

Q4 | 2024



# Mid Cap Value

Prepared for Franklin Regional Retirement System

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# Investment Performance - Mid Cap Value

Fourth Quarter 2024

## Asset Allocation (USD)

	Market Value	% of Portfolio
Equity	9,479,971	97.6%
Cash & Cash Equivalents	234,573	2.4%
Accrued Income	9,318	
<b>Total</b>	<b>9,723,863</b>	<b>100.0%</b>

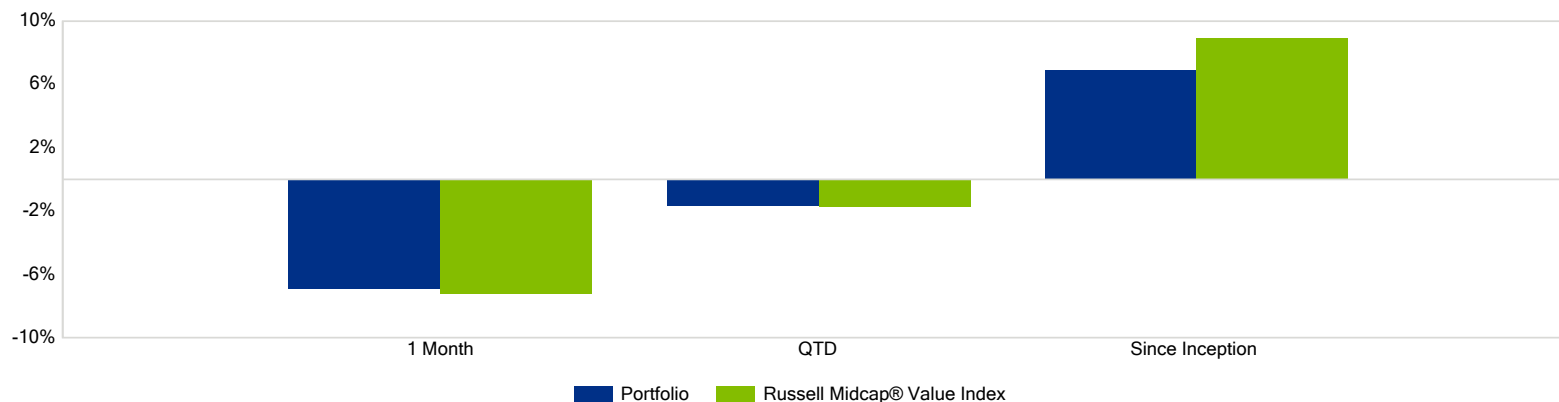
## Statement of Changes (USD)

Market Value on 10/01/2024	9,893,362
Net Cash Flows	(15)
Earned Income	41,643
Market Appreciation	(211,127)
<b>Market Value on 12/31/2024</b>	<b>9,723,863</b>

## Annualized Performance (%)

Performance Inception Date: 07/09/2024

	1 Month	QTD	Since Inception
Total Portfolio - Gross of Fees	(6.90)	(1.71)	6.92
Total Portfolio - Net of Fees	(6.95)	(1.86)	6.61
Russell Midcap® Value Index	(7.32)	(1.75)	8.88



Data is for Franklin Regional Retirement System as of December 31, 2024.

Past performance is not an indication of future results. Please refer to the back for other important disclosures.

# Performance Commentary - Mid Cap Value

Fourth Quarter 2024

## Five Largest Contributors

Security Name	Total Return (%)	Contribution to Return (%)	Sector
LPL Financial Holdings Inc	40.49	0.47	Financials
Ameriprise Financial Inc	13.66	0.29	Financials
Synchrony Financial	30.90	0.26	Financials
Wyndham Hotels & Resorts Inc	29.46	0.21	Consumer Discretionary
Alaska Air Group Inc	43.22	0.21	Industrials

