



## Fourth Quarter 2022 Fund Newsletter

CRM Mutual Fund Trust  
Cramer Rosenthal McGlynn, LLC  
28 Havemeyer Place, 1st Floor  
Greenwich, CT 06830

T 212.326.5300  
[info@crmlc.com](mailto:info@crmlc.com)  
[www.crmfunds.com](http://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 four decades, 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

|                          |    |
|--------------------------|----|
| Market Commentary        | 2  |
| All Cap Value            | 6  |
| Mid Cap Value            | 8  |
| Small/Mid Cap Value      | 10 |
| Small Cap Value          | 12 |
| Long/Short Opportunities | 14 |
| Fund Summary             | 16 |
| Important Disclosures    | 17 |

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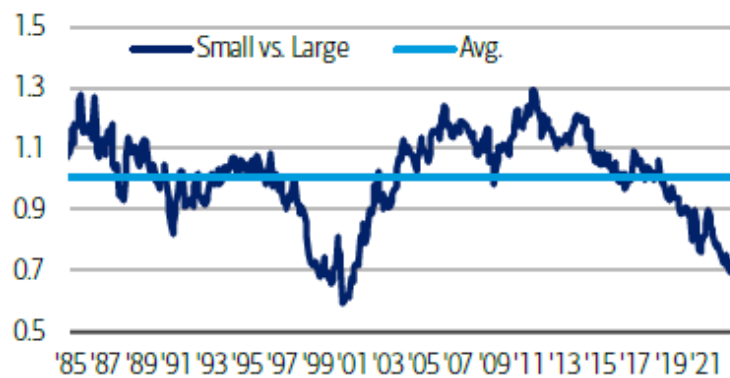


# Market Commentary

2022 was one of the worst years for the market over the last few decades. The market also ended on a weak note, selling-off in December after staging a rally earlier in the quarter. Last year was a normalization period for the market as fiscal and monetary accommodation was being removed from the system. Interestingly, the market correction was mainly driven by P/E multiple compression as the discount rate normalized due to the dramatic rise in interest rates. We still expect earnings to be reset lower for the market as demand normalizes and margins are pressured. This is the unpleasant part of a normal market cycle. But, as history has shown us, these market inflections tend to lead to regime changes and new leadership in the market. We see multiple reasons to be bullish on small to mid-cap stocks over the next few years which, by the way, is a part of the market that's woefully underinvested versus history. This is an exciting time to be an active manager down cap.

## Small caps trading at extreme discount vs large caps only ever seen once before during the Tech Bubble

(Relative Forward P/E Russell 2000 vs. Russell 1000, 1985-10/31/22)

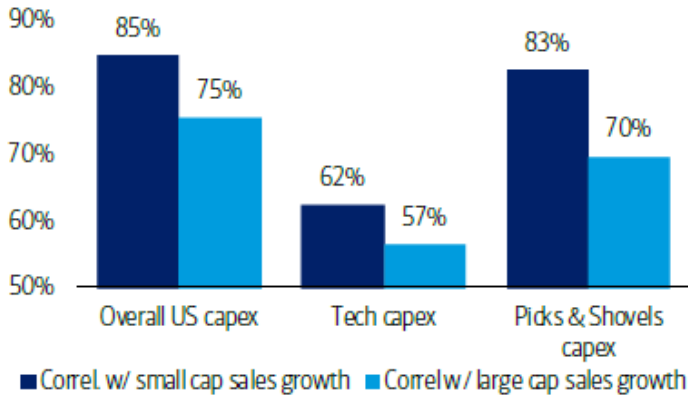


Source: BofA US Equity & Quant Strategy, Russell Investment Group, I/B/E/S, Compustat

We see multiple vectors of demand drivers for domestic small to mid-cap stocks. After enduring tariff wars between the U.S. and China, a global pandemic, and Russia's war against Ukraine, CEOs are being forced to rethink their global supply chains. Just-in-time manufacturing is being replaced with safety stock and re-shoring or near-shoring efforts. More focus is being placed on certainty of production and delivery than the lowest cost available. We believe this is a long-term positive for domestic oriented businesses. In addition, the U.S. government has also woken up to the fact they need to work in partnership with businesses to ensure the availability of strategically important products. Over the past 18 months, Congress has passed several important pieces of legislation to support this effort including the \$1 trillion Infrastructure Investment and Jobs Act, the CHIPS and Science Act (\$52 billion for domestic semiconductor manufacturing), and \$740 billion Inflation Reduction Act (\$369 billion allocated to clean energy funding). These bills should spur cap ex spending in the U.S., which will provide a multi-year growth tail wind for domestic oriented businesses, which we believe will disproportionately benefit small and mid-cap stocks.

### Small caps are particularly correlated with “Picks & Shovels” capex

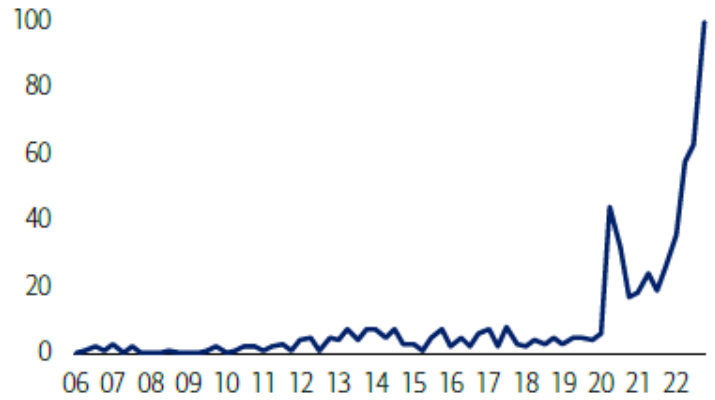
US qrtly YoY capex growth vs. Russell 2000 YoY sales growth 1986-3Q22



Source: FactSet, Haver Analytics, BofA US Equity & US Quant Strategy

### Mentions of re-shoring on earnings calls have skyrocketed

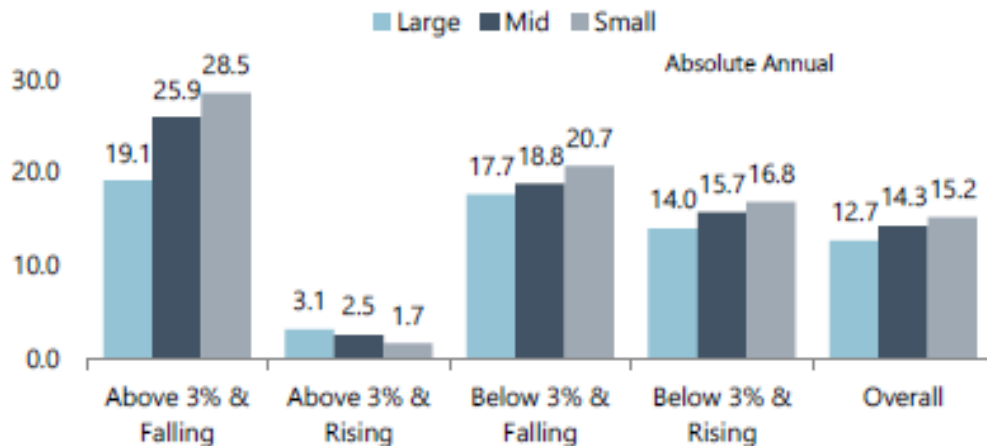
Companies mentions of re/near/on-shoring (100=max; 2006-11/04/22)



