RMB SMID Cap Fund

Portfolio Update: First Quarter 2020

During the first quarter the longest bull market in history ended. The bear market started with the fastest decline in history. The RMB SMID Cap Fund (the "Fund") decreased -25.28%, behind the Russell 2500 Index's decline of -29.72%.

The average bear market results in a decline of 41% and lasts approximately 17 months. Perhaps not widely noticed, the Russell 2000 Index has fallen 42% from the beginning of September 2018 to its low on March 18th of this year. One could argue the Russell 2000 has been in a bear market for 18 months. Historically, small companies have led the market into both bear and bull markets. We believe small companies will lead the new bull market when it arrives.

	Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception (12/31/2004)
RMBMX	-25.28%	-25.28%	-14.63%	+1.00%	+2.59%	+7.54%	+6.03%
Russell 2500® Index	-29.72%	-29.72%	-22.47%	-3.10%	+0.49%	+7.73%	+6.15%

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 net expense ratio is 0.96%.

The Fund's investment advisor, RMB Capital Management, LLC, has adapted a contractual expense limitation agreement for each fund through June 24, 2020 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 COVID-19 pandemic shock triggered an aggressive response by governments around the world to close all "non-essential" businesses. These actions drove the economy and markets into a severe contraction not seen since the Great Depression. Unemployment immediately spiked as businesses adjusted to an unprecedented demand shock. Estimates of GDP contraction range from -5% to -30% with unemployment potentially increasing to between 10% and 30%. As the economy raced toward a deflationary bust, investors had nowhere to hide but cash, U.S. Treasuries and the highest quality corporate bonds.

In an effort to mitigate another great depression, the Federal Reserve responded by dropping the fed funds rate to 0% and injecting over $2 trillion of liquidity into capital markets to keep them from collapsing under margin calls associated with strategies that invest in less liquid assets like high yield bonds and other esoteric credit products. The Fed also created several new liquidity pools to keep capital markets functioning. Congress and the President passed a $2 trillion stimulus package – "CARES"- to help get cash into the hands of Americans and to make sure there were plenty of loans available to support small businesses and those deemed to be essential to the U.S. military and economic security.

The Fund performed as expected, outperforming the benchmark during the downdraft. There is an old saying in this business that "you can't eat relative performance," but that depends on your time horizon. True, outperforming a market that is down 31% is not very appetizing in the short term, but it is very important over the long-term, because capital preservation in down markets is critical to the long-term compounding of wealth.

The investment team managing this Fund has lived through five bear markets. Bear markets are part of an important cycle between order and chaos that constantly repeats and improves the human condition. Humans organize into systems that are believed to create order, but inherently have unseen flaws. Order persists until the flaw is exposed and chaos and a bear market follows. People then reorganize to fix the newly exposed flaw in the system in the hopes of creating a new and better order and a bull market follows. And the cycle repeats. Each bear market is scary. Each is different. Each has different causes, but each offers rare opportunities to own great companies at attractive prices, as well as new companies that are in a position to improve the flaws in the old order and make the world a better place.

Contributors and Detractors

Some of the biggest contributors to performance were companies in the healthcare industry. Tabula Rasa Healthcare Inc. (TRHC, +6.35%) provides a highly valuable service that is aligned with current healthcare trends of moving toward quality of care and away from fee-for-service. Repligen Corp. (RGEN, +4.37%) is a biopharma pure-play focused on the provision of advanced bioprocessing solutions to the biologic drug development industry. The company is a key provider of protein products central to the monoclonal antibody development process, as well as hardware for upstream and downstream workflows. Further, future growth is independent of the clinical or commercial success of any single drug candidate, it is a "pick and shovel" supplier to the rapidly growing biotech industry.

