RMB International Fund

RMB FUNDS

Portfolio Update: First Quarter 2018

The RMB International Fund (the "Fund") finished the first quarter of 2018 flat, while the MSCI EAFE Index declined -1.53%.

	Q1	YTD	Since Inception
RMBTX	**+0.00%**	**+0.00%**	**+0.00%**
MSCI EAFE Index	-1.53%	-1.53%	-1.05%

Inception date: 12/27/17. 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 investment advisor, RMB Capital Management, LLC, has adapted a contractual expense limitation agreement for each fund through April 30, 2019, 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.

While equities in most major developed markets declined in the first quarter, international small caps increased and outperformed large caps. A strong start to the year was interrupted in late January by a bump in inflation and a leadership change at the Fed that raised prospects for U.S. interest rate hikes at an accelerated pace. Following an unprecedented period of historical lows, global volatility has resurfaced and remained elevated through the second half of the quarter fueled by fears of an escalating U.S.-China trade war and concerns over heightened regulation of technology companies following the misuse of personal data at Facebook.

Most economic indicators remained positive and the International Monetary Fund (IMF) improved its world economic expansion outlook to 3.9% this year, the fastest growth rate since 2011. Corporate revenue and earnings also continued to rise across many regions. The Italian election had a limited impact on equity markets despite fears of EU destabilization by the anti-establishment Five Star Movement that gained popularity. Germany also successfully formed its new government with Angela Merkel in charge. The U.K. was among the poorest European performers with a -7% return of the FTSE 100 Index for the first quarter. Positive revision of the Bank of England's 2018 U.K. economic growth projection and the progress of Brexit negotiations failed to provide support for local equities as exodus of global investors from the U.K. continued. We are closely watching the U.K. market and discovering a growing number of bargains. Japanese equities declined through the quarter by almost 5% after Prime Minister Abe's approval rating suffered from the Moritomo Gakuen land sale scandal and early indications pointing to decelerating local economic activity. Other notable developments since the start of the year were the introduction of steeper U.S. and EU sanctions against Russia and the removal of two consecutive presidential term limits by the Chinese Communist Party, which may pave the way for President Xi Jinping to remain in power indefinitely. Finally, the U.S. protectionist policy contributed to a decline in the value of the U.S. dollar against the basket of foreign currencies.

Contributors and Detractors

Two of the Fund's largest contributors for the quarter were Elekta AB (EKTA.B SE, "Elekta") and Kongsberg Gruppen ASA (KOG NO, "Kongsberg"). Swedish Elekta is second in the growing global radiation therapy market, an oligopoly with an approximate 40/60 split between Elekta and Varian Medical Systems. Varian leads in the U.S., which is the largest therapy market, while Elekta has a superior presence overseas and is gaining share in North America. Its asset-light business model is characterized by high return on capital, high barriers to entry, and low financial leverage. Software and services account for roughly 50% of total revenue and are recurring in nature. Elekta was originally formed in a high-growth market environment and ultimately has suffered from an overly complex and inefficient manufacturing and sales organization. Over the past two years, under leadership of the new CEO, Richard Hausmann, Elekta was restructured into a leaner operation with a flatter management structure, build-to-order production, and tighter working capital controls. In addition to improved profitability and cash flow generation, the company also addressed some software-related issues affecting performance of its linear accelerators. Elekta has been out of favor for a long time, trading below its earnings power level, and only recently its management's transformation efforts started to gain recognition. In the most recent quarter, Elekta posted high-digit growth in orders and revenue with a further emphasis on margin expansion and cash flow generation. These developments are especially appealing in our view considering Elekta's future growth is free at the current valuation level and the margin of safety remains wide.

Norway-based Kongsberg is a global technology specialist with core competencies in software development, engineering cybernetics, signal processing, and system integration. Its global positioning and navigation-based solutions are utilized in the defense and aerospace, oil and gas, and maritime industries. Over 80% of the company's revenues originate from outside Norway. Kongsberg's has a capital-light business model with durable competitive moats, superior return on capital, and strong cash flow generation. Its aerospace and defense segment accounts for over half of consolidated profits and is the group's highest margin and returns business with long-term structural growth potential. Yet, over the last few years, its attractiveness has been masked by cyclical weakness of the maritime operations, which allowed us to acquire Kongsberg below its earnings power value (EPV). Recent annual results released in February reiterated strong defense order intake driven by Missile Systems and Aerostructures and showed early signs of business activity stabilizing in the maritime division. We believe that Kongsberg's market price, despite its recent appreciation, fails to reflect the true quality and earnings power of the franchise.

TOP FIVE HOLDINGS AS OF 3/31/18

Position	% of Assets
Glanbia Plc (GLB ID)	4.55%
Elekta AB Class B (EKTA.B SE)	4.12%
Fresenius SE & Co. KGaA (FRE GY)	3.99%
Ingenico Group SA (ING FR)	3.60%
Mitie Group Plc (MTO LN)	3.14%

Past performance is not indicative of future performance, and there is a possibility of loss.

