Cramer Rosenthal McGlynn

Third Quarter 2020 Commentary

Cramer Rosenthal McGlynn, LLC is a leading value-oriented investment firm with over $2.5 billion in assets under management. Since the firm was founded in 1973, our client list has grown to include corporate and public pension plans, endowments and foundations, hospitals, community and religious organizations, Taft-Hartley and multi-employer funds as well as individual and family trusts. The intellectual coherence of our investment philosophy is a genuine strength. Companies we buy and hold are characterized by three attributes: ***change***, ***neglect,*** and ***valuation***. The hunt for these attributes provides a solid foundation for every stage of our investment process.

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Current News

We are pleased to announce Kevin Chin's addition to the Firm, effective October 1st. Kevin will perform investment research across all CRM strategies and will be a generalist on the research team. Prior to joining CRM, Kevin was a Portfolio Manager and Chief Investment Officer at Keeley Asset Management. He led the transition from a founder-led firm to team-managed organization, guiding the company through two ownership changes. Before joining Keeley Asset Management, Kevin was a principal with CRM from 1989 through 2012. Kevin graduated from Columbia University with a Bachelor's of Science in Electrical Engineering. We are excited to have Kevin coming back to the organization he knows so well.

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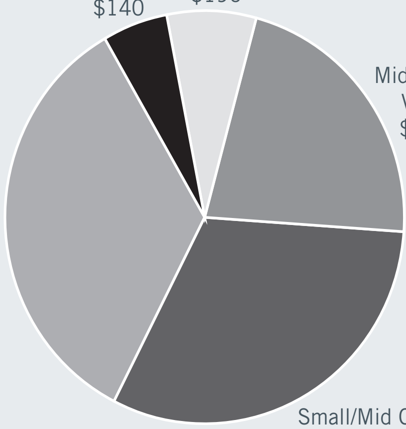
Assets Under Management
As of September 30, 2020 (In Millions)



Assets Under Management (In Millions)

Total Assets..................................$2,585

Signatory of:

PRI Principles for Responsible Investment

SASB INSIDE

Market Commentary

The fall is typically the harvest season that is filled with abundance, prosperity, and wealth. But, it's also the season of change. As the Greek philosopher Heraclitus said, "The only constant is change." For investors, this season of change can also be an anxious time. In 2020, the market anxiety has been exacerbated by the uncertain path of the COVID-19 virus and the tumultuous U.S. presidential election, as well as, a host of other pressures. Anxiety is a normal part of life, but in heightened periods, it can distort decision making. During stressful periods, anxiety can trigger the fight or flight response. When this happens, the sympathetic nervous system stimulates the adrenal glands triggering the release of catecholamines, which include adrenaline and noradrenaline. The release of these chemicals tends to focus our minds on the short-term and may have one overweight near-term satisfaction or urges. This can be kryptonite for good decision making as we fail to attend to the full range of possible consequences of a decision. For instance, during a highly stressful period one's decision-making protocol might be impaired, resulting in reaching for the instant gratification of sugary, sweet, or high-fat content foods, and not a well-balanced meal.

It's important we understand our decision-making process and appreciate the impact anxiety has on that process. We must avoid letting stress motivate our decisions. Rather, we need to clear our thoughts and process our decisions with an unencumbered and calm mind. We need to think about long-term outcomes without being clouded by near-term stresses. Not reach for the short-term sugary high but appreciate the inherent value in a well-balanced decision.

The market has satiated its cravings this year with a narrow diet of stay-at-home, large-cap growth companies. These companies have benefited from the uneven movements of the COVID-19 virus and the view interest rates will stay low for an extended period. Given the near-term slowdown in economic activity and the elevated virus case count, we can understand this knee jerk reaction. However, when we start to look beyond 2020, these two constants begin to change. With a clearer mind, we can start to appreciate the strides the medical community has achieved over this past year. A credible vaccine and/or antibody therapeutic over the next year should be able to help us control, shrink, or even possibly eradicate this terrible virus. These medical solutions will help us get back to a more "normal" way of life and unlock our true economic growth.

Until these medical answers are achieved, the Federal Reserve and Congress will help to soften the economic blow the virus has caused to our economy. In its speeches and testimony, the Fed's position appears to be highly asymmetric in support of the markets.

Chair Powell's goal is to return the economy and businesses to pre-virus output. To achieve this objective, the Federal Reserve will use all its tools to foster economic conditions that achieve both stable prices and maximum sustainable employment.

