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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.

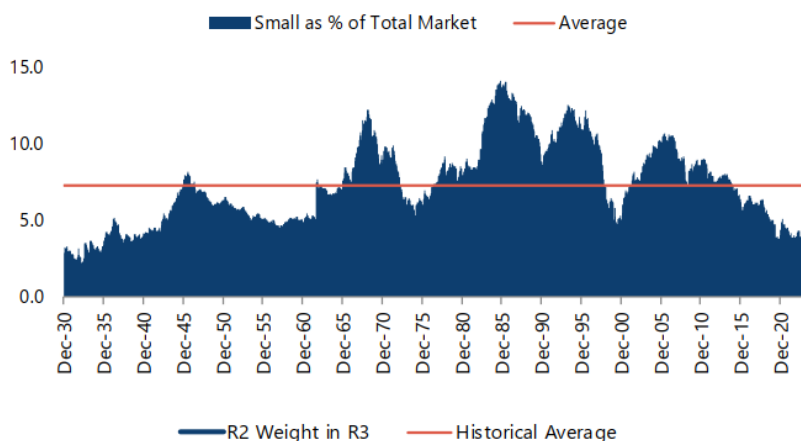
Contents

Market Commentary	2
All Cap Value	6
Important Disclosures	8

Market Commentary

After one of the fastest and sharpest tightening periods in U.S. monetary history, the Federal Reserve finally reversed course at the end of September and announced their first easing action since the pandemic over four years ago. This was a watershed event and we expect it will usher in new market leadership, as we have seen in the past. During this most recent tightening period, small and mid-cap companies more acutely endured the fundamental burden of higher inflation (both raw materials and labor) and higher funding costs compared to large cap companies, but now those headwinds appear to be turning into tailwinds. By their construct, small and mid-cap companies tend to thrive in an environment that appears to be unfolding, including tight/tightening credit spreads, a steepening of the yield curve, declining inflation, lower interest rates (i.e. lower borrowing costs), resolution of political uncertainty (post-election relief), and improving M&A activity. These positive externalities should translate into an acceleration in earnings growth for small and mid-cap companies over the next few years and allow them to outgrow their large cap brethren for the first time in years. We believe these factors will propel the small and mid-cap stocks to close the extraordinary valuation discount they are trading at today relative to large cap stocks. We believe investors are offside, as this impending change in market leadership to small and mid-cap stocks is set to occur in an environment in which investors have their lowest allocation to down cap strategies going back decades. If investors were to sell just 1% of the S&P 500 Index, represented by the SPY ETF, and rotate it into small/mid or small value stocks, this would represent buying approximately 8.3% of the Russell 2500 Value index and 22.6% of the Russell 2000 Value index, respectively.

Small is less than 4% of the U.S. equity market, and the R2 is only 5.3% of the R3, close to a new low



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

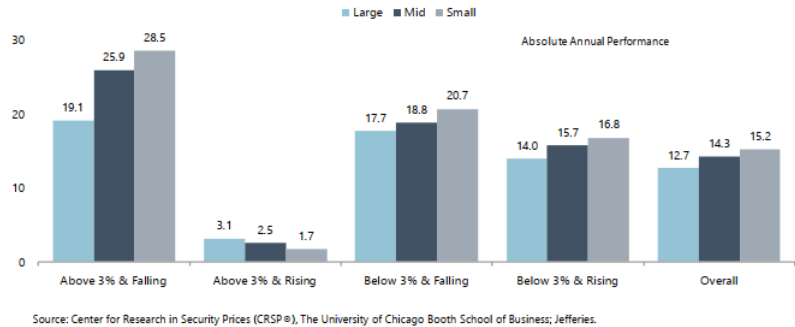
Reallocation from S&P 500 to Russell 2500 Value and Russell 2000 Value

Index	\$ Billions	1% of S&P 500
Russell 2000 Value Index (RUJ)	1,934	23%
Russell 2500 Value Index (R2500V)	5,257	8%
SP500	43,748	1%

