PZENA Investment Management

Quarterly Report to Clients

First Quarter 2020

TABLE OF CONTENTS

To Our Clients

As the human and financial toll of the coronavirus mounted in the first quarter of 2020, we found ourselves in uncharted territory. With oil prices collapsing and volatility spiking to levels not experienced since the 1929 stock market crash, most global equities ended the quarter 20%–30% lower. Small-cap stocks fell even further, by roughly 30%–40%. Value stocks were worse off on the way down, but they reversed rapidly toward the end of the period. In the end, the MSCI All Country World Value Index dropped 25.7%, while the ACWI Growth lost 14.3%, both in local currency terms. These moves took the value-growth performance dislocation to its widest point in two decades. Across nearly all regions and sectors, valuation spreads are at or near the peak of their historical ranges. History has shown that the more pronounced the cycle, the more dramatic the unwind. In our view, this dynamic suggests that the outsized opportunity today is in value stocks.

This quarter's Commentary reviews value's performance in the wake of bouts of extreme volatility, a proxy for investors' uncertainty. By revisiting value's performance following the 1929 stock market crash and the subsequent period during the Great Depression, we show that deep value stocks purchased at that time posted healthy gains, 10% per annum over five years even as the broader market continued a precipitous fall. It appears that picking through the wreckage to find extraordinary values in times of extreme uncertainty can be a prudent strategy. In fact, value typically outperforms the broad markets over one- and five-year periods following spikes in volatility.

Both the Global Research Review and the Highlighted Holding, focusing on German chemical company BASF, speak to the staying power and deep undervaluation of the businesses in which we are investing. With these stocks trading at 4x to 7x our estimates of normal earnings, today's valuations are meaningfully lower than after the dot-com bust, and dispersions are far wider than after the financial crisis. With opportunities as strong as any we have seen in our 25 years of business, we believe our clients will reap significant rewards over the long-term.

To the extent that you have been personally affected by this virus, our hearts go out to you and your families. Your continued trust is extremely important to us, and we do not take it lightly. Thank you. We are here to answer any questions and welcome all feedback.

Stay safe and healthy.

Sincerely,

Pzena Investment Management

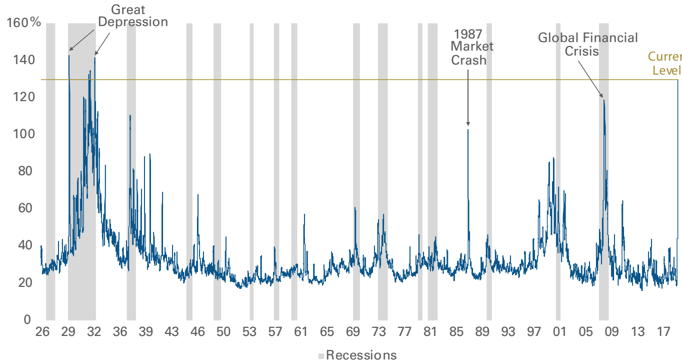
Record Uncertainty Creates Extreme Opportunity

With the absolute impact of the coronavirus still unclear, global equity markets finished the first quarter grappling with the biggest selloff in a generation. Share price volatility reached its most extreme level since the Great Depression. When shares in a single stock move up 10% one day and down 10% the next, it is clear that the market has no idea what to expect. That's why volatility is such a great proxy for uncertainty. We are in the single-most uncertain market environment since the Great Depression.

Figure 1: Uncertainty has Jumped to Depression-Era Levels

RETURN VOLATILITY (OVER 21-DAYS)[1]

MARCH 1926 – MARCH 2020



Source: Empirical Research Partners
[1]Annualized and equally-weighted data based on the share price moves for the top 1,000 stocks in the US Large-cap universe

The question that virtually every investor is wrestling with is, "What do I do now?" And the answer for many has been to run for the hills, hide out in the traditional safe-havens, such as government debt — or for those that prefer equities, take cover in bond proxies or growth stocks. Simultaneously, investors continued to shed cyclical shares widening the performance and valuation gaps that have gone from meaningful to extreme over the last three years.

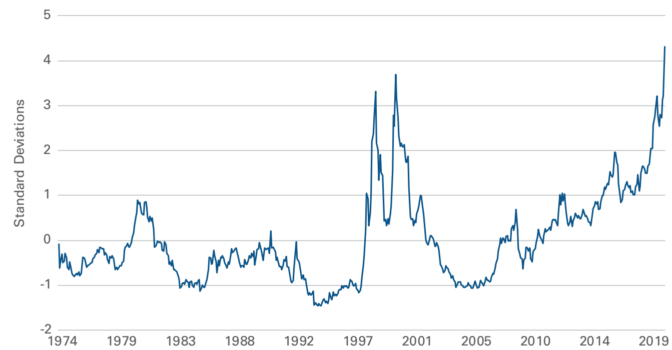
BY ANY METRIC, TODAY'S VALUE OPPORTUNITY IS EXTREME

The rapid selloff in the first quarter exaggerated the above pattern that has persisted for years:

- Value sustained one of its worst-ever 21-day periods in March further extending the worst anti-value cycle on record.
- Valuation dispersion for our developed world universe has reached its widest point on record. (See Figure 2.)
- Dispersion across all our regional universes are similarly peaking (i.e., 99th- or 100th-percentile) relative to history.
- In our portfolios, absolute valuations are generally comparable to levels reached during the global financial crisis, *and they are discounted significantly* compared to where they were at the height of the dot-com bubble.[i]

Figure 2: Unprecedented Dispersion Across the Globe

CHEAPEST VERSUS THE MOST EXPENSIVE STOCKS



Source: Sanford C. Bernstein & Co., Pzena analysis.
Data through March 2020. Dispersion between cheapest and most expensive quintiles based on price to book; equally-weighted data. Universe is based on the MSCI World Index.

While broad market averages have dropped by 20%–30% from their all-time highs, so many value shares are trading as if their businesses will never recover. As value investors, our research process starts with stocks that have already been deeply discounted. As Figure 3 demonstrates, the share prices in our portfolios have dropped by approximately 50% to 55% from their three-year highs.

Figure 3: The Average Portfolio Holding is Trading at a Deep Discount

	March 31, 2020 Price Discount vs. 3-Yr High[1]
Pzena US Focused Value	56%
Pzena Global Focused Value	51%
Pzena Emerging Markets Focused Value	49%
Pzena European Focused Value	54%
MSCI All Country World Index[2]	23%

Source: FactSet, MSCI, Pzena analysis
All data based on local currency
[1] Based on representative portfolios of our Pzena strategies; equally-weighted average data
[2] Index-weighted data
Past performance is not indicative of future returns.

[i] based on a comparison of trailing earnings, book values, and our proprietary measure of price-to-normalized earnings

These results have been consistent across every one of our major universes. These stocks have declined twice as much as the broad MSCI All Country World Index from its recent all-time high.

So, the looming questions on investors' minds are, "Will this be a multi-year period of economic malaise? Or is this a relatively short contraction, in which the world will return to normal over the next 12 to 18 months?" If COVID-19 issues get resolved in the shorter timeframe the answer is fairly obvious.

INVESTORS ENJOYED STRONG RETURNS AFTER VOLATILITY BOUTS

Outside of the extreme example of the Depression era, we wanted to see how value has fared following periods of peak uncertainty. So, we examined returns among our data sets to which we have the longest, most-reliable time series available, US large-capitalization stocks based on the Russell 1000 Index. As shown in Figure 4, buying stocks around peak volatility has been an effective strategy:

Figure 4: Value's Stronger Recovery from Volatile Periods

	Forward 1-Year Return		Forward 5-Year Return *(Annualized)*	
Peak Vol Date[1]	Russell 1000 Index	Value Stocks[2]	Russell 1000 Index	Value Stocks[2]
April 3, 1980	41.4%	47.2%	17.5%	28.5%
November 4, 1982	27.7%	44.4%	17.1%	22.2%
November 16,1987	15.6%	33.7%	14.8%	17.0%
August 30, 1990	13.8%	21.1%	13.5%	20.9%
January 5, 2001	-12.4%	7.0%	1.1%	11.7%
November 7, 2008	11.2%	35.8%	15.8%	21.4%
August 31, 2011	8.0%	-2.7%	13.2%	9.4%
February 17, 2016	20.8%	40.2%	n/a	n/a
Average	**15.8%**	**28.4%**	**13.3%**	**18.7%**

Source: Empirical Research Partners, Frank Russell Company, Sanford C. Bernstein & Co., Pzena analysis
[1] Calculated using daily return volatility measured over 21-day windows within the largest ~1,000 US stocks ranked by market cap.
[2] Cheapest quintile price to book of the largest ~1,000 US stocks ranked by market cap; equally-weighted returns
All returns using monthly data and annualized in US dollars. This table does not represent any Pzena product or service. Past performance is not indicative of future returns

On average, simply buying the index during the last eight bouts of volatility has garnered investors a healthy 15.8% return after one year and an annualized 13.3% gain after five years. Value stocks have done even better, averaging a one-year profit of 28.4% and a five-year return of 18.7%, per annum. When the sellers become exhausted in a market rout, the cheapest stocks are difficult to ignore.

WHAT IF THIS IS A MULTI-YEAR DECLINE LIKE THE DEPRESSION?

In order to better understand what happened after the first volatility spike (in Figure 1), following the stock market crash of 1929, we evaluated the returns of the S&P Composite Index and compared them to value stocks, defined as the cheapest quintile of businesses within the US stock market. This would be similar to this year's first-quarter results where markets have already declined sharply. The data is shown in Figure 5; index investors that bought into the broad market after the crash would have lost 17.7% over the following year, while the value investors would have fared even worse (-33.7%). However, if each set of investors held their portfolios for five years, those with broad market exposure would have accumulated losses at a rate of 10.8% per annum; the opposite would have been true for the value investors. This group would have actually gained 10.4% on average over the following five years.

Figure 5: Value Investors' Five-Year Gains After the Crash

	Forward 1-Year Return		Forward 5-Year Return *(Annualized)*	
Peak Vol Date[1]	S&P Composite[2]	Value Stocks[3]	S&P Composite[2]	Value Stocks[3]
November 22, 1929	-17.7%	-33.7%	-10.8%	10.4%

Source: Empirical Research Partners, Kenneth R. French, Robert J. Shiller, Pzena analysis
[1] Calculated using daily return volatility measured over 21-day windows within the largest ~1,000 US stocks ranked by market cap
[2] Robert J. Shiller S&P Composite data
[3] Fama-French database - universe returns include stocks within the NYSE, AMEX, and NASDAQ for which there is book equity and market equity data; value stocks include the first quintile of (equal-weighted) stocks formed on a book equity/market equity basis.
All returns using monthly data and annualized in US dollars. This table does not represent any Pzena product or service. Past performance is not indicative of future returns.

What can be gleaned from all this?

If we are NOT entering an extended depression, the evidence suggests that value stocks stand to realize exceptional returns over the next several years.

If we ARE embarking on another depression, based on the one example during the Great Depression, it would have still made sense for investors to buy value stocks, provided their holding period was long enough. The first of those five years would have been admittedly rough. However, attempting to time the market is a losing strategy.

The likelihood that we are about to embark on a multi-year economic rout similar to the Great Depression should be considered low. Most economists agree that the policies employed in the 1930s exacerbated the problems, and current government policies are likely to be far more constructive.

