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Cramer Rosenthal McGlynn, LLC is an established value equity manager with a focus on the U.S. small and mid-cap space. We believe our track record, spanning over 50 years, is a testament to our success in serving clients and providing strong risk-adjusted investment performance. Clients benefit from a consistent approach and application of a central philosophy and process, implemented by a team with diverse experience in identifying change, neglect, and the intrinsic value of businesses. In the investment world, as in life, change often unlocks hidden potential. Yet most investors sit on the sidelines while a transformation is underway, waiting to see evidence of positive results. This wait-and-see attitude is fertile ground for an investment manager structured to capitalize on change through intensive research. Cramer Rosenthal McGlynn, LLC is a firm that strives to recognize potential and seize opportunity. As of the most recent quarter-end, we manage over \$2 billion for institutions and individuals, and we have followed a time-tested investment philosophy since 1973.

Why Invest in CRM

Specialist. CRM has been investing in the small/mid cap value space with the same time-tested philosophy and process since 1973.

Alignment. CRM's current generation of employees bought 100% of the company in 2019, signaling our long-term commitment to the firm and our clients. This alignment allows for retention of key talent.

Eclectic. CRM's history, connections, and process lead us to find companies that are under-followed or misunderstood by other investors.

Access. The experience and reputation of CRM and its research team allows for constructive interaction with company management. We have been able to identify and affect positive change with our portfolio holdings.

ESG. CRM integrates ESG analysis into our investment process. CRM consistently engages with our portfolio holdings on material ESG matters.

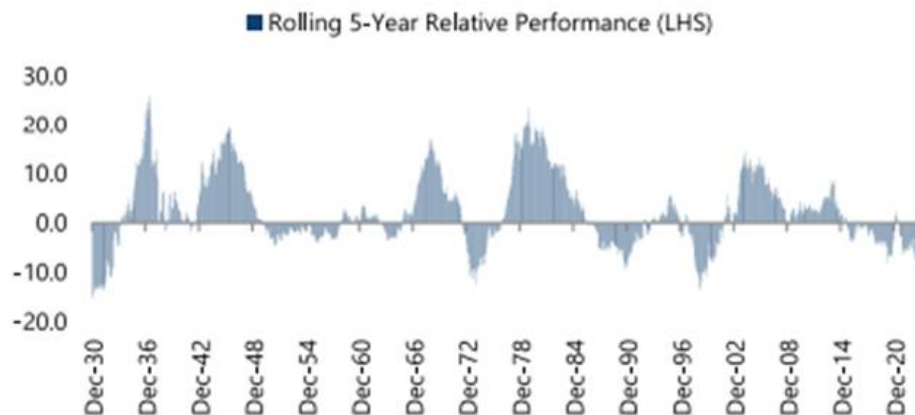
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Market Commentary

“It’s always darkest before the dawn” is a phrase written in 1650 by English theologian and historian Thomas Fuller and in one translation means “things always seem the worst before they improve.” This phrase best describes the market performance and sentiment for small and mid-cap value stocks relative to large cap stocks this quarter and the last few years. Down cap stocks declined this quarter as investors placed more weight on the recent slower economic growth reports than the retreat in inflation. This caused the market to gravitate toward large cap stocks again. The incredibly narrow leadership of the market this year is highlighted by the Magnificent Seven stocks accounting for two-thirds of the performance of the S&P 500 Index return in 2024 through June 30th. The chasm in performance between small and large has reached decade highs. As Jefferies quantified it, “we have to go back to 1973 to see a larger gap between” the performance of small cap and large cap stocks. As you can imagine, we have been proclaiming this anomaly to all that will listen but the catalyst to crystallize an inflection had not presented itself until post quarter end. A delay in publishing this quarterly commentary has allowed us the time to witness important economic data releases and political changes that may be the catalyst we have been discussing for some time to trigger the market towards the eventual rotation in leadership back to down cap value strategies. Some will ask, is this rally in July the “Trump Trade” or an actual small and mid-cap rotation? We would answer, “does it really matter?” We believe we will likely end up with the same answer – small and mid-cap value stock outperformance going forward.