*Source: Bloomberg

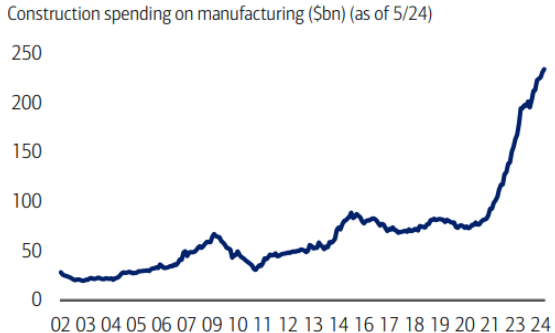
The Federal Reserve finally pivoted to easing this quarter, which should be a tailwind for small and mid-cap companies. The tug of war between higher inflation and slowing employment finally came into better balance this quarter, which provided cover for the Fed to start to normalize interest rates. With the rapid decline in real rates, the Fed would have been tightening monetary policy if they didn't cut interest rates. There will continue to be market debate about the pace of future rate cuts and the r-star, or the level of neutral rates. Either way, a falling interest rate environment and a decline in the rate of inflation below 3% are both positive macro drivers for small and mid-cap companies (see chart below) given their shorter duration liability structure and higher leverage profile compared to large cap companies.

If inflation drifts below 3% in '25, that too would be good for small caps



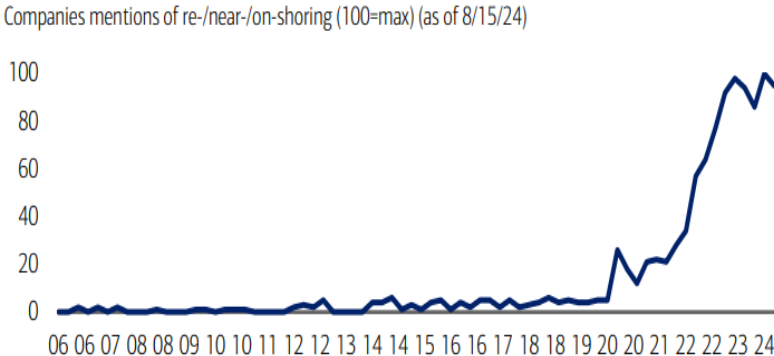
We expect another source of support for small and mid-cap companies will be the reshoring of U.S. manufacturing. After the supply chain disruptions caused by the tariff battle with China during Trump 1.0, the stoppage during Covid, and the conflicts in the Middle East and Russia/Ukraine, we have learned the downfalls of just in time manufacturing and not partnering with like-minded governments. In late 2021 and 2022, Congress passed over \$1 trillion in historic bills to support reshoring efforts, including the Infrastructure Investment and Jobs Act (IIJA), the CHIPS and Science Act, and the Inflation Reduction Act (IRA). You would have to go back to the time of FDR to see U.S. government support critical infrastructure at these levels. The investment dollars will be assisting the build out of strategic supply chains and infrastructure in the U.S. over the next few years. We believe small and mid-cap value stocks, the “picks and shovels” companies, which tend to be more domestically oriented will be major beneficiaries. As we can see from the charts below, the level of discussion and actual construction from these bills have ramped up massively since their passage. We expect these dollars will be a tailwind to growth for small and mid-cap companies over the next 3+ years. This doesn't even take into consideration what the next President and Congress will do to further these efforts.

Construction spend on U.S. manufacturing up >50% YoY in 2023



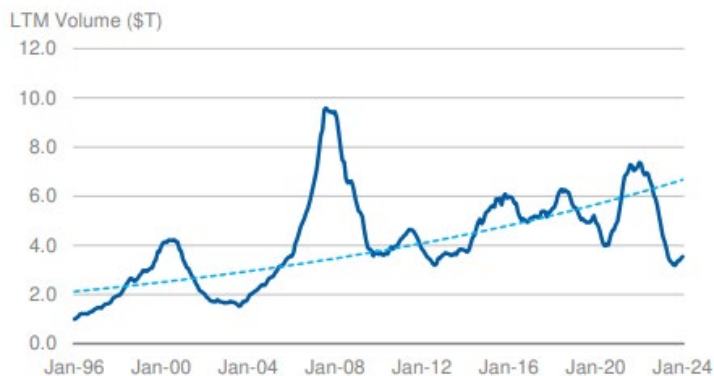
Source: Haver, BofA US Equity & Quant Strategy

