a pure play in health care. We exited the small position in Veralto that we inherited through the spinoff, given its slower growing nature.

Outlook

U.S. corporate earnings, which is the biggest long-term driver of stock prices, have held up better in 2023 than we expected coming into the year. After year-over-year declines in the first half of the year, earnings turned positive in the third quarter and are expected to grow modestly again in the fourth quarter, once reported over the next couple of months. Earnings resilience has a lot to do with the macro economy which, at nearly 3% estimated domestic GDP growth, defied expectations of caving to the Fed's rate hike campaign. After the strong return of the market, equity valuations look to be on the expensive side at 19.6x 2024 and 17.4x 2025 earnings estimates versus a very long-term average around 16x. At the end of 2022, the forward one- and two-year multiples were 16.7x and 15.1x, so they have increased significantly. As we mentioned earlier, we believe there could be further downwards revisions to current forward estimates, which look overly optimistic to us and would only make the forward multiples even higher. We believe the stock market is pricing in a soft landing for the economy and, while we have to admit the probability of this playing out versus 12 months ago has increased, the risk of recession remains. The stock market is a forward discounting mechanism and reacted very positively to the Fed's "pivot" and subsequent decline in market interest rates during the fourth quarter. The bond market is pricing the first 25 basis point cut to occur in March, with four or five additional moves lower in subsequent months. Inflation expectations have moderated significantly, with the expectation that year-over-year inflation slows to 2-3% through 2024. So perhaps the Fed will help engineer a soft landing in 2024 after all, but we'll just have to see it to believe it, as historically it's been a difficult task to pull off. No matter what ultimately happens, we believe there is a fair amount of market volatility as this all plays out.

As always, while we may opine our view of the overall market, we do not pretend to have any ability of predicting 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 and using valuation as a tool to predict where market indices are heading. After a big rebound in 2023, we believe it remains prudent to keep return expectations modest for the next few years, i.e. mid-single digit types of returns for domestic equities. Hopefully, we'll be surprised higher, but given the starting point of a reasonably expensive market, we'd temper return expectations. We continue to focus the Fund's efforts on owning companies with what we believe to be good secular growth prospects, strong economic moats, underleveraged balance sheets, and superior management teams. These are companies we believe can compound value for shareholders for years into the future. The opportunities to find high-quality growth companies selling at highly attractive valuations is not overly abundant, but we will continue to use our "bottom-up" search to optimize the Fund. If we adhere our disciplined investment process and manage portfolio risk, we aim to continue to add value to market returns in subsequent years.

We'd like to wish everyone a happy new year and a sincere 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 12/31/23

Company	% of Assets
Microsoft Corp.	10.11%
Alphabet Inc.	7.36%
Amazon.com Inc.	4.50%
Apple Inc.	4.34%
Visa Inc.	3.89%
Kenvue Inc.	2.88%
Keurig Dr Pepper Inc.	2.66%
The Cooper Companies Inc.	2.65%
CME Group Inc.	2.45%
Becton Dickinson and Co.	2.43%

Holdings are subject to change. The above is a list of all securities that composed 43.25% of holdings managed as of 12/31/2023 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 12/31/2023. 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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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 **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