AVOIDING THE PERMANENT IMPAIRMENT OF CAPITAL

Can active investors actually achieve a higher return than the indices during periods of stress? We believe the answer is unequivocally, "yes." Resilient companies with operating flexibility and strong competitive positioning that are financially robust may use a downturn as an opportunity to improve their business models. For investors that can distinguish between companies that have a better chance of making it through unscathed from the ones that can't, substantial opportunity to outperform exists. Given the sharp drop in valuation for the economically sensitive names, patience combined with careful stock selection should be handsomely rewarded.

Amid the turmoil caused by the coronavirus, we are seeing wider valuation disparities around the globe beyond any we have seen in our 25 years of history.

RECORD VALUATION OPPORTUNITY

In the tumultuous quarter, investors continued to dump cyclicals and retreat to perceived safe-haven assets during the COVID-19 outbreak. Global valuation dispersions grew to their widest points in the last fifty years. (See the Figure 2 in the Commentary.) Our portfolios offer some of the most attractive valuations in our 25-year history with the discounts to fair value now exceeding 50% in every region.

Price-to-Normal Earnings* Midpoints as of March 31, 2020

	US	Europe	Japan	Global	EM
Median of Universe[1]	14.3	13.8	15.0	15.3	13.6
Median of First Quintile[2]	6.7	5.9	6.6	6.8	5.8

Source: Reuters, Pzena analysis
*Pzena estimates.
[1]Universes comprised the largest stocks by market capitalization for each region as follows: 2,000 largest global; 1,000 largest U.S.; 750 largest European; 750 largest Japanese; 1,500 largest emerging markets.

SUBSTANTIAL INCREASE IN RESEARCH ACTIVITY

Research has shifted into overdrive and portfolio turnover has increased amid the dramatic moves of the quarter. As always, our investment team is focused on identifying significantly undervalued businesses where we see little chance of permanent impairment through a deep downturn. We put capital to work where we believe share prices massively understated the staying power of the franchises, and we trimmed positions that outperformed. During this period, we deployed capital across a range of industries including chemicals, oilfield services, autos, industrials, and consumer products. These purchases were funded through sales in health care, utilities, advertising, and technology. Here are some of the most compelling values we see today.

ENERGY

Even against a backdrop of lower oil prices, we continue to believe that medium-term supply-demand dynamics will drive resumed growth for oil services over time.

Our research shows both Halliburton (HAL) and National Oilwell Varco (NOV) have sufficient cash flows to weather the current environment. Even in an abrupt slowdown, these competitively positioned franchises should continue to derive revenues from their main customers (i.e., oil majors), who have the power to complete projects already underway, even in the face of significant cuts to capital expenditures. NOV's debt is comparable to its liquid working capital, while Halliburton's should be manageable compared to its cash flow and earnings (before interest, taxes, depreciation, and amortization). Furthermore, HAL's debt is free of covenants, and its maturities are mostly long dated. After the sector was hit hard during the quarter, these companies traded at depressed levels, in our view — between 5x and 6x our estimate of normalized earnings. Comparable valuations can be found in European service companies such as John Wood Group and Technip FMC.

AUTOS

Many automotive-related companies were valued for a recession scenario before the virus hit. Valuations are now extreme worldwide. Among tier-one suppliers, we like US-based Lear Corporation, a leading designer and manufacturer of seating and electrical-distribution systems. The company services global automobile manufacturers of both internal combustion engines and electric vehicles. Lear is the number-two supplier of seating in an industry that largely functions as a duopoly. With a more premium product mix at higher margins and a healthier balance sheet, we believe Lear is better positioned for growth than its number-one competitor. Lear has a steady core business and a profitable growth engine in its E-Systems segment.

The automobile industry faces several regulatory headwinds in the near term. However, Lear should be insulated from these issues, allowing it to lean into its E-Systems business, which is mainly focused on electrification of the car. We're perplexed by MSCI's ESG B rating of Lear that we view as unjustified and backward looking. Perhaps, this score is the result of legacy concerns from 2015 surrounding union strikes over wage disputes that the company worked hard to repair and has since resolved. Lear is taking steps to mitigate the environmental impact of its operations by setting emission reduction goals. And the company is designing its products with fuel efficiency in mind. We view Lear's corporate governance as solid. Based on its ranking of Lear as a leader in its industry for this category, MSCI seems to agree. As active investors that engage regularly with company management, we see Lear as a key example of why it's important to understand all the nuances of the companies in which we invest without passively relying on third-party ratings when it comes to engagement or other issues.

Lear's just-in-time production methods and its asset-light business model should allow it to hold up better than most in a seizing economy. In our view, Lear has iron-clad financials with the equivalent of 23% of its market capitalization in cash on its balance sheet along with virtually no leverage (just 0.2x net debt-to-operating earnings). Thus, we believe both the company and its stock provide significant downside protection to investors; shares are attractively valued at 6.3x our estimate of normalized earnings.

FINANCIALS

Our largest sector exposures are to financials, and our diverse portfolio offers a range of business models across geographies, industries, and balance sheet exposures.

We believe banks are generally good businesses. Over the past decade, they have rehabilitated their balance sheets, tightened lending standards, improved the quality of their assets, and restricted payouts in favor of rebuilding capital. US and European banks have roughly doubled their capital ratios in the past decade. They have also tightened their belts through cost-cutting and consolidation, the disposal of noncore businesses, and the slashing of non-performing loans. The reduced risk profile of many banks should provide significant support to their balance sheets during an economic downturn.

In times of crisis, banks are often called on to provide critical liquidity to the private sector. In order to bolster the broader economy, banks are preparing for a certain amount of forbearance that is likely to be covered by government programs, and any necessary write-offs should be in proportion to capital. We have stress-tested each of the financial institutions that we hold with these specific issues in mind and have added in small doses to the most attractive opportunities.

In insurance, US-based multiline insurer American International Group (AIG) is an extremely attractive opportunity in our view. We refer you to last quarter's Newsletter for further details. AIG trades at a mere 4.1x our estimate of normalized earnings.

CYCLICALS

Once the world can see its way through this widespread shutdown, even a mild resumption of activity should move the needle quickly coming off a constricting base. Cyclicals led the market down and are likely to have the opposite reaction in a recovery.

Korea's POSCO is one of the world's leading steel manufacturers, with exposure to advanced steels, where there is relatively little competition. In the previous trough for steel producers (2015–2016), POSCO remained cash-flow positive and maintained a solid balance sheet. We view today's valuation of 5.3x our estimate of normalized earnings as very attractive and have thus added to the position.

We also added to BASF, the world's largest integrated chemical company, as the stock fell below 7.0x our estimate of normalized earnings. As our Highlighted Holding this quarter, you may find a deeper dive available on page 7 of this quarter's Newsletter.

SUMMARY

We are in an environment where the dispersion between the cheapest and most expensive stocks across regions and sectors are approaching all-time records. In our 25 years of business, we have only seen this level of disparity once before. So, we are seizing this opportunity to add to the most undervalued companies in our clients' portfolios. We have examined the effect that a severe downturn might have on all the companies in which we are investing. While we can't be completely certain about the future, we see the risk of permanent impairment in our portfolio as low and the potential upside as exceptional.

HIGHLIGHTED HOLDING: BASF Group

BASF has ample liquidity, diverse operations, and the staying power to endure a deep downturn. Its integrated model is a differentiator and leaves the chemical giant well-positioned for a turnaround.

As the world's largest integrated chemical company, Germany's BASF Group manufactures a full suite of chemical products ranging from basic commodity chemicals to specialty chemicals that supply industrial, construction, automotive, and agricultural industries, among others. BASF enjoys material competitive advantages stemming from its vertical integration, global footprint and scope of product, and industry-leading research and development (R&D) platform.

THE INITIAL OPPORTUNITY

BASF initially became a value opportunity as profits collapsed amid slowing global growth, weakening auto sales, and the US-China trade war, which snarled a wide range of chemical value chains. Operating income fell more than 40% from its 2017 peak. Its stock price decreased by 42% between early 2018 and mid-2019, as BASF entered the first quintile of our universe.

Despite this near-term weakness, we saw an opportunity to invest in a world-class business with a clear path to earnings normalization and downside protection based on 1) cyclical recovery in its commodity chemicals business; 2) opportunities to increase profitability in specialty chemical assets; 3) self-help in the form of restructuring that would divest subscale, non-core businesses, including oil and gas assets; and 4) a strong balance sheet with ample liquidity to weather a significant economic slowdown.

THE CORONAVIRUS STRIKES

This year's COVID-19 crisis accelerated BASF's stock price decline as it sold off with other economically sensitive stocks, falling 35% in the first quarter of 2020. Clearly, the prospects of a business recovery for BASF have been delayed, yet we continue to see a market leader in an industry that is critical to the global economy that now trades at 7.0x our

		Earning Per Share			Price/Earnings		
In EUR	Price	FY20E	FY21E	Normal*	FY20E	FY21E	Normal*
BASF Group (DAX: BASFN)	€43.14	€3.24	€4.08	€6.16	13.3x	10.6x	7.0x

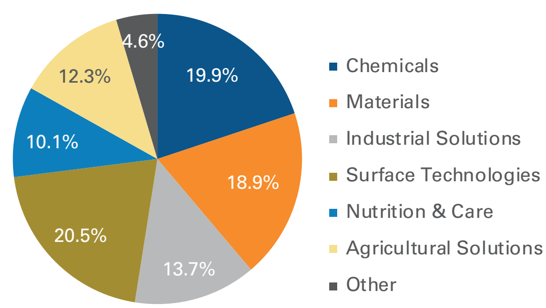
Data as of March 31, 2020
Source: Company reports, Pzena analysis, CapitalIQ
*Pzena estimate of normalized earnings

estimate of normalized earnings, an extreme level of undervaluation. Beyond that, we believe that the company's robust liquidity position of close to €10 billion and its low financial leverage make the risk of permanent capital impairment highly unlikely.

A DIVERSE SET OF COMPLEMENTARY BUSINESSES

BASF operates across geographies, serving a mix of cyclical and defensive industries. This diversification across chemical segments with varied business cycles provides for less volatile earnings than its more commoditized chemical competitors. Figure 1 illustrates this diversification across business segments.

Figure 1: Diversified Revenue Streams Fortify the Business



Source: S&P Capital IQ, as of March 31, 2020

Despite reporting seven segments and even more sub-segments, BASF can be broadly split into 1) the upstream commodity businesses and 2) the downstream specialty businesses, which are connected through "Verbund," the company's term for its integrated approach to chemical production that results in logistics and energy savings of €1 billion annually. Other large integrated complexes exist, but the ownership is split up among multiple parties. In fact, BASF is investing heavily in Verbund with plans to build large-scale facilities in 1) China and 2) India.

CYCLICAL RECOVERY IN COMMODITY BUSINESSES

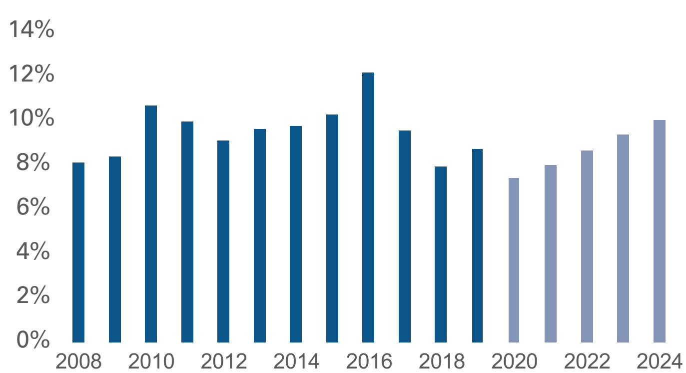
The upstream segments produce commodity chemical building blocks that serve as key inputs for various petrochemical goods such as plastics, coatings, foams, etc. This business has gone from being highly profitable, at the cyclical peak in 2017, to historical trough levels by the fourth quarter of 2019. We expect a cyclical recovery as marginal producers are forced to shut down and excess supply gets absorbed by a recovery in demand. In the interim, BASF has been making progress in a self-help strategy to rationalize costs.

