

# CROMWELL GREENSPRING MID CAP FUND

Portfolio Managers Chip Carlson, CFA and Michael Goodman, CFA discuss the Fund's composition following the reorganization, their perspectives on mid-cap performance, the Fund as an "all-weather" solution, and less cyclically sensitive Industrials companies.

## ► Would you describe the portfolio's composition as of 9/30/23?

Prior to the Fund's reorganization in August 2023, the Fund was managed as a mixed-asset portfolio investing mostly in equities along with some fixed income securities. As of September 30, 2023, the Fund held 49 equities, with approximately 80% in mid-cap companies and an average market capitalization of about \$13 billion. The Fund held no fixed income investments as of the end of the third quarter.

With decades of experience investing in mid-cap equities, we believe they offer attractive opportunities to capitalize on pricing inefficiencies. Compared to larger-cap companies, many mid-caps are underfollowed by Wall Street analysts. Yet, mid-caps generally possess stronger balance sheets to withstand economic weakness and have deeper, more experienced management teams than their smaller-cap counterparts.

## ► Would you please describe the kind of mid-cap companies your investment process seeks to uncover?

We seek "All-Weather" mid-cap companies we believe can perform well in both rising and falling markets to potentially provide downside risk mitigation as well as value in tough times. These businesses can generally operate from a position of strength in any environment through a combination of strong balance sheets, significant free cash flow generation, and experienced management teams. Supported by company-specific catalysts and/or secular tailwinds, these companies can often take advantage of changing market conditions to create long-term shareholder value.

## ► Would you please discuss the cyclical nature of the Fund's holdings in the Industrials sector?

Not all Industrial companies are equally sensitive to macroeconomic factors. The Fund's Industrial holdings are diversified across different industries—construction and engineering, professional services, electrical equipment, and ground transportation—with varying dependence on overall economic growth. The Fund's largest holding, Republic Services, provides essential waste collection and recycling services with highly recurring revenues while another Industrial holding, Alight, Inc., provides mission-critical software & services used to administer employee payroll and benefits programs.



*Cromwell Greenspring Mid Cap Fund became the successor fund to the Greenspring Fund on August 14, 2023.*

CLASS	INCEPTION	TICKER
Institutional	7/1/83	GRSPX

## Fund Facts

Asset Class: **Mid-Cap Blend**

Net Assets: **\$115 million**

Benchmark: **Russell Midcap Index**

Active Share: **89.9%**

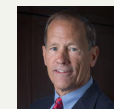
Holdings: **49**

## Sub-Advisor



Founded in 1973, Corbyn Investment Management provides investment management services to individual and institutional clients through separately managed accounts and mutual funds.

## PORTFOLIO MANAGERS



**Charles vK. Carlson, CFA**  
President, Portfolio Manager and Co-CIO



**Michael A. Goodman, CFA**  
Portfolio Manager and Senior Investment Analyst

Further, some of our Industrial holdings benefit from secular tailwinds. For example, MYR Group, an electrical construction services company, has benefited from the accelerating electrification of the U.S. EMCOR, a provider of critical electrical, mechanical, and security services for buildings and industrial operations, has enjoyed tailwinds from the “re-shoring” of American industry. Further, Johnson Controls is a market leader in energy-efficient climate and “smart building” automation solutions.

While Industrials is the Fund’s largest sector weighting, the portfolio’s composition is driven by a bottom-up focus on company-specific attributes and is diversified across many sectors. Regardless of short-term periods of volatility, we believe these companies will generate shareholder value and thrive in most market environments.

### ▶ **What is your perspective on this year’s performance of mid-cap versus large-cap stocks?**

In 2023, there have been substantial performance disparities between major indices representing mid- and large-cap stocks. This disparity has resulted in very attractive relative valuations in the mid-cap universe.

Over the past 20 years, the price-to-earnings ratio of the Russell Midcap Index has typically traded at premium to the S&P 500. Currently the Russell Midcap Index trades at a historically large discount. At just 85% of the S&P 500’s forward price-to-earnings ratio, mid-caps are trading near their 20-year low, providing an attractive entry point for mid-cap investors.

## About Cromwell Funds

Headquartered in Baltimore, MD, the Cromwell Funds provide Financial Advisors with high-quality, differentiated and actively managed strategies in a mutual fund format. The Funds are sub-advised by asset managers who have built a national reputation managing their investment strategies.

### **Cromwell Funds’ Sub-Advisors:**

- » CenterSquare Investment Management
- » Corbyn Investment Management
- » Foresight Group
- » Marketfield Asset Management
- » Tran Capital Management

## Contact Us

888.844.4110

[advisors@thecromwellfunds.com](mailto:advisors@thecromwellfunds.com)

[thecromwellfunds.com](https://www.thecromwellfunds.com)

***Investors should carefully consider the Fund’s investment objectives, risks, charges and expenses before investing. For this and other information, please call 855.625.7333 or visit [thecromwellfunds.com](https://www.thecromwellfunds.com) for a prospectus. Read it carefully before investing or sending money.***

<sup>1</sup> Reflects equity holdings only. Active share was calculated relative to the iShares Russell Mid-Cap ETF which tracks the Russell Midcap Index.

Mutual fund investing involves risk. Principal loss is possible. Mid-capitalization companies may be subject to greater price volatility, significantly lower trading volumes, and cyclical, static or moderate growth prospects than equity securities of larger companies. The investment strategies, practices and risk analysis used may not produce the desired results.

Active Share measures the percentage of stock holdings in a fund that differ from a benchmark. Basis point is one hundredth of one percent. Free cash flow is the money left over after paying its operating expenses and capital expenditures.

The Russell Midcap Index is comprised of approximately 800 publicly traded U.S. companies with market caps of between approximately \$1.5 and \$51 billion as of the last annual index reconstruction. The S&P 500 Index is a capitalization-weighted index of 500 stocks. An investment cannot be made directly into an index.

Cromwell Funds distributed by Foreside Fund Services, LLC.