RMB SMID Cap Fund

Portfolio Update: Fourth Quarter 2023

During the fourth quarter ending December 31, 2023, the RMB SMID Cap Fund (the “Fund” or “RMBMX”) returned +12.47%, net of fees, compared to a +13.35% return for the Russell 2500® Index.

	Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception (12/31/2004)
RMBMX (net of fees)	+12.47%	+20.06%	+20.06%	+6.76%	+14.79%	+9.53%	+8.78%
Russell 2500® Index	+13.35%	+17.42%	+17.42%	+4.24%	+11.67%	+8.36%	+8.62%

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 0.92%.

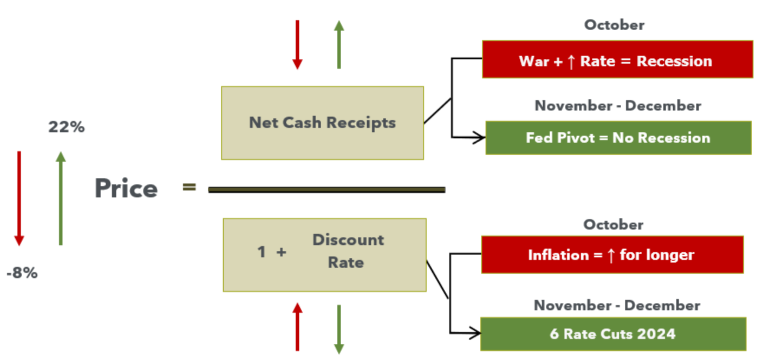
The Fund’s investment advisor, RMB Capital Management, LLC, has adapted a contractual expense limitation agreement for each fund through April 30, 2024, reducing the applicable Fund’s operating expenses. This may be continued from year to year thereafter if agreed upon by all parties. In the absence of such waivers and/or reimbursements, the applicable Fund’s total return and yield would be lower.

Smaller stocks finished a volatile year and a volatile quarter on a high note. After declining -7.7% in October, the Russell 2500® Index soared +22% in November and December. Small cap companies outperformed larger companies by 300 basis points this quarter.

Several shocks drove volatility this quarter. First, on October 7th, Hamas launched a surprise attack on Israeli civilians, resulting in a military response by Israel, increasing the risk of a wider Middle East and potentially global conflict. Second, the U.S. 10-year Treasury note breached 5% for the first time since 2007, confirming our thesis that the U.S. is exiting the era of “free money”. War is not good for inflation and high interest rates are not good for growth. These two negative shocks pressured stocks lower. However, on November 2nd, Federal Reserve Chairman Jerome Powell hinted that the central bank might be done raising rates, which was a positive shock that offset the two previous negative shocks.

Markets price risk. The return investors achieve is an outcome of either mispriced risk or changes to perceived risk. The remarkable 22% swing in the Russell 2500® Index valuation this quarter was driven by a significant shift in perceived risks. From a pricing equation perspective, the Fed Pivot shifted investor expectations from higher inflation, higher discount rate and lower growth to lower inflation, lower discount rate and higher growth resulting in a 22% valuation swing.

Exhibit 1. The Pricing Equation – Wild Changes to Perceived Risks



Source: RMB Asset Management. Red arrow indicates Russell 2500® Index 1 month performance in October, 2023; green arrow Russell 2500® Index 2 month performance from November – December, 2023.

RMB SMID Cap Fund

As is typical of our quality biased investment process, the Fund outperformed during the "risk off" period, but modestly lagged during the "risk on" period, as investors scrambled to cover heavily shorted, lower quality companies.

For the 2023 year, the Fund delivered a +20.06% return for our investors compared to +17.42% from the Russell 2500® Index. Performance is in-line with our target of 300 basis points of excess return over a complete investment cycle. The Fund also delivered these returns while taking less credit and liquidity risk than the benchmark.

Contributors and Detractors

Contributors benefited from a combination of better-than-expected company specific execution, as well as a positive change to perceived risks.