Source: AlphaSense, BofA Global Research

Inflation, although moderating from near term peak levels, remained higher than expected in 2022, which is highly constructive for small and mid-cap stocks. Goods inflation has led the recent declines in overall inflation as supply chains have been normalizing and consumer demand has shifted from goods to services. We still expect services inflation, the largest component of overall inflation, to remain sticky on the way down due to the robust labor market. Although recent indicators have pointed to a modest reduction in the labor costs (i.e., slower growth in December’s Average Hourly Earnings), the pandemic has likely resulted in a change in the percentage of profits shared with employees. The lack of labor availability due to health issues or immigration changes will likely slow the rebalancing necessary to return labor cost growth to a level more consistent with 2% inflation. We can debate the length of time to achieve labor market equilibrium, but history tells us when inflation is above 3% but falling, this is a highly attractive market for small and mid-cap stocks.

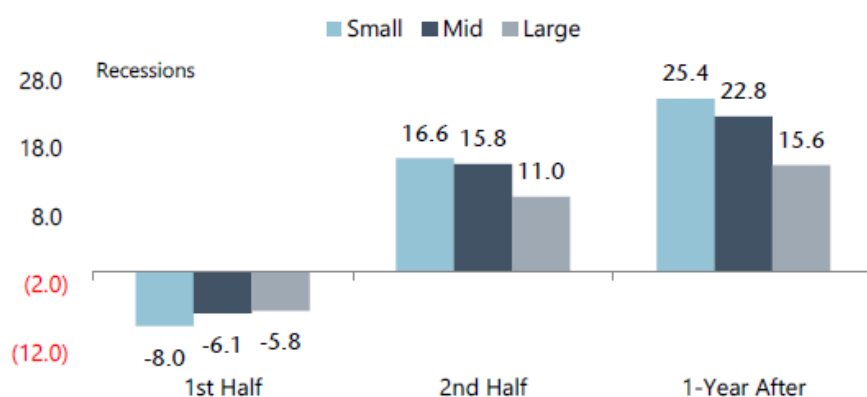
### 2023 could be the best inflation environment for small and mid-cap stocks (Inflation above 3% but falling)



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

The negative earnings revision cycle has begun. There are several pressures that will drive 2023 results downward including lower demand, higher interest rates, and less of a benefit from pricing. Since the second of half of 2022, small and mid-cap stocks have witnessed a sharper negative estimate revision cycle compared to large caps. Excluding the outsized energy sector contribution, the market now expects small and mid-caps' estimates for 2023 to be flat to down while consensus still believe large cap stocks will generate positive earnings growth. As has been the case in the past, the market moves more quickly to revise small and mid-cap companies' estimates compared to their larger cap brethren. As we have experienced in past cycles, stocks tend to rally before the trough in earnings, so the investor seeking outsized returns needs to be invested prior to the turn. In addition, history again shows us, that coming out of an economic slowdown, the small and mid-caps stocks lead the market.

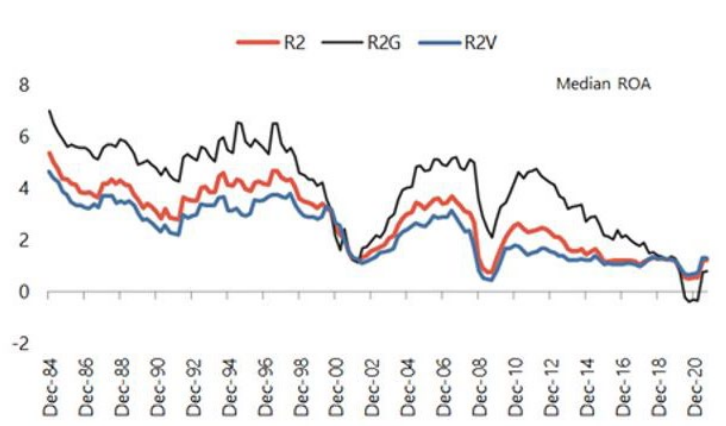
### Coming out of a recession, small and mid- caps lead the market



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

At the same time, we continue to caution against relying on passive strategies to gain exposure to small and mid-cap stocks. As we have discussed in the past, the quality of market indices has declined dramatically over the past few years as newly formed SPACs, meme stocks, and non-profitable/non-revenue companies have become a greater percentage of the market. This creates an increasingly attractive market opportunity for nimble, active managers.

### ROA levels are hitting new lows across the Russell indexes



Source: FactSet; FTSE Russell; Jefferies

### Nonearners weight has risen and will impact benchmark performance



Source: FactSet; FTSE Russell; Jefferies

This was the third worst year for the Russell 2000 Value and the fourth worst year for the Russell Mid Cap Value index since 1979. Historically, small and mid-cap stocks tend to rally in the subsequent year after large downturns. The market sell-off has uncovered tremendous value for patient long-term investors. We believe investors should favor relative value, actively managed strategies with portfolios constructed with companies that have healthy balance sheets and growing market shares. We believe the small and mid-cap stocks have been more severely impacted during this sell-off and are extremely neglected today. This group, which tends to be more domestically oriented, should benefit from the re-shoring and near-shoring of supply chains that have failed many companies over the past few years. We also note that historically the best backdrop for small and mid-cap stocks tends to be when inflation is above 3% and declining, which appears to be the environment we are headed into. In sum, this appears to be a very attractive market for nimble, active managers in the small and mid cap value space.



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## CRM All Cap Value Fund

The All Cap Value Fund, under normal circumstances, invests at least 80% of its assets in a diversified portfolio of equity and equity related securities of U.S. and non-U.S. companies that are publicly traded on a U.S. securities market. There are no limits on the market capitalizations of companies in which the All Cap Value Fund may invest.

### Investing With Clarity for Over Four Decades

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                     | CRIEX         | CRMEX      |
| Cusip                      | 12626X833     | 12626X841  |
| Expense Ratio <sup>1</sup> | 1.10%         | 1.34%      |
| Min. Investment            | \$1,000,000   | \$2,500    |
| Inception Date             | 10/24/2006    | 10/24/2006 |

### Portfolio Management

#### Robert Maina

17 Years at CRM

29 Years of Financial Experience

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

### FUND PERFORMANCE

Through December 31, 2022

|       | CRIEX  | CRMEX  | R3000V <sup>2</sup> | R3000 <sup>2</sup> |
|-------|--------|--------|---------------------|--------------------|
| 4Q    | 10.46% | 10.39% | 12.18%              | 7.18%              |
| YTD   | -9.65  | -9.79  | -7.98               | -19.21             |
| 1-Yr  | -9.65  | -9.79  | -7.98               | -19.21             |
| 3-Yr  | 8.21   | 7.93   | 5.88                | 7.07               |
| 5-Yr  | 6.10   | 5.81   | 6.50                | 8.79               |
| 10-Yr | 9.52   | 9.26   | 10.16               | 12.13              |

*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](http://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.

