RMB Fund

Portfolio Update: First Quarter 2018

The RMB Fund (the "Fund") gained +0.17% net of fees in the first quarter of 2018, ahead of the -0.76% decline of the S&P 500 Index for the same period.

	Quarter	YTD	1 Year	3 Years	5 Years	10 Years	15 Years	Since Inception
RMBHX	+0.17%	+0.17%	+14.15%	+6.20%	+9.63%	+8.40%	+8.59%	+10.32%
S&P 500 Index	-0.76%	-0.76%	+13.99%	+10.78%	+13.31%	+9.49%	+10.10%	+11.27%
RMBHX (Load Adjusted)	-4.84%	-4.84%	+8.43%	+4.40%	+8.52%	+7.84%	+8.22%	+10.19%

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 1.55% .

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.

With a small decline in the overall market for the quarter, one might think it was fairly uneventful, but that was certainly not the case. The stock market's slow and steady upward momentum of 2017 continued into late January, before a very abrupt change that saw a substantial increase in market volatility in February and March, albeit off extremely low levels. While it's hard to predict, we think a much choppier and volatile market environment could be with us for a while, which is not unusual in the latter stages of a bull market. March of 2018 marked the nine-year anniversary of the bear market bottom, which reminds us that very few bull markets have historically lasted this long.

Despite the heightened level of market volatility, fourth-quarter earnings reported in the first quarter of 2018 continued to be strong. We believe first-quarter earnings, which are about to be reported as we pen this letter, will continue to show strong growth and the outlook for 2018 will likely remain quite positive. For 2018, estimates currently are for nearly 20% operating earnings growth with a benefit of several percentage points from the lower tax rate. Domestic economic growth has accelerated in the past several months with signs that U.S. GDP growth could potentially hit the 3% mark for 2018. Fiscal stimulus from lower tax rates should filter in as a nice tailwind over the course of the year. The question is, can near-term momentum be sustained in 2019 or are we getting to the later stages of the economic cycle? Outside the U.S., we've also seen an upturn in growth in most of the major economies around the world, providing a more synchronized global economy, but sustainability is also highly questionable. Protectionist trade policies are clearly not positive for global growth in the short or long run.

Contributors and Detractors

The Fund's largest contributor in the quarter was SS&C Technologies Holdings Inc. (SSNC), a software provider to the asset management industry. The stock responded positively to the announcement that it would acquire public company DST Systems Inc. (DST). We think the deal is transformative for SS&C given its strategic and financial merits. SS&C has a strong track record of making acquisitions and extracting meaningful synergies. While DST is by far the largest deal they have made, we have confidence in the management team to successfully integrate the two companies over the next couple of years. SS&C remains one of the Fund's larger positions at quarter end. Edwards Lifesciences Corp. (EW) was a strong contributor to the Fund's first-quarter performance as the stock reacted positively to its fourth-quarter earnings report, it received European approval for a new heart valve product, and one of its key competitors continues to struggle to make inroads into the transcatheter heart valve market. We feel that all of these events help confirm our thesis that Edwards will continue to be the innovation leader in its space and has substantial opportunities to grow. The year 2019 is shaping up to be a pivotal year for Edwards as a key study that could significantly expand its targeted patient population is due to be released.

On the negative side of the performance ledger, we had a few names whose prices underperformed, adversely affecting the Fund's overall return. Macquarie Infrastructure Corp. (MIC) owns a portfolio of U.S. infrastructure assets, such as bulk liquid storage terminals and regional airport services, and was by far the Fund's worst performer. Macquarie encountered unexpected deterioration in its most profitable business, International-Matex Tank Terminals Inc. (IMTT), which owns bulk liquid storage tanks. In conjunction with its fourth-quarter earnings report, it slashed its dividend by 31% under a new CEO who took over January 1. The company publicly acknowledged deterioration at IMTT, the source of roughly half the firm's cash flow, for the first time. They cited weak storage demand for a particular refined crude product, a situation they anticipate will persist, with a decision to proactively repurpose some of those assets for other liquid products with better growth prospects. This transition period leaves Macquarie with much lower storage utilization levels and it appears the fee-generating potential of its storage assets may have more variability than it has been customary. The result of the IMTT problems is reduced cash flow for 2018 with the hope for a rebound in 2019. The other half of Macquarie's overall business had no concerns in the latest quarterly report. We feel the damage to the stock would have been contained if not for their decision to significantly cut its dividend. Macquarie was largely held by income-oriented investors because of the firm's track record of growing its dividend by more than 10% over the past few years and sporting a 9% dividend yield. In fact, Macquarie had raised the dividend in both the third and fourth quarter of 2017, making the decision to cut the payout for 2018 even more shocking. Without a doubt, our original thesis that Macquarie encompassed a collection of very steady, fee-earning assets with a stable and growing dividend has been broken. Although painful, we sold the stock and reallocated proceeds into higher conviction ideas. While mistakes will be made, this one is especially difficult given we believed the business model would continue to produce very consistent and predictable cash flows with modest growth over time. Our stock selection process strives to underwrite high-quality, strong franchise companies, but investing will inherently have an element of unpredictability and low-probability "outlier outcomes" will occasionally occur.

