Cramer Rosenthal McGlynn

First Quarter 2021 Commentary

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 $3 billion for institutions and individuals and we have followed a time-tested investment philosophy since 1973.

Cramer Rosenthal McGlynn, LLC
28 Havemeyer Place, 1st Floor
Greenwich, CT 06830
T 212.326.5300
info@crmllc.com
www.crmllc.com

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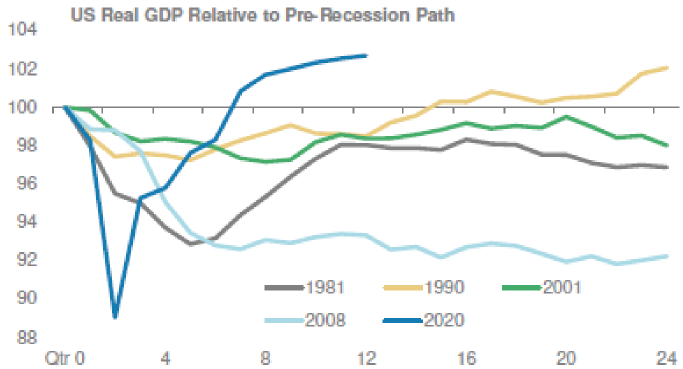
Market Commentary

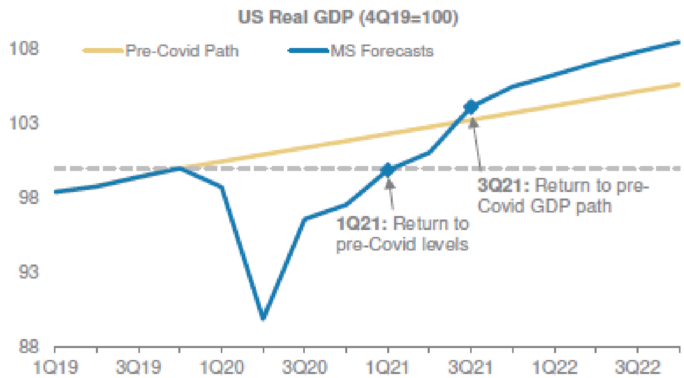
In 2020, we experienced the worst recession in nearly 70 years. With the shock and awe stimulus from Congress and the Federal Reserve, and the distribution of highly effective vaccines, the U.S. economy is now experiencing one of the fastest recoveries, with GDP expected to grow greater than 6% in 2021 and 4% in 2022. As Morgan Stanley postulates, “U.S. GDP will overshoot the path it was projected to follow before the recession. The last time GDP rose above its pre-recession path was in the 1990s. Back then, it took 15 quarters compared to seven quarters this time around. Moreover, they expect the U.S. economy to reach 103% of its pre-recession path in 12 quarters (i.e., by December 2022) versus 27 quarters in the 1990s”. Truly an amazing turnaround from one year ago.

US GDP to overshoot its pre-recession 'path' at a faster and stronger pace as compared to past cycles



Source: BEA, CBO, Federal Reserve, Haver Analytics, Morgan Stanley Research forecasts; Note: The chart shows the US real GDP path relative to its pre-recession path, with the first time period set as the date of the onset of each recession. The pre-recession path refers to the expected trajectory for US GDP if the recessions never occurred. The pre-recession path for the 2020 and 2008 cycle is calculated using the FOMC's SEP longer-run GDP projection. The pre-recession paths for the 1981, 1990 and 2001 cycles are calculated using the CBO's real GDP estimates published prior to the onset of each recession.

US GDP to rise above its pre-Covid path from 3Q21



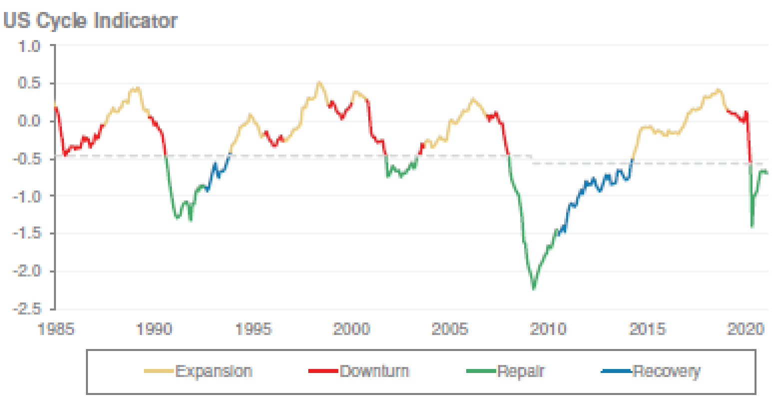
Source: BEA, Haver Analytics, Morgan Stanley Research forecasts