Monolithic Power Systems Inc. (MPWR) designs and provides small, highly efficient, easy-to-use power solutions for systems found in multiple semi-conductor end markets. MPWR had a very strong quarter, and we believe is strengthening its competitive moat and benefiting from positive trends in electrification, cloud computing, and artificial intelligence.

Fair Isaac Corp. (FICO) reported a very strong quarter. FICO owns proprietary data and algorithms that offer organizations the power to automate, improve, and connect credit decisions across their businesses. Our 2016 value creation thesis that CEO Will Lansing would transform FICO into a more dynamic growth company by allocating more capital to its Decision Analytics business is playing out as anticipated.

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

	Basis Point Contribution	Return
Top Contributors		
Fair Isaac Corp.	+140	+33.92%
Monolithic Power Systems Inc.	+111	+36.75%
Pinnacle Financial Partners Inc.	+97	+30.53%
PTC Inc.	+84	+23.49%
Copart Inc.	+78	+13.72%
Bottom Detractors		
Fox Factory Holding Corp.	-39	-31.98%
West Pharmaceutical Services Inc.	-30	-6.10%
Visteon Corp.	-27	-9.54%
Markel Group Inc.	-15	-3.49%
BJ's Wholesale Club Holdings Inc.	-14	-6.60%

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.

Several banks contributed to performance this quarter. Banks generally posted better than feared quarterly results, but they were also beneficiaries of the "risk on" trade. Prior to the Fed Pivot, the main risks to bank fundamentals were higher interest rates, which increases duration and deposit risk and recession risks, which increases credit risk. After the Federal Reserve's pivot on interest rates, duration, deposit and credit risks declined significantly, driving up valuations for the bank sector. Pinnacle Financial Partners Inc. (PNFP) is a Nashville based bank with a footprint focused on the broader U.S. Southeast. The stock came under pressure earlier in the year on account of the deposit and asset duration driven bank panic. The bank reported a stronger second quarter, with deposit growth driving net interest income upside and expense discipline driving overall better than expected operating leverage. Given diminished expectations going into the quarter and a strong result and outlook, the stock outperformed.

Portfolio detractors reported disappointing company specific results.

Fox Factory Holding Corp. (FOXF) announced a large and strategically confusing acquisition that put our value creation thesis at risk. We immediately sold half the position and are evaluating the impact of this deal on shareholder value.

West Pharmaceutical Services Inc. (WST) designs and produces delivery systems for injectable drugs and healthcare products. We have owned WST since 2014 and it has been one of the largest contributors to performance. This quarter, management lowered revenue guidance by 1% on slower than expected inventory restocking. We have seen this before and are confident in our longer-term value creation thesis and growth expectations.