The rolling 5-year performance of Small vs. Large is in the 6th percentile



Source: Center for Research in Security Prices (CRSP®), The University of Chicago Booth School of Business; Jefferies

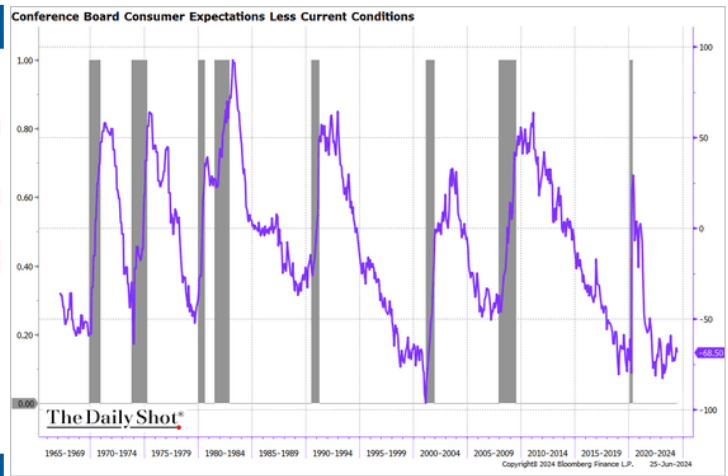
The second quarter witnessed a movement of investor preference towards weighting economic growth (albeit weaker growth) over slowing inflationary reports. This fueled the debate over whether a potential rate cut would be a negative or positive for the market, i.e. is the Federal Reserve cutting rates to address an economic slowdown or just to normalize rate policy. This concern was exacerbated by worries the Federal Reserve Open Market Committee (FOMC) may make a policy error and not cut interest rates fast enough due to lingering concerns about services inflation remaining sticky while economic indicators were pointing towards a slowdown. One event that exemplified this was the May Consumer Price Index (CPI), which was reported on the final day of the June FOMC meeting. The May CPI was below expectations and was broadly endorsed by the market. However, this report did not sway Fed members, as they still reduced their outlook to one rate cut from three for 2024 in their Summary of Economic Projects (SEP). A troubling event since many market participants were witnessing multiple data points indicating a slower economic outlook for 2024 and weaker consumer confidence (see charts below).

U.S. Manufacturing PMI

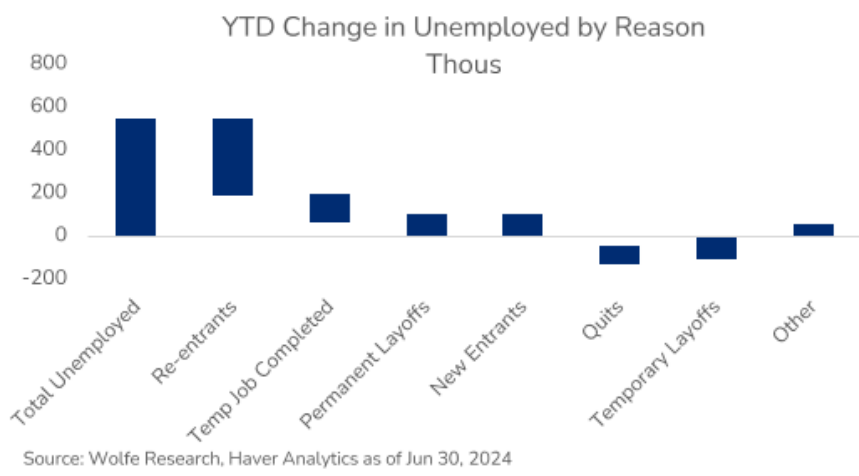
	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
2012	##	##	##	##	##	##	##	##	##	##	##	##
2013	##	##	##	##	##	##	##	##	##	##	##	##
2014	##	##	##	##	##	##	##	##	##	##	##	##
2015	##	##	##	##	##	##	##	##	##	##	##	##
2016	##	##	##	##	##	##	##	##	##	##	##	##
2017	##	##	##	##	##	##	##	##	##	##	##	##
2018	##	##	##	##	##	##	##	##	##	##	##	##
2019	##	##	##	##	##	##	##	##	##	##	##	##
2020	##	##	##	##	##	##	##	##	##	##	##	##
2021	##	##	##	##	##	##	##	##	##	##	##	##
2022	##	##	##	##	##	##	##	##	##	##	##	##
2023	##	##	##	##	##	##	##	##	##	##	##	##
2024	##	##	##	##	##	##	##	##	##	##	##	##

