International

Portfolio Update: Annual Letter 2022

For the year ended December 31, 2022, RMB International Strategy (the "Strategy") was down -16.68%, net of fees. During the same period, the MSCI EAFE Total Return Index (dividends reinvested) was down -14.45%.

Performance	Q1	Q2	Q3	Q4	1 Year	3 Years	5 Years	Since Inception (12/31/2017)
RMB International Composite (net of IM fees)	-5.77%	-14.67%	-7.62%	+12.17%	-16.68%	-0.77%	-2.35%	-2.35%
RMB International Composite (net of IM & WM fees)	-6.01%	-14.90%	-7.85%	+11.91%	-17.52%	-1.76%	-3.33%	-3.33%
MSCI EAFE Index	-5.91%	-14.51%	-9.36%	+17.34%	-14.45%	+0.87%	+1.54%	+1.54%

Inception date: December 31, 2017. Performance is presented net of RMB Asset Management's maximum management fee and transaction costs. Performance is annualized for periods greater than one year. Please see important disclosures at the end of this document. Past performance is not indicative of future results, and there is a risk of loss of all or part of your investment. All data is as of December 31, 2022, except the Q1, Q2, and Q3 performance which is as of March 31, 2022, June 30, 2022, and September 30, 2022, respectively.

In the fourth quarter, global equity market rebounded from the trough led by value names, as the market eventually turned to "risk-on" mode. Europe led the upward move in the international equities while Japan and Asia were slightly lagging, but still with double-digit returns. Prospect of peaking inflation in the U.S. and expectation on slower rate increase by Fed drove such a shift in the market sentiment. Concern surrounding the potential energy crisis in Europe this winter subsided under the initiatives of governments to secure natural gas reserves, adding more relief to the investors' sentiment. Bank of Japan (BOJ) made a surprising pivot in its policy mix, most notably an adjustment to its yield curve control (YCC) target range to accept slightly higher long-term interest rates. We observed a meaningful shift in the direction of the international currency values as well. Euro and other European currencies, as well as the Japanese yen, rapidly regained their values during the quarter relative to the U.S. dollar under the prospect of narrowing interest rate differentials, adding tailwinds for international equity performance denominated in the dollar.

The Strategy underperformed against the benchmark in the fourth quarter, driven by our stock picking across sectors such as Financials, Consumer Staples, and Real Estate. Our stock picking dragged performance across the regions.

The Strategy, which mostly consists of high quality (high return-on-investment with less credit risks) businesses, lagged to the overall international equity market in the quarter, as the market sentiment turned to risk-on and favored companies with higher risks that had been left behind in the previous quarter. Although we are disappointed to see the underperformance in the fourth quarter wiping out the year-to-date outperformance through the third quarter, we believe in our consistent investment approach to focus on high quality companies. In the long run, we believe our high quality, compounder companies have track records to outperform the overall market, and we are confident that our consistent investment approach will result in the long-term outperformance for our investors.

Contributors and Detractors

The top contributors during the quarter were not concentrated among any particular sector, as we observed many of our "quality cyclicals" rally into the year end. Peak inflation, shift in central bank policy, energy crises aversion, and a relaxation of "zero COVID" policy in China all played a role in shifting the market sentiment to "risk on". In addition, many of our holdings reported solid and better than expected earnings with an outlook that perhaps can be described as "better than feared".

LVMH Moet Hennessy Louis Vuitton SE (MC FP), the top performing stock in the Strategy this quarter, is a global leader in luxury goods with a strong portfolio of brands exhibiting exceptional pricing power. Inflation has been particularly hard on many consumer goods companies where raising prices risks demand destruction. However, for LVMH it has nearly been the opposite, as double-digit pricing and volume growth led to nearly 20% organic growth in the quarter. Remarkably, this growth has occurred even with China still in lockdown, as historically the Chinese consumers have been some of the biggest buyers of luxury goods. With news that China is relaxing its "zero COVID" policy, we saw shares of LVMH rally sharply into year end. While pent-up demand will likely boost sales in 2023, we believe some of this upside is already reflected in the stock price and used the rally as an opportunity to trim our position size from a risk control perspective.