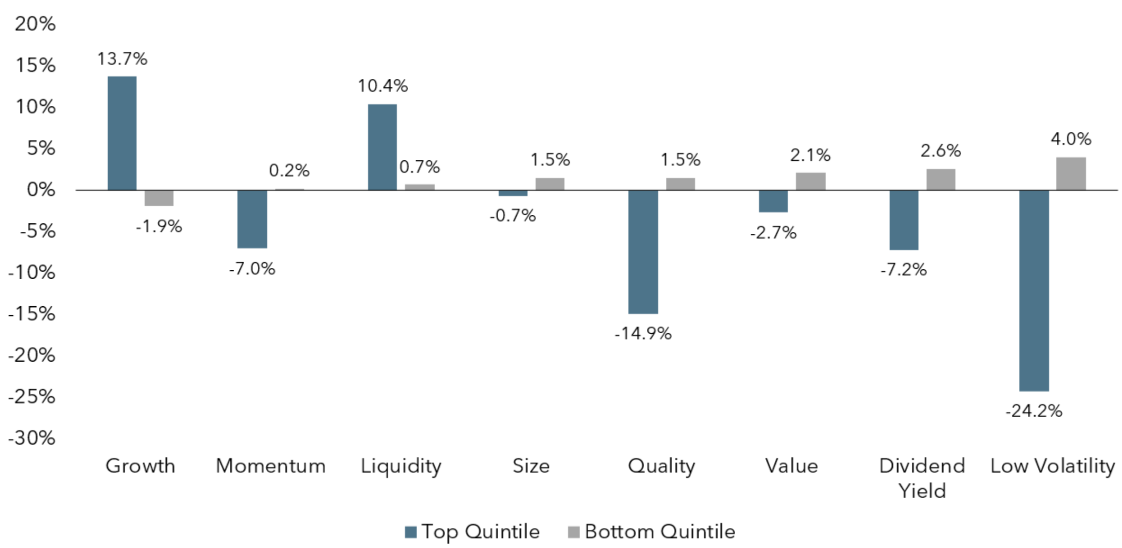
Portfolio Activity

We are long-term owners of businesses. Therefore, turnover is typically low, but driven by opportunistic adds or trims. Given the volatility associated with the quarter the team was a little more active. We trimmed Fair Isaac Corp. (FICO) given its outsized contribution to idiosyncratic risk and less attractive undervaluation. We trimmed Fox Factory Holding Corp. (FOXF), and Markel Group Inc. (MKL) due to lower conviction in value creation milestones. We added to Insulet Corp. (PODD), believing the market has overreacted, to potential negative impact on PODD's addressable market due to competition from GP1 drugs.

Outlook

In our last outlook, we did not anticipate the "Fed Pivot". Based on previous language from the Federal Reserve, we expected "higher for longer" and the emergence of credit risk to clear out weaker economic players and less skilled allocators of capital further benefitting the relative performance of higher quality companies. In fact, according to Bespoke Investment Group, the "Quality Factor" lagged in 2023 (see Exhibit 2).

Exhibit 2. U.S. Equity Market Factors

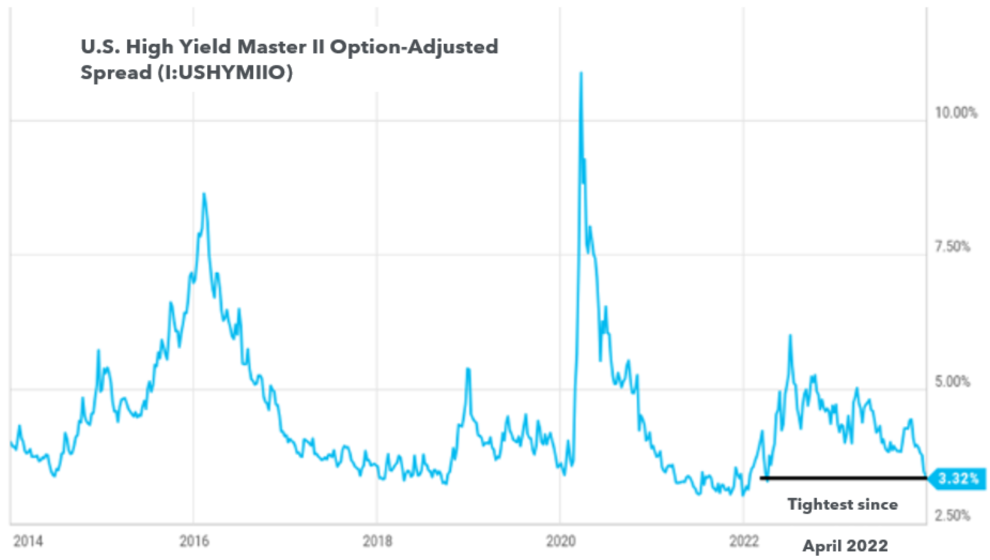


Note: Factor performance shows YTD performance as of 12/31/2023 of top quintile for each attribute relative to bottom quintile.

Source: Bespoke Investment Group

Markets price risk and the market re-priced interest rate risk which benefitted growth stocks. It also repriced recession and credit risk which benefited lower quality and cyclical names rather than higher quality, low volatility names.

