

CROMWELL GREENSPRING MID CAP FUND

Portfolio Managers Chip Carlson, CFA and Michael Goodman, CFA emphasize the attractiveness of mid-cap companies in today's environment, the importance of free cash flow and strong balance sheets, and a new position that exemplifies the team's approach to finding "All-Weather" companies.

► Market performance in 2023 was driven by large-cap technology companies. What could drive mid-caps to outperform their larger peers in 2024?

A few powerful macroeconomic drivers are potentially in play for mid-cap companies. If the U.S. economy experiences a "soft landing," investors' appetite for small- and mid-cap stocks should increase. The Federal Reserve has indicated that it may cut interest rates in 2024, which should improve investor sentiment toward smaller companies. In general, lower interest rates reduce borrowing costs for smaller companies, making it easier and less expensive to finance projects.

There is currently a large disconnect in the price-to-earnings (P/E) multiple between mid- and large-cap stocks. As of December 2023, the average 2024 P/E of the Russell Midcap Index was approximately 20% lower than the S&P 500 Index's—the largest disparity in a decade.

The Cromwell Greenspring Mid Cap Fund focuses on finding "All-Weather" mid-cap companies that have strong balance sheets, significant free cash flow generation, experienced management teams, and company-specific catalysts and/or secular tailwinds.

► Why do you emphasize free cash flow and strong balance sheets in your investment process?

We believe companies with these qualities, combined with strong management teams and a secular tailwind, can create long-term shareholder value even in a difficult economic environment. Possessing higher free cash flow can be viewed as a defensive posture to help minimize declines during difficult periods. Simply put, companies generating higher levels of cash flow have more financial flexibility. This financial strength allows these companies to pursue value-creating acquisitions, reinvest in their business, or repurchase stock.

Finally, while the Fund's holdings may not fully participate in strong markets when lower-quality companies are leading the pack, we believe the Fund's emphasis on more defensive companies can limit the losses in down markets, leading to superior long-term risk-adjusted returns.



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: **97.5%**

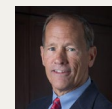
Holdings: **49**

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

► Would you please discuss a new position that exemplifies your investment approach?

We purchased Kenvue, which was spun-out from Johnson & Johnson in May 2023. It is a global consumer health company with market-leading brands such as Tylenol, Neutrogena, Listerine and Zyrtec. Operating as an independent company, Kenvue should benefit in several ways:

- » Its experienced management team can accelerate growth by maximizing investments in product innovation and promotion, while regaining market share as supply chain issues recede.
- » With a strong balance sheet and significant free cash flow generation, management is well-positioned to create value by growing dividends, repurchasing shares, and/or making complementary acquisitions.

Spin-offs often trade at attractive prices due to a lack of investor awareness and a stand-alone track record. Kenvue is no exception, trading at an attractive price relative to its free cash flow generation and at a significant discount to its peers. Over time, we expect this valuation gap to narrow as the management team establishes its ability to grow shareholder value.

► Why are spin-off companies attractive places to invest?

Over the years, we have found spin-offs to be a unique opportunity to find underfollowed, but solid businesses selling at temporary discounts. When a larger company divests a particular business unit, the results can be a more focused and streamlined operation, allowing the new business to concentrate on its core competencies. This increased focus can lead to improved efficiency and better management of resources. The spin-off could unlock hidden or undervalued assets, leading to a reevaluation of the spinoff's true worth, potentially creating an investment opportunity as the market may not have fully appreciated the value of the spun-off entity.

The management of a spinoff company is often given greater autonomy and a more direct stake in the success of the business, which can incentivize them to make strategic decisions and implement changes to enhance the company's performance and shareholder value.

Finally, spin-off companies are typically smaller and more nimble compared to their parent companies, which can allow them to adapt more quickly to changes in the market, pursue growth opportunities, and respond to industry trends with greater agility.

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:

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

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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 for a prospectus. Read it carefully before investing or sending money.

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

Fund holdings and/or sector allocations are subject to change at any time and are not recommendations to buy or sell any security.

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. Free cash flow is the money left over after paying its operating expenses and capital expenditures. Price-to-earnings values a company's share price relative to its earnings per share.

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.