Periods of Extended PMI Readings Below 50 (since 1971)

- Sep. '74 to July '75: 11 of 11 months
- Aug. '79 to Aug. '80: 12 of 13 months
- July '81 to Jan. '83: 19 of 19 months
- May '89 to May '91: 24 of 25 months
- May '95 to July '96: 13 of 15 months
- Aug. '00 to Jan. '02: 18 of 18 months
- Dec. '07 to July '09: 18 of 20 months
- Nov. '22 to June '24: 19 of 20 months

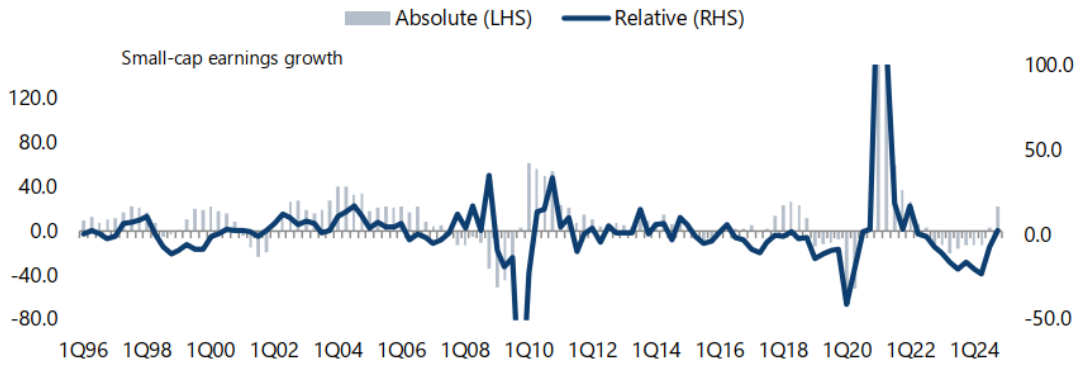


Since the June FOMC meeting, the market has enjoyed confirmatory economic data pointing to a lessening of inflationary pressures. The June CPI released in the second week of July reinforced the May report that inflation was slowing towards the Fed’s target of 2%. In addition, the June employment report showed the labor market coming back into better balance. Yes, there have been concerns raised that the more than 50 basis points increase in the unemployment rate from its recent nadir typically signals a recession; however, we draw solace from the fact that the rise in unemployment rate has mainly been related to re-entrants into the labor market along with new entrants (see chart below), not meaningful layoffs. This supports the notion of a slowing pace of growth, not a hard stop. As a result of these cooling economic reports, the futures market is now pricing in 2-3 rate cuts by year-end 2024. As we have previously pointed out, an easing cycle has historically been highly beneficial to small and mid-cap stocks given their shorter duration liability structure and higher leverage profile compared to large cap companies.