<sup>1,2</sup>For additional information, please reference Expense Ratio Disclosures on Page 16 and Performance Disclosure on Page 17

## Fund Commentary<sup>1,2</sup> Fourth Quarter 2022

### Assets in Fund: \$24 Million As of December 31, 2022

#### Fund Characteristics<sup>2</sup>

|                        | Fund     | R3000V    | R3000     |
|------------------------|----------|-----------|-----------|
| Wtd Avg Mkt Cap (m)    | \$52,608 | \$130,851 | \$338,657 |
| Wtd Median Mkt Cap (m) | \$9,963  | \$68,274  | \$109,873 |
| P/E FY2                | 14.8x    | 13.7x     | 16.1x     |
| Price/Book             | 2.1x     | 2.1x      | 3.3x      |
| Number of Holdings     | 42       | 2,232     | 2,957     |
| Active Share           | 94%      |           |           |

During the fourth quarter of 2022, the CRM All Cap Value Fund (CRIEX) underperformed the Russell 3000 Value benchmark by 172 bps on a net of fees basis, 10.46% versus 12.18%<sup>2</sup>. From a sector perspective, stock selection within the Industrials and Health Care sectors was the largest relative detractor to performance this quarter, while stock selection within the Information Technology and Consumer Discretionary sectors was the largest contributor to relative performance. Based on our bottom-up selection process, the portfolio is significantly overweight in the Information Technology and Industrials sectors, with a more moderate overweight to the Consumer Discretionary sector versus the Russell 3000 Value benchmark. Conversely, the portfolio is currently significantly underweight in the Communication Services sector, with a more moderate underweight to the Consumer Staples, Utilities, and Real Estate sectors.

#### Top Ten Holdings<sup>3</sup>

|                               | % of Fund    |
|-------------------------------|--------------|
| Kirby Corporation             | 5.1          |
| Lamb Weston Holdings, Inc.    | 3.6          |
| Humana, Inc.                  | 3.6          |
| Corteva, Inc.                 | 3.6          |
| Valmont Industries, Inc.      | 3.2          |
| Webster Financial Corporation | 3.2          |
| Johnson & Johnson             | 3.1          |
| LPL Financial Holdings, Inc.  | 3.0          |
| Ashland, Inc.                 | 2.8          |
| ChampionX Corporation         | 2.8          |
| <b>Total</b>                  | <b>34.0%</b> |

Our top contributors this quarter were ChampionX Corporation, Burlington Stores, Inc., and Valmont Industries, Inc. Oilfield services provider **ChampionX Corporation (CHX)** delivered strong third quarter results and raised its fourth quarter guidance. Over the near to medium term, we believe ChampionX will benefit from price increases enacted earlier in 2022, while raw materials costs begin to abate. **Burlington Stores, Inc. (BURL)**, an off-price retailer, reported third quarter results that showed improved execution as the company continues to benefit from an increasingly favorable inventory backdrop and an inflection in customers trends. **Valmont Industries, Inc. (VMI)**, a utility and agricultural equipment provider, appreciated this quarter as higher earnings were driven by strong customer demand and a favorable price/cost mix. The outlook for the company's sales remains favorable, with elevated global farmer income along with tailwinds for utility spending based on resiliency upgrades and investments in renewable energy.

#### Sector Allocation<sup>2</sup>

|                        | Fund | R3000V | R3000 |
|------------------------|------|--------|-------|
| Communication Services | —    | 7.1    | 6.8   |
| Consumer Discretionary | 9.7  | 6.2    | 10.0  |
| Consumer Staples       | 3.2  | 7.1    | 6.6   |
| Energy                 | 6.8  | 8.3    | 5.3   |
| Financials             | 18.0 | 20.6   | 12.3  |
| Health Care            | 18.0 | 17.0   | 15.6  |
| Industrials            | 16.9 | 10.7   | 9.7   |
| Information Technology | 15.9 | 8.1    | 24.4  |
| Materials              | 6.5  | 4.3    | 3.0   |
| Real Estate            | 2.4  | 4.8    | 3.3   |
| Utilities              | 2.6  | 5.8    | 3.1   |

Holdings subject to change at any time.

Our top detractors this quarter were Kaman Corporation, Clarivate PLC, and Regal Rexnord Corporation. **Kaman Corporation (KAMN)**, a diversified aviation and defense company, reported weaker-than-expected results due to revenue recognition delays in its fuse and structures business that came about from supply chain challenges. In addition, the company recently completed the acquisition of Parker-Hannifin's aircraft wheel and brake business, a higher-value Engineered Products business, and funded it with debt. This increased balance sheet leverage, coupled with reduced earnings expectations in Kaman's other business segments, has reduced overall cash flows. Given the company's reduced financial flexibility, we elected to exit the position. **Clarivate PLC (CLVT)**, a data and analytics company focused on life sciences and intellectual property end markets, underperformed because of weaker than anticipated growth in the quarter due mainly to transactional revenues. We believe the new management team has recalibrated expectations conservatively and are uniquely well suited for executing on improving organic growth strategy as well as margin and free cash flow opportunities over the next few years. The equity price incorporates substantial neglect around improving fundamentals and currently trades at a substantial discount to intrinsic value. We sold our position in our third largest detractor, **Regal Rexnord Corporation (RRX)**, a manufacturer of electric motors and power transmission components, after the company announced the acquisition of Altra Industrial. Although we agree with its strategic rationale, we are concerned about the timing of this large acquisition, increased leverage, and potential management distraction given the short-cycle nature of the business as we enter an economic slowdown.

#### Fourth Quarter 2022<sup>2</sup>

##### TOP CONTRIBUTORS

ChampionX Corporation  
Burlington Stores, Inc.  
Valmont Industries, Inc.

##### TOP DETRACTORS

Kaman Corporation  
Clarivate PLC  
Regal Rexnord Corporation

#### Year to Date 2022<sup>2</sup>

##### TOP CONTRIBUTORS

Lamb Weston Holdings, Inc.  
LPL Financial Holdings, Inc.  
ChampionX Corporation

##### TOP DETRACTORS

Clarivate PLC  
Kaman Corporation  
Avantor, Inc.

<sup>1</sup>Please reference Expense Ratio Disclosure on Page 16.

<sup>2</sup>Please reference Important Disclosures, Product Disclosure on Page 17.

<sup>3</sup>Indicates weight in fund as of September 30, 2022.



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## CRM Mid Cap Value Fund

The 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 Midcap Value Index (“mid cap companies”) that are publicly traded on a U.S. securities market.