PROFIT IMPROVEMENT AND RESTRUCTURING DOWNSTREAM

The downstream segments include higher-margin specialty chemicals such as emission catalysts for internal combustion engines, battery materials for the electric vehicle market, as well as crop protection and seed technology for big agriculture. Management plans to leverage its industry-leading R&D platform to improve downstream profitability, as seen in the chart below.

Figure 2: Profit Improvement in Specialty Chemicals

BASF DOWNSTREAM SPECIALTY MARGINS[1]



Source: Company reports and Pzena analysis

[1]Margins based on earnings before interest and taxes; 2020-2024 denote estimates

BASF also owns a 73% stake in Wintershall DEA. The oil and gas joint venture has been scheduled for an initial public offering in the second half of 2020 that will likely be delayed. Once complete, this sale will be a source of cash and likely celebrated by fiduciaries in Europe where fossil fuels are unpopular.

STAYING POWER TO NAVIGATE A DARK SCENARIO

On its fourth-quarter 2019 earnings call in late February, management estimated COVID-19 would have a €500 million impact on earnings in the first half of 2020. We have taken an even more conservative view, assuming the hit to be closer to €1.7 billion for 2020. By our estimates, earnings before interest and taxes could fall by 27% to €3.3 billion in 2020.

A key question for investors is, "Would BASF face liquidity concerns if a deeper crisis scenario plays out?" We believe BASF has ample liquidity to weather a deep downturn. The franchise entered 2020 with €2.8 billion in cash on its balance sheet, access to an additional €6.4 billion via an undrawn revolver, and €3.7 billion in pending asset sales in 2020.

The company has a healthy balance sheet with a debt-to-capitalization of 32.5% and manageable leverage, affirmed by credit ratings from Moody's and Standard & Poor's that rank comfortably in investment grade. The approximate €15.5 billion in net debt is comprised of medium- to long- term issues, with only €1 billion–€2 billion coming due each year.

Management has reiterated that paying a growing dividend is BASF's top capital allocation priority. In 2020, the team intends to distribute roughly €3.0 billion in shareholder dividends, equating to a yield of 7.6%. However, with social pressure mounting in Germany against dividend payouts during this crisis, it's possible that BASF will suspend its payout. As long-term business owners, we do not believe that temporarily suspending dividends is harmful or an indication of weakness, given the uncertainty and politics of the current environment. We think that the stronger competitors, like BASF, may well gain share in the downturn as the weaker players close down or become unable to serve their customers.

TARGETING CARBON-NEUTRAL GROWTH THROUGH 2030

Management is quite engaged on environmental, social, and governance issues, another differentiator for the company. From 1990 to 2018, the company had cut greenhouse gas emissions in half despite doubling production during that timeframe. BASF has also committed to carbon-neutral growth through 2030, an ambitious goal considering the industry in which it operates.

The structural decline in single-use plastics is currently a hot-button issue for the petrochemical industry that will likely slow the demand growth for ethylene. However, we do not see this issue permanently impairing long-term industry returns given the cost structure of marginal capacity. BASF's cost competitiveness and increasing exposure to more value-added downstream applications should bolster the long-term profitability of the company.

BOTTOM LINE

The global economy is going through an unprecedented shock, and the path to recovery is unpredictable. In situations such as this, some of the world's most important and established businesses become deeply undervalued due to their exposure to macroeconomic forces. Yet times like this create opportunity for outsized returns for the patient investor.

We believe that BASF's ample liquidity and diverse revenue streams give this chemical giant a solid financial position. In addition, this operator's flexibility and focus on products and end markets where it has advantaged positions make BASF an extremely attractive opportunity that trades at just 7.0x our estimate of normalized earnings.

Pzena Investment Strategies

	APPROXIMATE HOLDINGS	INVESTMENT UNIVERSE	TYPICAL CLIENT BENCHMARKS	STRATEGY INCEPTION DATE	PAGE #
GLOBAL/NON-US STRATEGIES					
Global Value	60 - 95	2,000 Largest Companies Worldwide	MSCI World[1]	1/2010	11
Global Focused Value	40 - 60	2,000 Largest Companies Worldwide	MSCI ACWI	1/2004	12
International Value	60 - 80	1,500 Largest non-US Companies	MSCI EAFE[1]	11/2008	13
International Focused Value	30 - 50	1,500 Largest non-US Companies	MSCI ACWI ex USA	1/2004	14
Emerging Markets Focused Value	40 - 80	1,500 Largest Companies in Emerging Markets	MSCI Emerging Markets	1/2008	15
European Focused Value	40 - 50	750 Largest European Companies	MSCI Europe	8/2008	16
US STRATEGIES					
Large Cap Value	50 - 80	500 Largest US Companies	Russell 1000 Value®	7/2012	17
Large Cap Focused Value	30 - 40	500 Largest US Companies	Russell 1000 Value®	10/2000	18
Focused Value	30 - 40	1,000 Largest US Companies	Russell 1000 Value®	1/1996	19
Mid Cap Focused Value	30 - 40	1,000 US Companies (ranked 201 – 1,200)	Russell Mid Cap Value®	9/1998	20
Small Cap Focused Value	40 - 50	2,000 US Companies (ranked 1,001 – 3,000)	Russell 2000 Value®	1/1996	21

All our strategies follow the same value investment process and philosophy; the primary difference lies in the universe considered for investment.
[1] MSCI ACWI and MSCI ACWI ex-USA versions also available

PORTFOLIO STRATEGIES

PZENA GLOBAL VALUE

Global equity markets fell sharply in the first quarter, as COVID-19 spread and economic activity came to a screeching halt in many parts of the world. Investors reacted to the unprecedented public health crisis, which is quickly morphing into an economic crisis, by fleeing to perceived safety. Against this backdrop, our portfolio underperformed both the general and value indices.

Every sector of the market suffered losses during the quarter, with energy and financials down the most. The simultaneous collapse in demand and supply discipline led to the lowest oil price of the last 20 years, pressuring the fundamentals of energy businesses. Expectations of sharp economic contraction and rising nonperforming assets drove the valuation of financials to extremely depressed levels despite the industry entering the current downturn with de-risked business models and strong capital positions.

Our largest individual detractors included US oil service companies Halliburton and National Oilwell Varco (NOV). The collapse in the price of oil will lead to a severe reduction in energy capex in the near term, and oil service companies' revenues are expected to decline meaningfully over the next two years. We have stress tested the free cash flow and balance sheet of both Halliburton and NOV assuming a depressed oil price over the next two years. We are comfortable with the operational and balance sheet resilience of these two firms and view them as offering some of the most compelling value opportunities in the market today.

During the quarter, we initiated a position in BASF, a global leader in the chemicals industry with a strong balance sheet and a resilient earnings profile given its diverse portfolio. We also added to our holdings in Lear and Sainsbury, while trimming Walmart, Roche, and Tesco.

The massive flight to safety has led to some of the widest valuation dispersions of the last 50 years, and we believe our portfolio offers some of the most attractive valuations in our history. Our largest exposures include cyclical sectors – financials and industrials – where valuations are comparable to levels seen during the financial crisis.■

PERFORMANCE SUMMARY annualized as of March 31, 2020

	1Q	YTD	One Year	Three Year	Five Year	Ten Year	Since Inception 1/1/10
Global Value-Gross	-32.5%	-32.5%	-24.3%	-6.1%	-1.3%	3.9%	4.4%
Global Value-Net	-32.6%	-32.6%	-24.6%	-6.5%	-1.6%	3.6%	4.0%
MSCI World Index	-21.1%	-21.1%	-10.4%	1.9%	3.2%	6.6%	6.7%
MSCI World Value Index	-27.0%	-27.0%	-19.3%	-3.8%	-0.2%	4.1%	4.4%

See Calendar Year Returns, Performance/Portfolio notes and important risk information beginning on pg. 22.
Past Performance is not indicative of future results.

TOP 10 HOLDINGS

(See Portfolio Notes on page 23)

MCKESSON CORPORATION	3.6%
GENERAL ELECTRIC COMPANY	3.3%
A.P. MOLLER - MAERSK A/S CLASS B	3.1%
HONDA MOTOR CO. LTD.	2.9%
J SAINSBURY PLC	2.6%
POSCO	2.5%
COGNIZANT TECH SOLUTIONS	2.5%
BASF SE	2.3%
EDISON INTERNATIONAL	2.3%
LEAR CORPORATION	2.3%
Total	27.4%

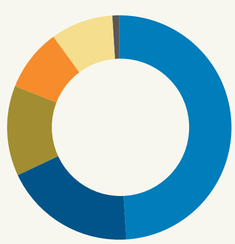
PORTFOLIO CHARACTERISTICS

	Strategy	Index
Price to Normal Earnings[1]	7.9x	15.3x*
Price / Earnings (1-Year Forecast)	9.1x	15.4x
Price / Book	0.7x	2.0x
Median Market Cap ($B)	$20.8	$10.0
Weighted Average Market Cap ($B)	$43.8	$181.3
Active Share	92.8%	-
Standard Deviation (5-Year)	17.9%	13.5%
Number of Stocks (model portfolio)	63	1,643

Source: MSCI World Index, Pzena analysis

*Global universe median; [1]Pzena's estimate of normal earnings.

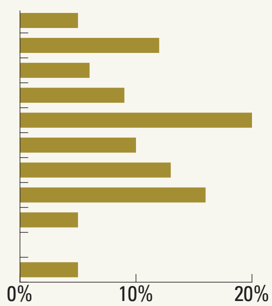
REGION CONCENTRATION



	Strategy	Index
North America	49%	67%
Europe ex-U.K.	19%	15%
United Kingdom	13%	5%
Emerging Markets	9%	0%
Japan	9%	9%
Dev. Asia ex-Japan	1%	2%
Australia/New Zealand	0%	2%

Country weights adjusted for cash - may appear higher than actual.

SECTOR WEIGHTS



	Strategy	Index
Communication Services	5%	9%
Consumer Discretionary	12%	10%
Consumer Staples	6%	9%
Energy	9%	3%
Financials	20%	13%
Health Care	10%	15%
Industrials	13%	10%
Information Technology	16%	19%
Materials	5%	4%
Real Estate	0%	3%
Utilities	5%	4%

Sector weights adjusted for cash - may appear higher than actual. Numbers may not add to 100% due to rounding.

PZENA GLOBAL FOCUSED VALUE

Global equity markets fell sharply in the first quarter, as COVID-19 spread and economic activity came to a screeching halt in many parts of the world. Investors reacted to the unprecedented public health crisis, which is quickly morphing into an economic crisis, by fleeing to perceived safety. Against this backdrop, our portfolio underperformed both the general and value indices.

Every sector of the market suffered losses during the quarter, with energy and financials down the most. The simultaneous collapse in demand and supply discipline led to the lowest oil price of the last 20 years, pressuring the fundamentals of energy businesses. Expectations of sharp economic contraction and rising nonperforming assets drove the valuation of financials to extremely depressed levels despite the industry entering the current downturn with de-risked business models and strong capital positions.