Everyone is talking about reshoring



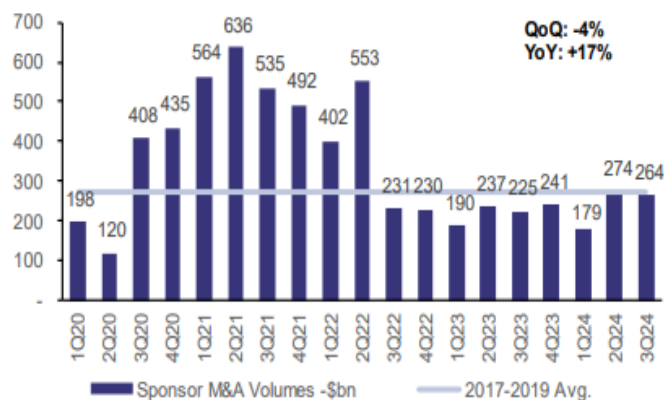
As we have discussed in the past, a resurgence in merger and acquisition (M&A) activity is highly beneficial to small and mid-cap stocks valuations. Although we have seen an improved level of M&A activity this year compared to the lows of 2022 and 2023, this has been a slower start to a recovery compared to other cycles. This is, in part, due to the below trend sponsor-led transactions, which tend to be more focused on small and mid-cap companies. We believe the recent Fed rate cut and the resolution of the U.S. elections in November will help to reduce market uncertainty and help enhance M&A pipelines into year end. As indicated below, global M&A volumes are significantly below trend and are set for a cyclical and secular rebound. We view the below trend level of sponsor activity as pent-up activity that will provide additional support to small and mid-cap stocks. 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.

Sponsor M&A Volume



Source: Dealogic, Company data, Wolfe Research.

For those of you that have just emerged from your darkness retreat, there is a U.S. Congressional and Presidential election next month. There has been significant research written about what the candidates may or may not do if they are elected to office. In addition, the candidates continue to offer new proposals to entice undecided swing state voters. The polls have oscillated back and forth over the past few months, but the Presidential election still appears to be a coin toss at this point. We will reserve our predictions and leave that up to the pundits and talking heads. The key for us is the certainty that accompanies the election results. This will allow the market to better analyze future outcomes and allow companies to better forecast and plan their businesses. This is positive for small and mid-cap stocks as investors, particularly down cap, generally despise uncertainty. As Goldman Sachs points out, the Russell 2000 index tends to outperform the Russell 1000 index during the 3 months following the election by a median of 4.7% (70% hit rate) based on the past ten presidential election cycles.

We continue to construct our portfolios with a balance between the favorable micro and macro factors for small and mid-cap companies as well as the uncertain geopolitical environment that could bubble. The conflicts in the Middle East and Russia/Ukraine, while contained today, could expand into larger regional engagements if not managed appropriately. We continue to stress our holdings for direct and indirect impacts. In addition, China remains a wildcard as it relates to these conflicts as well as its own economic future. There are initial indications China could announce significant fiscal support to spur their economy, but will that be met with higher tariffs on their goods from the U.S. next year? This will likely hinge on the U.S. Presential election. Lastly, we still do not expect a recession here in the U.S. over the next 12 months, but we remain vigilant to changes in macro and micro datapoints that could upset that outlook.

As we mentioned last quarter, “It’s always darkest before the dawn”, 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”. We continue to believe we are witnessing the dawn of a new day for small and mid- cap stocks following the Federal Reserve’s first rate cut in over four years. 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. Importantly, history has shown that Fed easing cycles have sparked outperformance cycles for small cap stocks that have lasted for nearly six years, on average (see table below). We believe this trend will be supported by the multi-year fiscal stimulus from the Infrastructure Investment and Jobs Act (IIJA), the CHIPS and Science Act, and the Inflation Reduction Act (IRA), the lessening of inflationary pressures, the certainty of election results next month, and a recovery in M&A activity, particularly sponsor-led transactions. This is an exciting time to invest in down cap strategies that, as we pointed out earlier, are highly under-allocated to by investors. We still believe stock selection will be important, as the Fed is not likely to return to ZIRP (Zero Interest Rate Policy) and the market is not likely going back to the halcyon days of 2021, when SPACs were being launched on a what seemed like a daily basis. Rather, we continue to construct our portfolios with stocks that have pricing power, healthy balance sheets, are under-earning, and have various levers of self-help. These are stocks that generate alpha in various interest rate and inflationary environments and should now enjoy a meaningful tailwind from a more favorable macro backdrop.

