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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.

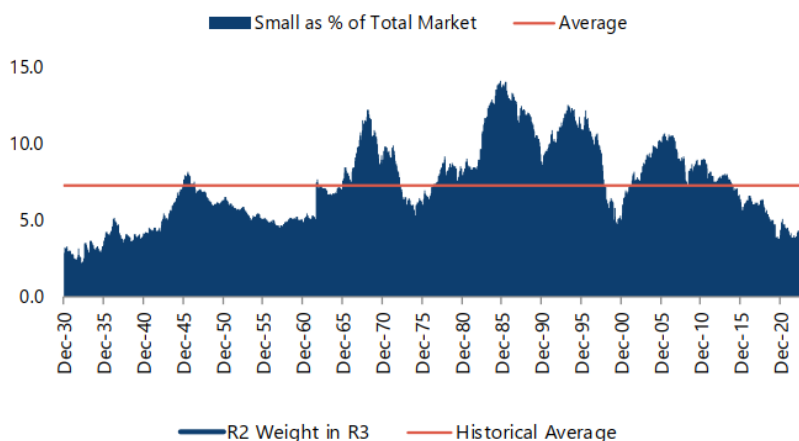
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Market Commentary

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

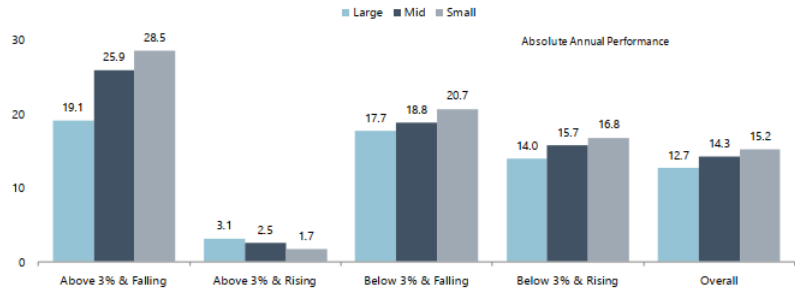
Reallocation from S&P 500 to Russell 2500 Value and Russell 2000 Value

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.

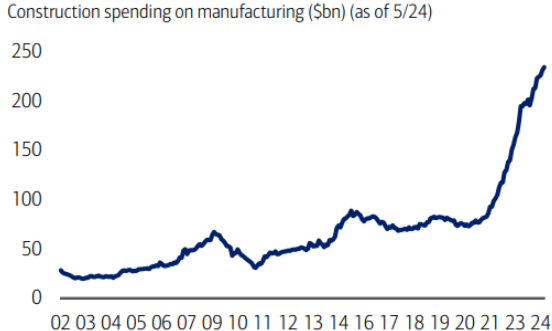
If inflation drifts below 3% in '25, that too would be good for small caps



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

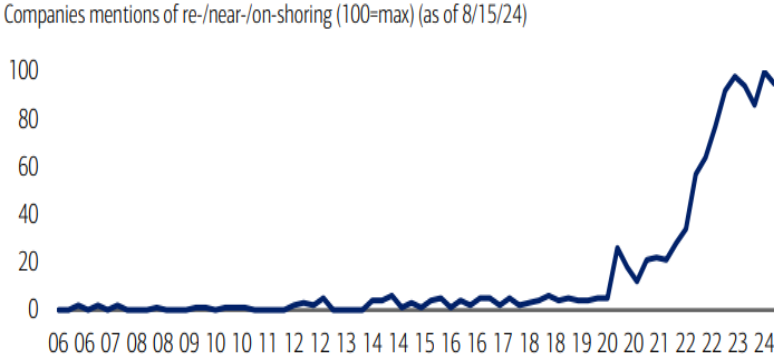
We expect another source of support for small and mid-cap companies will be the reshoring of U.S. manufacturing. After the supply chain disruptions caused by the tariff battle with China during Trump 1.0, the stoppage during Covid, and the conflicts in the Middle East and Russia/Ukraine, we have learned 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