Our largest individual detractors included US oil service companies Halliburton and National Oilwell Varco (NOV). The collapse in the price of oil will lead to a severe reduction in energy capex in the near term, and oil service companies' revenues are expected to decline meaningfully over the next two years. We have stress tested the free cash flow and balance sheet of both Halliburton and NOV assuming a depressed oil price over the next two years. We are comfortable with the operational and balance sheet resilience of these two firms and view them as offering some of the most compelling value opportunities in the market today.

During the quarter, we initiated a position in BASF, a global leader in the chemicals industry with a strong balance sheet and a resilient earnings profile given its diverse portfolio. We also added to Posco and Lear Corp., while trimming Roche, Schneider Electric, and McKesson Corp.

The massive flight to safety has led to some of the widest valuation dispersions of the last 50 years, and we believe our portfolio offers some of the most attractive valuations in our history. Our largest exposures include cyclical sectors – financials and industrials – where valuations are comparable to levels seen during the financial crisis.■

PERFORMANCE SUMMARY annualized as of March 31, 2020

	1Q	YTD	One Year	Three Year	Five Year	Ten Year	Since Inception 1/1/04
Global Focused Value-Gross	-34.2%	-34.2%	-25.8%	-7.4%	-2.2%	3.5%	3.1%
Global Focused Value - Net	-34.3%	-34.3%	-26.2%	-7.9%	-2.7%	2.9%	2.5%
MSCI ACWI Index	-21.4%	-21.4%	-11.3%	1.5%	2.8%	5.9%	5.7%
MSCI ACWI Value Index	-27.1%	-27.1%	-20.0%	-4.0%	-0.5%	3.5%	4.3%

See Calendar Year Returns, Performance/Portfolio notes and important risk information beginning on pg. 22.
Past Performance is not indicative of future results.

TOP 10 HOLDINGS

(See Portfolio Notes on page 23)

GENERAL ELECTRIC COMPANY	4.0%
MCKESSON CORPORATION	3.9%
A.P. MOLLER - MAERSK A/S CLASS B	3.6%
BASF SE	3.1%
FUJITSU LIMITED	2.9%
HONDA MOTOR CO. LTD.	2.8%
HON HAI PRECISION IND CO. LTD.	2.7%
POSCO	2.6%
COGNIZANT TECH SOLUTIONS	2.5%
AMERICAN INTL GROUP INC.	2.3%
Total	30.4%

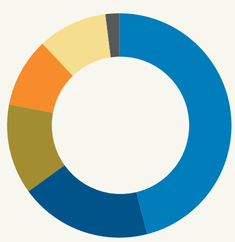
PORTFOLIO CHARACTERISTICS

	Strategy	Index
Price to Normal Earnings[1]	7.2x	15.3x*
Price / Earnings (1-Year Forecast)	8.6x	14.8x
Price / Book	0.7x	1.9x
Median Market Cap ($B)	$19.9	$6.8
Weighted Average Market Cap ($B)	$35.1	$172.5
Active Share	95.8%	-
Standard Deviation (5-Year)	19.0%	13.6%
Number of Stocks (model portfolio)	49	3,047

Source: MSCI ACWI Index, Pzena analysis

*Global universe median; [1]Pzena's estimate of normal earnings.

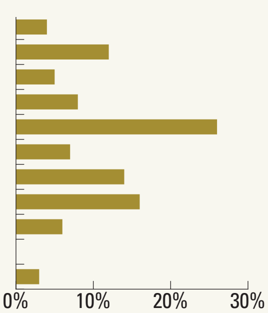
REGION CONCENTRATION



	Strategy	Index
North America	46%	59%
Europe ex-U.K.	19%	13%
United Kingdom	13%	4%
Emerging Markets	10%	12%
Japan	10%	8%
Dev. Asia ex-Japan	2%	1%
Australia/New Zealand	0%	2%

Country weights adjusted for cash - may appear higher than actual.

SECTOR WEIGHTS



	Strategy	Index
Communication Services	4%	9%
Consumer Discretionary	12%	11%
Consumer Staples	5%	9%
Energy	8%	4%
Financials	26%	14%
Health Care	7%	13%
Industrials	14%	10%
Information Technology	16%	19%
Materials	6%	4%
Real Estate	0%	3%
Utilities	3%	4%

Sector weights adjusted for cash - may appear higher than actual. Numbers may not add to 100% due to rounding.

PORTFOLIO STRATEGIES

PZENA INTERNATIONAL VALUE

Non-US equity markets fell sharply, as COVID-19 spread and economic activity came to a screeching halt in many parts of the world. Investors reacted to the unprecedented public health crisis, which is quickly morphing into an economic crisis, by fleeing to perceived safety.

Every sector of the market suffered losses during the quarter, with energy and financials down the most. The simultaneous collapse in demand and supply discipline led to the lowest oil price of the last 20 years, pressuring the fundamentals of energy businesses. Expectations of sharp economic contraction and rising nonperforming assets drove the valuation of financials to extremely depressed levels despite the industry entering the current downturn with de-risked business models and strong capital positions. Our positions in financials, energy, and industrials were the top detractors in the quarter.

Against this backdrop, our portfolio underperformed both the general and value indices. John Wood Group Plc (UK oil service company) was our largest individual detractor despite reporting good earnings and better cash flow, as the oil price decline overshadowed company-specific positive developments. Given the diversity of Wood Group's operations and its asset-light business model, we expect the company to weather the current industry downturn and remain profitable in a low oil price environment.

During the quarter we initiated two new positions – Panasonic Corp (Japanese industrial conglomerate), which is exiting loss-making businesses and refocusing on core segments and Suzuki Corp (Japanese automaker), the dominant small car manufacturer in India where demand has declined significantly in the last 12 months. We also added to our holdings in Michelin, Covestro, and Wood Group, while trimming our exposures to relative outperformers such as Enel, Roche, and WPP.

The massive flight to safety has led to some of the widest valuation dispersions of the last 50 years, and we believe our portfolio offers some of the most attractive valuations in our history. Our largest exposures remain to cyclical sectors – financials and industrials – where valuations are comparable to levels seen during the global financial crisis.■

PERFORMANCE SUMMARY

annualized as of March 31, 2020

	1Q	YTD	One Year	Three Year	Five Year	Ten Year	Since Inception 11/1/08
International Value - Gross	-30.3%	-30.3%	-23.2%	-6.6%	-2.6%	2.6%	6.2%
International Value - Net	-30.4%	-30.4%	-23.4%	-6.9%	-2.9%	2.3%	5.9%
MSCI EAFE Index	-22.8%	-22.8%	-14.4%	-1.8%	-0.6%	2.7%	5.0%
MSCI EAFE Value Index	-28.2%	-28.2%	-22.8%	-6.6%	-3.8%	0.6%	3.2%

See Calendar Year Returns, Performance/Portfolio notes and important risk information beginning on pg. 22.
Past Performance is not indicative of future results.

TOP 10 HOLDINGS

(See Portfolio Notes on page 23)

ROCHE HOLDING AG	3.3%
A.P. MOLLER - MAERSK A/S CLASS B	3.1%
HITACHI METALS LTD.	3.1%
SCHNEIDER ELECTRIC SE	3.0%
HONDA MOTOR CO. LTD.	2.9%
J SAINSBURY PLC	2.9%
FUJITSU LIMITED	2.7%
REXEL SA	2.6%
PANASONIC CORPORATION	2.5%
VOLKSWAGEN AG	2.3%
Total	28.4%

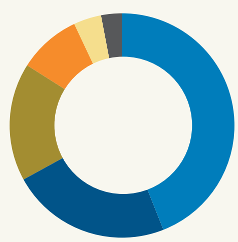
PORTFOLIO CHARACTERISTICS

	Strategy	Index
Price to Normal Earnings[1]	7.0x	15.2x*
Price/Earnings (1-Year Forecast)	8.8x	13.5x
Price/Book	0.7x	1.3x
Median Market Cap ($B)	$16.3	$8.2
Weighted Average Market Cap ($B)	$32.3	$55.6
Active Share	86.9%	-
Standard Deviation (5-Year)	17.5%	14.0%
Number of Stocks (model portfolio)	63	918

Source: MSCI EAFE Index, Pzena analysis

*EAFE universe median; [1]Pzena's estimate of normal earnings.

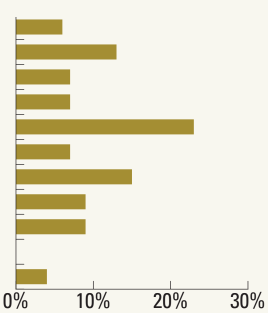
REGION CONCENTRATION



	Strategy	Index
Europe ex-U.K.	44%	47%
Japan	23%	26%
United Kingdom	17%	15%
Emerging Markets	9%	0%
Dev. Asia ex-Japan	4%	5%
North America	3%	0%
Australia/New Zealand	0%	6%
Dev. Africa/Middle East	0%	1%

Country weights adjusted for cash - may appear higher than actual.

SECTOR WEIGHTS



	Strategy	Index
Communication Services	6%	6%
Consumer Discretionary	13%	11%
Consumer Staples	7%	13%
Energy	7%	4%
Financials	23%	16%
Health Care	7%	14%
Industrials	15%	14%
Information Technology	9%	8%
Materials	9%	7%
Real Estate	0%	3%
Utilities	4%	4%

Sector weights adjusted for cash - may appear higher than actual. Numbers may not add to 100% due to rounding.

PZENA INTERNATIONAL FOCUSED VALUE

Non-US equity markets fell sharply in the first quarter, as COVID-19 spread and economic activity came to a screeching halt in many parts of the world.

Every sector of the market suffered losses during the quarter, with energy and financials down the most. The simultaneous collapse in demand and supply discipline led to the lowest oil price of the last 20 years, pressuring the fundamentals of energy businesses. Expectations of sharp economic contraction and rising nonperforming assets drove the valuation of financials to extremely depressed levels despite the industry entering the current downturn with de-risked business models and strong capital positions.

Against this backdrop, our portfolio underperformed both the general and value indices. John Wood Group Plc (UK oil service company) was our largest individual detractor despite reporting good earnings and better cash flow, as the oil price decline overshadowed company-specific positive developments. Given the diversity of Wood Group's operations and its asset-light business model, we expect the company to weather the current industry downturn and remain profitable in a low oil price environment.

During the quarter, we initiated three new positions – Panasonic Corp (Japanese industrial conglomerate), which is exiting loss-making businesses and refocusing on core segments, Covestro Ag, a German chemical company with a strong balance sheet whose earnings are at a cyclical trough, and Suzuki Corp (Japanese automaker), the dominant small car manufacturer in India where demand has declined significantly in the last 12 months. We also added to our holdings in Posco, Rexel, and Hon Hai while trimming Roche, Enel, and Hitachi Metals, and exiting Willis Towers Watson Plc and Compal.

The massive flight to safety has led to some of the widest valuation dispersions of the last 50 years, and we believe our portfolio offers some of the most attractive valuations in our history. Our largest exposures remain to cyclical sectors – financials and industrials – where valuations are comparable to levels seen during the global financial crisis.■

PERFORMANCE SUMMARY

annualized as of March 31, 2020

	1Q	YTD	One Year	Three Year	Five Year	Ten Year	Since Inception 1/1/04
International Focused Value-Gross	-31.8%	-31.8%	-24.9%	-7.0%	-2.3%	3.0%	3.9%
International Focused Value - Net	-31.9%	-31.9%	-25.2%	-7.4%	-2.8%	2.4%	3.1%
MSCI ACWI ex USA Index	-23.4%	-23.4%	-15.6%	-2.0%	-0.6%	2.1%	4.4%
MSCI ACWI ex USA Value Index	-28.5%	-28.5%	-23.7%	-6.5%	-3.5%	0.1%	3.3%

See Calendar Year Returns, Performance/Portfolio notes and important risk information beginning on pg. 22.
Past Performance is not indicative of future results.

