CRM Funds

Third Quarter 2024 Fund Newsletter

CRM Mutual Fund Trust
Cramer Rosenthal McGlynn, LLC
300 First Stamford Pl, Suite 440
Stamford, CT 06902

T 212.326.5300
info@crmllc.com
www.crmfunds.com

Cramer Rosenthal McGlynn, LLC is a leading 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 effectively integrates Environmental, Social, and Governance ("ESG") analysis into our investment process. CRM consistently engages with our portfolio holdings on material ESG matters.

Contents

Signatory of:

PRI Principles for Responsible Investment

SASB INSIDE

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 offsides, 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.

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 given their shorter duration liability structure and higher leverage profile compared to large cap companies.

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. 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.

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. Global M&A volumes are significantly below trend and are set for a cyclical and secular rebound. We view the 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.

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. 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.

CRM Mutual Fund Trust
Cramer Rosenthal McGlynn, LLC
300 First Stamford Pl, Suite 440
Stamford, CT 06902

T 212.326.5300
info@crmllc.com
www.crmfunds.com

CRM Long/Short Opportunities Fund

The Long/Short Opportunities Fund, under normal circumstances, invests at least 80% of its assets in long and short positions in equity and equity related securities of U.S. and non-U.S. companies with market capitalizations at the time of initial purchase within the range of those in the S&P 500 Index that are publicly traded on a U.S. securities market.

Investing With Clarity for Over 50 Years

Cramer Rosenthal McGlynn is a leading value manager that strives to see potential and seize opportunity. We manage over $2 billion for institutions and individuals and we have followed a proven investment philosophy since 1973.

Capitalizing on Change and Neglect

Our research team strives to invest at the intersection of change and neglect and the intellectual coherence of our investment philosophy offers a genuine benefit to our clients. Companies we buy and hold are typically characterized by three attributes: change, neglect, and valuation.

Shares	Institutional
Ticker	CRIHX
Cusip	12628J881
Net Expense Ratio[1]	2.50%
Min. Investment	$100,000
Inception Date	8/16/2016

Portfolio Management

Mimi Morris
14 Years at CRM
23 Years of Financial Experience

Financial experience may include experience in the financial services or consulting sector.

FUND PERFORMANCE

Through September 30, 2024

	CRIHX	S&P 500[2]
QTD	5.30%	5.89%
YTD	15.99	22.08
1-Yr	19.76	36.35
3-Yr	7.81	11.91
5-Yr	8.80	15.98
ICD (8/16/2016)	6.01	14.73

The gross expense ratio for the Institutional Class is 2.62%.[1]

The information on the Funds' performance represent past performance, which does not guarantee future results. If you invest in a Fund, your investment return and principal value will fluctuate, so that your shares, when redeemed, may be worth more or less than their original cost. The Funds' current performance may be lower or higher than the performance listed. Performance data current to the most recent month-end may be obtained at www.crmfunds.com.

The Funds are subject to risks, which are described in the prospectus. In particular, when compared to mutual funds that focus on larger capitalization companies, shares of the Funds which generally are more volatile because of the exposure to smaller and mid capitalization companies, which may have more limited product lines and fewer capital resources. Value-based investments are subject to the risk that the broad market may not recognize their intrinsic values.

[1,2]For additional information, please reference Expense Ratio Disclosures on Page 6 and Performance Disclosure on Page 7.

Assets in Fund: $262 Million
As of September 30, 2024

Fund Exposures by Market Cap[2]

	Long	Short	Net
Greater than $10 billion	37.2	-22.1	15.2
$2-$10 billion	47.5	-10.4	37.2
Less than $2 billion	3.1	-1.0	2.1

Top Five Long Equity Positions[3]	% of Fund
Microsoft Corporation	4.1
Arcosa, Inc.	4.0
Burlington Stores, Inc.	3.9
Canadian Pacific Kansas City Ltd.	3.7
Clean Harbors, Inc.	3.6

Top Five Short Equity Positions[3]	% of Fund
Industrials	-1.5
Health Care	-1.4
Consumer Staples	-1.3
Consumer Discretionary	-1.2
Consumer Staples	-1.1

Sector Allocation[2]

	Long	Short	Net
Communication Services	--	--	--
Consumer Discretionary	12.4	-4.5	7.9
Consumer Staples	2.5	-2.8	-0.3
Energy	1.7	--	1.7
Financials	10.6	-1.6	9.0
Real Estate	3.3	--	3.3
Health Care	7.3	1.5	5.8
Industrials	21.4	-7.0	14.3
Information Technology	17.2	--	17.2
Materials	6.5	--	6.5
Utilities	5.2	--	5.2
Diversified	--	-16.0	-16.0
Total	**87.9**	**-33.5**	**54.5**

Holdings subject to change at any time.

