CRM Funds

Second 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

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

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

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

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

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

Despite these more positive macro and micro drivers, we continue to be mindful of the tail risks here in the U.S. and across the globe in constructing our portfolios. As we have witnessed, the historical recession indicators (inverted yield curve, shrinking money supply, weak ISM Index readings, rising unemployment rate, etc.) have been flashing, but we believe other factors continue to mitigate these signals. That being said, we want to remain vigilant and need to continuously challenge our forecasts. As we have seen, it's been nearly two years since the inversion of the 2-year and 10-year treasury curve. The money supply (M2) turned negative at the end of 2022 but thankfully has recently turned positive. As we pointed out earlier, the ISM Index has been in contraction territory (below 50) for 19 of the past 20 months without a recession. Recently, the "Sahm rule" was triggered when the three-month moving average unemployment rate rose more than 50 basis points from its nadir this cycle. These are all important indicators that we need to be attentive and continuously monitor. Outside the U.S., we continue to scrutinize the impact of the conflict in the Middle East and the Russia/Ukraine war. The market has generally viewed these events to be contained, but more countries could be pulled into these conflicts at a moment's notice.

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

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

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 Small/Mid Cap Value Fund

The Small/Mid 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 2500 Value Index or in the S&P MidCap 400 Value Index (together, "small/mid cap companies") that are publicly traded on a U.S. securities market.

Shares	Institutional	Investor
Ticker	CRIAX	CRMAX
Cusip	92934R116	92934R124
Expense Ratio[1]	1.02%	1.19%
Min. Investment	$1,000,000	$2,500
Inception Date	9/1/2004	9/1/2004

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.

Portfolio Management

Mimi Morris
14 Years at CRM
23 Years of Financial Experience

Jeffrey Yanover
7 Years at CRM
22 Years of Financial Experience

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

FUND PERFORMANCE
Through June 30, 2024

	CRIAX	CRMAX	R2500V[2]	R2500[2]
QTD	-3.60%	-3.68%	-4.31%	-4.27%
YTD	3.69	3.58	1.50	2.35
1-Yr	8.75	8.57	11.24	10.47
3-Yr	1.59	1.42	2.15	-0.29
5-Yr	9.18	8.98	8.01	8.31
10-Yr	7.59	7.36	6.77	7.99

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: $169 Million
As of June 30, 2024

Fund Characteristics[2]

	Fund	R2500V	R2500
Wtd Avg Mkt Cap (m)	$7,079	$7,115	$6,842
Wtd Median Mkt Cap (m)	$5,298	$6,717	$6,252
P/E FY2	17.3x	12.4x	13.8x
Price/Book	2.4x	1.7x	2.1x
Number of Holdings	46	1,891	2,485
Active Share	96%		

Top Ten Holdings[3]	% of Fund
Burlington Stores, Inc.	4.0
Ashland, Inc.	4.0
Terreno Realty Corporation	3.5
Itron, Inc.	3.1
Arcosa, Inc.	3.0
Skyline Champion Corporation	3.0
Stericycle, Inc.	2.9
First American Financial Corporation	2.9
Webster Financial Corporation	2.9
Sun Communities, Inc.	2.9
Total	**32.1%**

Sector Allocation[2]

	Fund	R2500V	R2500
Communication Services	--	3.6	3.0
Consumer Discretionary	12.1	11.8	12.6
Consumer Staples	2.2	3.6	3.6
Energy	3.5	6.6	5.8
Financials	18.8	19.8	16.1
Health Care	8.7	8.1	12.7
Industrials	20.4	18.5	18.9
Information Technology	15.1	8.1	12.3
Materials	6.2	6.9	5.8
Real Estate	8.4	9.5	6.8
Utilities	4.6	3.3	2.4

Holdings subject to change at any time.

Second Quarter 2024[2]

TOP CONTRIBUTORS	TOP DETRACTORS
Biolife Solutions, Inc.	Skyline Champion Corporation
LeMaitre Vascular, Inc.	Regal Rexnord Corporation
Clean Harbors, Inc.	Webster Financial Corporation

Year to Date 2024[2]

TOP CONTRIBUTORS	TOP DETRACTORS
Burlington Stores, Inc.	Webster Financial Corporation
Itron, inc.	QuidelOrtho Corporation
ChampionX Corporation	Victoria's Secret & Co.