### Investing With Clarity for Over Four Decades

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                           | <u>Institutional</u> | <u>Investor</u> |
|----------------------------------|----------------------|-----------------|
| <b>Ticker</b>                    | CRIMX                | CRMMX           |
| <b>Cusip</b>                     | 92934R769            | 92934R777       |
| <b>Expense Ratio<sup>1</sup></b> | 0.98%                | 1.15%           |
| <b>Min. Investment</b>           | \$1,000,000          | \$2,500         |
| <b>Inception Date</b>            | 1/6/1998             | 9/20/2000       |

### Portfolio Management

#### Thad Pollock, CFA

19 Years at CRM

22 Years of Financial Experience

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

### FUND PERFORMANCE

Through December 31, 2022

|              | CRIMX  | CRMMX  | RMidV <sup>2</sup> | RMid <sup>2</sup> |
|--------------|--------|--------|--------------------|-------------------|
| <b>4Q</b>    | 11.32% | 11.29% | 10.45%             | 9.18%             |
| <b>YTD</b>   | -9.23  | -9.37  | -12.03             | -17.32            |
| <b>1-Yr</b>  | -9.23  | -9.37  | -12.03             | -17.32            |
| <b>3-Yr</b>  | 9.16   | 8.95   | 5.82               | 5.88              |
| <b>5-Yr</b>  | 8.61   | 8.41   | 5.72               | 7.10              |
| <b>10-Yr</b> | 11.20  | 10.98  | 10.11              | 10.96             |

*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](http://www.crmfunds.com).*

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<sup>1,2</sup>For additional information, please reference Expense Ratio Disclosures on Page 16 and Performance Disclosure on Page 17.



**Assets in Fund: \$417 Million  
As of December 31, 2022**

**Fund Characteristics<sup>2</sup>**

|                        | Fund     | RMidV    | RMid     |
|------------------------|----------|----------|----------|
| Wtd Avg Mkt Cap (m)    | \$14,889 | \$19,850 | \$21,236 |
| Wtd Median Mkt Cap (m) | \$9,800  | \$18,087 | \$19,082 |
| P/E FY2                | 15.2x    | 13.5x    | 14.9x    |
| Price/Book             | 2.2x     | 2.0x     | 2.6x     |
| Number of Holdings     | 43       | 698      | 817      |
| Active Share           | 95%      |          |          |

**Top Ten Holdings<sup>3</sup>**

|                                | % of Fund    |
|--------------------------------|--------------|
| Lamb Weston Holdings, Inc.     | 4.1          |
| Corteva, Inc.                  | 4.0          |
| LPL Financial Holdings, Inc.   | 3.8          |
| American Financial Group, Inc. | 3.7          |
| Ashland, Inc.                  | 3.6          |
| LKQ Corporation                | 3.4          |
| Regal Rexnord Corporation      | 3.4          |
| Valmont Industries, Inc.       | 3.3          |
| Pioneer Natural Resources Co.  | 3.0          |
| NiSource, Inc.                 | 2.9          |
| <b>Total</b>                   | <b>35.0%</b> |

**Sector Allocation<sup>2</sup>**

|                        | Fund | RMidV | RMid |
|------------------------|------|-------|------|
| Communication Services | —    | 3.1   | 3.3  |
| Consumer Discretionary | 10.2 | 9.9   | 11.8 |
| Consumer Staples       | 3.4  | 4.1   | 3.7  |
| Energy                 | 6.9  | 5.5   | 5.3  |
| Financials             | 17.4 | 18.2  | 13.9 |
| Health Care            | 8.4  | 7.5   | 11.0 |
| Industrials            | 15.7 | 15.6  | 15.7 |
| Information Technology | 13.0 | 8.8   | 15.4 |
| Materials              | 10.6 | 7.6   | 6.3  |
| Real Estate            | 4.1  | 10.6  | 7.6  |
| Utilities              | 10.3 | 9.2   | 6.1  |

Holdings subject to change at any time.

**Fund Commentary<sup>1,2</sup> Fourth Quarter 2022**

In the fourth quarter of 2022, the CRM Mid Cap Value Fund (CRIMX) outperformed the Russell Mid Cap Value benchmark by 87 bps on a net of fees basis, 11.32% versus 10.45%<sup>2</sup>. From a sector perspective, the largest tailwind to relative performance this quarter was our stock selection within the Consumer Discretionary and Information Technology sectors. Our stock selection within the Industrials and Health Care sectors detracted the most from relative performance this quarter. Based on our bottom-up stock selection, the portfolio is overweight to the Information Technology, Materials, and Energy sectors versus the Russell Mid Cap Value benchmark. Conversely, the portfolio is currently significantly underweight in the Real Estate sector and more moderately underweight in the Communication Services sector.

Top contributors to performance this quarter were Burlington Stores, Inc., ChampionX Corporation, and Valmont Industries, Inc. **Burlington Stores, Inc. (BURL)**, an off-price retailer, reported third quarter results that showed improved execution as the company continues to benefit from an increasingly favorable inventory backdrop and an inflection in customers trends. Oilfield services provider **ChampionX Corporation (CHX)** delivered strong third quarter results and raised its fourth quarter guidance. Over the near to medium term, we believe ChampionX will benefit from price increases enacted earlier in 2022, while raw materials costs begin to abate. **Valmont Industries, Inc. (VMI)**, a utility and agricultural equipment provider, reported higher earnings driven by strong customer demand and a favorable price/cost mix. The outlook for the company's sales remains favorable, driven by elevated global farmer income along with tailwinds for utility spending based on resiliency upgrades and investments in renewable energy.

Top detractors to performance this quarter were Regal Rexnord Corporation, Carlisle Companies Incorporated, and Clarivate PLC. We reduced our position in our largest detractor, **Regal Rexnord Corporation (RRX)**, a manufacturer of electric motors and power transmission components, after the company announced the acquisition of Altra Industrial Motion Corp. Although we believe there is some merit to the longer-term strategic rationale, we are concerned about the increased leverage of the larger deal and potential management distraction given the short-cycle nature of the business as we enter an economic slowdown. **Carlisle Companies Incorporated (CSL)**, a leading roofing construction materials business, lowered guidance and experienced a slowdown in orders driven by quicker than anticipated return to a more normalized supply chain. The company's roofing and weatherproofing businesses had previously benefitted from rising prices, market share gains, and record backlogs due to raw material inflation, supply availability, and strong demand. We sold the remainder of our position as we believe this likely marks the beginning of inventory correction, slowing demand, and pricing deceleration. **Clarivate PLC (CLVT)**, a data and analytics company focused on life sciences and intellectual property end markets, underperformed because of weaker than anticipated growth in the quarter due mainly to transactional revenues. We believe the new management team has recalibrated expectations conservatively and are uniquely well suited for executing on improving organic growth strategy as well as margin and free cash flow opportunities over the next few years. The equity price incorporates substantial neglect around improving fundamentals and currently trades at a wide discount to intrinsic value.

**Fourth Quarter 2022<sup>2</sup>**

**TOP CONTRIBUTORS**

Burlington Stores, Inc.  
ChampionX Corporation  
Valmont Industries, Inc.