Third Quarter 2024²

TOP LONG CONTRIBUTORS	TOP LONG DETRACTORS
Champion Homes, Inc.	Mobileye Global, Inc.
Eagle Materials, Inc.	Vontier Corporation
NextEra Energy, Inc.	Matador Resources Company

Year to Date 2024²

TOP LONG CONTRIBUTORS	TOP LONG DETRACTORS
Burlington Stores, Inc.	Mobileye Global, Inc.
NextEra Energy, Inc.	Becle SAB de CV
Kirby Corporation	The Estee Lauder Companies, Inc.

Fund Commentary[1,2] Third Quarter 2024

Our top contributors to performance in the long book during the third quarter were Champion Homes, Inc., Eagle Materials, Inc., and NextEra Energy, Inc. 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. Eagle Materials, Inc. (EXP) is a producer of cement and concrete aggregates, as well as a producer of wallboard for the residential housing and commercial construction markets. We purchased Eagle Materials as recent single family housing start data has shown an improvement in new housing construction volumes. Market announcements of price increases in the category have the potential to be similarly positive for future results as well. Lastly, ongoing and future interest rate cuts are expected to benefit the single-family housing new construction market. While wet weather has continued to impact many Infrastructure and Non-Residential projects for EXP's cement and aggregate products this quarter, cement pricing has remained resilient. The company should generate additional volumes in its Texas JV this quarter and has several years of organic investment to expand its Wyoming cement plant. While these will compress free cash flow in the near term, we believe these investments will carry the highest return profile for the company. NextEra Energy, Inc. (NEE) was a contributor in the quarter after a strong 2Q report where the company added near record levels to its renewables backlog and continues to benefit from increasing renewables demand from a confluence of factors including data centers.

Top contributors in the short book during the quarter were a specialty retailer, a manufacturer of solid-oxide fuel cell systems, and a multi-industrial provider of construction, defense, and emergency response equipment. Shares of a specialty retailer were pressured by a weaker than expected earnings report. After a strong run in same store sales increases, we believe competitor pressures are increasing and not fully appreciated. A manufacturer of solid-oxide fuel cell systems was a contributor to the short book in the quarter after a weak 2Q earnings release. A positive contributor to recent short performance is a multi-industrial provider of construction, defense, and emergency response equipment. The industry is close to peak deliveries, with signs of weakness in the rental market. We believe a lower trend in backlog and deliveries for next year will necessitate a substantial negative earnings revision below current expectations.

Top detractors in the long book during the quarter were Mobileye Global, Inc., Vontier Corporation, and Matador Resources Company. Mobileye Global, Inc. (MBLY), an autonomous driving provider to vehicle OEMS, was a detractor in the quarter due to a negative 2Q report. The company is being impacted in China where its customers are being displaced by local Chinese competitors. We believe the issues at MBLY are isolated to China and we see offsets where we expect large SuperVision win announcements by the end of the year. Vontier Corporation (VNT), which sells solutions for the fueling & convenience store ecosystem, experienced slower revenues as customers cited the higher interest rate environment for delays in spend for store remodels, car wash software, and high-value tools for service technicians. As interest rates ease, we expect spend to recover given the productivity benefits of Vontier's solutions. Shares of Matador Resources Company (MTDR), a U.S. exploration and production company, declined during 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.

Top detractors in the short book during the second quarter were a domestic provider of value-based healthcare tools to the provider market, an organic grocer, and a nationwide grocer. A domestic provider of value-based healthcare tools to the provider market received inbound private equity and strategic interest in purchasing the company and confirmed an exit rate for higher year-end profitability. While the "go private" transaction is questionable, we are no longer short the company's shares. Shares of an organic grocer reacted positively to a strong earnings report, though we believe softening inflation should be an issue going forward. Shares of a nationwide grocer grinded higher in the face of better gross margins. We believe the mass channel will continue to take share from traditional grocery.

[1]Please reference Expense Ratio Disclosure on Page 6.
[2]Please reference Important Disclosures, Product Disclosure on Page 7.
[3]Indicates weight in fund as of June 30, 2024.

