Hi, my name is Ben Silver. I'm one of the portfolio managers on our mid-cap strategies. And over the next few minutes, I'll take you through what happened in the quarter.

While U.S. mid-cap stocks were up modestly, they did trail both the large-cap and the small-cap universes by a significant amount, both for the quarter and for the year. Value did outperform in mid-cap, but we did underperform, with the largest detractions coming from the consumer discretionary and technology sectors, offset somewhat by contributions from industrials and financials.

On the detractors, Advance Auto Parts was the largest detractor in the quarter, really giving back some of its earlier gains from earlier in the year, mostly on comments about reduced stress on their consumer as well as reduced cash flow guidance from a buildup in inventory. The company does remain on track with its restructuring, and the "do-it-for-me" part of the business is doing well, with improving margins.

Baxter was also a detractor, as they missed earnings on lowered revenues in their fluids business and continued issues regarding their Novum pump recall. These are two of our largest positions now in the portfolio. We believe these issues that they're going through are temporary, and we've continued to add to them throughout the year.

On the positive side, Dollar General was a positive contributor as consumers traded down, and out of its same-store sales growth—almost all of it—was due to traffic. They also reduced some of their capex guidance, which should improve cash flows during the year.

Cognizant also performed quite well—good organic growth, operating margin improvement, with performance on their fixed-price contracts.

We continue to find compelling opportunities in the market, and we added a couple of new positions. One of them is Knight-Swift, which is the largest truckload carrier in the U.S. Their business is truckload, less-than-truckload, logistics, and intermodal.

Knight-Swift had top industry-performing margins due to scale and a differentiated offering. What happened is post-COVID, a lot of supply entered the market, and we're still living with that overhang, which is depressing both rates as well as profitability. Knight-Swift is also still in the process of digesting two acquisitions, which is further depressing their margins. We do feel as capacity rationalizes and pricing normalizes, Knight-Swift will go back to industry-leading profitability and is in line with their historical levels.

We also continue to build out positions in Sensata and Robert Half.

In terms of trims in the portfolio, that was in Universal Health, Dollar General, and CNO Financial. And we sold out of various companies as well, notably Delta Air Lines, Comerica, and SS&C, all on appreciation and strength.

Mid-cap stocks remain particularly depressed. This was the worst-performing asset class for the year, underperforming both large caps and small caps. And while our relative performance has certainly been challenging at this point, the portfolio is amongst the cheapest that we manage, and we think it is a really compelling opportunity today.