RMB Fund

RMB FUNDS

Portfolio Update: First Quarter 2020

The RMB Fund (the "Fund") declined -23.73% net of fees in the first quarter of 2020, worse than the -19.60% decline in the S&P 500 Index for the same period. From a traditional attribution perspective, the underperformance in the quarter was primarily driven by stock selection with a more modest negative impact from sector allocation. Consumer Discretionary was the majority of the headwind to relative performance, followed by Information Technology. We will discuss individual holdings impact on performance in a moment.

	Quarter	1 Year	3 Years	5 Years	10 Years	Since Inception
RMBHX	-23.73%	-11.05%	+5.02%	+3.98%	+8.99%	+9.87%
S&P 500 Index	-19.60%	-6.98%	+5.10%	+6.73%	+10.53%	+10.80%
RMBHX (Load Adjusted)	-27.54%	-15.49%	+3.23%	+2.91%	+8.44%	+9.75%

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 1.25%.

The Fund's investment advisor, RMB Capital Management, LLC, has adapted a contractual expense limitation agreement for each fund through May 1, 2020, 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.

The first-quarter market environment was unlike anything we have seen in many years. The quarter started off strong, continuing last year's momentum through mid-February when the market hit at an all-time high, before seeing one of the most dramatic and swift market sell offs of in history. Obviously, we all know the culprit of what caused the global rout as the COVID-19 pandemic swiftly spread throughout the world. Risk assets saw dramatic declines in price as markets priced in both the human and economic impact of this horrible virus. As we opined in our fourth quarter letter, equity valuations in the U.S. were quite expensive to start with which only exasperated the magnitude of the decline. While "black swan" events are more common than humans perceive them to be and we've had global pandemics before, the world is smaller than it has ever been. What makes this event different is the mass shutdown of economic activity as the vast majority of the workforce has been told to stay at home for at least several weeks. This self-imposed halt in economic activity is going to have a massive impact and we will for sure have a recession. What's debatable is what type of recovery we will have on the other side when restrictions are slowly lifted and economic activity is allowed to resume. Much of it may depend on the length of the shutdown and to what pace the economy will be allowed to reopen. The ability of the scientific community to find a therapeutic for COVID-19, test the population and ultimately develop a vaccine will dictate the pace at which we can "return to normal", or some semblance of prior normality. Business and consumer confidence will play a vital role in reshaping the recovery. The good news is the U.S. economy was structurally strong before all of this began and the U.S. government and Federal Reserve have responded to the crisis with massive stimulus and support for the financial system. This has been critical in stabilizing equity and credit markets and preventing a worse panic. The paycheck protection program and expanded unemployment benefits are also helping to limit the damage of skyrocketing jobless claims. While it is extremely difficult to prognosticate where the health crisis, economy and ultimately the stock market is heading in the short and intermediate term we have reason to be optimistic for the long run. If corporate earnings can recover in 2021 and 2022 the market can see through what will obviously be a very tough 2020. With the rally off the lows that we've seen in the past few weeks the market has begun to price in a more optimistic scenario. Our efforts remain focused on bottom-up stock selection within a concentrated, yet diversified, portfolio of high-quality individual companies that can grow their earnings for years into the future and earn attractive returns on invested capital.

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Contributors and Detractors

The Fund's largest contributor in the quarter was Microsoft Corp. (MSFT), a company that needs no introduction. The stock held up quite well as Microsoft's business should be resilient, albeit not immune, to the weaker global macro environment. Their Azure business should continue to grow at a rapid pace as the long term secular trend of computing power moving to the cloud shows no sign of abating. If anything, the new "work from home" environment only reveals the power of cloud based services that can be accessed universally. A similar argument can be made for Office 365. We continue to believe in the long term opportunity for Microsoft and it's the largest holding in the Fund at quarter end. Tyler Technologies Inc. (TYL), a dominant provider of mission critical software to state and local government agencies was the second largest contributor. Tyler was added to the Fund intra quarter towards the end of the market selloff so benefited on a relative basis of not having endured the quarter's overall market decline. We are attracted to Tyler's competitive positioning and long-term ability to continue to penetrate its customer base with its software as a service (SaaS) product offering. We will look to add to our starter position on any decent sized pullbacks in the share price.

RMB Fund
FIRST QUARTER 2020 CONTRIBUTION REPORT
Ranked by Basis Point Contribution

	Basis Point Contribution	Return
Top Contributors		
Microsoft Corp.	+8	+0.24%
Tyler Technologies Inc.	+7	+4.43%
Analog Devices Inc.	+4	+0.39%
E*TRADE Financial Corp.	+2	+2.44%
JPMorgan Chase & Co.	+0	+0.32%
Bottom Detractors		
Royal Caribbean Cruises Ltd.	-195	-75.76%
Middleby Corp.	-132	-47.29%
Microchip Technology Inc.	-116	-42.20%
Raytheon Co.	-116	-40.07%
U.S. Bancorp	-114	-44.21%

The performance presented above is sourced through Factset Research Systems Inc. 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 Fund. 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.

