RMB
FUNDS

RMB FUND

Portfolio Update: Second Quarter 2016

For the six-month period ended June 30, 2016, the RMB Fund Class A (the "Fund") was down -5.70% underperforming its benchmark, the Standard & Poor's 500 Index (S&P 500)*, which was up +3.84%, and trailing the Morningstar Large-Cap Growth category, which was down -1.93% (with dividends reinvested). Annualized performance for the Fund is -10.43%, +7.63%, and +6.79% for the 1, 5, and 10 year periods ending June 30, 2016.

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 1.38%.

The market turbulence in the second half of 2015 accelerated in the first quarter of 2016 as investors focused on China's slower economic growth, 0% or negative interest rates in Europe and Japan, the rising U.S. dollar, and the continued decline in the price of oil. Investors questioned if these factors would affect the U.S. economy, potentially causing a slowdown or a slide into recession. The price of oil began to recover in March as supply seemed to come down due to production disruption in Nigeria (an oil workers' strike), talk of an OPEC freeze, and lowered production levels in the U.S. The equity markets rebounded in synch so that by the end of March the market decline was erased. Bookending the volatile period was the unexpected pass of the U.K.'s "Brexit" referendum, which caused a sharp market selloff that reversed after one week. The vote, however, could cause political and economic uncertainty in the Eurozone in the months and years ahead.

Current economic data in the U.S. confirms that growth has cooled. For the first quarter, GDP was up just +0.8% with subdued investment in energy, transportation, and warehousing sectors, and weak exports due to the challenging global situation and the stronger dollar. Similar trends were noted in the first estimate of second quarter GDP at just +1.2%, with a slight improvement in exports. Consumer spending, which is 70% of the U.S. economy, continues to be healthy. Benefiting from a strong employment market, consumers have made modest gains in personal income and have more discretionary income from the dramatic decrease in the price of gasoline. Consumer spending is concentrated in housing, leisure and recreation, healthcare, and services. Durable goods (particularly auto related) slowed in the recent months but picked up in July. The consumer savings rate is at the healthy 5%-6% level.

The Fund made significant adjustments to the portfolio in response to the changing dynamic and added derivative transactions which were intended to enhance returns during this period of volatility. During the first six months, we added to weightings in industrials, consumer finance, and communications services. We reduced the Fund's weightings in consumer cyclicals, energy, and healthcare. At the end of the period, the largest sector allocations (and those which are overweighted relative to the index) were technology, healthcare, and financial services. The smallest sectors (and those underweighted) were utilities, basic materials, and real estate. For the first six months, the five securities that contributed most to the Fund's performance were Amazon.com Inc., Verizon Communications, Inc., Edwards Lifesciences Corp., UnitedHealth Group Inc., and Energy Transfer Equity LP (no longer held). The five leading detractors from performance were Regeneron Pharmaceuticals, Inc., Calumet Specialty Product Partners LP (no longer held), Apple Inc., Palo Alto Networks, Inc. (no longer held), and LinkedIn Corp Class A (no longer held). LinkedIn announced in the second quarter that it would be acquired by Microsoft at a substantial premium. The stock was sold soon afterward at a considerable gain. Regeneron and Apple are core positions with significant capital gains.

As we look ahead to the second half of the year, we expect volatility to continue. Energy prices have corrected once again as traders have become concerned that the rebalancing of supply/demand may take longer than originally projected due to increased supply from OPEC, Iran, and potentially the U.S., which has had an uptick in domestic drilling activity. Other headwinds are political and economic uncertainty in the U.S. due to the raucous presidential election cycle, the ramifications of Brexit and what it means to E.U. solidarity, and several consecutive quarters of year-over-year declines in corporate earnings. In addition, investors will be on the lookout for the Federal Reserve to resume rate increases in a controlled manner, after having paused after one step up in 2015. With asset prices near fair value and earnings estimates having been adjusted downward in many industries, volatility has increased. That said, we will continue to follow our disciplined investment process regardless of broad market conditions.

As you may be aware, RMB Capital is now the investment advisor to the former Burnham Investors Trust (now known as RMB Investors Trust), subject to shareholder approval in the recently distributed proxy. The Burnham Fund portfolio – renamed the RMB Fund – is now being managed by Todd Griesbach, CFA. Todd is a highly experienced portfolio manager and has a team of analysts working with him. We have been getting to know Todd and his colleagues, and we are collaborating during this transition period to ensure consistency of approach, investment style, and objective. Burnham as an organization has had a long working relationship with RMB, and this transition is a natural progression for the fund group. We are confident that shareholders are in good hands with RMB and Todd at the helm. We look forward to the new perspectives and talent Todd and his team will bring to the Fund, while at the same time honoring the legacy of Burnham's founders and you, the shareholders, who we have had the privilege of serving since 1975.

TOP 10 HOLDINGS AS OF 6/30/16

Company	% of Assets
APPLE INC	10.33%
AMAZON COM INC	7.36%
COSTCO WHOLESALE CO	4.85%
BERKSHIRE HATHAWAY INC DE CL B NEW	3.73%
ALPHABET INC CL A	3.62%
ALPHABET INC CL C	3.57%
VISA INC CLASS A	3.51%
HOME DEPOT INC	3.29%
AMGEN INC	3.13%
CVS HEALTH CORP	2.96%

* *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.*