With the U.S. economic recovery firmly taking hold, attention now turns to a potential side effect of the unprecedented monetary and fiscal stimulus, namely inflation. Over the next few months, we will witness a dramatic rise in the reported CPI (Consumer Price Index) due to the weak inflationary period last year. A phenomenon called base effect. This distortion can make it difficult to accurately assess future inflation levels. The reopening of the economy will also add inflationary pressure as inventory/sales levels are at a decade low. Lastly, COVID-19, the recession, extreme weather in Texas, port disruptions, and the blockage in the Suez Canal have all combined to wreak havoc on supply chains. Many industries are now faced with shortages across a multitude of inputs, with the most high-profile disruption being the global shortage of semiconductors.

Will these inflationary pressures be transitory as Federal Reserve Chairman Powell has described them in recent speeches, or is this the start of a sustained move higher in inflation? As Larry Summers describes it, “the 2009 stimulus provided an incremental $30-40 billion a month or about half the output shortfall. In contrast, the current stimulus, even before President’s Biden recent proposals, will be about $150 billion a month or 3x the size of the output gap”. Market forecasters expect U.S. households will be sitting on excess savings of $2.2 trillion. An unusual turn of events, in that, consumers will have higher savings post-pandemic than pre-pandemic. This presents an interesting dilemma - will consumers who have been holed up in their homes for the past year go on a massive spending spree (i.e. make up for lost time) or will they save the stimulus similar to other recessionary periods? A spike in consumer spending coupled with low inventories and disrupted supply chains could be problematic for the Federal Reserve.

The appetite for risk is healthy today given highly supportive central banks and the extraordinary fiscal stimulus. However, we must be vigilant when market sentiment is so positive. We will continue to identify companies that can operate in various economic environments. Importantly, we look to invest in those relative value companies, which have pricing power that should allow them to price for higher inflation, while also being highly competitive in a more modest economic backdrop. What we are seeking to avoid in this V-shaped recovery are those highly leveraged, speculative companies, which are the investor darlings today, but will likely face their day of reckoning in the not-too-distant future. We expect this will inevitably occur when credit is not so abundant, and these companies lack the pricing power to operate in a normal to above-average inflationary background. As indicated below, we are likely moving, or will be moving soon, from early cycle to mid-cycle. This next phase is typically longer in duration and favorable for stock selection.

Our US Cycle Indicator Is Currently in the 'Repair' Phase, but a Shift to the Next Phase, 'Recovery', May Be Coming Soon



Source: Bloomberg, Morgan Stanley Research.

We continue to see a healthy investing environment for small to mid-cap value stocks. As history has shown, small cap stocks tend to lead the market following a recession and value stocks tend to outperform growth stocks when GDP is greater than 3%. After two years of P/E multiple expansion in 2019 and 2020, we expect market returns will be more driven by earnings growth. We look for value stocks, particularly small to mid-caps stocks, to generate the fastest earnings growth over the next two years while offering attractive valuations. Lastly, we believe a rising inflationary economy should be highly supportive of stock selection and active management.

