RMB Fund

RMB FUNDS

Portfolio Update: Third Quarter 2020

The RMB Fund (the "Fund") increased +6.82% net of fees in the third quarter of 2020, behind the +8.93% increase in the S&P 500 Index for the same period. The Fund also remains behind benchmark year to date at -0.60% vs +5.57%. After a few good years of relative performance, 2020 has been a tough one to keep up with a benchmark that's been highly driven by a narrow slice of the market, with the largest market caps and fastest growing companies having an outsized influence on the benchmark return. The under-performance in the third quarter from a traditional attribution perspective was relatively balanced between stock selection and sector allocation. The Industrials and Real Estate sectors were notable detractors to performance, partially offset by a strong positive contribution from Health Care. We will discuss individual holdings impact on third quarter performance below.

	Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception (6/16/1975)
RMBHX	+6.82%	-0.60%	+8.63%	+11.27%	+10.57%	+11.55%	+10.40%
S&P 500 Index	+8.93%	+5.57%	+15.15%	+12.28%	+14.15%	+13.74%	+11.34%
RMBHX (Load Adjusted)	+1.49%	-5.56%	+3.20%	+9.38%	+9.44%	+10.98%	+10.28%

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 1.17%.

The Fund's investment advisor, RMB Capital Management, LLC, has adapted a contractual expense limitation agreement for each fund through April 30, 2021, 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 third-quarter market environment was very strong, continuing the second quarter rebound after the substantial market sell off in the first quarter. In many respects, the stock market has proven to be one of the few positive highlights of 2020, as the COVID-19 pandemic, economic recession, civil unrest, natural disasters, and constant political fighting has led many of us wanting this chaotic year to end. Despite this negative backdrop, the stock market has continued to move higher, albeit with some newfound volatility in September. The market's rise continues to be fueled by a number of factors. First, the Federal Reserve has made it abundantly clear that they plan to keep interest rates at ultra-low levels for an extended period of time, even if that means inflation runs a bit more than their 2% long term target. Using a lower discount rate to value future streams of free cash flow results in higher price to earnings multiples and higher stock prices. We warn that this can be a dangerous mentality, as rates moving higher (even just back to pre-pandemic levels) would be a negative shock to the market. Second, near-term economic data has generally been quite positive and the probability of a stronger "V shaped" recovery has increased. Third, progress in the development of a vaccine for COVID-19 and better therapeutics for those that do contract the virus have increased the odds of having a longer-term solution to this horrible disease. The next few months will be very important in the results from several vaccine trials. We remain optimistic that a scientific solution can be achieved. Fourth, U.S. corporate earnings power has remained resilient, with the prospect for fairly "normalized" earnings in 2021. Obviously, this varies a lot from company to company and sector to sector. Earnings power next year will depend on both progress in containing the pandemic and corresponding macro-economic recovery, as they are highly intertwined.

With the rapid rebound in the market in the second and third quarters, equity valuations have quickly gone from discounting a "bad case" scenario to one where many underlying inputs go right. While not quite "priced for perfection," we don't see much margin of safety either. As it currently appears that the recession could be short lived, we're cautious that we aren't out of the woods yet. The slope of the economic recovery is still highly uncertain. Unfortunately, the impact of the pandemic has also hit Americans unevenly, with lower income and service-oriented occupations hurt much more than upper income people and professional services. Small businesses have taken a gut punch from the pandemic. We hope that everyone can participate in a broad-based economic recovery, as the durability will be much greater if those that were harmed the most can recover the fastest. The U.S. economy was structurally sound before the COVID crisis, so the faster the health crisis abates the better. As we pen this letter on a beautiful fall day in early October, we'd be remiss not to acknowledge that we have an election upon us. While we won't opine on a prediction of the outcome or the market impact depending on who wins, major changes in social, economic, and tax policy (corporate and individual) are potentially forthcoming. Usually this level of uncertainty is not good for the market, although trying to forecast "how to play" outcomes or hedging for them is extraordinarily difficult. As always, our efforts remain focused on bottom-up stock selection within a concentrated, yet diversified, portfolio of high-quality individual companies that can grow their earnings for years into the future, earn attractive returns on invested capital and compound value for shareholders.

