RMB Japan Fund

Portfolio Update: Fourth Quarter 2023

During the fourth quarter ending December 31, 2023, the RMB Japan Fund (the "Fund" or "RMBPX") returned +8.47%, net of fees. During the same period, the MSCI Japan Total Return Index (dividends reinvested), which represents large capitalization companies in Japan, returned +8.19% in USD.

	Quarter	YTD	1 Year	3 Years	5 Years	Since Inception (12/27/2017)
RMBPX (net of fees)	+8.47%	+19.35%	+19.35%	-0.20%	+5.74%	+2.18%
MSCI Japan Index	+8.19%	+20.32%	+20.32%	+0.66%	+6.91%	+3.30%

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 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 the Quarter

In the fourth quarter, Japanese equities experienced a robust rebound from the third quarter's weakness, concluding 2023 with stronger performance than its European and Asian counterparts. The quarter began with a slow start, influenced by factors such as rising U.S. interest rates, heightened geopolitical risks in the Middle East, and increasing oil prices. However, as market expectations for further rate hikes by the Fed diminished in November, the Japanese equity market, along with global peers, swiftly rebounded. Concurrently, the anticipation of a policy pivot by the Fed led to the appreciation of the Japanese Yen, further supported by the Bank of Japan (BOJ)'s slight shift in its yield curve control (YCC) policy. While the rally of the Japanese Yen impacted exporters, the overall net effect on the country's equity market remained positive towards the end of the year.

Contributors and Detractors

Nintendo Co. Ltd. (7974 JP) and Sanyo Shokai Ltd. (8011 JP) were two major contributors during the quarter.

Nintendo is a leading video game developer in Japan, owning globally recognized gaming IPs such as Super Mario, The Legend of Zelda, and Pokemon. While the company's core strength has always been developing proprietary video game systems, it has recently been more seriously exploring additional monetization opportunities for its IP assets through channels like animations, third-party developed games, and amusement park businesses. The Switch, Nintendo's flagship console system, and its software continue to maintain robust sales, surpassing the expectations of many investors, despite being an aging system that celebrated its seventh anniversary since release. The company's product release schedule has also become more strategic and business-oriented, as evidenced by the launch of a series of Mario franchise-related games just a few months after the success of the Mario movie in the spring of 2023.

Sanyo Shokai is a manufacturer and retailer of luxury apparel and fashion accessories, including coats, suits, dresses, and bags. The company's brand portfolio includes both its original brands and licensed third-party brands, such as Mackintosh and Paul Stewart. Sanyo Shokai had another strong start to the quarter, reporting an earnings beat and an upward revision in guidance. The improved cost structure created strong operational leverage in the face of robust reopening demand. Management also prioritized enhancing shareholder returns, matching the business's strong fundamentals, with plans to raise dividend payouts for both this year and the next. Although higher-than-average temperatures at the beginning of autumn initially impacted outerwear sales negatively, sales began to catch up as temperatures normalized towards the end of the year. Trading at 10x P/E and a 5% forward dividend yield even after the rally, we continue to believe that the stock remains attractively valued.

Subaru Corp. (7270 JP) and Takeda Pharmaceutical Co. Ltd. (4502 JP) were two major detractors during the quarter.

Subaru is one of the world's major auto OEMs, producing approximately one million vehicles each year under the Subaru brand. Subaru is renowned for its robust sports utility vehicle (SUV) lineup, and it has a loyal customer base. Although our engagement with Subaru's management resulted in enhanced shareholder returns for 2023, the company's drastic strategic shift to EV under the new CEO has substantially raised expected capex burdens for the next several years and execution risks associated with it. It would also be prudent to assume that shareholder returns are unlikely to see material improvements during the investment period. In this case, the impact of our engagement efforts would prove to be short-lived. Given the company's large exposure to the U.S. market, investor sentiment towards the stock further deteriorated when the Japanese Yen appreciated against the USD during the quarter. Despite the stock's relatively cheap valuation compared to its peers in the automotive industry, the risk of owning the stock has also increased, and its risk and reward balance no longer appear attractive. We fully exited from our position in the stock during the quarter.

