RMB
FUNDS

RMB FUND

Portfolio Update: 2016

For the twelve month period ended December 31, 2016, the RMB Fund, Class A shares (the ''Fund'') gained +1.32% underperforming the S&P 500 Index* which was up +11.96%. As you may recall, RMB Capital took over as investment adviser for the RMB Fund on July 1, 2016 and I began service as the Fund's portfolio manager. For the six month period since I began managing the portfolio, the Fund gained +7.45%, in line with the +7.82% return of the S&P 500 Index.

	1 Year	3 Years	5 Years	10 Years	15 Years	Since Inception
RMBHX	1.32%	3.58%	9.23%	6.47%	5.19%	10.10%
S&P 500 Index TR	11.96%	8.87%	14.66%	6.95%	6.69%	11.12%
S&P 500 Index PR	9.54%	6.60%	12.23%	4.67%	4.55%	8.03%
RMBHX (Load Adjusted)	-3.76%	1.83%	8.12%	5.93%	4.83%	9.97%

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%.

During the first half of the year, volatility was high. The markets declined in the first quarter 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 declined in the price of oil. However, as oil began to recover in March, markets rebounded nicely, erasing the decline. Bookending this volatile period was the unexpected passage of the U.K.'s ''Brexit'' referendum, which caused a sharp market selloff that reversed after one week. While the first half of the year was notable, the second half was truly remarkable with the unanticipated results of the Presidential Election and the stock market's subsequent rally. The Republican Party's sweep of both Congress and the presidency was interpreted by the market as an opportunity to make major change in Washington's economic and tax policy. The post-election run in the overall market also coincided with a significant move higher in interest rates, albeit off near record historic low levels. Rising rates would normally indicate a bad market for stock investments. However, more pro-growth economic policy changes, along with the anticipated reduction in corporate tax rates, outweighed the increase in interest rates. The tug of war between optimism for better economic growth versus higher rates will continue into 2017. While it certainly feels like it is getting late in the economic cycle, it is very possible that the changes in economic, fiscal and tax policy could boost consumer and business confidence, thereby increasing overall economic growth in 2017. Any increase in growth could translate into higher corporate earnings beyond current expectations.

Here at RMB Capital, we have made a few significant changes to the Fund's holdings and sector weightings since becoming the investment adviser to the Fund while at the same time, pursuing a strategy that is largely similar to how the Fund was managed historically.

During the second half of 2016, we purchased fourteen new securities and exited thirteen as the Fund began repositioning itself towards current favorite long-term investment ideas. We also reduced the Fund's weighting in the Technology sector, and Apple in particular. We purchased new positions in Becton Dickinson, Chevron, Morgan Stanley, Alliance Data Systems, NVR, Cognizant Technology, Microchip Technologies, Macquarie Infrastructure, American Tower, Priceline, Steris, IHS-Markit, Ritchie Brothers and Discovery Communications, which are all high quality businesses that we view as having good long-term total return potential.

A few of our recent purchases are described in more detail below. We believe American Tower, owner of cell phone communications towers, is a great business with substantial competitive barriers to entry and very little economic cyclicality. Cell phone carriers need to continue to reinvest capital in their networks to meet the growth in data traffic and the company that owns the tower benefits from having more equipment added to their existing real estate. Additionally, these companies have long-term leases with built-in annual escalators, providing strong visibility into revenue growth. We believe American Tower has the proven ability to replicate its business model in select countries outside the US, providing additional sources of growth in less mature regions. We think this is a company to own for years to come. We believe Priceline is another strong business model that benefits from the long-term secular trend of travel bookings moving on-line. It has a dominant market share in the booking of European hotels, a highly fragmented customer base that profits from booking.com's large access to both leisure and business travelers. While Priceline's value can ebb from quarter to quarter, booked room nights continue to grow strongly and the revenue take rate has remained quite stable. This is a great asset-light business that tends to produce strong margins, return on invested capital and free cash flow. We think it's a secular winner to own with a multi-year investment horizon.

For the last six months of 2016, the five securities that contributed the most to the Fund's performance were: Apple, Morgan Stanley, JP Morgan, Williams, and Alphabet. The five largest detractors were: CVS Health, Verizon (no longer held), Edwards Lifesciences (no longer held), Ritchie Brothers, and Becton Dickinson. From a sector perspective, the Fund benefited from underweighting to the Real Estate and Utilities sectors, as both sectors underperformed when interest rates rose and the market tilted towards more cyclical sectors. Our stock selection was best in the Energy and Health Care sectors and weakest in Industrials sector. Our repositioning of the Fund in the second half of the year has created better sector balance relative to the Fund's benchmark, which we believe will allow our stock selection capabilities to drive more performance going forward.

A lot has changed with respect to the investment environment since we last communicated with you. Near-term economic data points have generally been positive while business optimism about the future has spiked higher. The possibility of more "pro-growth" tax and economic policy changes has given the market a huge boost. Whether this proves to be true long-term fuel is debatable, but the opportunity to extend the economic cycle for a few years seems like a real possibility. Implied market expectations have gone higher in a short period of time and we enter 2017 with a reasonably healthy employment market. Monthly job gains have remained solid with overall unemployment low and real wage growth starting to show signs of picking up. We believe the US housing market recovery will continue at a slow and steady pace over the next few years, assuming interest rates don't move dramatically higher. Calling interest rates has been a difficult task in both the short and long-run, but we think rates could move moderately higher from year-end levels. Oil prices have sustained their rebound and settled into the low- to mid-$50's and can likely continue a gradual rise in 2017.

Outside of the US, the economic view is more uncertain. Emerging markets have seen economic growth decelerate rapidly and a handful of countries remain in serious recessions. While it is no longer in the headlines, China's economy remains a large wildcard with some very scary implications in a hard landing scenario. Europe has seen modest signs of improving growth, but sustainability is highly uncertain. The US dollar staged a large rally in the fourth quarter which will hurt the reported earnings growth of large US multi-nationals. This translation effect will result in some cuts to 2017 earnings estimates. We think the earnings recovery for 2017 remains on track, although estimates for the start of the year may be too high. This is not an unusual phenomenon as analyst estimates at the beginning of the year often prove to be overly optimistic. In a middling economic growth environment, companies that can show secular growth will continue to be rewarded when the cyclical growth environment is challenged.

While the opportunities to find high quality, growing companies selling at reasonable valuations aren't widely abundant, our research process remains focused on finding those investments that maximize returns without taking undue risk. Thank you for the trust you place in us to manage your assets.

RMB FUNDS

Sincerely,

Todd Griesbach
Portfolio Manager

TOP 10 HOLDINGS AS 12/31/16

Company	% of Assets
Apple, Inc.	8.35%
Berkshire Hathaway, Inc. Class B	4.87%
Alphabet, Inc., Class A	4.73%
Costco Wholesale Corp.	4.41%
Visa, Inc.	4.29%
JPMorgan Chase & Co.	4.12%
Home Depot, Inc.	4.01%
Alphabet, Inc., Class C	3.70%
Morgan Stanley	3.52%
Amgen, Inc.	3.49%

* *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.*