Anglo American PLC (AAL LN) was another top performing stock in the Strategy this quarter. The stock outperformed driven by a few macro-related tailwinds, despite the global recession concern. The easing pace of interest rate hikes by the Fed led to a weakening dollar during the quarter, which supported the pricing recovery for precious metals. In addition, the metal industry was boosted by the faster-than-expected China reopening pace and rising expectation of a better-than-expected recovery in China. More importantly, copper, Anglo's most important commodity exposure, had a strong break-out, driven by a cyclical recovery in China demand and ongoing supply constraints. Anglo also benefited from the new Quellaveco mine in Peru coming online in 2022. From the operating perspective, Anglo provided slightly weak production and cost guidance for FY23 in December, largely due to lower met coal economics, but this apparently has been downplayed by the market, given the dominance of macro-driven sentiments.

Very few of our holdings had negative returns during the quarter, as we have done a decent job with termite control throughout the year. With that being said, we did exit NICE Ltd. (NICE) which was the biggest detractor during the quarter. As a reminder, NICE provides software solutions that are used by the customer service organizations of enterprises across various industries, and by compliance and fraud-prevention groups in major financial institutions. The key to our investment thesis is continued strong execution in the transition to Cloud and a resulting improvement in Cloud GM and overall GM helped by scale efficiencies and a better attach rate of high margin products to cloud sales. While the last several earnings updates have "beat expectations", we have observed a decelerating trend in Cloud which is concerning to our thesis. After following up with the management team, we decided to exit the name before the company reported earnings in November.

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4Q 2022 CONTRIBUTION REPORT
Ranked by Basis Point Contribution

	Basis Point Contribution	Average Weight
Top Contributors		
LVMH Moet Hennessy Louis Vuitton SE	+102	4.80%
Anglo American PLC	+66	2.61%
Sampo Oyj	+65	3.22%
ASML Holding NV	+63	2.31%
Svenska Handelsbanken AB	+61	2.81%
Bottom Detractors		
NICE Ltd.	-16	0.60%
Mitsui Fudosan Co. Ltd.	-9	3.15%
Lonza Group AG	-1	2.92%
TAKUMA Co. LTD.	-1	0.34%
Nikon Corp.	-0	0.16%

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 Strategy. 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.

Mitsui Fudosan Co. Ltd. (8801 JP) is the largest real estate conglomerate in Japan. The company generates most of its earnings from leasing and property sales for both commercial and residential properties and also engages in property and asset management. The stock's performance was generally weak throughout the quarter, reflecting the business's slower-than-expected progress on filling up its newly opened office buildings and Tokyo Dome's weaker-than-expected recovery. Towards the end of the year, the stock price experienced another step down as the country's long-term interest rates began to climb up after the BOJ's announcement to widen its long-term rate target range. Overall, we are cautious about rising interest rates and compressed cap rates in the country's metropolitan areas, and this quarter's results reaffirmed our view. That said, on a relative basis within the real estate sector universe, we are still positive on Mitsui Fudosan. Office demand for class S and A office buildings (highest grade office buildings in the heart of Tokyo) should be relatively stable, driven by upgrade demand from companies looking for a smaller space at a better location, while the stock's deep discount to its net asset value should also provide some protection against a correction in the property market. We will continue to monitor our exposure in this space to reflect our view on its risk and reward balance, as well as Mitsui Fudosan's idiosyncratic fundamentals.

Portfolio Activity

No new holdings were added during the quarter while we exited three positions and trimmed several others. Cash levels are temporarily higher than average, as we remain patient to opportunistically redeploy cash into new ideas or existing holdings. It is likely that portfolio activity picks up in 2023 if market volatility increases, as our watch list for new ideas continues to grow.

