

# CRM Small Cap Value Strategy

March 31, 2023

## Product Overview

- CRM employs a fundamental, bottom-up investment approach based on our investment philosophy predicated on change, neglect, and valuation.
- Unique, high-active share, differentiated strategy of approximately 35-50 companies with a market capitalization of approximately \$400 million to \$2.5 billion, which are impacted by change or are undergoing transformation.
- Relatively concentrated portfolio with an initial investment horizon of approximately two years.

## Why Invest in CRM

- Specialist.** We have been investing in the small/mid cap value space with the same time-tested philosophy and process since 1973.
- Alignment.** Our 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.** Our history, connections, and process lead us to find companies that are under-followed or misunderstood by other investors.
- Access.** The experience and reputation of our company, and our research team, allows for constructive interaction with company management. We have been able to identify and affect positive change with our portfolio holdings.
- ESG.** We effectively integrate ESG analysis into our investment process. We also consistently engage with our portfolio holdings on material ESG matters.

## Composite Profile

Fund Name	CRM Small Cap Value
Firm AUM	\$2.4 Billion
Strategy AUM	\$609 Million
Benchmark	Russell 2000 Value Index
Minimum Investment	\$10 Million
Standard Fee	0.85% on the first \$25M 0.70% on the next \$75M 0.60% thereafter

## Portfolio Management Team

<b>Bernard Frojmovich</b> 14 Years at CRM 24 Years of Financial Experience*	<b>Brian Harvey, CFA</b> 18 Years at CRM 30 Years of Financial Experience*
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## CRM Research Team

10 Individual Analysts  
23 Average Years of Financial Experience\*

\*Financial experience includes experience in the financial services or consulting sector.

## CRM SMALL CAP VALUE COMPOSITE PRELIMINARY PERFORMANCE (%)

Through March 31, 2023

	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Gross	-0.76	-0.76	-2.24	20.91	4.17	8.18
Net	-0.86	-0.86	-2.87	20.12	3.44	7.37
Russell 2000 Value	-0.66	-0.66	-12.96	21.01	4.55	7.22
Russell 2000	2.74	2.74	-11.61	17.51	4.71	8.04

## GROWTH OF \$10,000 SINCE INCEPTION

Through March 31, 2023



Past performance does not guarantee future results. The above chart represents a comparison of a hypothetical \$10,000 investment and the reinvestment of dividends and capital gains versus the benchmark. The index is unmanaged and does not incur fees. Performance is calculated before taxes and reflects the deduction of fees and expenses. Please see disclosures on reverse.

## Composite Characteristics<sup>1</sup>

	Composite	R2000V	R2000
Wtd Avg Mkt Cap (m)	\$3,268	\$2,380	\$2,904
Wtd Median Mkt Cap (m)	\$3,137	\$2,062	\$2,605
P/E FY2	14.0x	10.3x	12.1x
Price/Book	1.8x	1.2x	1.8x
Dividend Yield	1.8%	2.4%	1.5%
Number of Holdings	44	1,362	1,920
Active Share <sup>4</sup>	95%		

## 3-Year Risk Statistics<sup>1</sup>

	Composite	R2000V
Annualized Alpha	2.18	--
Beta	0.88	--
Annualized Standard Deviation	21.22	23.03
Sharpe Ratio	0.94	0.87
Tracking Error	7.09	--
Information Ratio	-0.01	--
Downside Capture %	81.57	--
Upside Capture %	82.58	--

Source: Refinitiv



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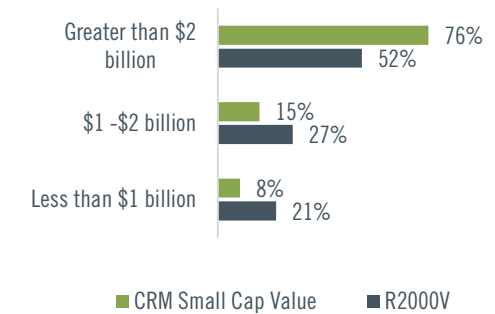