## Five Largest Detractors

Security Name	Total Return (%)	Contribution to Return (%)	Sector
Rocket Cos Inc	(41.32)	(0.24)	Financials
Ball Corp	(18.56)	(0.23)	Materials
ICON Public Limited Company	(27.01)	(0.23)	Health Care
Textron Inc	(13.63)	(0.20)	Industrials
Olin Corp	(29.22)	(0.19)	Materials

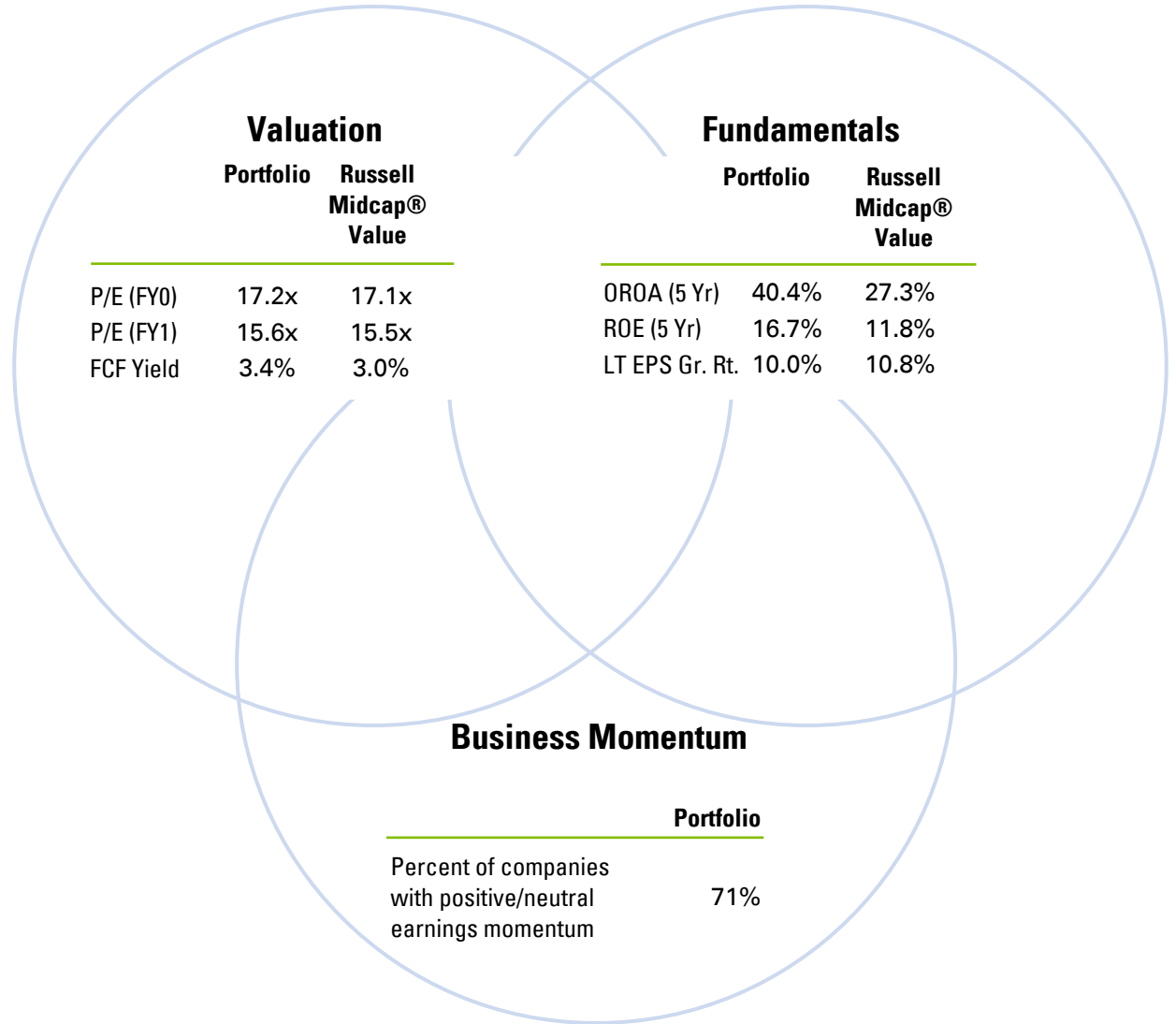
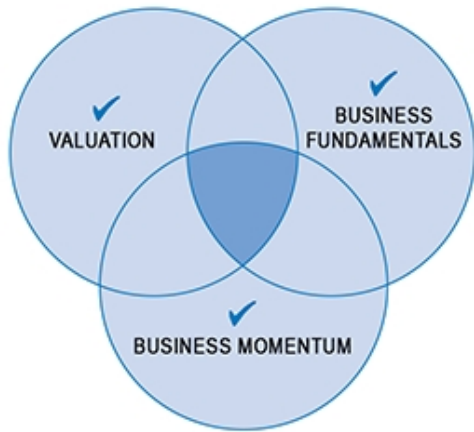
- The fourth quarter produced mixed results for equities, with growth stocks significantly outperforming value stocks and large-cap securities beating smaller-cap stocks. The Magnificent Seven were at the heart of this trend, recapturing new highs to close out the year after appearing to lose momentum during the summer. Meanwhile, the U.S. Federal Reserve continued to cut short-term interest rates, but signaled in its December meeting that it would likely pause on easing for the foreseeable future, given new expectations that inflation would not fall to 2% until sometime in 2027. Donald Trump was reelected in November, as were Republican majorities in both the U.S. House and Senate. Trump's campaign pledges to increase tariffs rattled international markets in the wake of the election, while the U.S. dollar generally strengthened versus foreign currencies.
- Boston Partners Mid Cap Value strategy declined for the quarter and underperformed its benchmark, the Russell Mid Cap Value Index. Our Energy and Industrials holdings generally held back relative results, while stock selection in the Consumer Discretionary and Financials sectors were among the areas driving results versus the benchmark.
- For 2024 as a whole, the Mid Cap Value strategy delivered a double-digit return but lagged its benchmark. Our holdings in the Energy and Industrials sectors generally held back relative returns, while our stock selection in the Consumer Staples, Information Technology, and Consumer Discretionary sectors generally aided results versus the benchmark.
- Not since the 1990s have equity markets registered back-to-back annual gains above 20%. Then, as now, broad market indexes were propelled by a narrow group of technology-related companies at the forefront of transformational innovation—the Internet in the 1990s and artificial intelligence today. While technological change tends to have lasting economic effects, investors shouldn't expect a repeat of the past two years. The backdrop for equities remains positive, but higher inflation and interest rates in the year ahead may shift investor attention back to earnings and lead to broader market participation.

