

Investment Objective	To outperform the MSCI World Index in AUD by 200-300 basis points net of fees over a full market cycle.
Primary Investments	Investing in undervalued leading global companies with market capitalisations greater than US\$1 billion.
Style	Cramer Rosenthal McGlynn's (CRM) style is core with a value bias. This is identified as relative value which allows for thoughtful, opportunistic investing within the framework of their valuation disciplines.
Investment Philosophy	<p>Every company bought and sold is characterised by three attributes: change, neglect and valuation.</p> <p><i>Change</i></p> <p>The global financial markets are rich with change. Every day the markets present investors with mergers, divestitures, restructurings, new management teams or new products and expanded markets.</p> <p><i>Neglect</i></p> <p>Especially in its early stages, change tends to be greeted with uncertainty, expressed as investor neglect — manifested through negative sentiment, negative to neutral stock ratings and buyer aversion.</p> <p><i>Valuation</i></p> <p>When change meets neglect, the intrinsic value of a company may exceed the current stock price. At the intersection of change and neglect with attractive valuation, CRM finds the potential for substantial outperformance with lower downside risk.</p>
Process	<p>The team initially identifies companies that have a solid track record of delivering share holder value and return on capital. The element of change is additionally sought after, as change can be material to the operations of a publicly traded company. Once a quality company is identified, the business is appraised by producing a financial model based principally upon projected cash flow. The business is then evaluated in the context of what the market is willing to pay for comparable companies, and also what a strategic buyer would pay for the entire company.</p> <p>Intensive due diligence enables nimbleness in situations where they have identified attractive valuations. Every CRM portfolio reflects a series of separate, well-reasoned decisions to invest in individual companies documented in their Investment Case.</p> <p>As a final step, CRM use an unique system of ranking stocks into risk macro buckets which provides a clear oversight of the risk characteristics of the total portfolio which might not be captured by traditional risk factors.</p>
Portfolio Fit	Would complement a global equity portfolio as a core strategy and would provide value characteristics with lower volatility than a traditional value strategy.
Currency	Unhedged.
Management Fees	Available upon request.
Vehicle	Mandate.
Investment Manager	Cramer Rosenthal McGlynn L.L.C. was founded in 1973 as a value investment specialist who invests in changing companies neglected by other investors.
Portfolio Team	<ul style="list-style-type: none"> ▶ Milu E. Komer ▶ Jay B. Abramson <p>Together they have over 40 years of investment experience that is supported by analysis from 21 research and trading professionals.</p>