Exhibit 3. U.S. High Yield Credit Spreads



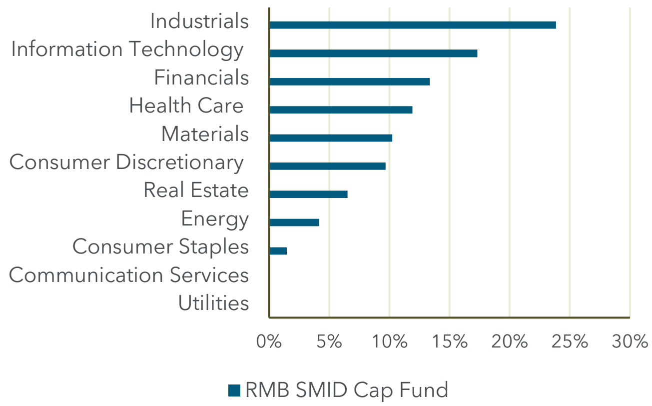
Source: YCharts, data as of 01/01/2024.

If credit spreads continue to narrow, we would expect a temporary headwind to "quality" companies and therefore to the Fund's relative performance. If credit spreads stay where they are, then no headwind. If credit spreads widen from here, then a tailwind. Our loosely held view is that the debt market may have over-reacted (mispriced risk) to the "Fed Pivot" in terms of expectations for the timing and magnitude of rate cuts. According to Yahoo Finance, the Fed funds futures trading pointed to six quarter-point cuts in 2024 down to a range between 3.75-4.0%. If the futures market is correct, then we suspect the Fed would be responding to weaker economic conditions which may spark credit concerns and a preference for higher quality companies.

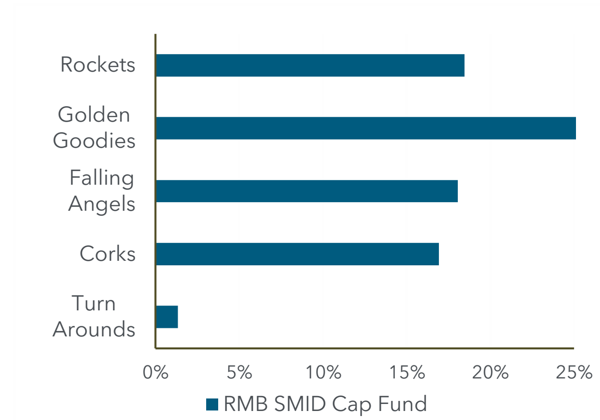
We often point out in the outlook section that our outlook has very little bearing on our portfolio construction because "more things can happen than will happen". Last year and this quarter were great examples. Investors experienced events that were impossible to incorporate into their outlook: an almost certain recession that never came, a bank run and the collapse of several large banks that exceeded 2008 by $175B, the Israeli war, Treasury Yield above 5%, higher interest rates and expanding P/E's, a 500 basis point increase in mortgage rates and higher home prices, and the Fed Pivot to name a few. Portfolio construction must recognize not only the known unknowns, but also the unknown unknowns. The Fund's dual diversification by sector and lifecycle helps us deal with both.

Exhibit 4. Dual Diversification

Sector



Life Cycle



Source: RMB Asset Management. Data as of 12/31/23.

The portfolio construction discipline helps the Fund to perform as expected because it seeks to minimize unpredictable factor risk and optimize company specific risk, where we believe we have a slight edge. For example, dual diversification meant the Fund owned enough banks and biotech to keep the portfolio performance acceptable this quarter, even though the Fund is skewed toward lower beta, lower risk, higher quality names.

The primary intended risk for the Fund is company specific. We own what we believe to be the best stewards of capital skewed toward high management skill with a proven track record of capital allocation consistent with long-term value creation, low credit risk, relatively stable business models, and greater liquidity. We are pleased that positive company specific execution from the larger portfolio weights, Fair Issac Corp. (FICO) and Monolithic Power Systems Inc. (MPWR) powered through what was another volatile macro year to deliver on our goal of 300 basis points of excess return for our clients.