On a more micro level, we believe the building blocks are being set for the rotation to small and mid-cap value stocks. One such area is the earnings potential for down cap stocks. We see an improving earnings outlook for small to mid-cap companies as we progress through 2024. Down cap companies’ earnings were more negatively impacted by the inflationary pressures and rise in interest rates versus larger cap companies in 2023. As such, small and mid-cap value companies should have the strongest earnings recovery as we advance through 2024 and 2025. We see the best earnings leverage from certain sub-sectors that have endured recession-like environments in recent years such as transports, title/housing related companies, merger and acquisition advisory firms, real estate brokerage, and auto insurers to name just a few. These groups should enjoy a cyclical, and in some cases a secular, rebound in their earnings outlook over the next few years, which we believe is not fully appreciated by the market.

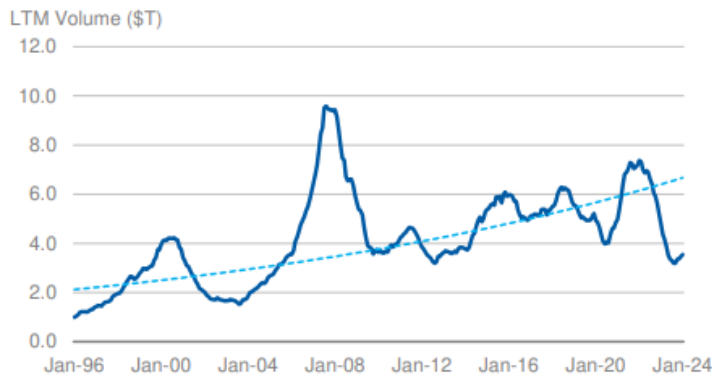
The narrowing of earnings growth between small & large helps performance...



Source: FactSet; Standard & Poor's; Jefferies

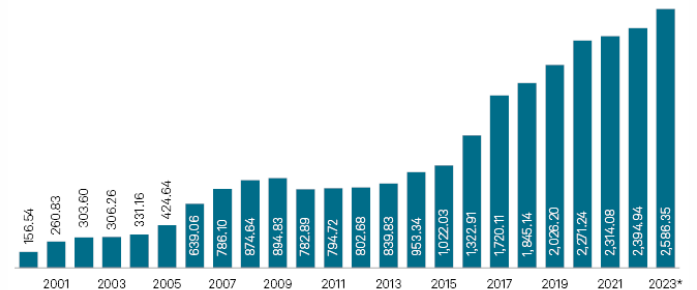
Another area that should support the valuation of small and mid-cap stocks is a recovery in merger and acquisition (M&A) activity. Despite the slower than expected pick-up in activity this year, we remain constructive on a rebound. As we have witnessed in the past, M&A activity typically has a 2-to-3-year downcycle and 5-to-7 year upcycle. We have yet to experience a resurgence in sponsor-led transactions, which tend to be more focused on small and mid-cap companies due to the uncertain outlook for Fed interest rate policy earlier this year. We believe that uncertainty is beginning to fade, and pipelines are building for a more robust finish to the year. As indicated below, global M&A volumes are significantly below trend and are set for a cyclical and secular rebound. We view the approximately \$2.5 trillion of dry powder private equity has today along with the excess capital on strategic buyers' balance sheet as highly constructive for an acceleration in deal activity. We also believe limited partners will continue to pressure sponsors to generate realizations and distributions to recycle capital for future fund raising. Lastly, we expect the historically large discount small and mid-cap stocks are trading relative to large cap stocks will spur elevated consolidation until that spread narrows.

**Global M&A volumes are significantly below trend.
We expect a cyclical and secular rebound.**



Source: Dealogic, Morgan Stanley Research; Note: Exhibit shows trailing LTM volume of global announced M&A, excluding withdrawn transactions.