TOP 10 HOLDINGS

(See Portfolio Notes on page 23)

A.P. MOLLER - MAERSK A/S CLASS B	3.9%
REXEL SA	3.8%
HONDA MOTOR CO. LTD.	3.4%
HON HAI PRECISION IND CO. LTD.	3.3%
J SAINSBURY PLC	3.2%
POSCO	3.2%
HITACHI METALS LTD.	2.9%
AMUNDI SA	2.7%
MICHELIN SCA	2.7%
UBS GROUP AG	2.7%
Total	31.8%

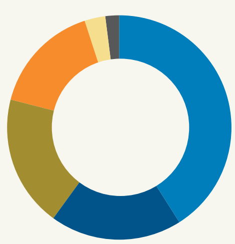
PORTFOLIO CHARACTERISTICS

	Strategy	Index
Price to Normal Earnings¹	6.2x	15.2x*
Price / Earnings (1-Year Forecast)	8.6x	12.9x
Price / Book	0.6x	1.3x
Median Market Cap ($B)	$15.9	$5.5
Weighted Average Market Cap ($B)	$24.5	$68.7
Active Share	93.9%	-
Standard Deviation (5-Year)	18.4%	14.4%
Number of Stocks (model portfolio)	47	2,411

Source: MSCI ACWI (ex USA) Index, Pzena analysis

*Intl (ex USA) universe median; ¹Pzena's estimate of normal earnings.

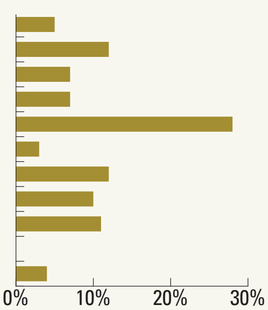
REGION CONCENTRATION



	Strategy	Index
Europe ex-U.K.	41%	31%
United Kingdom	19%	10%
Japan	19%	17%
Emerging Markets	16%	28%
Dev. Asia ex-Japan	3%	3%
North America	2%	6%
Australia/New Zealand	0%	4%

Country weights adjusted for cash - may appear higher than actual.

SECTOR WEIGHTS



	Strategy	Index
Communication Services	5%	7%
Consumer Discretionary	12%	12%
Consumer Staples	7%	10%
Energy	7%	5%
Financials	28%	19%
Health Care	3%	10%
Industrials	12%	11%
Information Technology	10%	10%
Materials	11%	7%
Real Estate	0%	3%
Utilities	4%	4%

Sector weights adjusted for cash - may appear higher than actual. Numbers may not add to 100% due to rounding.

PORTFOLIO STRATEGIES

PZENA EMERGING MARKETS FOCUSED VALUE

Global bourses declined sharply, driven by widespread fear from the COVID-19 pandemic, a sharp decline in oil, and a stronger US dollar. Emerging markets underperformed most developed markets. Value equities substantially underperformed across all geographies, creating the widest valuation spreads since the inception of this strategy.

Our Emerging Market Focused Value portfolio trailed the MSCI Emerging Markets Index, driven by holdings in financials, utilities, and technology; no sector contributed to performance on an absolute basis. South African energy and chemicals company Sasol was our largest detractor. Sasol fell substantially, as the steep oil price decline negatively impacted its cash flow, necessitating the announcement of a forthcoming dilutive capital raise. While the company has adequate liquidity and plans to raise cash through asset sales, we are waiting to add to the position until there is clarity on the size and price of the capital raise.

We initiated a position in Korean tire manufacturer, Hankook Tire. Hankook has been successful in building a global tire business by leveraging its low-cost operations. The company has a solid balance sheet and is attractively valued, as it increases its capacity in premium tires and its presence in North America. We also added to our positions in Lukoil, Posco, DB Insurance, and Aurobindo Pharmaceuticals on weakness. We exited our position in China Agri, as it was bought by its parent, and we trimmed China Shenhua, Norilsk Nickel, and China Construction Bank, all on relative strength.

While acknowledging the world is in uncharted waters and noting that the ranges of outcomes for our portfolio holdings have widened, we are excited by extremely cheap valuations. Though the value style in emerging markets has continued to lag, we have confidence in the portfolio and the universe of opportunities in our research pipeline. Our largest sector exposures remain to financials and information technology, and we have no exposure to real estate. Asia constitutes the largest geographic exposure in the portfolio, with the highest weights in China and Korea. We have a relative overweight to emerging Europe and a relative underweight to Latin America.■

PERFORMANCE SUMMARY annualized as of March 31, 2020

	1Q	YTD	One Year	Three Year	Five Year	Ten Year	Since Inception 1/1/08
Emerging Markets Focused Value-Gross	-31.9%	-31.9%	-28.2%	-6.7%	-0.6%	0.5%	0.3%
Emerging Markets Focused Value - Net	-32.0%	-32.0%	-28.8%	-7.4%	-1.4%	-0.2%	-0.5%
MSCI Emerging Markets Index	-23.6%	-23.6%	-17.7%	-1.6%	-0.4%	0.7%	-0.7%
MSCI Emerging Markets Value Index	-28.0%	-28.0%	-25.3%	-5.8%	-3.0%	-1.5%	-1.9%

See Calendar Year Returns, Performance/Portfolio notes and important risk information beginning on pg. 22. Past Performance is not indicative of future results.

TOP 10 HOLDINGS

(See Portfolio Notes on page 23)

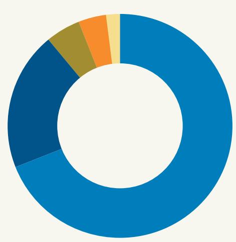
TAIWAN SEMICONDUCTOR MFG	4.5%
LUKOIL PJSC SPON ADR	4.3%
POSCO	3.8%
LENOVO GROUP LIMITED	3.4%
CHINA RESOURCES POWER HLDGS.	3.2%
SAMSUNG ELECTRONICS CO. LTD.	3.0%
ROSNEFT OIL CO. SPON GDR REGS	2.9%
HON HAI PRECISION IND CO. LTD.	2.9%
COGNIZANT TECH SOLUTIONS	2.8%
DB INSURANCE CO. LTD.	2.7%
Total	33.5%

PORTFOLIO CHARACTERISTICS

	Strategy	Index
Price to Normal Earnings[1]	6.4x	13.6x*
Price / Earnings (1-Year Forecast)	7.7x	11.6x
Price / Book	0.7x	1.4x
Median Market Cap ($B)	$5.9	$4.2
Weighted Average Market Cap ($B)	$35.1	$107.5
Active Share	87.4%	-
Standard Deviation (5-Year)	19.1%	17.4%
Number of Stocks (model portfolio)	48	1,404

Source: MSCI Emerging Markets Index, Pzena analysis
*EM universe median; [1]Pzena's estimate of normal earnings.

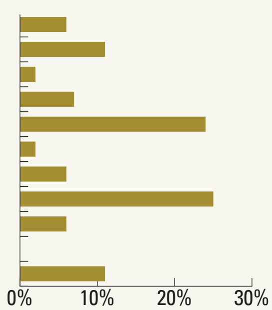
REGION CONCENTRATION



	Strategy	Index
Asia	68%	79%
Europe	20%	5%
North America	5%	0%
Africa/Middle East	4%	8%
Latin America	2%	8%

Country weights adjusted for cash - may appear higher than actual.

SECTOR WEIGHTS



	Strategy	Index
Communication Services	6%	13%
Consumer Discretionary	11%	15%
Consumer Staples	2%	7%
Energy	7%	6%
Financials	24%	22%
Health Care	2%	4%
Industrials	6%	5%
Information Technology	25%	17%
Materials	6%	7%
Real Estate	0%	3%
Utilities	11%	2%

Sector weights adjusted for cash - may appear higher than actual. Numbers may not add to 100% due to rounding.

PZENA EUROPEAN FOCUSED VALUE

Uncertainty about the economic impact of COVID-19 on the world economy has wreaked havoc on financial markets. Investors fear the global pandemic will tip the world into a severe and prolonged recession, creating a flight to safety without consideration of an economic recovery once the crisis abates. European markets followed all world indices sharply lower, and value significantly underperformed growth. Against this backdrop, our portfolio underperformed the MSCI Europe Index, driven by holdings in financials, industrials, and energy, while there were no significant positive contributing sectors.

John Wood Group Plc (UK oil services company) was our largest individual detractor despite reporting good earnings and better cash flow, as the oil price decline overshadowed company-specific positive developments. Given its diverse operation and asset-light business model, we expect Wood Group to weather the current industry downturnand remain profitable in a low oil price environment.

During the quarter, we initiated a new position in Centrica Plc, a UK utility. As the leading provider of retail gas and electricity in the UK, Centrica has an established and difficult-to-replicate market position. We also added to our positions in Salzgitter (steel), Subsea 7 (oil services), and chemical companies BASF and Covestro. To fund these purchases, we exited Willis Towers Watson (insurance broker) and Total (integrated oil) and trimmed our positions in Roche (pharmaceuticals) and Schneider (electrical equipment). Generally, we are using this opportunity to trim holdings in perceived “safer” sectors to own more of the companies that have disproportionately sold off despite our view that they will be winners coming out of this period of uncertainty.

The massive flight to safety has led to some of the widest valuation dispersions of the last 50 years, and we believe our portfolio offers some of the most attractive valuations in our history. Our largest exposures remain to cyclical sectors – financials and industrials – where valuations are comparable to levels seen during the global financial crisis.■

PERFORMANCE SUMMARY annualized as of March 31, 2020

	1Q	YTD	One Year	Three Year	Five Year	Ten Year	Since Inception 8/1/08
European Focused Value - Gross	-38.3%	-38.3%	-32.7%	-11.3%	-5.8%	1.1%	0.8%
European Focused Value - Net	-38.3%	-38.3%	-32.9%	-11.6%	-6.2%	0.8%	0.4%
MSCI Europe Index	-24.3%	-24.3%	-15.5%	-2.3%	-1.3%	2.5%	0.6%
MSCI Europe Value Index	-30.8%	-30.8%	-25.3%	-7.4%	-4.8%	-0.2%	-1.8%

See Calendar Year Returns, Performance/Portfolio notes and important risk information beginning on pg. 22. Past Performance is not indicative of future results.

TOP 10 HOLDINGS

(See Portfolio Notes on page 23)

SALZGITTER AG	4.3%
BALFOUR BEATTY PLC	4.2%
A.P. MOLLER-MAERSK A/S CLASS B	4.2%
J SAINSBURY PLC	4.1%
REXEL SA	3.9%
ENEL SPA	3.4%
BASF SE	3.3%
UBS GROUP AG	2.9%
VOLKSWAGEN AG	2.9%
MICHELIN SCA	2.8%
Total	36.0%

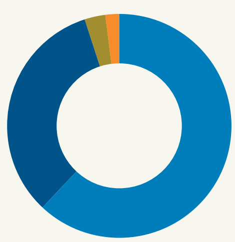
PORTFOLIO CHARACTERISTICS

	Strategy	Index
Price to Normal Earnings[1]	6.8x	13.8x*
Price / Earnings (1-Year Forecast)	9.0x	13.8x
Price / Book	0.5x	1.5x
Median Market Cap ($B)	$11.1	$10.2
Weighted Average Market Cap ($B)	$25.5	$68.3
Active Share	88.4%	-
Standard Deviation (5-Year)	20.5%	14.8%
Number of Stocks (model portfolio)	41	438

Source: MSCI Europe Index, Pzena analysis

*European universe median; [1]Pzena's estimate of normal earnings.