Our long-term outlook never wavers. By owning what we believe to be the best allocators of capital with skilled management teams that demonstrate knowledge building cultures, adaptability, and capital allocation consistent with long-term value creation, we believe we can own a portfolio of smaller companies that will grow to become larger companies, thereby providing our investors attractive long-term risk adjusted returns.

Thank you for your commitment to the Fund. Should you have any questions regarding your investment, please do not hesitate to contact us.

Sincerely,

Chris Faber
Portfolio Manager

RMB SMID Cap Fund

TOP 10 HOLDINGS AS OF 12/31/23	
Company	**% of Assets**
Copart Inc.	4.79%
Fair Isaac Corp.	4.45%
Watsco Inc.	3.76%
PTC Inc.	3.69%
Pinnacle Financial Partners Inc.	3.54%
Monolithic Power Systems Inc.	3.35%
Avery Dennison Corp.	3.07%
Eagle Materials Inc.	2.99%
EastGroup Properties Inc.	2.92%
West Pharmaceutical Services Inc.	2.83%

Holdings are subject to change. The above is a list of all securities that composed 35.38% of holdings managed as of 12/31/2023 under the RMB Small Cap 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.

RMB SMID Cap Fund

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.

RMB Asset Management is a division of Curi RMB Capital.

Diversification does not assure a profit or protect against a loss in a declining market.

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 Russell 2500 Index measures the performance of the 2,500 smallest companies in the Russell 3000 Index. The index does not reflect investment management fees, brokerage commissions, or other expenses associated with investing in equity securities. The Russell 2500 Value Index tracks the performance of companies with lower price-to-book ratios, which shows a company's market price relative to its balance sheet. The Russell 2500 Growth Index is a subset of companies with higher price-to-book ratios, or those expected to have higher growth values in the future.

***Basis Point (bps)**: 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.*

Life Cycle Stages

***Rockets**: These are hyper-growth, early-stage companies which consume a lot of capital as they try to execute their business model. Typically, they are innovative with new products, new services, or new business processes that may threaten the status quo of existing larger companies. Upside potential may be huge, but so is downside risk. Volatility is high, and results are often binary.*

***Golden Goodies**: These are Rockets that have survived and proven that they have viable long-term business models. They have historically tended to grow faster than the overall market and need to beat the fade in returns by continuing to fend off competitive threats. These have a history of being classic asset compounders and will continue to create wealth for as long as they can beat that fade.*

***Falling Angels**: These are Golden Goodies whose growth rates have slowed because they have become so large or their economic returns have been falling because of competitive threats or an inability to find reinvestment opportunities at current high rates of return.*

***Corks**: These are mature companies where the economic returns approximate the cost of capital. Asset growth does not add or destroy value, so improving the level of economic return is critical to their success.*

***Turn Arounds**: These distressed companies are the victims of overcapacity, weak competitive position, or poor capital allocation. In order to be successful, they must divest the lower return segments of their overall business.*

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. There can be no assurance that the Fund will achieve its investment objective. Investments in smaller companies involve additional risks such as limited liquidity and greater volatility. Incorporation of Environmental, Social, and Governance (ESG) factors into the Fund's investment process may cause the Fund to make different investments and have different investment performance and exposures to different issuers and industries than funds that do not incorporate ESG considerations.

***Small-Capitalization Companies Risk** — Historically, stocks of small-capitalization companies and recently organized companies have been more volatile in price than those of the larger market capitalization companies. Among the reasons for the greater price volatility is the lower degree of liquidity in the markets for such securities, which may make these securities difficult to value and to sell. As a result, some of the Fund's small cap holdings may be considered or become illiquid. Such companies also may have limited product lines and financial resources and may depend upon a limited or less experienced management group.*

Foreside Fund Services, LLC, Distributor