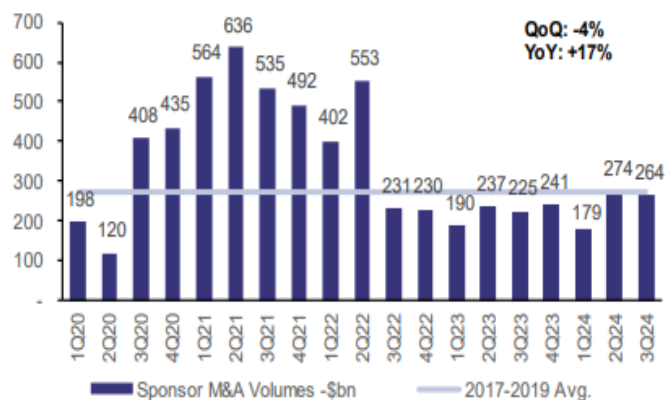
As we have discussed in the past, a resurgence in merger and acquisition (M&A) activity is highly beneficial to small and mid-cap stocks valuations. Although we have seen an improved level of M&A activity this year compared to the lows of 2022 and 2023, this has been a slower start to a recovery compared 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: October 1995
 Assets in Strategy¹: \$296 Million
 As of September 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)	\$3,263	\$2,855	\$3,556
Wtd Median Mkt Cap (m)	\$3,168	\$2,507	\$3,189
Dividend Yield	1.7%	2.2%	1.4%
Number of Holdings	42	1,436	1,975
Active Share ³	95%		

	Internal Estimates	Broker Estimates	R2000V	R2000
FY2 EV/EBITDA	13.65	15.65	12.91	16.65
FY2 Net Debt/EBITDA	0.11	-0.12	1.84	0.37

Top Ten Holdings²

	% of Composite
Central Pacific Financial Corporation	3.8
Champion Homes, Inc.	3.7
Concentra Group Holdings Parent, Inc.	3.5
Horace Mann Educators Corporation	3.3
Arcosa, Inc.	3.2
ACV Auctions, Inc.	3.0
COPT Defense Properties	3.0
Capitol Federal Financial, Inc.	2.8
Intapp, Inc.	2.8
Knowles Corporation	2.8
Total	31.9%

Sector Allocation²

	Composite	R2000V	R2000
Communication Services	—	3.4	2.7
Consumer Discretionary	10.0	10.0	10.0
Consumer Staples	—	2.3	2.8
Energy	4.0	7.2	5.3
Financials	28.3	28.0	18.0
Health Care	5.6	9.3	17.5
Industrials	20.3	12.2	17.0
Information Technology	14.0	5.8	12.8
Materials	3.0	5.1	4.5
Real Estate	9.5	11.5	6.5
Utilities	5.3	5.3	2.8

Small Cap Value

Portfolio Commentary¹

During the third quarter of 2024, the CRM Small Cap Value strategy underperformed the Russell 2000 Value benchmark by 95 basis points on a net of fees basis, 9.20% versus 10.15%². From a sector perspective, stock selection within the Materials and Real Estate sectors, and our underweight to the Communication Services sector, were the largest headwinds to performance. Conversely, our stock selection within the Consumer Discretionary, Utilities, and Health Care sectors was the largest tailwind to relative performance. Based on our bottom-up stock selection, the portfolio is currently meaningfully overweight the Industrials and Information Technology sectors versus the Russell 2000 Value benchmark, and underweight the Health Care, Communication Services, Materials, Real Estate, Consumer Staples, and Financials sectors. We continue to see significant opportunity today to own strong businesses that have experienced recession-like demand declines in the last year; these companies have strong balance sheets and cash flow generation, and we believe we are paying very little for a recovery when it does materialize.