Global private equity dry powder trend, 2000-2023 (\$B)



Data compiled Dec. 1, 2023.
 * Year to date through Dec. 1, 2023.
 Analysis includes aggregate dry powder of global private equity funds with vintage year between 2000 and 2023.
 Dry powder data is supplemented by Preqin.
 Source: S&P Global Market Intelligence.
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Despite these more positive macro and micro drivers, we continue to be mindful of the tail risks here in the U.S. and across the globe in constructing our portfolios. As we have witnessed, the historical recession indicators (inverted yield curve, shrinking money supply, weak ISM Index readings, rising unemployment rate, etc.) have been flashing, but we believe other factors continue to mitigate these signals. That being said, we want to remain vigilant and need to continuously challenge our forecasts. As we have seen, it's been nearly two years since the inversion of the 2-year and 10-year treasury curve. The money supply (M2) turned negative at the end of 2022 but thankfully has recently turned positive. As we pointed out earlier, the ISM Index has been in contraction territory (below 50) for 19 of the past 20 months without a

recession. Recently, the “Sahm rule” was triggered when the three-month moving average unemployment rate rose more than 50 basis points from its nadir this cycle. These are all important indicators that we need to be attentive and continuously monitor. Outside the U.S., we continue to scrutinize the impact of the conflict in the Middle East and the Russia/Ukraine war. The market has generally viewed these events to be contained, but more countries could be pulled into these conflicts at a moment’s notice.

Another area of uncertainty that potentially appears to be coming into better focus today is the U.S. Congressional and Presidential elections. Given recent events, the market appears to be pricing in a higher probability of a Republican sweep. We do remind readers that we still have four months until election day and those odds can change quickly, as the events over the past month have proved. Either way, certainty following the election will be positive for small and mid-cap stocks. As Goldman Sachs points out, the Russell 2000 Index tends to outperform the Russell 1000 Index during the three months following the election by a median of 4.7% (70% hit rate) based on the past ten presidential election cycles.

Over our 50-year history, we have invested through various market environments that have been led by various areas of the market. As we have witnessed in the past, market leadership tends to change with inflections in economic, geopolitical, and/or monetary policies. Today, we believe we are on the precipice of such a market inflection. We have endured one of the most bifurcated markets in our history, which now has small cap stocks trading at their biggest discount to large cap stocks in decades. Not only are down cap stocks trading at historic discounts, but as we pointed out earlier, we believe micro and macro factors will be supportive of their fundamentals, which should allow them to close that valuation gap over the next few years. After resetting expectations during 2023, we believe small and mid-cap stocks are well positioned for a recovery in earnings over the next couple of years. We are highly constructive on the benefits the Infrastructure Investment and Jobs Act (IIJA), the CHIPS and Science Act, and the Inflation Reduction Act (IRA) will have on small and mid-cap value stocks and the “picks and shovels” companies, which tend to be more domestically oriented. In addition, a potential Republican sweep or at least control of Congress should be a tailwind to small and mid-cap stocks. Lastly, a recovery in M&A activity, particularly sponsor-led transactions, would be another positive multi-year catalyst for the group. As we have done in the past, we continue to focus on stocks with pricing power, healthy balance sheets and areas of self-help, which are under-earning, that generate alpha in various interest rate and inflationary environments.

Small cap performance vs S&P 500 Index year to date



Source: Bloomberg and Mizuho Americas

Small cap performance vs S&P 500 Index since 2000



Source: Bloomberg and Mizuho Americas

Strategy Inception: October 1995
 Assets in Strategy¹: \$352 Million
 As of June 30, 2024

Portfolio Management Team

Bernard Frojmovich

15 Years at CRM
 25 Years of Financial Experience

Brian Harvey, CFA

19 Years at CRM
 31 Years of Financial Experience

Composite Characteristics²

	Composite	R2000V	R2000
Wtd Avg Mkt Cap (m)	\$3,526	\$2,519	\$3,112
Wtd Median Mkt Cap (m)	\$2,958	\$2,247	\$2,796
P/E FY2	16.6x	11.1x	13.3x
Price/Book	2.0x	1.2x	1.8x
Dividend Yield	1.8%	2.5%	1.5%
Number of Holdings	44	1,441	1,983
Active Share ³	96%		