# Portfolio Characteristics - Mid Cap Value

*A proof statement that the stock selection process results in a 'three-circle' portfolio*

## "Three Circles"

An attractive valuation, strong business fundamentals, and positive business momentum. In our experience, portfolios with all three characteristics tend to outperform over time.



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# Portfolio Positioning - Mid Cap Value

*Our assessment of where the opportunities exist*

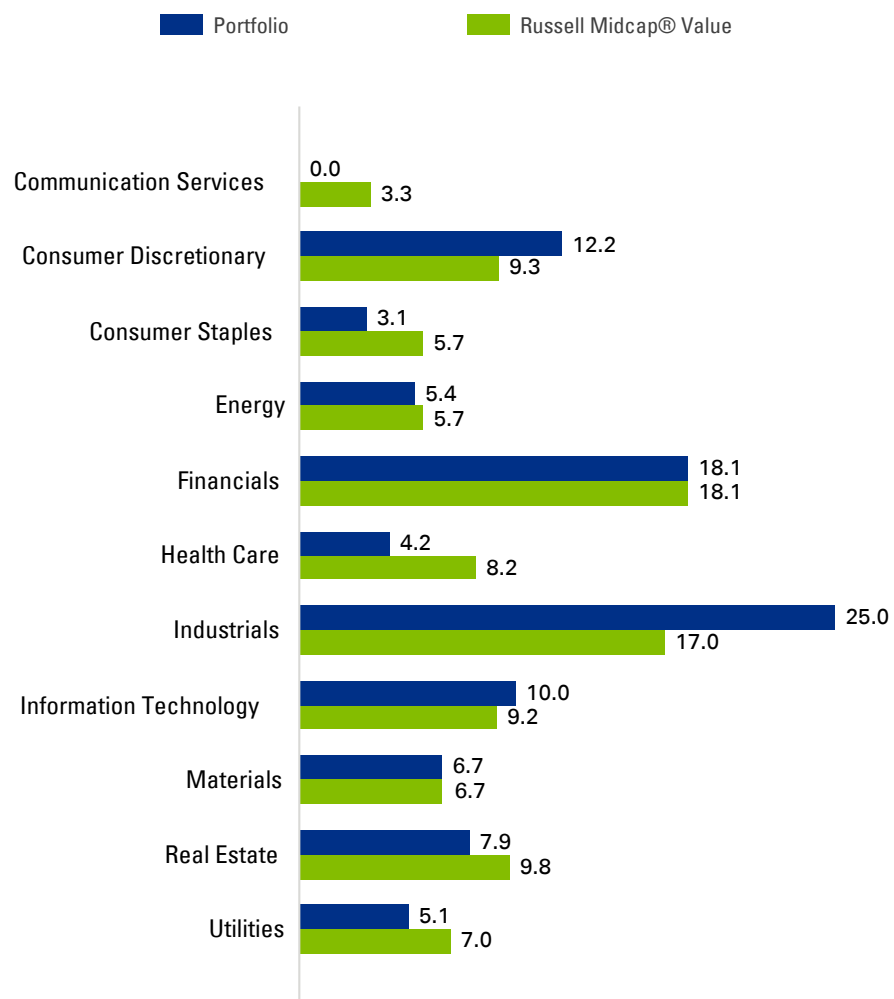
## Largest Holdings (%)

Ameriprise Financial Inc	2.3
Howmet Aerospace Inc	1.9
AutoZone Inc	1.8
LPL Financial Holdings Inc	1.8
Fifth Third Bancorp	1.6
Zebra Technologies Corp	1.6
Cencora Inc	1.5
Norfolk Southern Corp	1.5
Check Point Software Technolog	1.4
Simon Property Group Inc	1.4
<b>Total</b>	<b>16.8</b>

## Portfolio Statistics

	Portfolio	Russell Midcap® Value
Number of Securities	130	711
Wtd. Avg. Mkt. Cap (\$M)	\$24,495	\$24,971
Dividend Yield	1.6%	1.9%
Turnover (Trailing 1 Year)	-	-

## Sector Weightings (% of Portfolio)



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# Portfolio Holdings - Mid Cap Value

Position changes over time: October 1, 2024 through December 31, 2024

Key: ◆ = New Holding | ↑ = Increased Position | ↓ = Decreased Position | ⊗ = Liquidated | Unchanged

<b>Communication Services</b>	<b>0.0</b>
⊗ Take-Two Interactive Software, inc.	0.0
<b>Consumer Discretionary</b>	<b>12.2</b>
↑ AutoZone Inc	1.8
↑ Boyd Gaming Corp	0.8
↑ eBay Inc	1.2
↑ H&R Block Inc	0.8
↑ Wyndham Hotels & Resorts Inc	1.0
↓ Harley-Davidson Inc	0.4
Churchill Downs Inc	0.8
Darden Restaurants Inc	0.4
Frontdoor Inc	0.8
Garmin Ltd	0.4
Gentex Corp	0.6
Lennar Corp	0.3
NVR Inc	0.8
Ralph Lauren Corp	0.7
Ross Stores Inc	0.8
Tempur Sealy International Inc	0.8
⊗ Expedia Group, inc.	0.0
⊗ Lear Corporation	0.0
<b>Consumer Staples</b>	<b>3.1</b>
◆ Coca-cola Consolidated Inc	0.1
◆ Maplebear Inc	0.4
◆ Primo Brands Corp	0.4
◆ Sysco Corp	0.4
Coca-Cola European Partners Plc	0.6
Lamb Weston Holdings Inc	0.7
US Foods Holding Corp	0.6
⊗ Constellation Brands, inc. class A	0.0
<b>Energy</b>	<b>5.4</b>
◆ Marathon Petroleum Corp	0.4
↑ EQT Corp	1.0