Our top contributors this quarter were Central Pacific Financial Corp., Champion Homes, Inc., and Intapp, Inc. **Central Pacific Financial Corp. (CPF)**, a Hawaii based bank, reported stronger than expected quarterly results with higher revenue and lower credit costs. The company also provided a healthier outlook for its net interest margin and loan growth in the second half of the year. Lastly, Central Pacific Financial was named in a Bloomberg article as a potential suitor to acquire rival American Savings Bank FSB from its parent company, Hawaiian Electric Industries Inc., a utility that is faced with significant losses following last year's wildfires in Maui. **Champion Homes, Inc. (SKY)**, a manufacturer and distributor of factory-built homes, reported strong quarterly earnings and guided to a better-than-expected gross margin for the rest of its fiscal year. The company is also seeing resilient demand and positive order trends given its product retains a pricing advantage to traditional homes. The recent move lower in interest rates should also help stimulate home demand. **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.

Top detractors to performance this quarter were Clearwater Paper Corporation, Matador Resources Company, and ChampionX Corporation. **Clearwater Paper Corporation (CLW)**, a domestic producer of private label consumer paper (tissue) products, as well as Solid Bleached Sulfate paper ("SBS") products, was a detractor to performance and a new purchase this quarter. In its SBS segment, the company is experiencing a combination of weak demand and pricing pressure given low production utilization. While the company is in the process of selling its consumer paper product (tissue) segment for an attractive price, we believe the remaining operations are near trough profitability. Over time, we expect the company to achieve mid-cycle profitability and an improving expense profile. The stock is trading at a compelling valuation based on an assumed mid-

cycle profile, with a low leverage profile that should allow for compelling capital allocation options. **Matador Resources Company (MTDR)**, a U.S. exploration and production company, declined for the quarter due to weakening oil prices on concerns about OPEC increasing production. We remain focused on the long-term upside potential from the company's premier acreage position and track record of strong execution. **ChampionX Corporation (CHX)**, a provider of oilfield production chemical and automation technologies, also declined for the quarter on 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.

During the quarter, we initiated positions in Concentra Group Holdings Parent, Inc., MRC Global, Inc., and Fulton Financial Corporation. **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. We expect **MRC Global, Inc. (MRC)**, an international distributor of products for the gas utility market, as well as pipes, valves, and fittings to the oil and gas market, will return to topline growth next year after an extended period of product de-stocking among its customers. We also believe the company can further unlock shareholder value by improving profit margins and potentially simplifying its capital structure. We believe **Fulton Financial Corporation (FULT)**, a regional bank that recently completed an FDIC-assisted acquisition of Republic First Bank, an in-market competitor, will be meaningfully accretive to earnings due to both revenue and expenses synergies. Following the transaction, the company executed a restructuring of its securities portfolio that will help accelerate net interest income growth. Finally, we believe the company's FultonFirst efficiency initiative could drive meaningful cost savings.

Third Quarter 2024⁴

TOP CONTRIBUTORS

Central Pacific Financial Corp.
Champion Homes, Inc.
Intapp, Inc.

TOP DETRACTORS

Clearwater Paper Corporation
Matador Resources Company
ChampionX Corporation

Year to Date 2024⁴

TOP CONTRIBUTORS

Central Pacific Financial Corp.
Mueller Water Products, Inc.
Itron, Inc.

TOP DETRACTORS

Clearwater Paper Corporation
Centuri Holdings, Inc.
Simply Good Foods Company

PRELIMINARY PERFORMANCE

Through September 30, 2024

	Gross	Net	R2000V	R2000
QTD	9.40%	9.20%	10.15%	9.27%
YTD	15.74	15.12	9.22	11.17
1-Yr	29.16	28.30	25.88	26.76
3-Yr	9.06	8.36	3.77	1.84
5-Yr	8.25	7.53	9.29	9.39
10-Yr	9.18	8.38	8.22	8.79

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 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:

- 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 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.