Contributors and Detractors

The Fund's largest contributor in the quarter was Apple Inc. (AAPL) as the stock continued its strong year to date run. The market is anticipating a very strong product cycle for the next generation of the 5G enabled iPhone, as well as sustainable rapid growth in its services segment. While we continue to like the longer-term prospects for Apple given its wide economic moat, we felt like the stock was well ahead of underlying fundamentals and pared back our position size during the quarter. Whether skill or luck, our timing proved to be fortuitous, as it was very near the top of the intra quarter stock price. Danaher Corp. (DHR), a diversified life sciences and health care diagnostics company, was our second largest contributor. Danaher is a beneficiary of the decade long boom in biotech development and also has diagnostic solutions for COVID-19 detection. We also find their acquisition of General Electric's (GE) biotech division to be a transformative deal that will continue to pay off for years into the future. Danaher continues to be the Fund's largest health care holding at quarter end.

RMB Fund
THIRD QUARTER 2020 CONTRIBUTION REPORT
Ranked by Basis Point Contribution

	Basis Point Contribution	Return
Top Contributors		
Apple Inc.	+194	+26.35%
Danaher Corp.	+72	+21.90%
Progressive Corp.	+45	+18.32%
Cooper Co. Inc.	+43	+18.87%
Edwards Lifesciences Corp.	+41	+15.50%
Bottom Detractors		
Marathon Petroleum Corp.	-40	-22.41%
American Tower Corp.	-29	-6.09%
Kinder Morgan Inc.	-26	-12.28%
Raytheon Technologies Corp.	-16	-7.13%
Analog Devices Inc.	-12	-4.32%

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.

On the negative side of the performance ledger, we had names adversely affecting the Fund's overall return, both relative and absolute. It's not surprising that two of the top three detractors were Energy companies, as the sector was down nearly 20% during the quarter, the only sector in the S&P 500 with a negative return. Marathon Petroleum Corp. (MPC), a name we had swapped into the Fund for Chevron Corp. (CVX), was the largest detractor. Despite the announcement that it was selling its Speedway gas station business at an attractive price, the stock performed poorly, along with the rest of the sector. We think the sale of the business and subsequent deleveraging of the balance sheet is the right move for the company. This will allow it to focus on maximizing the cash flow of its core refining business and hopefully benefit from a longer-term recovery in refined products demand. Cell tower owner American Tower Corp. (AMT) was the second largest detractor, despite only being down 6%, as its high weighting in the Fund contributed more basis points. The business continues to perform well and should be a long-term beneficiary of the rollout of 5G technology.

AMT has a very defensive business model and, as such, the stock lagged a bit in a risk-on market environment. We continue to like its long-term prospects for attractive total return that we believe will outperform the market.

Outlook

From when we last wrote you three months ago, market and economic conditions have continued to improve. While the pace and magnitude of the recovery from here remain uncertain, the healing process from the quick and deep recession is well underway. The Federal Reserve has put a strong floor under the market, with ultra-low interest rates to be with us indefinitely and the recovery in corporate earnings is also occurring. We are writing this letter just as third quarter earnings reports are getting underway and expect to hear increased optimism from management teams that could buoy moderate upwards revisions to forward earnings estimates. This is the fuel for long run stock price appreciation. That said, we do have some concerns about corporate tax rates heading higher next year, depending on the outcome of the election, which could cut after-tax corporate profits by several percentage points. Current valuations are high and we don't think many downside risks are priced in. That said, we never claim to have any ability to predict where the market is heading in the short or intermediate term and market timing is a very difficult, if not impossible, task with which to add value. We continue to focus the Fund's efforts on owning what we believe to be great companies with secular growth prospects, strong economic moats, underleveraged balance sheets, and superior management teams. The market will do what it will do over the next several quarters, but we feel strongly that we own a diversified portfolio of quality companies that can compound value for shareholders for years into the future. The opportunities to find high-quality growth companies selling at attractive valuations is not abundant, but we will continue to use our "bottom-up" search to optimize the Fund. Our disciplined investment process focuses more on individual company fundamentals and less on the overall market.

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 9/30/20	
Company	**% of Assets**
Microsoft Corp.	7.34%
Alphabet Inc.	4.70%
Visa Inc.	4.44%
American Tower Corp.	4.08%
Danaher Corp.	3.74%
Apple Inc.	3.45%
Morgan Stanley	3.37%
IHS Markit Ltd.	3.35%
Edwards Lifesciences Corp.	3.11%
UnitedHealth Group Inc.	3.03%

Holdings are subject to change. The above is a list of all securities that composed 40.60% of holdings managed as of 9/30/2020 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 9/30/2020. 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 S&P 500® is widely regarded as the best single gauge of large-cap U.S. equities. There is over USD 7.8 trillion benchmarked to the index, with index assets comprising approximately USD 2.2 trillion of this total. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization.

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.

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