<b>Energy (cont...)</b>	
↑ Range Resources Corp	0.9
↓ Halliburton Co	0.4
Chord Energy Corp	0.7
Diamondback Energy Inc	1.0
Phillips 66	0.4
Weatherford International Plc	0.5
⊗ Tidewater Inc	0.0
<b>Financials</b>	<b>18.1</b>
↑ Affiliated Managers Group Inc	0.7
↑ Ameriprise Financial Inc	2.3
↑ Aon Plc Cl A	0.8
↑ Carlyle Group Inc/the	1.2
↑ East West Bancorp Inc	0.7
↑ Evercore Inc	1.2
↑ LPL Financial Holdings Inc	1.8
↑ Markel Group Inc	1.1
↑ Synchrony Financial	1.2
↓ First American Financial Corp	0.4
↓ Voya Financial Inc	0.3
Discover Financial Services Inc	0.6
Fidelity Natl Information Svcs Inc	0.6
Fifth Third Bancorp	1.6
Huntington Bancshares Inc	1.3
RenaissanceRe Holdings Ltd	0.6
Rocket Cos Inc	0.4
SLM Corp	0.7
Travelers Cos Inc	0.7
⊗ Ally Financial Inc	0.0
⊗ Ares Management Corporation	0.0
⊗ Everest Group, Ltd.	0.0
<b>Health Care</b>	<b>4.2</b>
◆ Humana Inc	0.7

<b>Health Care (cont...)</b>	
◆ Solventum Corp	0.4
↓ Avantor Inc	0.4
↓ ICON Public Limited Company	0.4
↓ Molina Healthcare Inc	0.9
Cencora Inc	1.5
⊗ Centene Corporation	0.0
⊗ Zimmer Biomet Holdings, inc.	0.0
<b>Industrials</b>	<b>25.0</b>
◆ SS&C Technologies Holdings Inc	0.8
↑ Alaska Air Group Inc	0.7
↑ Expeditors Intl of Washington	1.1
↑ Generac Holdings Inc	1.0
↑ Howmet Aerospace Inc	1.9
↓ AMETEK Inc	1.0
↓ Dover Corp	0.8
↓ Ferguson Enterprises Inc	0.3
↓ Masco Corp	1.0
↓ Science Applications Intl Corp	0.6
Allegion Plc	1.1
Beacon Roofing Supply Inc	0.7
Builders FirstSource Inc	0.3
BWX Technologies Inc	0.4
Curtiss-Wright Corp	0.9
Equifax Inc	0.8
Fortive Corp	0.8
ITT Inc	0.4
Jacobs Solutions Inc	0.4
L3Harris Technologies Inc	0.8
Landstar Systems Inc	0.6
Leidos Holdings Inc	0.5
Masterbrand Inc	0.2
Msc Industrial Direct Co Inc	0.3
Norfolk Southern Corp	1.5

<b>Industrials (cont...)</b>	
Parker-Hannifin Corp	1.2
Rb Global Inc	1.0
Resideo Technologies Inc	0.5
Robert Half International Inc	1.0
Sensata Technologies Holding	0.3
Textron Inc	1.3
Ufp Industries Inc	0.2
Watts Water Technologies Inc	0.4
⊗ Advanced Drainage Systems, inc.	0.0
⊗ Amentum Holdings Inc	0.0
⊗ Atkore Inc	0.0
⊗ Enerpac Tool Group Corp Class A	0.0
⊗ Nvent Electric Plc	0.0
⊗ Otis Worldwide Corporation	0.0
<b>Information Technology</b>	<b>10.0</b>
◆ Lam Research Corp	0.4
↑ Flex Ltd	1.4
↑ InterDigital Inc	0.7
↑ Keysight Technologies Inc	1.0
↑ NetApp Inc	0.8
Arrow Electronics Inc	0.5
Check Point Software Technolog	1.4
Cognizant Technology Solutions	0.4
Dell Technologies Inc	0.4
Gen Digital Inc	0.4
Microchip Technology Inc	0.5
Te Connectivity Plc	0.7
Zebra Technologies Corp	1.6
⊗ Asgn Incorporated	0.0
⊗ Cdw Corporation	0.0
⊗ Teradyne, inc.	0.0
<b>Materials</b>	<b>6.7</b>