Detractors were mostly concentrated in the financials and energy sectors. Two of the biggest financial detractors were WPX Energy Inc. (WPX, -77.80%) and Acadia Realty Trust (AKR, -52.93%). AKR is a retail real estate investment trust and we are less confident that retailers will recover quickly, thus their landlords, who can quickly have credit risk, are vulnerable, so we sold AKR. WPX is a low-cost producer of energy that got caught up in the collapse of energy prices when Russia and Saudi Arabia engaged in an irrational price war. We are underweight energy and are comfortable that WPX has hedged 80% of its oil production out for 12 months at over $50/ barrel. They are cutting capital expenditures and managing cash flow until the price recovers. We are comfortable holding on to WPX through this difficult environment for oil.

RMB SMID Cap Fund
FIRST QUARTER 2020 CONTRIBUTION REPORT
Ranked by Basis Point Contribution

	Basis Point Contribution	Return
Top Contributors		
Catalent Inc.	+19	-7.74%
Roku Inc.	+17	+25.00%
Old Dominion Freight Line Inc.	+15	+3.87%
Repligen Corp.	+12	+4.37%
Tabula Rasa Healthcare Inc.	+11	+6.35%
Bottom Detractors		
Redwood Trust Inc.	-241	-78.05%
WPX Energy Inc.	-134	-77.80%
American Financial Group Inc.	-111	-35.83%
Acadia Realty Trust	-102	-52.93%
Diamondback Energy Inc.	-96	-71.62%

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

The COVID-19 shock created both new risks and new opportunities. The Fund is adapting to reflect both. The RMB Research Core Team immediately reviewed current Fund holdings and our watch list companies and grouped them in to four buckets:

1) **The Power Through Bucket** - companies like West Pharmaceuticals, with such robust business models their cash flows are unlikely to be impacted much by the global economic recession;

2) **The Recover Quick Bucket** - companies negatively impacted by business conditions out of their control, like Pool Corp., but likely to recover quickly when we emerge from this crisis;

3) **The Recover Slow Bucket** - later cycle companies as well as companies potentially impacted in a negative way longer-term, like Acadia;

4) **Change Leaders** - companies likely to benefit from faster adoption curves of new technologies, business models, or products that will meet the changing needs of the economy as we emerge from the crisis like Roku Inc.

In the **Recover Slow** bucket, we eliminated our positions in Acadia Realty Trust, Redwood Trust Inc., and CMS Energy Corp. We added six new names to the **Recover Quick** and **Change Leaders** buckets, which include Roku Inc., ServisFirst Bancshares Inc., Insulet Corp., Fox Factory Holding Corp., Pool Corp. and Trex Company Inc. We also added to our higher conviction names like Bio-Techne Corp., Catalent Inc., and Fair Isaac Corp., and reduced lower conviction names. The process of making sure the Fund opportunities are aligned with the team's conviction is ongoing. The greater the market volatility, the greater the opportunities to optimize longer-term alpha opportunities. Turnover is higher this quarter and potentially higher next quarter, but we are excited to position the Fund to outperform as we prepare for the eventual exit of the bear market.

Outlook

As we mentioned at the beginning of this letter, every bear market is different. It is impossible to know exactly when we will emerge from the current one, but it seems two important milestones need to be met. First, we need to see a therapeutic treatment and vaccine for COVID-19. We are quite bullish on this milestone being achieved sooner rather than later because of our confidence in business leaders' ability to respond to crisis and our conversations with some of the most knowledgeable leaders in the healthcare industry. Second, we need to see the economy respond to Washington's fiscal and monetary stimulus. We find this much harder to handicap but believe the government will ultimately provide enough stimulus to reboot the global economy.