On the negative side of the performance ledger we had names adversely affecting the Fund's overall return, both relative and absolute. The largest detractor was cruise ship operator Royal Caribbean Cruises Ltd. (RCL) which had to suspend operations during the quarter to help prevent the spread of COVID-19. Other than airlines, it's hard to find an industry more impacted by the global pandemic and the press regarding on-board breakouts made matters even worse. By suspending its dividend and increasing liquidity we think Royal has the ability to survive the shutdown, but is by no means guaranteed. We see significant potential for the stock over the next few years, but it will be a slow and painful recovery as consumers could be slow to return to cruising and we have not added to our position. In hindsight as the crisis rapidly unfolded, we should have moved faster to take the name out of the Fund and revisited it at a later date. Middleby Corp. (MIDD), a manufacturer of food preparation and storage equipment to the restaurant, food processing and residential end markets was the second worst performer. Middleby's business is likely to see a substantial decline in sales as restaurants have closed due to the virus. We exited our position late in the quarter as we think it will be a very slow recovery for restaurants to spend meaningful capital expenditures on equipment for a long time to come. The stock had a tax loss that we could harvest and reallocate the proceeds into higher conviction ideas.

Outlook

From when we last wrote you just three months ago, market and economic conditions have changed 180 degrees. As a result of the global pandemic our goldilocks economy and stock market have been given an unprecedented shock that leads to a high level of uncertainty as to what lies ahead. We are encouraged that very aggressive policies have been put in place by the U.S. government and Federal Reserve to try and minimize the economic damage. They reacted much more swiftly than they did during the global financial crisis in 2008-2009 and this may pay off in the longer term. The response has calmed financial markets in late March into early April, although we will likely experience heightened levels of volatility in coming months. Market bottoms typically take some time with a lot of "chop" along the way and it's only obvious they've bottomed after the fact. While the human cost of the virus is going to be horrific, we think there is a case for optimism that the power of the global scientific community can come up with both a temporary and longer-term solution. Medical innovation had been taking massive strides over the past several years and has more tools and brainpower at its disposal than any time in history. The U.S. health care system has been greatly taxed, but has performed reasonably well in light of an unprecedented need for care. Front line medical workers treating patients deserve the same accolades that soldiers have received during periods of war. This is something American's should be extremely proud of and if there's a silver lining to the crisis it's that we'll be more prepared for an event like this in the future.

We don't claim to have any ability to predicting where the market is heading in the short or intermediate term and market timing is a very difficult, if not impossible, task to add value with. We continue to focus the Fund's efforts on owning great companies with secular growth prospects, strong economic moats, underleveraged balance sheets, and superior management teams. The market will do what it will do over the next few quarters, but we feel strongly that we own a diversified portfolio of quality companies that can compound value for shareholders for years into the future. The opportunities to find high-quality growth companies selling at attractive valuations became more abundant during the market selloff and we will continue to use our "bottom-up" search to optimize the Fund. Our disciplined investment process focuses more on individual company fundamentals and less on the overall market. 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 3/31/20	
Company	**% of Assets**
Microsoft Corp.	7.25%
American Tower Corp.	5.39%
Apple Inc.	4.92%
Alphabet Inc.	4.76%
Visa Inc.	4.58%
Diageo PLC	3.39%
IHS Markit Ltd.	3.27%
Danaher Corp.	3.16%
Edwards Lifesciences Corp.	3.14%
Morgan Stanley	3.12%

Holdings are subject to change. The above is a list of all securities that composed 42.97% of holdings managed as of 3/31/2020 under the RMB Fund ("Fund") of RMB Capital Management, LLC ("RMB Capital") based on the aggregate dollar value. This list is provided for informational purposes only and may or may not represent the current securities managed. It does not represent all of the securities purchased, sold, or recommended for advisory clients (under the Fund or otherwise) during the calendar quarter ending 3/31/2020. The reader should not assume that investments in the securities identified and discussed were or will be profitable. For a complete list of historical recommendation for the Fund, please contact RMB Investors Trust at 855-280-6423.

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. Past performance is not indicative of future results, and there is a risk of loss of all or party of your investment. This information is confidential and may not be reproduced or redistributed to any other part without the permission of RMB Capital.

An investment cannot be made directly in an index. The index data assumes reinvestment of all income and does not bear 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. 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.

High-quality stocks are those that we believe offer greater reliability and less risk. The quality assessment is made based on a combination of soft (e.g., management credibility) and hard (e.g., balance sheet stability) criteria.

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