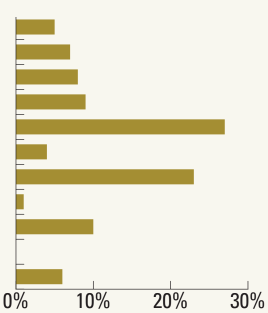
REGION CONCENTRATION



	Strategy	Index
Europe ex-U.K.	62%	76%
United Kingdom	33%	24%
North America	3%	0%
Emerging Markets	2%	0%

Country weights adjusted for cash - may appear higher than actual.

SECTOR WEIGHTS



	Strategy	Index
Communication Services	5%	4%
Consumer Discretionary	7%	9%
Consumer Staples	8%	16%
Energy	9%	6%
Financials	27%	16%
Health Care	4%	17%
Industrials	23%	13%
Information Technology	1%	7%
Materials	10%	7%
Real Estate	0%	1%
Utilities	6%	5%

Sector weights adjusted for cash - may appear higher than actual. Numbers may not add to 100% due to rounding.

PZENA LARGE CAP VALUE (US)

Uncertainty around the human and economic toll of COVID-19 caused global financial markets to plunge. Our portfolios were not immune; they significantly underperformed both the market and value benchmarks given our positioning in economically sensitive businesses.

Valuations in the portfolio have reached extreme levels, and we have focused our efforts on stress testing the financial liquidity of our holdings in a severe and sustained economic downturn. During the quarter, we shifted the portfolio from names that have held up relatively well into the most compelling valuation opportunities. To that end, we trimmed our positions in Bristol-Myers Squibb, Amgen, Walmart, and Edison, and added to our positions in Gildan, Stanley Black and Decker, Royal Dutch Shell, and Halliburton. We also added one new name to the portfolio, Dow Chemical.

Dow operates a fleet of ethylene crackers around the world that use either naphtha (an oil derivative) or ethane (a natural gas derivative) as feedstock. Due to global oversupply, ethylene margins are at or near historical trough levels. Until recently, Dow's ethane-based crackers in the US Gulf Coast have benefitted from a meaningful feedstock advantage with access to cheap ethane produced as a by-product of US shale drilling. The recent sharp decline in oil prices has the market worried about the collapse in the oil-to-gas spread and the possibility of permanent impairment of Dow's earnings power. With a free-cash-flow yield north of 10%, even in an adverse scenario we believe that Dow represents an attractive investment opportunity.

While all sectors were down, financial services, consumer discretionary, and energy fell the most. Halliburton was the largest individual detractor as Saudi Arabia announced plans to take back market share by increasing production, sending oil prices plummeting. Halliburton shares were already cheap as upstream capital expenditures had been running at depressed levels for years.

Ultimately, we believe that oil prices will recover, and Halliburton will benefit from increased activity. In the interim, Halliburton should be able to generate positive free cash flow even in a prolonged low oil price environment. We added to the position on the weakness.

Capital One shares were also weak as uncertainty about potential losses in its credit card book due to rising unemployment weighed on shares. We believe that, even in very adverse conditions, Capital One's losses are unlikely to require the company to raise capital.

Market volatility in recent weeks highlights widespread uncertainty as the world wrestles with COVID-19. We continue to engage with the management teams of our holdings to ensure their ability to manage through the uncertainty without capital impairment while at the same time searching through the wreckage for new investment opportunities. ■

PERFORMANCE SUMMARY

annualized as of March 31, 2020

	1Q	YTD	One Year	Three Year	Five Year	Since Inception 7/1/12
Large Cap Value-Gross	-37.1%	-37.1%	-28.0%	-7.7%	-1.1%	6.3%
Large Cap Value - Net	-37.2%	-37.2%	-28.2%	-7.9%	-1.3%	6.1%
Russell 1000® Value Index	-26.7%	-26.7%	-17.2%	-2.2%	1.9%	7.7%

See Calendar Year Returns, Performance/Portfolio notes and important risk information beginning on pg. 22.

Past Performance is not indicative of future results.

TOP 10 HOLDINGS

(See Portfolio Notes on page 23)

GENERAL ELECTRIC COMPANY	4.0%
STANLEY BLACK & DECKER INC.	3.1%
MCKESSON CORPORATION	2.9%
JPMORGAN CHASE & CO.	2.9%
LEAR CORPORATION	2.9%
BANK OF AMERICA CORP	2.9%
MORGAN STANLEY	2.8%
FORD MOTOR COMPANY	2.7%
CITIGROUP INC.	2.7%
AMGEN INC.	2.7%
Total	29.6%

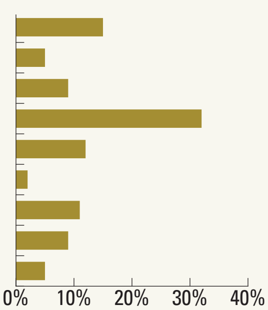
PORTFOLIO CHARACTERISTICS

	Strategy	Index
Price to Normal Earnings[1]	7.5x	15.3x*
Price / Earnings (1-Year Forecast)	8.6x	13.0x
Price / Book	0.9x	1.6x
Median Market Cap ($B)	$19.4	$6.3
Weighted Average Market Cap ($B)	$55.2	$98.8
Active Share	82.3%	-
Standard Deviation (5-Year)	19.3%	14.7%
Number of Stocks (model portfolio)	55	765

Source: Russell 1000® Value, Pzena analysis

*Large Cap universe median; [1]Pzena's estimate of normal earnings.

SECTOR WEIGHTS



	Strategy	Index
Consumer Discretionary	15%	11%
Consumer Staples	5%	10%
Energy	9%	5%
Financial Services	32%	27%
Health Care	12%	15%
Materials & Processing	2%	4%
Producer Durables	11%	9%
Technology	9%	7%
Utilities	5%	12%

Sector weights adjusted for cash - may appear higher than actual. Numbers may not add to 100% due to rounding.

PORTFOLIO STRATEGIES

PZENA LARGE CAP FOCUSED VALUE (US)

Uncertainty around the human and economic toll of COVID-19 caused global financial markets to plunge. Our portfolios were not immune; they significantly underperformed both the market and value benchmarks given our positioning in economically sensitive businesses.

Valuations in the portfolio have reached extreme levels, and we have focused our efforts on stress testing the financial liquidity of our holdings in a severe and sustained economic downturn. During the quarter, we shifted the portfolio from names that have held up relatively well into the most compelling valuation opportunities. To that end, we trimmed our positions in Edison, McKesson, Amgen, and Oracle and added to our positions in AIG, Halliburton, Citigroup, General Electric, and Gildan. We also added one new name to the portfolio, Dow Chemical.

Dow operates a fleet of ethylene crackers around the world that use either naphtha (an oil derivative) or ethane (a natural gas derivative) as feedstock. Due to global oversupply, ethylene margins are at or near historical trough levels. Until recently, Dow's ethane-based crackers on the US Gulf Coast have benefitted from a meaningful feedstock advantage with access to cheap ethane produced as a by-product of US shale drilling. The recent sharp decline in oil prices has the market worried about the collapse in the oil-to-gas spread and the possibility of permanent impairment of Dow's earnings power. With a free-cash-flow yield north of 10%, even in an adverse scenario we believe that Dow represents an attractive investment opportunity.

While all sectors were down, financial services, consumer discretionary, and energy fell the most. Halliburton was the largest individual detractor, as Saudi Arabia announced plans to take back market share by increasing production, sending oil prices plummeting. Halliburton shares were already cheap, as upstream capital expenditures had been running at depressed levels for years. Ultimately, we believe that oil prices will recover, and Halliburton will benefit from increased activity. In the interim, Halliburton should be able to generate positive free cash flow even in a prolonged low oil price environment. We added to the position on the weakness.

Capital One shares were also weak, as uncertainty about potential losses in its credit card book due to rising unemployment weighed on shares. We believe that, even in very adverse conditions, Capital One's losses are unlikely to require the company to raise capital.

Market volatility in recent weeks highlights widespread uncertainty as the world wrestles with COVID-19. We continue to engage with the management teams of our holdings to ensure their ability to manage through the uncertainty without capital impairment while at the same time searching through the wreckage for new investment opportunities.■

PERFORMANCE SUMMARY annualized as of March 31, 2020

	1Q	YTD	One Year	Three Year	Five Year	Ten Year	Since Inception 10/1/00
Large Cap Focused Value-Gross	-40.9%	-40.9%	-32.8%	-10.4%	-2.6%	4.6%	4.5%
Large Cap Focused Value - Net	-40.9%	-40.9%	-33.0%	-10.7%	-3.0%	4.2%	4.1%
Russell 1000® Value Index	-26.7%	-26.7%	-17.2%	-2.2%	1.9%	7.7%	5.3%

See Calendar Year Returns, Performance/Portfolio notes and important risk information beginning on pg. 22.

Past Performance is not indicative of future results.

TOP 10 HOLDINGS

(See Portfolio Notes on page 23)

GENERAL ELECTRIC COMPANY	5.3%
CITIGROUP INC.	4.1%
AMERICAN INTL GROUP INC.	3.9%
LEAR CORPORATION	3.7%
HEWLETT PACKARD ENTERPRISE	3.6%
WELLS FARGO & COMPANY	3.5%
CAPITAL ONE FINANCIAL CORP	3.4%
MCKESSON CORPORATION	3.4%
NEWELL BRANDS INC.	3.3%
FORD MOTOR COMPANY	3.3%
Total	37.5%

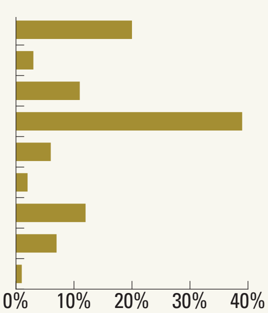
PORTFOLIO CHARACTERISTICS

	Strategy	Index
Price to Normal Earnings[1]	6.3x	15.3x*
Price / Earnings (1-Year Forecast)	8.0x	13.0x
Price / Book	0.8x	1.6x
Median Market Cap ($B)	$15.4	$6.3
Weighted Average Market Cap ($B)	$40.0	$98.8
Active Share	89.7%	-
Standard Deviation (5-Year)	21.7%	14.7%
Number of Stocks (model portfolio)	38	765

Source: Russell 1000® Value, Pzena analysis

*Large Cap Universe Median; [1]Pzena's estimate of normal earnings.

SECTOR WEIGHTS



	Strategy	Index
Consumer Discretionary	20%	11%
Consumer Staples	3%	10%
Energy	11%	5%
Financial Services	39%	27%
Health Care	6%	15%
Materials & Processing	2%	4%
Producer Durables	12%	9%
Technology	7%	7%
Utilities	1%	12%

Sector weights adjusted for cash - may appear higher than actual. Numbers may not add to 100% due to rounding.

PORTFOLIO STRATEGIES

PZENA FOCUSED VALUE (US)

Uncertainty around the human and economic toll of COVID-19 caused global financial markets to plunge. Our portfolios were not immune; they significantly underperformed both the market and value benchmarks given our positioning in economically sensitive businesses.

Valuations in the portfolio have reached extreme levels, and we have focused our efforts on stress testing the financial liquidity of our holdings in a severe and sustained economic downturn. During the quarter, we shifted the portfolio from names that have held up relatively well into the most compelling valuation opportunities. To that end, we trimmed our positions in McKesson, AECOM, Oracle, and Edison, and added to our positions in AIG, Ryder, Wells Fargo, and Halliburton. We also added one new name to the portfolio, Dow Chemical.