**TOP DETRACTORS**

Regal Rexnord Corporation  
Carlisle Companies Incorporated  
Clarivate PLC

**Year to Date 2022<sup>2</sup>**

**TOP CONTRIBUTORS**

Lamb Weston Holdings, Inc.  
ChampionX Corporation  
LPL Financial Holdings, Inc.

**TOP DETRACTORS**

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Hayward Holdings, Inc.  
Avantor, Inc.

<sup>1</sup>Please reference Expense Ratio Disclosure on Page 16.

<sup>2</sup>Please reference Important Disclosures, Product Disclosure on Page 17.

<sup>3</sup>Indicates weight in fund as of September 30, 2022.



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## 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.

### Investing With Clarity for Over Four Decades

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                     | CRIAX         | CRMAX     |
| Cusip                      | 92934R116     | 92934R124 |
| Expense Ratio <sup>1</sup> | 1.01%         | 1.19%     |
| Min. Investment            | \$1,000,000   | \$2,500   |
| Inception Date             | 9/1/2004      | 9/1/2004  |

### Portfolio Management

#### Thad Pollock, CFA

19 Years at CRM

22 Years of Financial Experience

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

### FUND PERFORMANCE

Through December 31, 2022

|       | CRIAX  | CRMAX  | R2500V <sup>2</sup> | R2500 <sup>2</sup> |
|-------|--------|--------|---------------------|--------------------|
| 4Q    | 9.19%  | 9.18%  | 9.21%               | 7.43%              |
| YTD   | -10.72 | -10.85 | -13.08              | -18.37             |
| 1-Yr  | -10.72 | -10.85 | -13.08              | -18.37             |
| 3-Yr  | 8.75   | 8.56   | 5.22                | 5.00               |
| 5-Yr  | 8.44   | 8.22   | 4.75                | 5.89               |
| 10-Yr | 10.04  | 9.81   | 8.93                | 10.03              |

*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](http://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.

<sup>1,2</sup>For additional information, please reference Expense Ratio Disclosures on Page 16 and Performance Disclosure on Page 17.

## Fund Commentary<sup>1,2</sup> Fourth Quarter 2022

### Assets in Fund: \$157 Million As of December 31, 2022

#### Fund Characteristics<sup>2</sup>

|                        | Fund    | R2500V  | R2500   |
|------------------------|---------|---------|---------|
| Wtd Avg Mkt Cap (m)    | \$8,756 | \$6,034 | \$5,932 |
| Wtd Median Mkt Cap (m) | \$5,807 | \$5,464 | \$5,160 |
| P/E FY2                | 14.6x   | 11.5x   | 12.6x   |
| Price/Book             | 2.1x    | 1.5x    | 2.0x    |
| Number of Holdings     | 43      | 1,815   | 2,445   |
| Active Share           | 96%     |         |         |

#### Top Ten Holdings<sup>3</sup>

|                                   | % of Fund    |
|-----------------------------------|--------------|
| Clean Harbors, Inc.               | 4.6          |
| First Interstate BancSystem, Inc. | 3.8          |
| Lamb Weston Holdings, Inc.        | 3.7          |
| LPL Financial Holdings, Inc.      | 3.7          |
| Ashland, Inc.                     | 3.6          |
| Regal Rexnord Corporation         | 3.3          |
| American Financial Group, Inc.    | 3.2          |
| ChampionX Corporation             | 3.1          |
| LKQ Corporation                   | 2.9          |
| Webster Financial Corporation     | 2.8          |
| <b>Total</b>                      | <b>34.6%</b> |

#### Sector Allocation<sup>2</sup>

|                        | Fund | R2500V | R2500 |
|------------------------|------|--------|-------|
| Communication Services | —    | 3.0    | 2.5   |
| Consumer Discretionary | 10.3 | 10.7   | 11.3  |
| Consumer Staples       | 3.2  | 3.0    | 3.4   |
| Energy                 | 6.3  | 4.7    | 5.3   |
| Financials             | 20.2 | 21.8   | 16.1  |
| Health Care            | 9.4  | 8.8    | 12.9  |
| Industrials            | 14.8 | 17.6   | 18.0  |
| Information Technology | 14.1 | 8.4    | 13.7  |
| Materials              | 9.9  | 6.2    | 5.8   |
| Real Estate            | 5.7  | 11.3   | 8.0   |
| Utilities              | 6.3  | 4.3    | 3.1   |

Holdings subject to change at any time.

During the fourth quarter of 2022, the CRM Small/Mid Cap Value Fund (CRIAX) was roughly in line with the Russell 2500 Value benchmark on a net of fees basis, returning 9.19% versus 9.21%<sup>2</sup>. From a sector perspective, stock selection within the Information Technology and Energy sectors was the largest contributor to our relative performance this quarter, while stock selection within the Industrials and Financials sectors was the largest detractor of performance for the quarter. Based on our bottom-up stock selection, the portfolio is currently overweight the Information Technology, Materials, and Utilities sectors versus the Russell 2500 Value benchmark. Conversely, the portfolio is currently significantly underweight to the Real Estate sector, with a more moderate underweight to the Communication Services and Industrials sectors.

Our top contributors this quarter were Burlington Stores, Inc., ChampionX Corporation, and Envestnet, Inc. **Burlington Stores, Inc. (BURL)**, an off-price retailer, reported third quarter results that showed improved execution as the company continues to benefit from an increasingly favorable inventory backdrop and an inflection in customers trends. Oilfield services provider **ChampionX Corporation (CHX)** delivered strong third quarter results and raised its fourth quarter guidance. Over the near to medium term, we believe ChampionX will benefit from price increases enacted earlier in 2022, while raw materials costs begin to abate. Shares of wealth management software platform **Envestnet, Inc. (ENV)** rose this quarter as the company was targeted by an activist campaign. The activist highlighted recent underperformance related to their investment initiatives and is seeking representation on the board to ensure the success of these initiatives. We believe that Envestnet will be successful in driving significant margin expansion over the next few years following an elevated reinvestment program and are encouraged by additional shareholder scrutiny to accelerate management execution and highlight under-appreciated value.

Our top detractors this quarter were Kaman Corporation, Regal Rexnord Corporation, and Clarivate PLC. **Kaman Corporation (KAMN)**, a diversified aviation and defense company, reported weaker-than-expected results due to revenue recognition delays in its fuse and structures business that came about from supply chain challenges. In addition, the company recently completed the acquisition of Parker-Hannifin's aircraft wheel and brake business, a higher-value Engineered Products business, and funded it with debt. This increased balance sheet leverage, coupled with reduced earnings expectations in Kaman's other business segments, has reduced overall cash flows. Given the company's reduced financial flexibility, we elected to exit the position. We reduced our position in detractor **Regal Rexnord Corporation (RRX)**, a manufacturer of electric motors and power transmission components, after the company announced the acquisition of Altra Industrial Motion Corp. Although we believe there is some merit to the longer-term strategic rationale, we are concerned about the increased leverage of the larger deal and potential management distraction given the short-cycle nature of the business as we enter an economic slowdown. **Clarivate PLC (CLVT)**, a data and analytics company focused on life sciences and intellectual property end markets, underperformed because of weaker than anticipated growth in the quarter due mainly to transactional revenues. We believe the new management team has recalibrated expectations conservatively and are uniquely well suited for executing on improving organic growth strategy as well as margin and free cash flow opportunities over the next few years. The equity price incorporates substantial neglect around improving fundamentals and currently trades at a substantial discount to intrinsic value.