Rate cuts have sparked a number of outperformance cycles

Period	Length of Period	Small Caps		Large Caps		Excess
		Cumulative	Annualized	Cumulative	Annualized	
05/32-02/37	4.8	1045.7	67.1	343.3	36.8	30.3
05/40-05/46	6.1	521.8	35.6	166.9	17.8	17.8
01/64-12/68	5.0	210.2	25.9	49.8	8.6	17.3
12/74-06/83	8.6	1089.1	33.8	236.3	15.3	18.5
10/90-02/94	3.4	138.6	29.8	66.1	16.4	13.4
03/99-03/06	7.1	144.2	13.6	6.1	0.9	12.7
02/09-2/14	5.0	288.3	31.2	174.4	22.4	8.8
Average	5.7	491.1	33.9	149.0	16.9	17.0

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

Strategy Inception: January 2002
Assets in Strategy¹: \$145 Million
As of September 30, 2024

Portfolio Management Team

Robert Maina

19 Years at CRM

31 Years of Financial Experience

Composite Characteristics²

	Composite	R3000V	R3000
Wtd Avg Mkt Cap (m)	\$28,222	\$151,312	\$822,911
Wtd Median Mkt Cap (m)	\$9,644	\$79,614	\$188,680
Dividend Yield	2.2%	2.1%	1.3%
Number of Holdings	43	2,308	2,985
Active Share ³	97%		

	Internal Estimates	Broker Estimates	R3000V	R3000
FY2 EV/EBITDA	15.24	17.50	14.21	18.49
FY2 Net Debt/EBITDA	0.36	0.33	1.26	0.28

Top Ten Holdings²

	% of Composite
CRH plc	3.3
Truist Financial Corporation	3.2
Ciena Corporation	3.1
ACV Auctions, Inc.	3.0
Global Payments, Inc.	3.0
The Charles Schwab Corporation	3.0
Ashland, Inc.	2.9
Terreno Realty Corporation	2.8
NextEra Energy, Inc.	2.6
Marathon Oil Corporation	2.5
Total	29.3

Sector Allocation²

	Composite	R3000V	R3000
Communication Services	—	4.2	8.4
Consumer Discretionary	7.9	6.5	10.4
Consumer Staples	—	7.7	5.6
Energy	2.6	6.7	3.5
Financials	23.1	21.5	13.6
Health Care	9.2	15.2	11.8
Industrials	18.9	14.6	9.8
Information Technology	17.0	8.9	29.0
Materials	9.0	4.6	2.7
Real Estate	9.6	5.2	2.8
Utilities	2.7	4.8	2.4

All Cap Value

Portfolio Commentary¹

During the third quarter of 2024, the CRM All Cap Value strategy underperformed the Russell 3000 Value benchmark by 112 basis points on a net of fees basis, 8.35% versus 9.47%². From a sector perspective, stock selection in the Industrials, Financials, and Materials sectors was the largest headwind to relative performance, while stock selection within the Consumer Discretionary, Health Care, and Real Estate sectors was the largest contributor. Based on our bottom-up selection process, the portfolio continues to be significantly overweight the Information Technology sector, and has a more moderate overweight to the Real Estate, Materials, and Industrials sectors versus the Russell 3000 Value benchmark. Conversely, the portfolio is currently significantly underweight the Consumer Staples and Health Care sectors, and has a more moderate underweight to the Communication Services, Energy, and Utilities sectors.