Dow operates a fleet of ethylene crackers around the world that use either naphtha (an oil derivative) or ethane (a natural gas derivative) as feedstock. Due to global oversupply, ethylene margins are at or near historical trough levels. Until recently, Dow's ethane-based crackers on the US Gulf Coast have benefitted from a meaningful feedstock advantage with access to cheap ethane produced as a by-product of US shale drilling. The recent sharp decline in oil prices has the market worried about the collapse in the oil-to-gas spread and the possibility of permanent impairment of Dow's earnings power. With a free cash flow yield north of 10%, even in an adverse scenario we believe that Dow represents an attractive investment opportunity.

While all sectors were down, financial services, consumer discretionary, and energy fell the most. Capital One was the largest individual detractor, as uncertainty about potential losses in its credit card book due to rising unemployment weighed on the shares. We believe that, even in very adverse conditions, Capital One's losses are unlikely to require the company to raise capital. PVH's Calvin Klein and Tommy Hilfiger brands are expected to experience a freefall in sales during the forced shutdown of retail outlets in the US and Europe. We see the company taking aggressive cost actions to minimize cash burn during the shutdown, which, coupled with a strong liquidity profile, leads us to believe PVH is positioned to survive the current crisis and take market share from weaker competitors. We seized this opportunity to add to our position on weakness.

Market volatility in recent weeks highlights widespread uncertainty as the world wrestles with COVID-19. We have been engaging with the management teams of our holdings to ensure their ability to manage through the uncertainty without capital impairment, while at the same time searching through the wreckage for new investment opportunities. ■

PERFORMANCE SUMMARY annualized as of March 31, 2020

	1Q	YTD	One Year	Three Year	Five Year	Ten Year	Since Inception 1/1/96
Focused Value-Gross	-41.2%	-41.2%	-33.4%	-12.0%	-3.8%	4.6%	8.0%
Focused Value - Net	-41.3%	-41.3%	-33.8%	-12.4%	-4.3%	4.0%	7.2%
Russell 1000® Value Index	-26.7%	-26.7%	-17.2%	-2.2%	1.9%	7.7%	7.5%

See Calendar Year Returns, Performance/Portfolio notes and important risk information beginning on pg. 22.

Past Performance is not indicative of future results.

TOP 10 HOLDINGS

(See Portfolio Notes on page 23)

MCKESSON CORPORATION	5.0%
GENERAL ELECTRIC COMPANY	4.6%
LEAR CORPORATION	4.1%
CITIGROUP INC.	3.8%
AMERICAN INTL GROUP INC.	3.8%
AVNET INC.	3.4%
CAPITAL ONE FINANCIAL CORP	3.4%
FORD MOTOR COMPANY	3.3%
EQUITABLE HOLDINGS INC.	3.3%
COGNIZANT TECH SOLUTIONS	3.2%
Total	37.9%

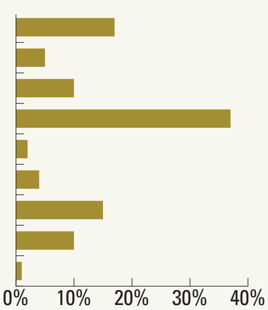
PORTFOLIO CHARACTERISTICS

	Strategy	Index
Price to Normal Earnings[1]	6.3x	14.3x*
Price / Earnings (1-Year Forecast)	8.3x	13.0x
Price / Book	0.7x	1.6x
Median Market Cap ($B)	$13.1	$6.3
Weighted Average Market Cap ($B)	$37.6	$98.8
Active Share	88.5%	-
Standard Deviation (5-Year)	22.3%	14.7%
Number of Stocks (model portfolio)	39	765

Source: Russell 1000® Value, Pzena analysis

*Value universe median; [1]Pzena's estimate of normal earnings.

SECTOR WEIGHTS



	Strategy	Index
Consumer Discretionary	17%	11%
Consumer Staples	5%	10%
Energy	10%	5%
Financial Services	37%	27%
Health Care	2%	15%
Materials & Processing	4%	4%
Producer Durables	15%	9%
Technologies	10%	7%
Utilities	1%	12%

Sector weights adjusted for cash - may appear higher than actual. Numbers may not add to 100% due to rounding.

PZENA MID CAP FOCUSED VALUE (US)

Uncertainty around the human and economic toll of COVID-19 caused global financial markets to plunge. Our portfolios were not immune; they significantly underperformed both the market and value benchmarks given our positioning in economically sensitive businesses.

Halliburton and National Oilwell Varco (NOV) were two of the largest detractors, as Saudi Arabia announced plans to take back market share by increasing production, resulting in the simultaneous collapse of both supply and demand discipline, leading to the lowest oil price of the last 20 years. We have stress tested the free cash flow and balance sheet of both Halliburton and NOV assuming a depressed oil price over the next two years. We are comfortable with the operational and balance sheet resilience of these two companies and view them as offering some of the most compelling value opportunities in the market today.

Valuations in the portfolio have reached extreme levels, and we have focused our efforts on stress testing the financial liquidity of our holdings in a severe and sustained economic downturn. We then shifted the portfolio from names that have held up relatively well into the most compelling valuation opportunities. To that end, we trimmed our positions in Cardinal, McKesson, Edison, and Mylan, and added to our positions in CNO, Halliburton, Baker Hughes, Ryder, PVH, and Stanley Black and Decker.

We initiated a position in Dow Chemical, which operates a fleet of ethylene crackers around the world that use either naphtha (an oil derivative) or ethane (a natural gas derivative) as feedstock. With some diversification from its polyurethane and silicon businesses and minimal capex needs, we calculate a free-cash-flow yield north of 10%, even in an adverse scenario. We also added American International Group, Inc. (AIG) a leading insurance company. Based on our stressed scenario (which includes cutting ROE in the life business to 2009 levels), we believe that earnings should remain positive even though they will turn down, and we don't believe the company is likely to suffer material deterioration in its capital position. We also added Ford, a US auto manufacturer that generates a significant percent of its profits from pickup trucks and SUVs. We believe the company has good downside protection given its $37bn of cash on the balance sheet and the current union agreement, which provides more flexibility than the one that was in place during the last recession.

Market volatility in recent weeks highlights widespread uncertainty as the world wrestles with COVID-19. This has resulted in the widest valuation dispersions in the last 50 years and some of the most attractive valuations in our history. We continue to engage with the management teams of our holdings to ensure their ability to manage through uncertainty without capital impairment, while at the same time searching through the wreckage for new investment opportunities.■

PERFORMANCE SUMMARY annualized as of March 31, 2020

	1Q	YTD	One Year	Three Year	Five Year	Ten Year	Since Inception 9/1/98
Mid Cap Focused Value-Gross	-42.3%	-42.3%	-33.5%	-13.0%	-3.8%	6.0%	9.3%
Mid Cap Focused Value - Net	-42.5%	-42.5%	-34.0%	-13.6%	-4.4%	5.3%	8.6%
Russell Midcap® Value Index	-31.7%	-31.7%	-24.1%	-6.0%	-0.8%	7.2%	8.2%

See Calendar Year Returns, Performance/Portfolio notes and important risk information beginning on pg. 22.

Past Performance is not indicative of future results.

TOP 10 HOLDINGS

(See Portfolio Notes on page 23)

CNO FINANCIAL GROUP INC.	4.2%
LEAR CORPORATION	4.2%
EQUITABLE HOLDINGS INC.	3.5%
VOYA FINANCIAL INC.	3.5%
AXIS CAPITAL HOLDINGS LIMITED	3.4%
WABTEC	3.4%
NEWELL BRANDS INC.	3.3%
AVNET INC.	3.2%
RYDER SYSTEM INC.	3.1%
JELD-WEN HOLDING INC.	3.1%
Total	34.9%

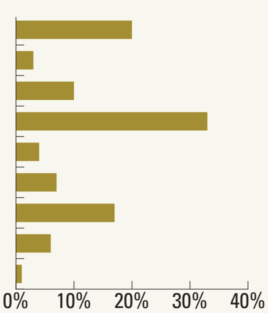
PORTFOLIO CHARACTERISTICS

	Strategy	Index
Price to Normal Earnings[1]	6.2x	13.6x*
Price / Earnings (1-Year Forecast)	7.9x	12.5x
Price / Book	0.7x	1.4x
Median Market Cap ($B)	$5.8	$4.9
Weighted Average Market Cap ($B)	$7.4	$12.3
Active Share	93.9%	-
Standard Deviation (5-Year)	23.5%	16.8%
Number of Stocks (model portfolio)	41	632

Source: Russell Midcap® Value, Pzena analysis

*Mid Cap universe median; [1]Pzena's estimate of normal earnings.

SECTOR WEIGHTS



	Strategy	Index
Consumer Discretionary	20%	11%
Consumer Staples	3%	7%
Energy	10%	3%
Financial Services	33%	31%
Health Care	4%	8%
Materials & Processing	7%	8%
Producer Durables	17%	10%
Technology	6%	8%
Utilities	1%	14%

Sector weights adjusted for cash - may appear higher than actual. Numbers may not add to 100% due to rounding.

PORTFOLIO STRATEGIES

PZENA SMALL CAP FOCUSED VALUE (US)

Uncertainty around the human and economic toll of COVID-19 caused global financial markets to plunge. Initial concerns around supply chains in Asia expanded to production and demand issues in the United States and throughout the world. While markets fell precipitously, value stocks and small-cap shares were hit especially hard.

Our small-cap portfolio underperformed in a period where every sector was negative for both the portfolio and the benchmark. The portfolio's largest detracting sectors were financial services, producer durables, and energy. In a quarter that spared no names, two of the biggest detractors were oilfield services company NexTier Oilfield Solutions and exploration and production company Murphy Oil. Both were down on lower oil prices driven by lower demand and, more significantly, the oil price war between Russia and Saudi Arabia. We took the opportunity to buy more Murphy and add another oil services company, National Oilwell Varco (NOV), to the portfolio.

In fact, we capitalized on the market dislocation by adding five new names overall. We also added Belden, a signal transmission company that makes connectors and wires. Over the past 15 years, the company transformed itself from a commodity provider to a specialty company with much higher margins and more differentiated offerings. And we initiated a position in Poly, the communications company formed by the acquisition of Polycom by Plantronics. After an extended period of poor execution, we believe the company is positioned to correct its missteps, and the stock price more than discounts its strong market position and depressed current earnings. We diversified our banking positions and took advantage of low valuations amid concerns over low interest rates by adding Pennsylvania bank Univest Financial and Pacific Northwest regional bank Umpqua. Finally, we initiated a position in NOV, a leading supplier of capital equipment used on offshore drilling rigs and land drilling rigs. While this business will be hurt by lower oil prices, the company has a leading market position, strong liquidity, and products that will ultimately be in demand as oil supplies naturally deplete without further exploration. We funded these purchases by exiting Anixter (distributor), Jabil (outsourced manufacturer), and Gibraltar (building products), all on valuation.