Product Summary

PRODUCT/INCEPTION	ASSETS 3/31/2021 (In Millions)	VEHICLE	MINIMUM INVESTMENT	ANNUAL MANAGEMENT FEE/EXPENSE RATIO[1]	STATUS
All Cap Value January 2002	$196	Separate Account	$10 Million	1.00% on the first $25m 0.75% thereafter	Open
		Mutual Fund, CRIEX (Institutional) Mutual Fund, CRMEX (Investor)	$1 Million $2,500	1.21% on all assets 1.46% on all assets	Open Open
		CRM U.S. Equity Opportunities UCITS A Shares, ISIN IE00B5ZXDG51 C Shares, ISIN IE00BGHW9148 S Shares, ISIN IE00B43N7R95	 $100,000 $100 Million $100,000	 0.80%; 0.97% TER Cap 0.65%; 0.80% TER Cap 1.60%; 1.90% TER Cap	 Open Open Open
Mid Cap Value January 1998	$719	Separate Account	$10 Million	1.00% on the first $10m 0.75% on the next $15m 0.65% on the next $25m 0.55% on the next $50m 0.50% thereafter	Open
		Mutual Fund, CRIMX (Institutional) Mutual Fund, CRMMX (Investor)	$1 Million $2,500	0.97% on all assets 1.17% on all assets	Open Open
Small/Mid Cap Value April 1973	$724	Separate Account	$10 Million	1.00% on the first $25m 0.70% on the next $25m 0.60% on the next $50m 0.40% thereafter	Open
		Mutual Fund, CRIAX (Institutional) Mutual Fund, CRMAX (Investor)	$1 Million $2,500	0.96% on all assets 1.18% on all assets	Open Open
		Collective Investment Trust (CIT) Class S - Available through April 30, 2021 Class R1 Class R2	 No Minimum No Minimum $25 Million	 0.50% on all assets 0.83% on all assets 0.78% on all assets	 Open Open Open
Small Cap Value October 1995	$1,169	Separate Account	$10 Million	1.00% on all assets	Open
		Mutual Fund, CRISX (Institutional) Mutual Fund, CRMSX (Investor)	$1 Million $2,500	0.93% on all assets 1.17% on all assets	Open Open
		CRM U.S. Small Cap Opportunities UCITS A Shares, ISIN IE00BLH8S217 B Shares, ISIN IE00BLH8S324	 $50 Million $100,000	 0.40%+20%; 0.75% TER Cap 0.90%; 1.25% TER Cap	 Open Open
Private Funds Long Short – February 2010	$324	Limited Partnerships & Separate Account	$1 Million	1.00%+20% carried interest for LP 1.50%+15% carried interest for LP	Open
		Mutual Fund, CRIHX (Institutional)	$10 Million	3.04% on all assets[1]	Open
		CRM Long/Short Opportunities UCITS A Shares (USD), ISIN IE00BD4DSM30 B Shares (CHF), ISIN IE00BD8G4X10 B Shares (EUR), ISIN IE00BYPKJD85 B Shares (GBP Distributing), ISIN IE00BYM5JT20 B Shares (USD), ISIN IE00BD4DSN47 G Shares (EUR), ISIN IE00BKBQY934 G Shares (GBP Distributing), ISIN IE00BKBQYB50 G Shares (USD), ISIN IE00BKBQY595	 $10,000 $50 Million $50 Million No minimum $50 Million $50 Million $50 Million $50 Million	 1.00%; 1.50% TER Cap 0.75%+15%; 1.25% TER Cap 0.75%+15%; 1.25% TER Cap 0.75%+15%; 1.25% TER Cap 0.75%+15%; 1.25% TER Cap 0%+20%; 0.35% TER Cap 0%+20%; 0.35% TER Cap 0%+20%; 0.35% TER Cap	 Closed Open Open Open Open Open Open Open

For more information regarding investing in any one of these current products please contact the CRM Marketing Team at 212.326.5325.

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. Investors should carefully read a prospectus and consider the investment objectives, risks, charges and expenses before investing. Investing in non-U.S. securities involves special risks such as, greater social, economic, regulatory, and political uncertainties, and currency fluctuation. To request a copy of a prospectus for any CRM Mutual Fund product, please call 800.276.2883 or visit www.crmfunds.com.

[1]**Expense Ratio Disclosure**
The net expense ratios are the current annualized expense ratio as stated in the CRM Funds prospectus dated October 28, 2020, 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 through November 1, 2021 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 and acquired fund fees and expenses, exceed 1.60% for the CRM Long/Short Opportunities Fund of average daily net assets of Institutional Shares, and 1.45% and 1.20% of average daily net assets of Investor Shares and Institutional Shares, respectively for the CRM All Cap Value Fund. These expense limitations are in effect until November 1, 2021. Prior to that date, the arrangement may be terminated for a class 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.