#### Fourth Quarter 2022<sup>2</sup>

##### TOP CONTRIBUTORS

Burlington Stores, Inc.  
ChampionX Corporation  
Envestnet, Inc.

##### TOP DETRACTORS

Kaman Corporation  
Regal Rexnord Corporation  
Clarivate PLC

#### Year to Date 2022<sup>2</sup>

##### TOP CONTRIBUTORS

Lamb Weston Holdings, Inc.  
ChampionX Corporation  
Burlington Stores, Inc.

##### TOP DETRACTORS

Clarivate PLC  
Hayward Holdings, Inc.  
Kaman Corporation

<sup>1</sup>Please reference Expense Ratio Disclosure on Page 16.

<sup>2</sup>Please reference Important Disclosures, Product Disclosure on Page 17.

<sup>3</sup>Indicates weight in fund as of September 30, 2022.



CRM Mutual Fund Trust  
 Cramer Rosenthal McGlynn, LLC  
 28 Havemeyer Place, 1st Floor  
 Greenwich, CT 06830

T 212.326.5300  
[info@crmlc.com](mailto:info@crmlc.com)  
[www.crmfunds.com](http://www.crmfunds.com)

## 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 Four Decades

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### 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 <sup>1</sup> | 0.94%         | 1.17%     |
| Min. Investment            | \$1,000,000   | \$2,500   |
| Inception Date             | 1/27/1998     | 10/1/1995 |

### Portfolio Management

#### Bernard Frojmovich

13 Years at CRM  
 23 Years of Financial Experience

#### Brian Harvey, CFA

17 Years at CRM  
 29 Years of Financial Experience

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

### FUND PERFORMANCE

Through December 31, 2022

|       | CRISX | CRMSX | R2000V <sup>2</sup> | R2000 <sup>2</sup> |
|-------|-------|-------|---------------------|--------------------|
| 4Q    | 9.77% | 9.65% | 8.42%               | 6.23%              |
| YTD   | -6.08 | -6.31 | -14.48              | -20.44             |
| 1-Yr  | -6.08 | -6.31 | -14.48              | -20.44             |
| 3-Yr  | 2.13  | 1.88  | 4.70                | 3.10               |
| 5-Yr  | 2.64  | 2.39  | 4.13                | 4.13               |
| 10-Yr | 8.67  | 8.42  | 8.48                | 9.01               |

*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](http://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.

<sup>1,2</sup>For additional information, please reference Expense Ratio Disclosures on Page 16 and Performance Disclosure on Page 17.

## Assets in Fund: \$114 Million As of December 31, 2022

### Fund Characteristics<sup>2</sup>

|                        | Fund    | R2000V  | R2000   |
|------------------------|---------|---------|---------|
| Wtd Avg Mkt Cap (m)    | \$3,238 | \$2,358 | \$2,745 |
| Wtd Median Mkt Cap (m) | \$2,985 | \$2,119 | \$2,516 |
| P/E FY2                | 15.2x   | 10.6x   | 12.0x   |
| Price/Book             | 1.8x    | 1.2x    | 1.8x    |
| Number of Holdings     | 41      | 1,381   | 1,948   |
| Active Share           | 95%     |         |         |

### Top Ten Holdings<sup>3</sup>

|                                   | % of Fund    |
|-----------------------------------|--------------|
| SPX Technologies, Inc.            | 4.2          |
| Clean Harbors, Inc.               | 4.0          |
| First Interstate BancSystem, Inc. | 3.8          |
| Hostess Brands, Inc.              | 3.8          |
| Kirby Corporation                 | 3.6          |
| Valmont Industries, Inc.          | 3.4          |
| ChampionX Corporation             | 3.3          |
| CVB Financial Corporation         | 3.2          |
| LeMaitre Vascular, Inc.           | 3.2          |
| Agilysys, Inc.                    | 3.2          |
| <b>Total</b>                      | <b>35.6%</b> |

### Sector Allocation<sup>2</sup>

|                        | Fund | R2000V | R2000 |
|------------------------|------|--------|-------|
| Communication Services | —    | 2.9    | 2.6   |
| Consumer Discretionary | 8.8  | 10.0   | 10.4  |
| Consumer Staples       | 6.3  | 2.7    | 3.6   |
| Energy                 | 7.2  | 6.2    | 6.8   |
| Financials             | 22.7 | 28.8   | 17.2  |
| Health Care            | 7.8  | 10.5   | 16.9  |
| Industrials            | 19.5 | 13.3   | 15.6  |
| Information Technology | 8.1  | 5.5    | 12.7  |
| Materials              | 2.7  | 4.1    | 4.3   |
| Real Estate            | 9.6  | 10.7   | 6.4   |
| Utilities              | 7.5  | 5.3    | 3.5   |

Holdings subject to change at any time.

During the fourth quarter of 2022, the CRM Small Cap Value Fund (CRISX) outperformed the Russell 2000 Value benchmark by 135 bps on a net of fees basis, 9.77% versus 8.42%<sup>2</sup>. From a sector perspective, stock selection in the Information Technology and Energy sectors was the largest contributor to relative performance. Conversely, our stock selection in the Financials and Consumer Discretionary sectors was the largest headwind to relative performance. Based on our bottom-up selection process, the portfolio maintains a significant overweight to the Industrials sector and a more modest overweight to the Consumer Staples and Information Technology sectors versus the Russell 2000 Value benchmark. Conversely, the portfolio maintains a significant underweight in the Financials sectors, with a more moderate underweight to the Communication Services and Health Care sectors.

Our top contributors this quarter were ChampionX Corporation, SJW Group, and Barnes Group, Inc. Oilfield services provider **ChampionX Corporation (CHX)** delivered strong third quarter results and raised its fourth quarter guidance. Over the near to medium term, we believe ChampionX will benefit from price increases enacted earlier in 2022, while raw materials costs begin to abate. **SJW Group (SJW)**, a water utility, received approval this quarter for its California rate case, de-risking its long-term earnings growth trajectory. This rate case had been an overhang on the stock for some time, so the resolution led to warranted multiple expansion. **Barnes Group, Inc.'s (B)** new CEO is focused on reducing the cost structure of the company's underperforming industrial businesses, while its aerospace operations continue to rebound post-COVID. An activist investor is also emphasizing value enhancement opportunities for the company and has proposed two new directors.