We exited NICE Ltd. (NICE) during the quarter, as mentioned earlier in the letter. We weigh both the negative and positive thesis with associated milestones to track progress for all of our holdings. In this case, NICE was no longer tracking towards our positive thesis, and we believe there are more timely and attractive opportunities elsewhere. Takuma Co. Ltd. (6013 JP) and Nikon Corp. (7731 JP) were also sold during the quarter but for portfolio structure and risk control reasons rather than thesis violation. While Nikon is famously known for its consumer camera business, the company also has significant exposure to the semiconductor industry. The outlook for semi's is murky at best and we prefer to get direct exposure through our other holdings ASML Holding NV and STMicroelectronics NV. Takuma is a name we have owned for several years. The company's core business is waste treatment plants for local Japanese municipalities. The stock is "cheap" in a traditional value sense, but we don't see any near-term catalyst to unlock value and decided to exit the position.

Outlook

Though the equity market exhibited a strong rebound during the quarter with improved investor sentiment, we expect the market will remain volatile into 2023, and maintain our prudent approach to construct our portfolio conservatively. By focusing on high quality companies that we believe will compound shareholder value in the long-term, we believe we can outperform whatever the outcome of the macro environment will be in 2023. Looking around the world, there are always positives and negatives. Though inflation is apparently peaking out across regions, economic activities and hiring are seeing signs of slowdown. The war in Ukraine is not over yet with no sign of ending near-term. On the other hand, some regions have positive signs in the macro trend. Japan is getting out of the three-decades of deflation and seeing price increase in a wide range of goods and services. The country's wage level is finally increasing upon the union negotiation season in spring, potentially providing a support for household spending. China's pivot to the post-COVID reopening, though the process was apparently in a rush and less organized, may boost an increase in capital expenditure and consumption both in China and neighboring countries through international travelling by Chinese people. We believe our current investment holdings in the Strategy will navigate well through the ongoing shift in the macro environment.

As always, thank you for your support and trust in the Strategy.

Sincerely yours,

Masakazu Hosomizu, CFA
Portfolio Manager

James D. Plumb
Portfolio Manager

International

TOP TEN HOLDINGS AS OF 12/31/22	
Company	**% of Assets**
Compass Group PLC	3.75%
Shell PLC	3.63%
Sampo Oyj	3.51%
Novartis AG	3.42%
Svenska Handelsbanken AB	3.03%
LVMH Moet Hennessy Louis Vuitton SE	3.01%
Anglo American PLC	2.89%
Nestle SA	2.65%
Schneider Electric SE	2.40%
Rentokil PLC	2.32%

Holdings are subject to change. Past performance is not indicative of future results, and there is risk of loss of all or part of your investment. The data provided is supplemental. Please see disclosures at the end of this document.

Past performance is not indicative of future results, and there is a risk of loss of all or part of your investment. 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. The information provided in this letter should not be considered a recommendation to purchase or sell any particular security. There is no assurance that any securities discussed herein will remain in the Portfolio at the time you receive this letter or that securities sold have not been repurchased. The securities discussed do not represent the entire Portfolio and in the aggregate may represent only a small percentage of their holdings. It should not be assumed that any securities transaction or holding discussed was or will prove to be profitable, or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the securities discussed herein. A complete list of security recommendations made during the past 12 months is available upon request. An investment cannot be made directly in an index. The index data assumes reinvestment of all income and does not account for 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. MSCI Europe, Australasia, and Far East (EAFE®) Index is an equity index, which captures large- and mid-cap representation across Developed Markets[1]countries around the world, excluding the U.S. and Canada. With 924 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country. 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. The S&P 500 includes 500 leading companies in leading industries of the U.S. economy. The S&P 500 focuses on the large-cap segment of the market and covers approximately 75% of U.S. equities. FTSE 100 is a share index of the 100 companies listed on the London Stock Exchange with the highest market capitalization. FTSE 100 is a share index of the 100 companies listed on the London Stock Exchange with the highest market capitalization. The MSCI AC Asia ex Japan Index captures large- and mid-cap representation across 2 of 3 Developed Markets countries[2] (excluding Japan) and 9 Emerging Markets (EM) countries[3] in Asia. With 984 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

[1] Developed Markets countries include: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and the U.K.

[2] Developed Markets countries include: Hong Kong and Singapore.