Further to that purpose, Chair Powell announced a major policy shift to "average inflation targeting" during his Jackson Hole speech this past August. This new policy will allow inflation to run moderately above the Fed's 2% goal for some time following periods when it runs below that objective. This change was codified in the policy blueprint "Statement on Longer-Run Goals and Monetary Policy Strategy". This was the first-ever comprehensive, public review of its monetary policy strategy, tools, and communication practices since the statement was first published in January 2012.

The post-traumatic stress response from the 2008 financial crisis has conditioned investors to expect a slow, painful recovery from this recession. However, these two economic slowdowns couldn't be more different. We are living through an event-driven recession this time, not the structural recession of 2008. As such, event-driven recessions are quicker in duration and time to recovery compared to structural recessions in which the recovery can take upwards of a decade. Importantly, the policy change to average inflation targeting will allow the Fed to drive inflation comfortably above 2%, which in turn will cause the economy to overshoot the upside, so we do not fall victim to the economic and inflation undershooting that occurred after the 2008 financial crisis.

This fall we will also witness the resolution of the U.S. presidential election, which we expect will reduce the collective anxiety of Washington to allow government to focus on the next round of stimulus in order to further heal the country. Whoever is in office come January 2021, is likely to enact another significant round of economic stimulus to bridge those parts of the economy impacted by the virus. Taking into account the nearly $2.4 trillion of support from the CARES acts already enacted, Congress could pass $4 trillion+ in cumulative economic stimulus. This fiscal backing, coupled with the monetary support created from the new Fed lending programs and the $3 trillion growth in its balance sheet this year, should act like the Bendix gear/starter motor of a car to start the U.S. economic flywheel. Additionally, under its new average inflation targeting, the Fed will allow the economic engine to run hot this cycle, which should be highly supportive to the downtrodden, neglected value sectors.

With a focus on long-term outcomes, not biased by short-term urges, we remain excited about the opportunity for small to mid-cap value stocks over the next few years. The consensus expectations call for interest rates, inflation, and economic growth to be muted for another decade. On its surface, a difficult environment for value stocks. However, you have to ask yourself: (1) what if consensus is wrong? (2) what is the cost of following consensus if it is wrong, and (3) do you want all your eggs in one basket? It's always interesting to us that investors become more comfortable owning a group of stocks after they have outperformed. This is what psychologists call recency bias. We expect the prospects in down-cap, value stocks will become clearer in the future as better-than-expected corporate and economic data is reported. In addition, we anticipate inflation expectations to rise as investors better appreciate the Federal Reserve's new average inflation targeting policy. This should help propel the earnings recovery of the neglected parts of the market and for the market to broaden out from its narrow focus. As we have seen throughout history, recessions tend to lead to changes in leadership. We believe the small to mid-cap value part of the market is still meaningfully underinvested. As we have seen in the past, you need to be there in advance of the move or else you will be chasing it for years. As gut wrenching and anxiety filled as this year has been, we need to maintain a clear mind, appreciate the full range of possible outcomes, and not reach for the short-term sugary high but welcome the long-term value in non-consensus views.

Investment Philosophy & Process

Our track record, spanning over 45 years, is testament to our success in serving clients and providing strong investment performance. Clients benefit from consistent application of one cohesive philosophy and process, implemented by a team with diverse experience in appraising the intrinsic value of companies.

Investment Philosophy

CRM views investment prospects on a long-term basis. Our relative value-oriented investment philosophy is designed to outperform the broad market and pertinent indices over a full market cycle by participating in good market periods and limiting declines in poor periods. CRM believes successful investing is a result of recognizing and responding to changes that may positively impact the future prospects of a business enterprise. Often times, investors misunderstand the potential benefits of these changes, resulting in relative neglect, which reduces the risks of investing at a point in time. We believe this results in investing in companies that are under earning both their potential and consensus expectations. As relative value investors, we seek to invest in companies that are trading at a discount to their own history and peers based upon prospective free cash flow and earnings. In summary, our investment approach is predicated on change, neglect, and valuation.

Change

CRM seeks to identify change at an early stage that may be material to the future operations of publicly traded companies. The financial markets present a multitude of change opportunities. On a regular basis, investors are presented with management changes, spin-offs, cost restructurings, capital returns to shareholders, acquisitions, joint ventures, divestitures, regulatory changes, new products, and activist investors.

Neglect

In its earliest stages, change tends to be greeted with skepticism. The uncertainty resulting from the change creates a period of relative neglect or lowered expectations as investors wait for more clarity. CRM seeks to evaluate neglect by studying sell-side analyst coverage and recommendations, institutional ownership, key concepts in behavioral finance such as over and under reactions to news flow, and having a differentiated view about the future outlook for the business.