Top detractors to performance this quarter were Kaman Corporation, LeMaitre Vascular, Inc., and Ollie's Bargain Outlet Holdings, Inc. **Kaman Corporation (KAMN)**, a diversified aviation and defense company, reported weaker-than-expected results due to revenue recognition delays in its fuse and structures business that came about from supply chain challenges. In addition, the company recently completed the acquisition of Parker-Hannifin's aircraft wheel and brake business, a higher-value Engineered Products business, and funded it with debt. This increased balance sheet leverage coupled with reduced earnings expectations in Kaman's other business segments has reduced overall cash flows. Given the company's reduced financial flexibility, we elected to exit the position. **LeMaitre Vascular, Inc. (LMAT)**, a leading global provider of medical devices for peripheral vascular and cardiac procedures, as well as human tissue cryopreservation services, modestly missed quarterly revenue expectations due to foreign exchange movements, a timing shift in product sales, and continued SKU rationalization away from lower margin products. The company also lowered its annual earnings guidance due to higher investment spend related to a ramp up in salesforce hiring and expenses related to European product application. We believe the company's investment to bring back its salesforce level to pre-pandemic levels, as well as its increased focus on core products, will lead to higher organic growth and improved profit margins going forward. We believe LeMaitre's net cash balance sheet also positions it well for accretive M&A opportunities. **Ollie's Bargain Outlet Holdings, Inc. (OLLI)**, a retail chain operator that offers brand name products at deeply discounted prices, reported third quarter results that were below expectations due to a slowdown in retail spending towards the end of their fiscal quarter. We look for the company to benefit in future quarters from consumers migrating from mass and specialty retailers to Ollie's highly discounted offering as they seek better value during a slower economic environment. In addition, we expect Ollie's gross margin will continue to improve as supply chain and shipping costs normalize from their elevated levels over the past year.

### Fourth Quarter 2022<sup>2</sup>

#### TOP CONTRIBUTORS

ChampionX Corporation  
SJW Group  
Barnes Group, Inc.

#### TOP DETRACTORS

Kaman Corporation  
LeMaitre Vascular, Inc.  
Ollie's Bargain Outlet Holdings, Inc.

### Year to Date 2022<sup>2</sup>

#### TOP CONTRIBUTORS

Agilysys, Inc.  
ChampionX Corporation  
Valmont Industries, Inc.

#### TOP DETRACTORS

Kaman Corporation  
Steven Madden, Ltd.  
American Assets Trust, Inc.

<sup>1</sup>Please reference Expense Ratio Disclosure on Page 16.

<sup>2</sup>Please reference Important Disclosures, Product Disclosure on Page 17.

<sup>3</sup>Indicates weight in fund as of September 30, 2022.



CRM Mutual Fund Trust  
 Cramer Rosenthal McGlynn, LLC  
 28 Havemeyer Place, 1st Floor  
 Greenwich, CT 06830  
 T 212.326.5300  
[info@crmlc.com](mailto:info@crmlc.com)  
[www.crmfunds.com](http://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 Four Decades

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.

|                                      |                      |
|--------------------------------------|----------------------|
| <b>Shares</b>                        | <u>Institutional</u> |
| <b>Ticker</b>                        | CRIHX                |
| <b>Cusip</b>                         | 12628J881            |
| <b>Net Expense Ratio<sup>1</sup></b> | 2.70%                |
| <b>Min. Investment</b>               | \$100,000            |
| <b>Inception Date</b>                | 8/16/2016            |

### Portfolio Management

#### Mimi Morris

14 Years at CRM  
 22 Years of Financial Experience

#### Jason Yellin

7 Years at CRM  
 24 Years of Financial Experience

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

### FUND PERFORMANCE

Through December 31, 2022

|             | CRIHX | S&P 500 <sup>2</sup> |
|-------------|-------|----------------------|
| <b>4Q</b>   | 5.24% | 7.56%                |
| <b>YTD</b>  | -4.24 | -18.11               |
| <b>1-Yr</b> | -4.24 | -18.11               |
| <b>3-Yr</b> | 6.89  | 7.65                 |
| <b>5-Yr</b> | 4.78  | 9.42                 |

The gross expense ratio for the Institutional Class is 2.82%.<sup>1</sup>

*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](http://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.

<sup>1,2</sup>For additional information, please reference Expense Ratio Disclosures on Page 16 and Performance Disclosure on Page 17.

## Fund Commentary<sup>1,2</sup> Fourth Quarter 2022

### Assets in Fund: \$210 Million As of December 31, 2022

#### Fund Exposures by Market Cap<sup>2</sup>

|                           | Long | Short | Net  |
|---------------------------|------|-------|------|
| Greater than \$10 billion | 46.8 | -18.3 | 28.5 |
| \$2-\$10 billion          | 36.8 | -20.4 | 16.4 |
| Less than \$2 billion     | 3.0  | -9.6  | -6.6 |

#### Top Five Long Equity Positions<sup>3</sup>

|                              | % of Fund |
|------------------------------|-----------|
| NextEra Energy, Inc.         | 4.4       |
| Clean Harbors, Inc.          | 4.3       |
| Skyline Champion Corporation | 3.1       |
| Lamb Weston Holdings, Inc.   | 3.1       |
| Kirby Corporation            | 3.1       |

#### Top Five Short Equity Positions<sup>3</sup>

|                        | % of Fund |
|------------------------|-----------|
| Utilities              | -1.5      |
| Information Technology | -1.5      |
| Industrials            | -1.5      |
| Consumer Discretionary | -1.5      |
| Industrials            | -1.4      |

#### Sector Allocation<sup>2</sup>

|                        | Long         | Short         | Net          |
|------------------------|--------------|---------------|--------------|
| Communication Services | 1.1          | -3.5          | -2.3         |
| Consumer Discretionary | 17.6         | -10.1         | 7.5          |
| Consumer Staples       | 5.2          | -2.5          | 2.7          |
| Energy                 | 1.7          | —             | 1.7          |
| Financials             | 9.7          | -4.2          | 5.5          |
| Real Estate            | —            | -2.5          | -2.5         |
| Health Care            | 9.2          | -3.2          | 6.0          |
| Industrials            | 17.0         | -13.1         | 3.9          |
| Information Technology | 17.6         | -6.7          | 10.9         |
| Materials              | 2.6          | -1.1          | 1.5          |
| Utilities              | 5.0          | -1.3          | 3.7          |
| Diversified            | —            | -0.2          | -0.2         |
| <b>Total</b>           | <b>86.5%</b> | <b>-48.2%</b> | <b>38.3%</b> |

Holdings subject to change at any time.

#### Fourth Quarter 2022<sup>2</sup>

##### TOP LONG CONTRIBUTORS

Burlington Stores, Inc.  
Mastercard, Inc.  
Becele SAB de CV

##### TOP LONG DETRACTORS

Kaman Corporation  
Sunrun, Inc.  
G-III Apparel Group, Ltd.

#### Year to Date 2022<sup>2</sup>

##### TOP LONG CONTRIBUTORS

Lamb Weston Holdings, Inc.  
Burlington Stores, Inc.  
Clean Harbors, Inc.

##### TOP LONG DETRACTORS

Hayward Holdings, Inc.  
Clarivate PLC  
G-III Apparel Group, Ltd.