Our top contributors this quarter were CBRE Group, Inc., Intapp, Inc., and CRH plc. **CBRE Group, Inc. (CBRE)**, a real estate services company, reported better than expected results this quarter on both the top and bottom line and provided a more constructive outlook for the remainder of the year. The company is benefiting from improved growth in both their resilient and transactional business segments. We believe CBRE has meaningful earnings leverage to a recovery in property sales activity as interest rates and cap rates decline. We also expect the company's recent strategic acquisitions will be accretive to earnings. Lastly, we look for cost reduction actions from earlier this year to benefit future operating margins. **Intapp, Inc. (INTA)**, a provider of software to the legal and financial services industries, reported strong fourth quarter fiscal results that demonstrated accelerating growth and improving profitability. With the recent release of several Artificial Intelligence products, we see growth continuing and expect the valuation to continue to expand and move more in-line with peers. **CRH plc (CRH)**, an international group of diversified building materials businesses, outperformed in the quarter following better than expected results, especially relative to peers. The company is also benefiting from improving sentiment due to a potential recovery in the residential end market following anticipated interest rate cuts.

Top detractors this quarter were ChampionX Corporation, Centuri Holdings, Inc., and The Charles Schwab Corporation. Shares of **ChampionX Corporation (CHX)**, a provider of oilfield production chemical and automation technologies, declined for the quarter due to concerns that lower oil prices will lead to less drilling activity. We continue to expect the acquisition of the company by Schlumberger to close by year end. Shares of **Centuri Holdings (CTRI)**, a provider of infrastructure services to electric and gas utilities, were weak due to disappointing second quarter earnings. With utilities focused on upgrading their networks to handle accelerating demand growth driven by AI and EVs, our investment thesis remains unchanged. **The Charles Schwab Corporation (SCHW)** underperformed following worse than expected second quarter earnings results and concerns that consensus earnings estimates remain too high. The stock also underperformed due to concerns that payout rates on advisory sweep cash deposits at independent broker-dealers could come under regulatory scrutiny, which we believe to be unfounded.

Our largest new positions this quarter were Global Payments, Inc., Concentra Group Holdings Parent, Inc., and First American Financial Corporation. We initiated a position in **Global Payments, Inc. (GPN)**, a global provider of payment services to small businesses and merchants. Management and the Board are undertaking a significant review of operations after the shares have underperformed for nearly two years. We believe the company will eventually sell several businesses and embark on a plan to repurchase nearly a third of the outstanding shares. **Concentra Group Holdings Parent, Inc. (CON)**, the largest provider of occupational health services domestically, was spun out of Select Medical Holdings Corporation (“SEM”) this quarter. We believe the company’s focus on worker’s compensation patients will prove to be an advantage relative to commercial and government payors where reimbursement can often be challenged. The stock also trades at a substantial discount to the relevant peer group, and we believe the valuation will improve following the remaining distribution of shares by its parent entity to existing SEM shareholders. Recent purchase **First American Financial Corporation (FAF)**, a provider of title insurance and real estate solutions, benefited from the recent decline in mortgage interest rates and an expected acceleration in purchase and refinance activity. This is a welcome trend given mortgage origination volumes are down over 50% from their peak in 2021. We expect high incremental margins as activity recovers given the cost actions taken by the company during this slower period. First American Financial also announced a strategic investment portfolio restructuring, which we believe could be up to 10% accretive to earnings.

Third Quarter 2024⁴

TOP CONTRIBUTORS

CBRE Group, Inc.
Intapp, Inc.
CRH plc

TOP DETRACTORS

ChampionX Corporation
Centuri Holdings, Inc.
The Charles Schwab Corporation

Year to Date 2024⁴

TOP CONTRIBUTORS

Kirby Corporation
SharkNinja, Inc.
Fidelity National Information Services, Inc.

TOP DETRACTORS

QuidelOrtho Corporation
Intel Corporation
Clarivate plc

PRELIMINARY PERFORMANCE

Through September 30, 2024

	Gross	Net	R3000V	R3000
QTD	8.53%	8.35%	9.47%	6.23%
YTD	17.29	16.78	16.23	20.63
1-Yr	30.02	29.29	27.65	35.19
3-Yr	7.76	7.06	8.70	10.29
5-Yr	11.18	10.36	10.61	15.26
10-Yr	9.62	8.48	9.17	12.83

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 8.

¹As of September 30, 2024, CRM’s total Assets Under Advisement (“AUA”) were \$2.3 Billion. Of the \$2.3 Billion AUA, \$1.9 Billion were assets managed on a discretionary basis and \$330 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 the portfolio are as follows:

- All Cap Value: Russell 3000 Value Index and the Russell 3000 Index

The All 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 LSEG Workspace. 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 LSEG Workspace, 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.