Top Ten Holdings²

	% of Composite
Arcosa, Inc.	3.7
Envestnet, Inc.	3.5
ChampionX Corporation	3.1
Central Pacific Financial	3.0
ACV Auctions, Inc.	3.0
Skyline Champion Corporation	3.0
Horace Mann Educators Corporation	2.9
Mueller Water Products, Inc.	2.8
Itron, Inc.	2.7
Stericycle, Inc.	2.7
Total	30.4%

Sector Allocation²

	Composite	R2000V	R2000
Communication Services	--	2.9	2.5
Consumer Discretionary	7.4	10.0	10.0
Consumer Staples	--	2.3	2.8
Energy	7.5	9.3	6.6
Financials	22.8	26.9	17.2
Health Care	5.1	9.3	17.3
Industrials	25.1	12.5	17.1
Information Technology	15.7	6.1	13.3
Materials	1.9	5.3	4.6
Real Estate	9.8	10.8	6.0
Utilities	4.6	5.1	2.7

Small Cap Value

Portfolio Commentary¹

During the second quarter of 2024, the CRM Small Cap Value strategy outperformed the Russell 2000 Value benchmark by 406 basis points on a net of fees basis, 0.42% versus -3.64%². From a sector perspective, stock selection in the Industrials, Information Technology, and Health Care sectors was the largest contributor to relative performance versus the Russell 2000 Value Index. Conversely, stock selection within the Consumer Discretionary, Materials, and Energy sectors was the largest headwind to relative performance. Based on our bottom-up selection process, the portfolio maintains an overweight to the Industrials and Information Technology sectors versus the Russell 2000 Value benchmark. Conversely, the portfolio is currently underweight the Health Care, Financials, Materials, Consumer Discretionary, and Communication Services sectors.

Our top contributors this quarter were Agilysys, Inc., Kirby Corporation, and LeMaitre Vascular, Inc. **Agilysys, Inc. (AGYS)**, a provider of hospitality-oriented software, reported strong fiscal fourth quarter subscription revenue and improved profitability. The signing of Marriott as a customer last year continues to help the company win property management engagements with other brands, leading to a substantial increase in subscription-related revenue over the past two years. This strong performance is in advance of the Marriott contract commencing in 2025, which we believe will provide further upside to results. **Kirby Corporation (KEX)**, the leading provider of tank barges in the United States, reported better-than-expected first-quarter results. The company is benefiting from a tight market for barges, with utilization climbing to the low-to-mid 90% range, resulting in strong pricing. **LeMaitre Vascular, Inc. (LMAT)**, is a global provider of medical devices for peripheral vascular and cardiac procedures, as well as human tissue cryopreservation services. The company was a contributor this quarter as their organic topline growth rate and gross margins continued to exceed expectations. We believe the company's pricing for its products and increasing volumes will translate to a stronger profit profile than expectations next year. In addition, LeMaitre continues to maintain a net cash position exceeding \$100m, allowing for organic and inorganic investments, which we believe could be highly accretive and is not properly considered in current sell-side expectations.

Top detractors to performance this quarter were Skyline Champion Corporation, Hayward Holdings, Inc., and Horace Mann Educators Corporation. Shares of **Skyline Champion Corporation (SKY)** were under pressure after a revenue miss in 1Q24. The backlog, however, has inflected and we expect gross margins to be stronger than expected driven by weaker input costs and a mix toward higher-margin retail units. **Hayward Holdings, Inc. (HAYW)**, a global designer and manufacturer of a broad portfolio of pool equipment and associated automation systems, came under pressure this quarter as a very large pool distributor highlighted continued soft demand trends for pool equipment sales given macroeconomic and interest rate headwinds. Hayward continues to consolidate its international plant footprint and should be well positioned when volumes recover from the trough environment in both new pool construction and remodel activity. **Horace Mann Educators Corporation (HMN)**, a provider of insurance solutions to the educator community, reported weaker-than-expected results this quarter due to lower returns on commercial mortgage loans and real estate equity limited partnership investments, reflecting lower commercial real estate values. On the positive side, Horace Mann maintained its full-year earnings guidance and reported meaningful underwriting improvement in its auto and homeowners' insurance businesses. We remain constructive on the long-term recovery in auto insurance profitability, as aggressive price increases will likely be