Valuation

When change meets neglect, the intrinsic value of a company may exceed the current stock price. CRM appraises the business using a number of methodologies, but most are dependent upon our modeling of future free cash flows. CRM looks to normalize the cash flow and earnings streams for one time or unusual items, which themselves often create neglect. In many cases, reported GAAP earnings understate or distort a company's underlying free cash flow. As relative value investors, we are looking to invest in companies which are trading at a discount to their own history, peers, and when appropriate, our assessment of its value to a strategic or private equity buyer.

Investment Process

CRM generates ideas from both qualitative (approximately 75%) and quantitative (approximately 25%) sources. Qualitative ideas emanate from company presentations, news services, due diligence on existing holdings, our internal research database, leveraging investment themes, and rich text screening for specific change expressions such as "acquisition," "restructuring," etc. The quantitative sources include screening for stocks that have underperformed the market or peer companies over certain time periods, screening for companies fundamentally underperforming and demonstrating operating margins below their own history or peers, and ranking stocks by sell-side or buy-side sentiment. Ideas actively being researched are what we call "work in process." Analysts and portfolio managers discuss these ideas collectively and strategize additional due diligence. Analysts build a detailed financial model and continuously provide feedback to portfolio managers. As part of this process, analysts develop an "Investment Case," which documents the investment thesis. It consists of a brief company description, a discussion of the change(s), and assessment of the relative neglect and valuation. The Investment Case also includes an assessment of the risks relevant to the thesis, relevant ESG considerations, and establishes upside and downside price targets.

Buy Discipline

Our investment process is very team oriented and collaborative. There are typically multiple analysts/portfolio managers engaged in a review and discussion of new ideas and Investment Cases. If the risk/reward ratio is deemed attractive by the portfolio managers in the context of their overall portfolio construction, a decision will be made by the portfolio managers to initiate a position in the stock. The portfolio managers will modulate the position size depending upon the relative attractiveness of the idea, the expected return, and other risk considerations.

Sell Discipline

CRM's process is focused not only on building the Investment Case, but also on understanding how the case might deteriorate. A position will generally be sold when one or more of the following occurs: an established price target is approaching or is attained, implying the stock has reached our estimation of fair valuation; a factor in our initial investment thesis has deteriorated causing us to reassess the potential for the company; or we identify a more promising investment opportunity. After a decision to sell is made, the investment is replaced by either a new idea or existing holdings that offer a greater risk/reward profile.

Product Summary

PRODUCT/INCEPTION	ASSETS 9/30/2020 (In Millions)	VEHICLE	MINIMUM INVESTMENT	ANNUAL MANAGEMENT FEE/EXPENSE RATIO[1]	STATUS
All Cap Value January 2002	$190	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 B Shares, ISIN IE00B3PZWY82 C Shares, ISIN IE00BGHW9148 S Shares, ISIN IE00B43N7R95	 $100,000 $100,000 $100 Million $100,000	 0.80%; 0.97% TER Cap 1.20%; 1.95% TER Cap 0.65%; 0.80% TER Cap 1.60%; 1.90% TER Cap	 Open Open Open Open
Mid Cap Value January 1998	$562	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	0.95% on all assets 1.15% on all assets	Open Open
Small/Mid Cap Value April 1973	$811	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	0.95% on all assets 1.16% on all assets	Open Open
Small Cap Value October 1995	$882	Separate Account	$10 Million	1.00% on all assets	Open
		Mutual Fund, CRISX (Institutional) Mutual Fund, CRMSX (Investor)	$1 Million $2,500	0.92% on all assets 1.16% 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	$140	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 D Shares (EUR), ISIN IE00BD8G4Z34 D Shares (GBP), ISIN IE00BD8G5162 D Shares (USD), ISIN IE00BYYSQG50 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 $100,000 $100,000 $100,000 $50 Million $50 Million $50 Million	 1.00%; 1.50% TER Cap 0.75%+15%; 2.00% TER Cap 0.75%+15%; 2.00% TER Cap 0.75%+15%; 2.00% TER Cap 0.75%+15%; 2.00% TER Cap 1.50%+15%; 2.00% TER Cap 1.50%+15%; 2.00% TER Cap 1.50%+15%; 2.00% TER Cap 0%+20%; 0.5% TER Cap 0%+20%; 0.5% TER Cap 0%+20%; 0.5% TER Cap	 Closed Open Open Open 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, 2019, 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, 2020 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, 2020. 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.