CRM Funds

Third Quarter 2024 Fund Newsletter

CRM Mutual Fund Trust
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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.

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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.

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CRM Small Cap Value Fund

The Small Cap Value Fund, under normal circumstances, invests at least 80% of its assets in a diversified portfolio of equity and equity related securities of companies with market capitalizations at the time of initial purchase similar to those in the Russell 2000 Value Index ("small cap companies") 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	Investor
Ticker	CRISX	CRMSX
Cusip	92934R785	92934R793
Expense Ratio[1]	1.02%	1.22%
Min. Investment	$1,000,000	$2,500
Inception Date	1/27/1998	10/1/1995

Portfolio Management

Bernard Frojmovich
15 Years at CRM
25 Years of Financial Experience

Brian Harvey, CFA
19 Years at CRM
31 Years of Financial Experience

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

FUND PERFORMANCE

Through September 30, 2024

	CRISX	CRMSX	R2000V[2]	R2000[2]
QTD	9.03%	8.96%	10.15%	9.27%
YTD	14.79	14.65	9.22	11.17
1-Yr	27.88	27.61	25.88	26.76
3-Yr	7.80	7.58	3.77	1.84
5-Yr	7.19	6.96	9.29	9.39
10-Yr	8.19	7.95	8.22	8.79

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: $79 Million
As of September 30, 2024

Fund Characteristics[2]

	Fund	R2000V	R2000
Wtd Avg Mkt Cap (m)	$3,389	$2,855	$3,556
Wtd Median Mkt Cap (m)	$3,299	$2,507	$3,189
Number of Holdings	42	1,436	1,975
Active Share	96%		

	Internal Estimates	Broker Estimates	R2000V	R2000
FY2 EV/EBITDA	13.61	15.12	12.91	16.65
FY2 Net Debt/EBITDA	0.12	0.18	1.84	0.37

Top Ten Holdings[3]	**% of Fund**
Arcosa, Inc.	3.7
Envestnet, Inc.	3.5
ChampionX Corporation	3.1
Central Pacific Financial Corp.	3.0
ACV Auctions, Inc.	3.0
Skyline Champion Corporation	2.9
Horace Mann Educators Corporation	2.9
Mueller Water Products, Inc.	2.8
Itron, Inc.	2.7
Stericycle, Inc.	2.7
Total	**30.3%**

Sector Allocation[2]

	Fund	R2000V	R2000
Communication Services	--	3.4	2.7
Consumer Discretionary	10.1	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	20.2	12.2	17.0
Information Technology	13.9	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

Holdings subject to change at any time.

Third Quarter 2024[2]

TOP CONTRIBUTORS	TOP DETRACTORS
Central Pacific Financial Corp.	Clearwater Paper Corporation
Champion Homes, Inc.	Matador Resources Company
Intapp, Inc.	ChampionX Corporation

Year to Date 2024[2]

TOP CONTRIBUTORS	TOP DETRACTORS
Central Pacific Financial Corp.	Clearwater Paper Corporation
Mueller Water Products, Inc.	Rogers Corporation
Itron, Inc.	Simply Good Foods Company

Fund Commentary[1,2] Third Quarter 2024

During the third quarter of 2024, the CRM Small Cap Value Fund (CRISX) underperformed the Russell 2000 Value benchmark by 112 basis points on a net of fees basis, 9.03% 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. 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.

[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.

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.

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.

Important Disclosures

Performance Disclosure

Effective December 31, 2005, the CRM Small Cap Value Fund received all of the assets and liabilities of the identically named corresponding series of WT Mutual Fund (the "Predecessor Fund"). The financial highlights for the periods prior to December 31, 2005 reflect the performance of the Predecessor Fund.

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

•Small Cap Value: Russell 2000 Value Index and the Russell 2000 Index. The Russell 2000 Value Index measures the performance of those companies in the Russell 2000 Index with lower price-to-book ratios and lower forecasted growth values. The Russell 2000 Index is an unmanaged, capitalization weighted index of 2000 small cap U.S. companies. It is not possible to invest directly in any index.

Wtd Avg Mkt Cap (Weighted Average Market Cap) is weighted by the market capitalization of each stock in the index.

Wtd Median Mkt Cap (Weighted Median Market Cap) is the weighted market capitalization midpoint in the index weighted.

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

EV/EBITDA ("Enterprise Multiple") is a measure used to determine the value of a company and takes enterprise value (EV) (market capitalization plus total debt minus cash and cash equivalents) divided by earnings before interest, taxes, depreciation, and amortization (EBITDA). In determining the value of a company, the ratio is used to consider the company's debt and cash levels in addition to its stock price and relates that value to the company's cash profitability. Metrics are shown as a weighted average. Estimates exclude the Financials, Real Estate, and Utilities sectors for both the Strategy and Benchmark. Internal estimates are proprietary to CRM. Broker and Index estimates are sourced from LSEG Workspace.

Net Debt/EBITDA is a measure used to determine leverage and takes total debt minus cash and equivalents divided by EBITDA. The ratio is used to show how many years it would take for a company to pay back debt if net debt and EBITDA are held constant. In circumstances where a company has more cash than debt, the ratio can be negative. Metrics are shown as a weighted average. Estimates exclude the Financials, Real Estate, and Utilities sectors for both the Strategy and Benchmark. Internal estimates are proprietary to CRM. Broker and Index estimates are sourced from LSEG Workspace.

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.

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.

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