Top contributors to performance in the long book during the fourth quarter were Burlington Stores, Inc. (BURL), Mastercard, Inc. (MA), and Becele SAB de CV (CUERVO). **Burlington Stores, Inc. (BURL)**, an off-price retailer, reported third quarter results that showed improved execution as the company continues to benefit from an increasingly favorable inventory backdrop and an inflection in customers trends. **Mastercard, Inc. (MA)** is the second largest processor for credit and debit card transactions globally. Its shares outperformed last quarter as cross-border transaction activity normalized and rising inflation lifted the value of goods purchased by cardholders resulting in higher fees for the company. **Becele SAB de CV (CUERVO)**, a diversified spirits company and the largest producer of tequila in the world, continued to post strong earnings both through better volume and margin flow through. We forecast significantly better margins going forward as pressure from their primary input, agave, abates while volumes in tequila and whiskey should remain robust.

Top contributors in the short book during the quarter were a contract manufacturer in the healthcare sector, a cybersecurity company, and a leading provider of residential home standby generators and solar solutions. **A contract manufacturer** missed recent and forward margin expectations and will likely be losing its largest customer in the middle of next year. The company is experiencing manufacturing and supply chain problems and is forecasting a slower macroeconomic environment putting pressure on its customer's ability to spend on additional growth. Our short position in **a cybersecurity company** benefited from reporting underwhelming growth metrics this quarter. This deceleration in growth drew into question the company's ability to maintain their targeted growth rates and the company's corresponding market valuation. Shares in **a leading provider of residential home standby generators and solar solutions** declined as the company missed numbers and guided down on account of excess channel inventory and weakening demand.

Top detractors in the long book during the quarter were Kaman Corporation (KAMN), Sunrun, Inc. (RUN), and G-III Apparel Group, Ltd. (GIII). **Kaman Corporation (KAMN)**, a diversified aviation and defense company, reported weaker-than-expected results due to revenue recognition delays in its fuse and structures business that came about from supply chain challenges. In addition, the company recently completed the acquisition of Parker-Hannifin's aircraft wheel and brake business, a higher-value Engineered Products business, and funded it with debt. This increased balance sheet leverage, coupled with reduced earnings expectations in Kaman's other business segments, has reduced overall cash flows. Given the company's reduced financial flexibility, we elected to exit the position. **Sunrun, Inc. (RUN)**, a provider of photovoltaic systems and battery energy storage products, declined this quarter on final resolution of the Net Energy Metering (NEM) 3.0 proceedings in the state of California, which we believe will drive a rush of demand through mid year 2023 but then a slower rate of growth as the market waits for more available and affordable battery storage solutions where the metering policy is more favorable. We exited our position in **G-III Apparel Group, Ltd. (GIII)**, a global apparel, accessory, and footwear manufacturer, after the company announced weaker than expected earnings and noted the loss of two key licensed brands over a multi-year period. Given the future decline in earnings and the lack of visibility we sold the position for better risk/reward opportunities.

Top detractors in the short book were a commodity components company, a footwear company, and a for-profit-education company. Shares of **a commodity components company** appreciated on still strong pricing increases and a more benign forecast on margin normalization. **A footwear company** posted better than expected earnings in their international business despite increasing price pressure in their domestic business. We expect this to increase as the business navigates through increased promotional pressure post-Covid. Shares of **a for-profit-education company** appreciated as they raised guidance from a recent acquisition and continue to under-spend on education services and student outcomes, which is driving higher earnings.

<sup>1</sup>Please reference Expense Ratio Disclosure on Page 16.

<sup>2</sup>Please reference Important Disclosures, Product Disclosure on Page 17.

<sup>3</sup>Indicates weight in fund as of September 30, 2022.

# Fund Summary

| FUND/INCEPTION                                     | FUND ASSETS<br>12/31/2022 | VEHICLE   | MINIMUM                | STATUS       |
|--|---------------------------|---|------------------------|--------------|
| <b>CRM All Cap Value</b><br>October 2006           | \$24 Million              | Mutual Fund, CRIEX (Institutional)<br>Mutual Fund, CRMEX (Investor) | \$1 Million<br>\$2,500 | Open<br>Open |
| <b>CRM Mid Cap Value</b><br>January 1998           | \$417 Million             | Mutual Fund, CRIMX (Institutional)<br>Mutual Fund, CRMMX (Investor) | \$1 Million<br>\$2,500 | Open<br>Open |
| <b>CRM Small/Mid Cap Value</b><br>September 2004   | \$157 Million             | Mutual Fund, CRIAX (Institutional)<br>Mutual Fund, CRMAX (Investor) | \$1 Million<br>\$2,500 | Open<br>Open |
| <b>CRM Small Cap Value</b><br>October 1995         | \$114 Million             | Mutual Fund, CRISX (Institutional)<br>Mutual Fund, CRMSX (Investor) | \$1 Million<br>\$2,500 | Open<br>Open |
| <b>CRM Long/Short Opportunities</b><br>August 2016 | \$210 Million             | Mutual Fund, CRIHX (Institutional)                                  | \$100,000              | Open         |

## <sup>1</sup>Expense Ratio Disclosure

The net expense ratios are the current annualized expense ratio as stated in the CRM Funds prospectus dated October 28, 2022, 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, 2023. 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 Refinitiv. As these numbers are preliminary, they are subject to change. These 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 Refinitiv, 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.

## Important Disclosures

### Performance Disclosure

The Since Inception performance return for the indices represent the Investor Shares for the CRM Small Cap Value Fund and the Institutional Shares for the CRM Small/Mid Cap Value Fund and CRM Mid Cap Value Fund. 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. Effective June 21, 2019, the CRM Large Cap Opportunity Fund was reorganized into the CRM All Cap Value Fund.

The performance information includes a comparison to various benchmarks, which are rebalanced annually. The benchmarks used for each 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.
- 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.
- Mid Cap Value: Russell Midcap Value Index and the Russell Midcap Index. The Russell Midcap Value Index measures the performance of those companies in the Russell Midcap Index with lower price-to-book ratios and lower forecasted growth values. The Russell Midcap Index measures the performance of the 800 smallest companies in the Russell 1000 Index, which represents the performance of the 1,000 largest companies in the U.S. equity market. It is not possible to invest directly in an index.
- All Cap Value: Russell 3000 Value Index and the Russell 3000 Index. The Russell 3000 Index is composed of 3,000 large U.S. companies, as determined by market capitalization. This portfolio of securities represents approximately 98% of the investable U.S. equity market. The Russell 3000 Index is comprised of stocks within the Russell 1000 and the Russell 2000 Indices. The Russell 3000 Value Index measures the performance of those Russell 3000 Index companies with lower price-to-book ratios and lower forecasted growth values. It is not possible to invest directly in an index.
- 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.

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.

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](http://www.crmfunds.com).***

The Investment Adviser's, Cramer Rosenthal McGlynn, LLC, office is located at 28 Havemeyer Place, 1st Floor, Greenwich, CT 06830.

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