The market's swift and violent decline has largely priced in a lot of the uncertainty around these two milestones, but if they are not met in a timely way, investors may have to stomach another 20% to 30% decline. The bottom is impossible to predict or time. Investors should start thinking about the upside 5 years from now. Consider that if investors bought at this quarter's low point and had to wait 5 years to reach a new high, the return would be a 12% compound annual growth rate compared to a more certain 0.81% return for a 5 year U.S. Treasury. This will by no means be a straight path, but investors who are willing to be patient will likely feel very smart five years from today – but they have to weather the possibility of feeling stupid at certain points during that five year period. Regardless of exactly when the bear market is over, it is important to think about how emerging from this bear market might be different from the last one. Remember each has different causes, but each offers rare opportunities to own great companies at great prices as well as new companies in a position to improve the flaws in the old order.

The last bear market was caused by a housing bubble of epic proportions built upon new financial products which claimed to conquer risk (credit default swaps). When the flaws of these products became apparent, the bubble burst. Government "fixed" the problem by increasing regulation for banks and re-inflating asset values through Quantitative Easing (QE). Government's "fix" for the banks pushed more capital outside the traditional banking channel into new, less regulated and less transparent shadow banking channels. Central banks "fixed" the capital markets with QE, which basically meant buying debt so credit spreads would fall. QE had its intended effect, which was to inflate the value of all financial assets, thereby removing solvency risks within the global banking system. Order followed until new flaws that were created by the last fixes were exposed.

For active managers, QE was bad because it essentially created "a rising tide lifts all boats" scenario that resulted in high correlations and low dispersion, which meant less "alpha" for active managers. Active managers lost assets to price agnostic and research deficient passive strategies and the passive bubble inflated. QE went on for too long, and created a bubble in most financial assets. The Federal Reserve tried to exit QE in 2018 by "normalizing" interest rates and liquidity, but found it quite difficult to strike the right balance, as investors discovered when stocks experienced significant declines in the fourth quarter of 2018. Enter 2019, when the Fed pivoted on rates and in the fourth quarter aggressively re-engaged in QE to solve the new problem created in the REPO market as a result of tighter bank regulation. Even though the Fed claimed it "was not QE," stocks and bonds responded and exploded to the upside only to give back 7 years of gains in small caps within 3 weeks when the bubble burst!

The current bear market will be attributed to the COVID-19 virus, but we believe COVID-19 was the catalyst that pricked the financial bubble created by 10 years of QE.

How coming out of this bear market is different:

This time, the Fed engaged in as much QE since the start of the COVID-19 pandemic as it did in the entire decade following the global financial crisis, yet the Russell 2000 is still 35% below its peak. QE has lost its ability to inflate asset prices. This time QE will not artificially inflate the market or keep zombie companies alive, but rather will act to provide enough liquidity to keep markets from dislocating as many passive strategies and "structured credit" based funds struggle to sell illiquid assets to meet redemptions. Like last time, credit spreads should narrow, which might be a headwind for higher quality portfolios like ours, but they are not narrowing from 15% like last time. So, the headwind for quality portfolios should be smaller exiting this bear market, and importantly we believe there will likely be a tailwind that did not exist as we exited the last crisis – **reversion to dispersion**.

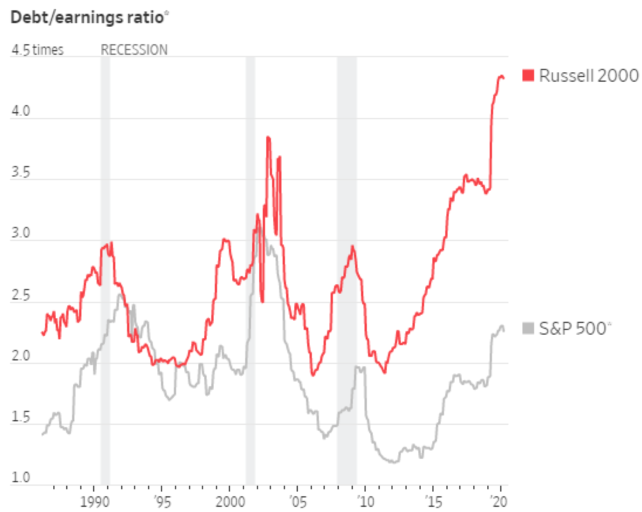
Since the "rising tide lifts all boats" strategy of QE has lost its effectiveness, there will be winners and losers creating high dispersion. High dispersion creates opportunities for active managers to add value.