earned over the next few years while loss cost trends appear to be stabilizing and should ultimately decline in future periods. The stock trades at a discount to book value and we expect the company to generate a double digit return on equity.

During the quarter, we initiated positions in Middlesex Water Company, H.B. Fuller Company, and Bank of Hawaii Corporation. We believe **Middlesex Water Company (MSEX)**, a regulated water utility with operations in New Jersey and Delaware, is well positioned under its new CEO, who recently joined from the much larger SUEZ SA, to modernize its infrastructure and capitalize on new growth opportunities. The company operates in an attractive regulatory geography and has the potential to densify its footprint within these two states. Middlesex Water is also more attractively valued today after the P/E multiple contraction that water utility stocks have endured over the past few years. We expect **H.B. Fuller Company (FUL)**, a specialty chemicals manufacturer focused on coatings and adhesives, to drive its EBITDA margin above 20% over time due to a focus on higher margin, higher growth segments, and further cost rationalization in its other segments. The company's strong innovation engine, sole-source positioning and end market diversity provides the company with attractive pricing power. Under its new CEO, the company has been making accretive tuck-in acquisitions into higher growth, more profitable businesses that can leverage Fuller's global scale, which has raised its long-term profit goals. We believe **Bank of Hawaii Corporation (BOH)**, a Hawaii based bank, has been overly penalized by concerns over its above average but high-quality investment portfolio, which has resulted in elevated unrealized losses in equity due to the sharp rise in interest rates over the past two years. We expect the bank's fixed rate assets, both investment securities and loans, to re-price higher as they mature over the next few years and provide a significant earnings tailwind. The company is also particularly well positioned to benefit from lower interest rates and a Federal Reserve easing cycle given its balance sheet positioning. Lastly, we believe a recovery in Japanese tourism to Hawaii, which is currently running at only 50% of pre-pandemic levels, would be another tailwind to earnings growth.

Second Quarter 2024⁴

TOP CONTRIBUTORS

Agilysys, Inc.
Kirby Corporation
LeMaitre Vascular, Inc.

TOP DETRACTORS

Skyline Champion Corporation
Hayward Holdings, Inc.
Horace Mann Educators Corporation

Year to Date 2024⁴

TOP CONTRIBUTORS

Kirby Corporation
LeMaitre Vascular, Inc.
Envestnet, Inc.

TOP DETRACTORS

Victoria's Secret & Co.
Simply Good Foods Co.
SIW Group

PRELIMINARY PERFORMANCE

Through June 30, 2024

	Gross	Net	R2000V	R2000
QTD	0.55%	0.42%	-3.64%	-3.28%
YTD	5.78	5.47	-0.85	1.73
1-Yr	14.39	13.75	10.90	10.06
3-Yr	3.64	3.00	-0.53	-2.58
5-Yr	6.69	5.99	7.07	6.94
10-Yr	7.56	6.78	6.23	7.00

Past performance is not a guarantee of future results. Past performance is not a guarantee of future results. There is no guarantee our investment performance will achieve the performance metrics shown in this analysis.

The information presented for the Composite relates to a composite of CRM client separate accounts. CRM manages each component included in this composite using the same strategy. For information regarding this composite, please reference Important Disclosures, Performance Disclosure on page 14.

¹As of June 30, 2024 CRM's total Assets Under Advisement ("AUA") were \$2.1 Billion. Of the \$2.1 Billion AUA, \$1.8 Billion were assets managed on a discretionary basis and \$254 Million were assets managed on a non-discretionary basis.