RMB Japan Fund

FOURTH QUARTER 2023 CONTRIBUTION REPORT (in USD[1])

Ranked by Basis Point Contribution

	Basis Point Contribution	Return
Top Contributors		
Nintendo Co. Ltd.	+93	+25.11%
Itochu Corp.	+87	+12.92%
Sanyo Shokai Ltd.	+73	+26.02%
Shin-Etsu Chemical Co. Ltd.	+72	+44.21%
ULVAC Inc.	+68	+32.20%
Bottom Detractors		
Subaru Corp.	-42	-6.57%
Takeda Pharmaceutical Co. Ltd.	-36	-7.53%
Nikon Corp.	-22	-6.25%
Inpex Corp.	-17	-10.64%
Toyota Motor Corp.	-16	-2.54%

[1] All return figures above are lower than the returns in local currency due to the +5.90% 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.

Takeda is the largest diversified pharmaceutical drug company by revenue in Japan, focusing primarily on five core therapeutic areas: gastroenterology, rare diseases (including rare metabolic, rare hematology, and rare immunology), oncology, neuroscience, and plasma-derived therapies. Takeda has expanded its business through acquisitions, including the acquisition of Shire in 2019. Takeda's primary strengths lie in gastroenterology and oncology, while Shire's strengths are in rare diseases and plasma-derived therapies. Takeda's stock struggled during the quarter, after reporting weak earnings and maintaining guidance unchanged despite the favorable exchange rate environment. The weak sales growth of its flagship treatment for ulcerative colitis and Crohn's disease, the loss of exclusivity of a treatment for ADHD, write-offs of pipeline drugs, and weak albumin sales in China all contributed to the quarter's poor results. Management's comment that a full recovery is unlikely until the fiscal year starting in March 2025 also triggered sell-offs by short-term traders. Despite a lack of near-term catalysts, the stock's valuation remains attractive with a dividend yield close to 5%. We continue to believe that the stock's upside potential at its full valuation is appealing enough to fully compensate for near-term volatility.

Portfolio Activity

During the quarter, we initiated positions in Mabuchi Motor Co. Ltd. (6592 JP), a manufacturer of small-sized direct current (DC) motors with the largest global market share (50%) in this segment; and Toyota Motor Corp. (7203 JP), one of the world's largest automotive manufacturers, producing about 10 million vehicles per year under the brands Toyota and Lexus.

We fully exited Kyocera Corp. (6791 JP), a manufacturer of a wide range of electronic equipment and components including ceramic components, capacitors, and other electronic components; Ohashi Technica Inc. (7628 JP), an automotive parts manufacturer; and Subaru Corp. (7270 JP), as our initial investment thesis appeared unlikely to pan out in the foreseeable future.

Outlook

We remain constructive about the possibility of Japanese equities outperforming their developed market peers. As we have consistently emphasized in our previous letters over several quarters, Japan is finally emerging from decades-long deflation, marking the beginning of a potential multi-generational regime shift. The labor market remains tight, and wages continue to rise. More importantly, Japanese corporations are increasingly passing on rising costs to consumers instead of absorbing them—a significant departure from the deflationary business mindset. The Bank of Japan (BOJ) remains cautious not to prematurely curb inflation and push the economy back into deflation. What is happening in Japan today is anything but structural deflation, suggesting that Japan in the next decade is likely to be quite different from what we have become accustomed to in the past three decades.

On top of that, the Japanese equity market is becoming increasingly shareholder-aware. In addition to corporate governance enhancements led by the government over the past decade, the introduction of the Tokyo Stock Exchange's new market structure and the push for capital efficiency could further enhance the appeal of the country's equity market to global capital and mitigate the significant valuation discount it has long been experiencing.

Despite their solid performance in 2023, Japanese equities continue to be undervalued compared to their developed market peers. Considering the improving fundamentals of Japanese corporations, we maintain our belief that Japanese equities offer attractive value with a favorable risk-reward profile. We are committed to identifying and investing in stocks that are attractively valued and 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
S.V.P., Portfolio Manager

RMB Japan Fund

TOP FIVE HOLDINGS AS OF 12/31/23	
Position	**% of Assets**
Mitsubishi UFJ Financial Group Inc.	7.47%
ITOCHU Corp.	6.32%
Toyota Motor Corp.	5.69%
Mitsui Fudosan Co. Ltd.	4.68%
Nintendo Co. Ltd.	4.08%

Holdings are subject to change. The above is a list of all securities that composed 28.24% of holdings managed as of 12/31/2023 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 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.

The opinions and analyses expressed in this letter are based on Curi RMB Capital, LLC's ("Curi 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. Curi RMB Capital makes no warranty or representation, express or implied, nor does Curi RMB Capital accept any liability, with respect to the information and data set forth herein, and Curi 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 Curi 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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