Alliance Data Systems Corp. (ADS), a provider of private label credit cards and marketing services, was another large detractor in the quarter. The stock underperformed after a somewhat murky first-quarter earnings report and corresponding guidance for 2018. Alliance is a large beneficiary from the lowered U.S. corporate tax rate, but has decided to reinvest a lot of the savings back into the business versus letting it flow to earnings. Ultimately, it will take a couple years of results to see if this was a wise decision by management. The stock was also pressured late in the quarter after the news that Facebook Inc. (FB) would clamp down on the data it sells to certain third-party marketers, even though Alliance's Epsilon segment does not use social media data. We continue to believe in the 2018 and 2019 earnings growth recovery thesis for Alliance and feel the stock is undervalued. We added modestly to our position size shortly post-quarter end.

Outlook

From when we last wrote you three months ago, market conditions have changed quite dramatically. We've gone from low volatility and complacency to much higher volatility and far greater sensitivity. The upcoming corporate earnings report season will be very telling as to whether investors' focus returns to individual company fundamentals or the macro environment continues to dominate. Stepping back from the noise of day-to-day market moves, near-term U.S. economic data points have remained quite positive. The U.S. employment market continues to be healthy with unemployment very low and many employers reporting difficulty in finding skilled labor. Labor inflation has been minimal over the last several years, but supply is getting tighter and there are pockets of real scarcity. We may finally be getting to a point where real wage growth accelerates, which is positive for consumer spending, but negative for corporate profitability. Business and consumer confidence remain at historically high levels and real capital investment may pick up, aided by underlying demand and the new tax benefits. The housing market recovery appears to be steadily on track and we believe the U.S. is still not building enough new homes to help balance longer-term supply and demand and an aging housing stock. Confidence in an extended economic cycle has been quite high, although rising interest rates along with a flattening yield curve and "trade war" risk seem to have somewhat dampened bullish consensus on the economy over the past couple of months. Economic cycles usually don't simply die of old age, rather it's typically an unforeseen shock that tips the scales. That said, we don't foresee a significant economic slowdown or recession on the intermediate horizon.

Overall, we continue to be quite constructive on the momentum in U.S. corporate earnings growth, which is the biggest long-term driver of stock prices. However, we don't see much margin of safety should earnings disappoint, even though the market multiple has compressed somewhat to slightly above its long-term average. As always, we don't pretend to have any ability to predict where the market is heading in the short- or intermediate-term. We focus the Fund's efforts on owning companies with good, secular growth prospects, strong economic moats, underleveraged balance sheets, and superior management teams. These are companies we believe can compound shareholder value for years into the future. While the opportunities to find high-quality growth companies selling at attractive valuations aren't abundant, we continue our "bottom up" search to optimize the Fund. Our disciplined investment process focuses on individual company fundamentals and less on the overall market. We also believe that a strategy that focuses on high-quality companies can distinguish itself in a more volatile market environment.

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 3/31/18

Company	% of Assets
Alphabet Inc. Class A (GOOG and GOOGL)	5.28%
American Tower Corp. (AMT)	5.19%
Microsoft Corp. (MSFT)	4.58%
ServiceMaster Global Holdings Inc. (SERV)	4.49%
Amgen Inc. (AMGN)	4.43%
Cognizant Technology Solutions Corp. (CTSH)	4.42%
Morgan Stanley (MS)	4.39%
Becton Dickinson & Co. (BDX)	4.36%
Visa Inc. Class A (V)	4.29%
IHS Markit Ltd. (INFO)	4.03%

Holdings are subject to change.

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.

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