²Please reference Product Disclosures on page 8 for additional information pertaining to the calculation of fees, composite characteristics, holdings, and sector allocation among other things.

³Active Share is a measure of the percentage of the portfolio that differs from its benchmark on an average portfolio weightings basis.

⁴It should not be assumed that recommendations made in the future will be profitable or will equal the performance of the securities in this commentary/list. Please reference Important Disclosures, Product Disclosure on page 8.

Important Disclosures

Performance Disclosure

Investments are subject to loss in value. Past performance is no guarantee of future results and it should not be assumed that recommendations made in the future will be profitable or will equal the performance shown in this analysis. There is no guarantee our investment performance will achieve the performance metrics shown in this analysis. Our investment theses are subject to change at any time and without notice.

The performance information for each portfolio relates to composites of client accounts with particular investment strategies. Valuations and returns are computed and stated in U.S. Dollars, are dollar-weighted, and reflect the reinvestment of dividends and other earnings. Performance is calculated monthly, and the gross performance results for each portfolio are presented before management fees but after all trading commissions. The net performance results are presented after deducting the applicable asset-weighted management fee.

The performance information includes a comparison to various benchmarks, which are rebalanced annually. The benchmarks used for each portfolio are as follows:

- Small Cap Value: Russell 2000 Value Index and the Russell 2000 Index

The Small Cap Value composite consists of all fully discretionary, fee-paying, taxable accounts by CRM managed using the same strategy as the other accounts in the composite. Accounts which were active during the quarter but are no longer with the firm are included in the composite.

Product Disclosures

Portfolio Commentary & Contributors/Detractors

The views expressed in this newsletter represent our opinion, which is based upon research and information available to us at time of publication. The views expressed in this newsletter should not be relied upon as fact and are subject to change at any time based upon a change in market conditions, a company's profile, or other factors. It should not be assumed that recommendations made in the future will be profitable or will equal the performance of the securities mentioned.

Upon request, CRM will furnish a list of all securities purchased, sold, or held in any of the portfolios referred to in this newsletter during the twelve month period preceding the date of the list of securities for that portfolio included in this newsletter. The methodology for calculating the top contributors and detractors is based on the contribution to return over the specified time period (i.e. quarterly) within the portfolios. The contribution to return methodology is the product of the average weight and total return (i.e., the contribution to return for a single day is the security weight multiplied by the daily security return). These returns are geometrically linked. The methodology for selecting the initiated positions during the quarter is based on an absolute dollar basis over the specified time period (i.e. quarterly) within the portfolios.

Composite Characteristics

Information pertaining to Composite Characteristics includes weighted average market capitalization, median market capitalization, and other preliminary numbers that have been derived from Refinitiv. As these numbers are preliminary, they are subject to change.

Top Ten Holdings

It should not be assumed that the Top Ten Holdings presented for each portfolio in this newsletter will, in the future, be profitable or will equal any references to performance in this commentary. Upon request, CRM will furnish a list of all securities purchased, sold, or held in any of the portfolios referred to in this newsletter during the twelve month period preceding the date of the list of securities for that portfolio included in this newsletter. Holdings are subject to change at anytime.

Sector Allocation

The Sector Allocation presented for each portfolio in this newsletter may not be representative of the portfolios' current or future investments. The source of the information for all Sector Allocations is Refinitiv, GICS Sectors. Holdings are subject to change at anytime.

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Sustainable and Impact Investing and/or Environmental, Social and Governance (ESG) managers may take into consideration factors beyond traditional financial information to select securities, which could result in relative investment performance deviating from other strategies or broad market benchmarks, depending on whether such sectors or investments are in or out of favor in the market. Further, ESG strategies may rely on certain values based criteria to eliminate exposures found in similar strategies or broad market benchmarks, which could also result in relative investment performance deviating.