The Fund's largest detractors from quarterly performance were Luxoft Holding Inc. (LXFT US, "Luxoft") and Ingenico Group (ING FP, "Ingenico"). Swiss Luxoft provides bespoke software development and IT consultancy services to North American and European customers primarily in financial services, telecommunications, and automotive industries. Its focus on mission-critical functions helps Luxoft foster long-term client relationships and maintain a 95% recurring revenue ratio. One of Luxoft's core advantages is its global delivery model allowing it to utilize highly skilled program engineering talent located primarily in Eastern and Central Eastern Europe. Luxoft's operations are profitable and characterized by an attractive return on capital with superior cash flow conversion, as well as sustainable organic and value-accretive acquired growth. Luxoft became attractive after the retraction in its shares caused by investors' concerns about deceleration of topline growth and near-term margin pressure. This was in part due to a reduction in IT spending at Deutsche Bank (DB) and UBS – two of Luxoft's largest and most profitable customers, and in part due to ongoing growth-related investments into new verticals. Management's communication in the first quarter remained conservative, which put further pressure on the stock price. We believe the market is overreacting and find value in Luxoft at current levels. Our analysis suggests that the margin should improve once the DB- and UBS-related revenues stabilize and the new verticals begin to mature. Based on our estimates, Luxoft's share price implies limited growth and no margin recovery from current levels and fails to reflect the quality and structural growth potential of its operations.

France-domiciled Ingenico is a global electronic payment solutions provider to merchants across multiple sales channels and payment methods. Within payment terminals, which are utilized at the brick-and-mortar locations, the majority of the global market is split between Ingenico and U.S.-based VeriFone Systems. Ingenico controls larger market share in Europe, Latin America, and Asia-Pacific (excluding Japan and China), while VeriFone is stronger in North America. Ingenico also manages secure online payments with a focus on omnichannel and cross-border transactions. We are invested in Ingenico due to its durable competitive moats, attractive return on invested capital (ROIC), stable cash flow generation, clean balance sheet, as well as its management team that has a record of enhancing enterprise value. A decline in Ingenico's stock during the quarter was driven by investors' reaction to its February fiscal-year results announcement. The report stated that Bambora, a recently acquired Swedish payment processing entity with operations in the Nordic region, North America, and Australia, delivered lower-than-expected margins due to one-offs. The two other negatives were an adverse foreign currency impact and a conservative terminal growth outlook for the current fiscal year. Although we were equally surprised by the first two factors, they clearly have a one-off nature. As for the annual growth rate in terminal revenue, it is normal for it to fluctuate around the long-term mid-single-digit growth rate depending on the timing and scope of upgrade cycles in different geographies. Hence, we believe none of the factors point at an impairment of Ingenico's structural quality over a long-term investment horizon. At its current stock price, Ingenico is valued below our estimate of its no-growth earnings power and offers an attractive margin of safety. As we write this commentary, a private equity consortium announced its acquisition of VeriFone, which further reinforces the value of the electronic payment sector.

RMB International Fund

Portfolio Activity

During the quarter, we did not establish any new positions in the Fund nor completely divest any existing holdings and only engaged in minor trading around the existing names.

Outlook

We welcome the return of volatility and look forward to the opportunities presented by the market turbulence. We continue to believe that demanding valuations, especially among consensus-quality large caps, leave little margin for error and make equities vulnerable to corrections. Escalation of trade disputes, rising inflation, geopolitical tensions, and higher interest rates may continue to rattle the market. In the meantime, we patiently wait for bargains to present themselves. Our team remains focused on discovery of undervalued and misperceived quality and growth. During the first quarter, we visited companies in five foreign countries including the U.K., France, Belgium, Germany, and the Netherlands, as well as hosted numerous foreign management meetings in our California and Chicago offices. Our research efforts continue to generate an attractive list of investment candidates.

At the end of March, we estimated an approximate 20% weighted average discount to intrinsic value and an at par valuation with the EPV for the Fund. Top 10 names accounted for 35.1% of the portfolio. The Fund's holdings offer an appreciable level of normalized return on invested capital (ROIC) and return on equity (ROE), low financial leverage, and superior implied earnings and cash flow growth when compared to both the large- and small-cap international equity universe. We own a broad range of franchises of different sizes across various geographies ranging from a global dialysis center operator to a cloud and IT services provider in Germany and a Japanese industrial waste processor, giving the Fund respectable diversification by type of business, size, location, and types of catalysts. The Fund remains well positioned from both a quality and valuation standpoint and offers an appreciable margin of safety.

Thank you for your continued interest in RMB and the RMB International Fund.

Cordially,

Egor N. Rybakov

Egor N. Rybakov, CFA & the RMB International Fund team
Portfolio Manager

TOP 10 HOLDINGS AS OF 3/31/18

Company	% of Assets
Glanbia Plc (GLB ID)	4.55%
Elekta AB Class B (EKTA.B SE)	4.12%
Fresenius SE & Co. KGaA (FRE GY)	3.99%
Ingenico Group SA (ING FR)	3.60%
Mitie Group PLC (MTO LN)	3.14%
Seven & I Holdings Co., Ltd. (3382 JP)	3.02%
Orix Corp. (8591 JP)	2.97%
Ryanair Holdings Plc Sponsored ADR (RYAAY)	2.96%
NGK SPARK PLUG CO., LTD. (5334 JP)	2.95%
On The Beach Group Plc (OTB LN)	2.86%

Holdings are subject to change.

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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 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.*

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 Fund, 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.

Foreside Fund Services, LLC, Distributor