Starting with non-ownership of the losers – Zombie companies. The term "zombie company" describes unprofitable companies with very little long term relevance that survive only because capital is available for essentially free. They didn't get capital from banks, as banks remained stingy lenders due to newer capital requirements. Zombie companies got capital from "new" (read flawed) lending vehicles (private credit/structured credit/CLO's etc.) that offered yield-starved investors higher returns. This type of lending occurred outside the traditional banking channel. Unfortunately, a lot of investors will be hurt by a spike in defaults, but we suspect investors' losses will be manageable as the Federal Reserve steps in with special vehicles to buy much of the debt in those products and liquidates it in an orderly way over time, the way they did with mortgages in the last crisis. But the exposure of that flaw suggests that credit availability to zombie companies will likely contract significantly - meaning we may be on the verge of a zombie apocalypse.

Zombie companies will be the losers coming out of the bear market this time whereas they were the winners coming out of the last bear market. There are a lot of zombie companies and passive strategies will own them.

In the Russell 2000 (IWM) around 1/3 of companies report no or negative earnings while nearly half have high credit risk.

Sources: FactSet; BofA U.S. Equity & U.S. Quant Strategy



*Net debt divided by earnings before interest, taxes, depreciation and amortization
Note: Data excludes financial sector companies.
Sources: FactSet; BofA U.S. Equity & U.S. Quant Strategy

Of course, the more exciting part of the story is the opportunity to own new winners. The crisis should enhance the adoption curves of new technologies, products and treatments that emerge as higher priority economic needs related to remote everything, supply chain optimization, more balanced dependencies among global trading partners, acceleration of medical solutions from vaccines, to tests, to supplies etc. that will have spillover effects for the entire biotech complex, and so many more opportunities it is impossible to include in this short letter.

The RMB Research Core Team is currently sorting through 20 years of research on our proprietary research platform, engaged in about 12 management calls a day, connecting dots and sorting potential winners and losers. Volatile markets create opportunities to adapt the Fund in an efficient way to exploit price agnostic passive flows by using upward volatility to sell companies that might fall into the "loser" bucket, and using downward volatility to buy companies that we have followed for a long time that fall into the "winner" bucket. In other words, we believe it has never been a better environment for active management to add value than now. Bear markets are a painful but necessary part of the capital allocation process, punishing poor stewards and rewarding good stewards of capital, thereby strengthening the system. We are grateful to be part of the capital allocation process and are excited about the continued opportunities to add value for our clients.

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

Sincerely,

Chris Faber
Portfolio Manager

Jeff Madden
Portfolio Manager

RMB SMID Cap Fund

RMB FUNDS

TOP 10 HOLDINGS AS OF 3/31/20	
Company	**% of Assets**
West Pharmaceutical Services Inc.	3.55%
Fair Isaac Corp.	3.46%
Jack Henry & Associates Inc.	3.24%
Markel Corp.	2.86%
Catalent Inc.	2.85%
American Financial Group Inc.	2.75%
Vail Resorts Inc.	2.70%
Teledyne Technologies Inc.	2.67%
Copart Inc.	2.64%
Tyler Technologies Inc.	2.63%

Holdings are subject to change. The above is a list of all securities that composed 29.35% of holdings managed as of 3/31/2020 under the RMB SMID 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 3/31/2020. 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, LLC's ("RMB Capital") research and professional experience, and 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 letter 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.

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 Russell 3000 Index measures the performance of the 3,000 largest U.S. companies based on total market capitalization. The index does not reflect investment management fees, brokerage commissions, or other expenses associated with investing in equity securities.

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.

Foreside Fund Services, LLC, Distributor