Fund Commentary[1,2] Second Quarter 2024

During the second quarter of 2024, the CRM Small/Mid Cap Value Fund (CRIAX) outperformed the Russell 2500 Value benchmark by 71 basis points on a net of fees basis, -3.60% versus -4.31%. From a sector perspective, stock selection within the Health Care, Industrials, and Consumer Discretionary sectors was the largest tailwind to relative performance, while our stock selection within the Financials, Real Estate, and Energy sectors was the largest detractor for the quarter. Based on our bottom-up stock selection, the portfolio is currently overweight the Information Technology, Industrials, and Utilities sectors versus the Russell 2500 Value benchmark. Conversely, the portfolio is currently underweight the Communication Services, Energy, Consumer Staples, and Real Estate 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 BioLife Solutions, Inc., LeMaitre Vascular, Inc., and Clean Harbors, Inc. Bioproduction tools and services company **BioLife Solutions, Inc. (BLFS)** was a contributor in the quarter following the sale of its Stirling freezer assets, which had been a material drag on total company profitability, and better than expected 1Q24 results. **LeMaitre Vascular, Inc. (LMAT)** is a global provider of medical devices for peripheral vascular and cardiac procedures, as well as human tissue cryopreservation services. The company was a contributor this quarter as their organic topline growth rate and gross margins continued to exceed expectations. We believe the company's pricing for its products and increasing volumes will translate to a stronger profit profile than expectations next year. In addition, LeMaitre continues to maintain a net cash position exceeding $100m, allowing for organic and inorganic investments, which we believe could be highly accretive and is not properly considered in current sell-side expectations. **Clean Harbors, Inc. (CLH)** provides environmental remediation and industrial waste management services to domestic customers. The company was a positive contributor this quarter as they continue to exceed margin expectations in their Environmental Services segment. The Safety Kleen Oil segment has been pressured by lower base oil prices but has seen a recent improvement from trough levels with additional benefit coming from spread management. Recent environmental regulation around hazardous chemicals, particularly PFAS, has the potential to increase Clean Harbor's collection and disposal assets for a meaningful period if they are addressed with additional regulatory legislation. The company has also expressed interest in a recent industry environmental service asset that could be for sale, where Clean Harbors could generate a double digit return on its acquired investment should that occur. CLH's valuation remains compelling, particularly if company management executes on its longer-term profit improvement prior to acquisitions by 2027.

Top detractors to performance this quarter were Skyline Champion Corporation, Regal Rexnord Corporation, and Webster Financial Corporation. Shares of **Skyline Champion Corporation (SKY)** were under pressure after a revenue miss in 1Q24. The backlog, however, has inflected and we expect gross margins to be stronger than expected driven by weaker input costs and a mix toward higher-margin retail units. **Regal Rexnord Corporation (RRX)**, an industrial powertrain solutions provider, has underperformed on concerns over slowing short-cycle industrial indicators and continued weakness in residential HVAC despite many self-help levers to achieve their targets. **Webster Financial Corporation (WBS)**, a Northeast regional bank, sold off this quarter due to a weaker-than-expected earnings report in which the company's net interest income came in below expectations and was guided lower for the year. The main driver of the weakness was net interest margin pressure as interest rates remain elevated, which is an industry-wide issue that has caused bank stocks to underperform. We have reduced our position in Webster as we have grown concerned that Webster's financial flexibility will be reduced as it approaches the $100 billion asset-size regulatory threshold, which could pressure long-term earnings power and reduce the opportunity for accretive deployment of capital.

[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 March 31, 2024.*

Fund Summary

FUND/INCEPTION	FUND ASSETS 6/30/2024	VEHICLE	MINIMUM	STATUS
CRM All Cap Value October 2006	$23 Million	Mutual Fund, CRIEX (Institutional) Mutual Fund, CRMEX (Investor)	$1 Million $2,500	Open Open
CRM Mid Cap Value January 1998	$372 Million	Mutual Fund, CRIMX (Institutional) Mutual Fund, CRMMX (Investor)	$1 Million $2,500	Open Open
CRM Small/Mid Cap Value September 2004	$170 Million	Mutual Fund, CRIAX (Institutional) Mutual Fund, CRMAX (Investor)	$1 Million $2,500	Open Open
CRM Small Cap Value October 1995	$75 Million	Mutual Fund, CRISX (Institutional) Mutual Fund, CRMSX (Investor)	$1 Million $2,500	Open Open
CRM Long/Short Opportunities August 2016	$196 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

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 Refinitiv. 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.

Performance Disclosure

Effective December 31, 2005, the CRM Small Cap Value Fund, CRM Small/Mid Cap Value Fund, and CRM Mid 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/Mid Cap Value: Russell 2500 Value Index and the Russell 2500 Index. The Russell 2500 Value Index is an unmanaged index that measures the performance of those companies in the Russell 2500 Index with lower price-to-book ratios and lower forecasted growth values. The Russell 2500 Index is an unmanaged index that measures the performance of the 2,500 smallest companies in the Russell 3000 Index. It is not possible to invest directly in an index.

P/E is the price of a stock divided by the company's earnings per share.

P/E FY2 of a stock is calculated by dividing the current price by the projected earnings for the company's fiscal year after next. Price/Book Value Ratio is calculated by dividing the market price of its stock by the company's per-share book value.

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.

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.

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.