[3] Emerging Markets countries include: China, India, Indonesia, Korea, Malaysia, Pakistan, the Philippines, Taiwan, and Thailand.

International

RMB Asset Management
International All Cap Composite // GIPS Report

Organization | RMB Capital Management, LLC ("RMB Capital") is an independent investment advisor registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940 and established in 2005. The GIPS firm is defined as RMB Asset Management ("RMB AM"), a division of RMB Capital Management, LLC. Previously, the firm was defined as RMB Capital and was redefined on January 1, 2016 to only include the asset management business due to the difference in how its investment strategies and services are offered. RMB AM claims compliance with the Global investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. RMB AM has been independently verified for the periods April 1, 2005 through December 31, 2020. The verification report(s) is/are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.

Description | The International All Cap product reflects the performance of fully discretionary equity accounts, which have an investment objective of long-term growth using a portfolio of primarily small-, mid-, and large-cap international stocks and for comparison purposes is measured against the MSCI EAFE index. The inception date of the International Equity Composite is December 31, 2017 and the Composite was created on December 31, 2017. Valuations and returns are computed and stated in U.S. Dollars.

ANNUAL PERFORMANCE RELATIVE TO STATED BENCHMARK

		Composite Assets		Annual Performance Results					
Year End	Total Firm Assets as of 12/31 ($M)	USD ($M)	# of Accounts Managed	Composite Gross-of-Fees (%)	Composite Net-of-Fees (%)	MSCI EAFE (%)	Composite 3-YR ST DEV (%)	MSCI EAFE 3-YR ST DEV (%)	Composite Dispersion (%)
2021	6,277.6	508.9	142	10.18	9.31	11.26	16.91	16.92	0.38
2020	5,240.59	426.6	142	8.13	7.27	7.81	18.62	17.89	0.76
2019	4,947.90	370.6	153	19.77	18.87	22.02	N/A	N/A	2.17
2018	4,196.90	169.6	74	-23.11	-23.56	-13.79	N/A	N/A	N/A*

** Composite dispersion is reported as N/A when the information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year*

Fees *| The standard management fee is 1.0% up to $1 million of assets annually, 0.975% from $1 million to $3 million, 0.950% from $3 million to $5 million, 0.90% from $5 million to $10 million, 0.825% from $10 million to $25 million, and 0.75% above $25 million. Composite performance is presented on a gross-of-fees and net-of-fees basis and includes the reinvestment of all income. Gross-of-fees returns means it is net of transaction costs but gross of asset management fees and custodian fees. The net returns are reduced by all actual fees and transactions costs incurred. The annual composite dispersion is an asset-weighted standard deviation calculated for the accounts in the Composite the entire year. Risk measures presented are calculated using gross-of-fees performance. The returns are net of withholding taxes. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.*

Minimum Value Threshold *| There is currently no account minimum in the International All Cap Composite.*

Comparison with Market Indices *| RMB compares its Composite returns to a variety of market indices. These indices represent unmanaged portfolios whose characteristics differ from the Composite portfolios; however, they tend to represent the investment environment existing during the time period shown. The returns of the indices do not include any transaction costs, management fees, or other costs. Benchmark returns presented are not covered by the report of independent verifiers. The benchmark for the International All Cap Composite is the MSCI EAFE Index, which for comparison purposes is fully invested and includes the reinvestment of income. The index data assumes reinvestment of all income and does not account for fees, taxes, or transaction costs. The performance of the MSCI EAFE® Index assumes the reinvestment of all distributions but does not assume any transaction costs, taxes, management fees or other expenses. It is not possible to invest directly in an index. MSCI Europe, Australasia, and Far East (EAFE®) Index is an equity index which captures large- and mid-cap representation across Developed Markets countries around the world, excluding the U.S. and Canada. With 924 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country. Developed Markets countries in the MSCI EAFE Index include: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and the U.K. The index does not reflect investment management fees, brokerage commissions, or other expenses associated with investing in equity securities. You cannot invest directly in an index. The returns are net of withholding taxes. 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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