Data are for Franklin Regional Retirement System.

Values are percent of portfolio. It should not be assumed that an investment in these securities was or will be profitable.

# Portfolio Holdings - Mid Cap Value

Position changes over time: October 1, 2024 through December 31, 2024

Key: ◆ = New Holding | ↑ = Increased Position | ↓ = Decreased Position | ⊗ = Liquidated | Unchanged

Materials (cont...)	
↓ Ball Corp	0.9
↓ Olin Corp	0.4
Avery Dennison Corp	0.6
CF Industries Holdings Inc	0.9
Commercial Metals Co	0.6
DuPont de Nemours Inc	0.5
Freeport-McMoRan Inc	0.6
Mosaic Co	0.4
Packaging Corporation of America	1.1
Reliance Inc	0.6
⊗ Corveva Inc	0.0
⊗ Ppg Industries, inc.	0.0
⊗ Teck Resources Limited Class B	0.0
<b>Real Estate</b>	<b>7.9</b>
Eastgroup Properties Inc	0.6
Equity Lifestyle Properties In	0.6
Equity Residential	0.7
Essex Property Trust Inc	0.5
Extra Space Storage Inc	0.7
Invitation Homes Inc	0.4
Lamar Advertising Co	0.9
Regency Centers Corp	1.0
Rexford Industrial Realty Inc	0.4
Simon Property Group Inc	1.4
Vici Properties Inc	0.8
⊗ Weyerhaeuser Company	0.0
<b>Utilities</b>	<b>5.1</b>
◆ Nrg Energy Inc	0.3
↑ DTE Energy Co	1.1
↑ FirstEnergy Corp	0.9
American Electric Power Co Inc	0.4
CenterPoint Energy Inc	1.0

Utilities (cont...)	
Entergy Corp	0.8
Oge Energy Corp	0.6

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# Disclosures - Mid Cap Value

*Fourth Quarter 2024*

This document is not an offering of securities nor is it intended to provide investment advice. It is intended for information purpose only.

Past performance is not an indication of future results.

Index returns are provided for comparison purposes only to show how the strategy's returns compare to a broad - based index of securities, as the indices do not have costs, fees, or other expenses associated with their performance. In addition, securities held in any Index may not be similar to securities held in the composite's accounts.

## Important Information about Portfolio Commentary

Performance returns discussed in the portfolio commentary are composite returns and are provided on a net of fees basis. Account returns will be reduced by any fees and expenses incurred in the management of the account. Actual fees may vary depending on, among other things, the applicable fee schedule and portfolio size. Account returns are market value weighted and calculated on a total return, time - weighted basis using trade date valuations. Returns reflect the reinvestment of dividends and other earnings and are net of commissions and transaction costs. Portfolio characteristics and performance attribution comments are for a representative account. Characteristics and attribution for your account will vary depending upon your investment guidelines. It should not be assumed that any investments in securities, sectors and /or markets identified were or will be profitable. Performance is expressed in U.S. Dollars.

A fully compliant GIPS® presentation is available upon request.

## Important Information about Account Summary

Security holdings are subject to change. Values are percent of portfolio and are rounded to one decimal place. It should not be assumed that an investment in these securities was or will be profitable. Activity shown represents a summary of net changes made due to portfolio management decisions during the period. Activity due to cash flows may not be reflected in this report. A full detailed listing of holdings and transactions is available upon request.