Fund Summary

FUND/INCEPTION	FUND ASSETS 9/30/2024	VEHICLE	MINIMUM	STATUS
CRM All Cap Value October 2006	$25 Million	Mutual Fund, CRIEX (Institutional) Mutual Fund, CRMEX (Investor)	$1 Million $2,500	Open Open
CRM Mid Cap Value January 1998	$386 Million	Mutual Fund, CRIMX (Institutional) Mutual Fund, CRMMX (Investor)	$1 Million $2,500	Open Open
CRM Small/Mid Cap Value September 2004	$174 Million	Mutual Fund, CRIAX (Institutional) Mutual Fund, CRMAX (Investor)	$1 Million $2,500	Open Open
CRM Small Cap Value October 1995	$79 Million	Mutual Fund, CRISX (Institutional) Mutual Fund, CRMSX (Investor)	$1 Million $2,500	Open Open
CRM Long/Short Opportunities August 2016	$262 Million	Mutual Fund, CRIHX (Institutional)	$100,000	Open

[1]Expense Ratio Disclosure

The net expense ratios are the current annualized expense ratio as stated in the CRM Funds prospectus dated October 27, 2023, for the CRM Long/Short Opportunities Fund, CRM Small Cap Value Fund, CRM Small/Mid Cap Value Fund, CRM Mid Cap Value Fund, and CRM All Cap Value Fund and will fluctuate over time. CRM has a contractual obligation to waive a portion of its fees and to assume certain expenses of the Fund to the extent that the total annual fund operating expenses, excluding taxes, extraordinary expenses, brokerage commissions, interest, dividend and interest expenses related to short sales, and acquired fund fees and expenses, exceed 1.60% of average daily net assets of Institutional Shares for the CRM Long/Short Opportunities Fund. This expense limitation is in effect until November 1, 2024. Prior to that date, the arrangement may be terminated only by the vote of the Board of Trustees of the Fund. Performance would have been lower in the absence of fee waivers and expense reimbursements.

Important Disclosures

Performance Disclosure

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

•Long/Short Opportunities: S&P 500 Index. The S&P 500 Index measures the market capitalizations of 500 large cap companies traded on American stock exchanges. It is not possible to invest directly in an index.

Basis points, otherwise known as bps or "bips," are a unit of measure to describe the percentage change in the value of financial instruments or the rate change in an index or other benchmark. One basis point is equivalent to 0.01% (1/100th of a percent) or 0.0001 in decimal form.

Product Disclosure

Fund Commentary & Contributors/Detractors

It should not be assumed that investments 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 funds referred to in this newsletter during the twelve month period preceding the date of the list of securities for that fund 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 and fully exited positions during the quarter is based on an absolute dollar basis over the specified time period (i.e. quarterly) within the portfolios.

Fund Characteristics

Information pertaining to Fund 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. Theses figures refer to the funds' portfolio and not to the fund itself.

Top Ten Holdings

It should not be assumed that the Top Ten Holdings presented for each fund 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 funds referred to in this newsletter during the twelve month period preceding the date of the list of securities for that fund included in this newsletter.

Sector Allocation

The Sector Allocation presented for each fund in this newsletter may not be representative of the funds' current or future investments. The source of the information for all Sector Allocations is LSEG Workspace, GICS Sectors.

Fund Exposures by Market Cap

All Equity Exposures presented for the CRM Long/Short Opportunities Fund in this newsletter are reflective of individual positions and do not reflect ETF positions or customized baskets.

Cramer Rosenthal McGlynn, LLC licenses and applies the SASB Materiality Map® General Issue Categories in our work. SASB's Materiality Map® identifies sustainability issues that are likely to affect the financial condition or operating performance of companies within an industry. Cramer Rosenthal McGlynn, LLC is a signatory of the PRI (Principles for Responsible Investment). The PRI, a UN-supported network of investors, works to promote sustainable investment through the incorporation of environmental, social and governance issues into investment analysis and decision making processes. 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.

Shares of CRM Funds are distributed by ALPS Distributors, Inc.

Please note that shares of a mutual fund may only be offered through a prospectus. Investing in non-U.S. securities involves special risks such as, greater social, economic, regulatory, and political uncertainties, and currency fluctuation.

Investors should carefully read a prospectus and consider the investment objectives, risks, charges and expenses carefully before investing. To request a copy of a prospectus for any CRM Mutual Fund product, which contains this and other important information, please call 800.276.2883 or visit www.crmfunds.com.

The Investment Adviser's, Cramer Rosenthal McGlynn, LLC, office is located at 300 First Stamford Pl, Suite 440, Stamford, CT 06902.

Please note that shares of a mutual fund may only be offered through a prospectus.