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TOP TEN HOLDINGS <sup>2</sup>	% of Composite	SECTOR ALLOCATION <sup>3</sup>	Composite	R2000V	R2000
ChampionX Corporation	3.5	Communication Services	--	3.0	2.7
Envista Holdings Corporation	3.4	Consumer Discretionary	11.4	11.3	11.4
Arcosa, Inc.	3.4	Consumer Staples	7.0	2.8	3.8
Hostess Brands, Inc.	3.2	Energy	6.4	6.4	6.5
Ollies Bargain Outlet Holdings, Inc.	3.2	Financials	23.6	26.3	16.0
Envestnet, Inc.	3.2	Health Care	8.7	9.9	16.0
Clean Harbors, Inc.	3.0	Industrials	21.0	14.0	17.0
LeMaitre Vascular, Inc.	3.0	Information Technology	5.3	5.9	12.4
Horace Mann Educators Corporation	3.0	Materials	1.5	4.5	4.6
Kirby Corporation	2.8	Real Estate	8.1	10.8	6.3
<b>Total</b>	<b>31.6%</b>	Utilities	6.9	5.1	3.3

## Market Capitalization



## Disclosures

Past performance is not a guarantee of future results. The information presented for the Composite relates to a composite of CRM Small Cap Value taxable client separate accounts. CRM manages each component included in this composite using the same strategy. Valuations and returns are computed and stated in U.S. Dollars, are dollar-weighted and reflect the reinvestment of dividends and other earnings. Performance is calculated monthly, and the gross performance results for each portfolio are presented before management fees but after all trading commissions. The net performance results are presented after deducting a management fee. The performance information includes a comparison to various benchmarks, which are rebalanced annually. A list of all firm composites, including annual returns, fees, size, and number of accounts, is available upon request.

This Fact Sheet does not constitute an offer to buy or sell securities. Please contact CRM for more information at 212-326-5300.

<sup>1</sup>The statistics reflect the Composite characteristics of the securities that comprised the representative account for the Small Cap Value strategy and the indices as of the date shown. The 3-Year Risk statistics provided are not related to or indicative of the strategy or the indices' performance. Source: Refinitiv

**Annualized Alpha:** Alpha is a measure of performance on a risk-adjusted basis. Alpha takes the volatility (price risk) of a security or mutual fund and compares its risk-adjusted performance to a benchmark index. The excess return of the security or fund relative to the return of the benchmark index is a fund's alpha.

**Beta:** Beta measures the relationship between the portfolio's excess return over T-bills (representing a risk-free rate) relative to the excess return of the portfolio's benchmark. A low beta does not imply that the portfolio has a low level of volatility; rather, a low beta means that the portfolio's market-related risk is low. Beta is often referred to as systematic risk.

**Annualized Standard Deviation:** Annualized standard Deviation is a measure of the dispersion of a set of data from its mean. The more spread apart the data, the higher the deviation. Standard Deviation is calculated as the square root of variance.

**Sharpe Ratio:** The Sharpe Ratio is calculated using standard deviation and excess return to determine reward per unit of risk. The higher the Sharpe Ratio, the better the portfolio's historical risk-adjusted performance.

**Tracking Error:** Tracking Error measures the standard deviation of the excess returns a portfolio generates compared to its benchmark. If a manager tracks a benchmark closely, then Tracking Error will be low. If a manager tracks a benchmark perfectly, then Tracking Error will be zero.

**Information Ratio:** The Information Ratio is a measure of the portfolio's returns above the returns of the portfolio's benchmark, to the volatility of those returns.

**Downside Capture %:** The Downside Capture percent measures a manager's performance in down markets relative to a particular benchmark. A down market is one in which the market's quarterly (or monthly) return is less than zero. For example, a Downside Capture percent of 50% means that the portfolio's value fell half as much as its benchmark index during down markets.

**Upside Capture %:** The Upside Capture percent is a measure of a manager's performance in up markets relative to a particular benchmark. An up market is one in which the market's quarterly (or monthly) return is greater than or equal to zero. For example, an Upside Capture percent of 50% means that the portfolio's value increased half as much as its benchmark index during up markets.

<sup>2</sup>The Top Ten Holdings list is presented to illustrate examples of the securities which were held in the Small Cap Value strategy on the date indicated and may not be representative of the current or future investment of the strategy. It should not be assumed that investments in the securities unidentified on this list were or will be profitable.

<sup>3</sup>The sector breakdown chart is presented to illustrate examples of sectors which were held in the Small Cap Value strategy as of the date indicated and may not be representative of the portfolio's current or future investments. Source: Refinitiv

<sup>4</sup>Active Share is a measure of the percentage of the portfolio that differs from its benchmark on an average portfolio weightings basis.

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