While the start to the year was challenging for all investors, particularly value-focused small cap investors, it has created an abundance of opportunities as demonstrated by the names added during the quarter and by the increase in names currently going through the research pipeline. We are finding opportunities across a wide range of sectors, and we continue to diligently research companies that are underappreciated by the market but have liquidity and capital structures to avoid permanent impairment.■

PERFORMANCE SUMMARY

annualized as of March 31, 2020

	1Q	YTD	One Year	Three Year	Five Year	Ten Year	Since Inception 1/1/96
Small Cap Focused Value-Gross	-42.7%	-42.7%	-35.1%	-12.4%	-3.0%	5.7%	10.6%
Small Cap Focused Value - Net	-42.9%	-42.9%	-35.7%	-13.2%	-4.0%	4.6%	9.4%
Russell 2000® Value Index	-35.7%	-35.7%	-29.6%	-9.5%	-2.4%	4.8%	7.5%

See Calendar Year Returns, Performance/Portfolio notes and important risk information beginning on pg. 22.

Past Performance is not indicative of future results.

TOP 10 HOLDINGS

(See Portfolio Notes on page 23)

CNO FINANCIAL GROUP INC.	4.3%
AXIS CAPITAL HOLDINGS LIMITED	4.2%
ASSOCIATED BANC-CORP	3.8%
JELD-WEN HOLDING INC.	3.5%
RYDER SYSTEM INC.	3.3%
SCANSOURCE INC.	3.2%
SUPER MICRO COMPUTER INC.	3.2%
ENERPAC TOOL GROUP CORP	3.2%
AMERICAN EQUITY INVT LIFE HLDG	3.1%
BELDEN INC.	3.1%
Total	34.9%

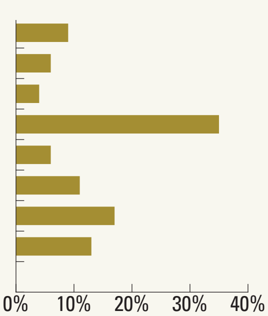
PORTFOLIO CHARACTERISTICS

	Strategy	Index
Price to Normal Earnings[1]	6.0x	11.4x*
Price / Earnings (1-Year Forecast)	8.3x	10.7x
Price / Book	0.6x	0.9x
Median Market Cap ($B)	$1.1	$0.4
Weighted Average Market Cap ($B)	$1.4	$1.6
Active Share	96.5%	-
Standard Deviation (5-Year)	24.3%	19.8%
Number of Stocks (model portfolio)	42	1,391

Source: Russell 2000® Value, Pzena analysis

*Small Cap universe median; [1]Pzena's estimate of normal earnings.

SECTOR WEIGHTS



	Strategy	Index
Consumer Discretionary	9%	10%
Consumer Staples	6%	3%
Energy	4%	3%
Financial Services	35%	41%
Health Care	6%	6%
Materials & Processing	11%	6%
Producer Durables	17%	12%
Technology	13%	10%
Utilities	0%	8%

Sector weights adjusted for cash - may appear higher than actual. Numbers may not add to 100% due to rounding.

Calendar Year Returns

GLOBAL VALUE

	2015	2016	2017	2018	2019
Global Value - Gross	-3.6%	11.4%	24.1%	-14.6%	22.9%
Global Value - Net	-4.0%	11.0%	23.7%	-15.0%	22.4%
MSCI World Index	-0.9%	7.5%	22.4%	-8.7%	27.7%
MSCI World Value Index	-4.8%	12.3%	17.1%	-10.8%	21.7%

GLOBAL FOCUSED VALUE

	2015	2016	2017	2018	2019
Global Focused Value - Gross	-5.7%	12.8%	25.1%	-16.8%	23.6%
Global Focused Value - Net	-6.3%	12.1%	24.4%	-17.2%	23.0%
MSCI ACWI Index	-2.4%	7.9%	24.0%	-9.4%	26.6%
MSCI ACWI Value Index	-6.3%	12.6%	18.3%	-10.8%	20.6%

INTERNATIONAL VALUE

	2015	2016	2017	2018	2019
International Value - Gross	-1.6%	6.0%	25.5%	-15.4%	18.1%
International Value - Net	-1.8%	5.7%	25.1%	-15.7%	17.7%
MSCI EAFE Index	-0.8%	1.0%	25.0%	-13.8%	22.0%
MSCI EAFE Value Index	-5.7%	5.0%	21.4%	-14.8%	16.1%

INTERNATIONAL FOCUSED VALUE

	2015	2016	2017	2018	2019
International Focused Value - Gross	-2.2%	8.5%	27.8%	-15.5%	18.5%
International Focused Value - Net	-2.6%	7.9%	27.1%	-15.9%	17.9%
MSCI ACWI ex USA Index	-5.7%	4.5%	27.2%	-14.2%	21.5%
MSCI ACWI ex USA Value Index	-10.1%	8.9%	22.7%	-14.0%	15.7%

EMERGING MARKETS FOCUSED VALUE

	2015	2016	2017	2018	2019
EM Focused Value - Gross	-15.6%	23.0%	31.7%	-9.2%	13.4%
EM Focused Value - Net	-16.3%	22.1%	30.8%	-9.9%	12.6%
MSCI Emerging Markets Index	-14.9%	11.2%	37.3%	-14.6%	18.4%
MSCI Emerging Markets Value Index	-18.6%	14.9%	28.1%	-10.7%	11.9%

EUROPEAN FOCUSED VALUE

	2015	2016	2017	2018	2019
European Focused Value - Gross	-3.6%	7.0%	30.1%	-20.3%	17.4%
European Focused Value - Net	-4.0%	6.6%	29.6%	-20.6%	16.9%
MSCI Europe Index	-2.8%	-0.4%	25.5%	-14.9%	23.8%
MSCI Europe Value Index	-9.6%	4.3%	23.3%	-15.9%	17.4%

LARGE CAP VALUE

	2015	2016	2017	2018	2019
Large Cap Value - Gross	-4.7%	20.8%	17.9%	-13.4%	26.0%
Large Cap Value - Net	-4.9%	20.6%	17.7%	-13.6%	25.8%
Russell 1000® Value	-3.8%	17.3%	13.7%	-8.3%	26.5%

LARGE CAP FOCUSED VALUE

	2015	2016	2017	2018	2019
Large Cap Focused Value - Gross	-6.1%	23.3%	18.2%	-16.2%	26.5%
Large Cap Focused Value - Net	-6.4%	22.8%	17.8%	-16.5%	26.0%
Russell 1000® Value	-3.8%	17.3%	13.7%	-8.3%	26.5%

FOCUSED VALUE

	2015	2016	2017	2018	2019
Focused Value - Gross	-5.6%	24.7%	17.0%	-20.1%	26.9%
Focused Value - Net	-6.2%	24.1%	16.4%	-20.4%	26.2%
Russell 1000® Value	-3.8%	17.3%	13.7%	-8.3%	26.5%

MID CAP FOCUSED VALUE

	2015	2016	2017	2018	2019
Mid Cap Focused Value - Gross	-2.7%	27.7%	15.8%	-20.9%	29.6%
Mid Cap Focused Value - Net	-3.3%	27.0%	15.1%	-21.4%	28.8%
Russell Midcap® Value	-4.8%	20.0%	13.3%	-12.3%	27.1%

SMALL CAP FOCUSED VALUE

	2015	2016	2017	2018	2019
Small Cap Focused Value - Gross	-0.2%	31.7%	4.8%	-13.1%	26.7%
Small Cap Focused Value - Net	-1.2%	30.3%	3.8%	-14.0%	25.5%
Russell 2000® Value	-7.5%	31.7%	7.8%	-12.9%	22.4%

See Performance/Portfolio notes and important risk information beginning on the following page.

Past Performance is not indicative of future results.

PORTFOLIO NOTES

The specific portfolio securities discussed in the portfolio strategy sections and Global Research Review of this report were selected for inclusion based on their ability to help you understand our investment model for that particular product strategy. They do not represent all of the securities purchased or sold or recommended for our client accounts during the quarter, and it should not be assumed that investments in such securities were or will be profitable. The portfolio security discussed in the Highlighted Holding section of this report was held in our Global Focused Value, Global Value, International Focused Value, International Value, and European Focused Value strategies during the first quarter of 2020. This security was selected to illustrate our research process and not based on performance. Top 10 holdings for our strategies have been derived from the strategy's composite. Holdings will vary among client accounts as a result of different product strategies having been selected thereby. Holdings also may vary among client accounts as a result of opening dates, cash flows, tax strategies, etc. There is no assurance that any securities discussed herein remain in your portfolio at the time you receive this report or that securities sold have not been repurchased. The securities discussed do not represent an account's entire portfolio and in the aggregate may represent only a small percentage of an account's portfolio holdings.

The contents of this document are for informational purposes only, and highlight certain investment strategies that Pzena Investment Management, LLC ("PIM") manages. It does not constitute an offer to sell, or a solicitation of an offer to buy, any strategy referenced herein.

PERFORMANCE NOTES

Pzena Investment Management, LLC ("PIM") is a registered investment adviser that follows a classic value investment approach. PIM is the operating company of Pzena Investment Management, Inc. Pzena Investment Management, Inc. is a publicly traded company whose shares are listed on the New York Stock Exchange under the ticker symbol "PZN." As of 12/31/19, PIM managed $39,209 million in assets under various U.S., international and global value investment strategies.

Pzena Investment Management, LLC claims compliance with Global Investment Performance Standards (GIPS®) and has been verified for the period January 1, 1996 to December 31, 2019. The performance included herein is an abbreviated presentation of composite performance. Additional information is available upon request regarding policies for calculating and reporting returns. To receive a complete list and description of PIM's composites and/or a full presentation that adheres to the GIPS standards, contact Joan Berger at (212) 583-1291, or write to PIM, 320 Park Avenue, 8th Floor, New York, NY 10022 or berger@pzena.com.

Past performance is no guarantee of future results, and the past performance of any accounts or commingled funds managed by PIM should not be considered indicative of the future performance of any accounts or commingled funds managed by PIM. Investment return and principal value of an investment will fluctuate over time. The performance information provided is historical in nature. The performance information presented for each investment strategy represents composite performance of separately-managed accounts and/or commingled funds (depending on the particular investment strategy presented).

PERFORMANCE NOTES SPECIFIC TO DOMESTIC PRODUCTS

The domestic product returns presented in this report are for our Pzena Large Cap Focused Value, Pzena Focused Value, Pzena Mid Cap Focused Value, Pzena Small Cap Focused Value, and Pzena Large Cap Value composites. Pzena Large Cap Focused Value is a portfolio generally consisting of 30-40 stocks generally taken from a universe of the largest 500 U.S.-traded companies at the time of initial purchase; Pzena Focused Value is a portfolio generally consisting of 30-40 stocks generally taken from a universe of the largest 1,000 U.S.-traded companies at the time of initial purchase; Pzena Mid Cap Focused Value is a portfolio generally consisting of 30-40 stocks generally taken from a universe of 1,000 U.S.-traded companies ranked 201-1,200 in terms of market capitalization at the time of initial purchase; Pzena Small Cap Focused Value is a portfolio generally consisting of 40-50 stocks generally taken from a universe of 2,000 U.S.-traded companies ranked 1,001-3,000 in terms of market capitalization at the time of initial purchase; Pzena Large Cap Value is a portfolio generally consisting of 50-80 stocks generally taken from a universe of the largest 500 U.S.-traded companies at the time of initial purchase.

As of December 31, 2019, the Pzena Large Cap Focused Value Composite included 16 accounts with total assets of $3,570.0 million and represented 99.5% of our managed assets in this product; the Pzena Focused Value Composite included 46 accounts with total assets of $883.5 million and represented 100% of our managed assets in this product; the Pzena Mid Cap Focused Value Composite included 6 accounts with total assets of $432.9 million and represented 100% of our managed assets in this product; the Pzena Small Cap Focused Value Composite included 43 accounts with total assets of $1,391.6 million and represented 80.6% of our managed assets in this product; and the Pzena Large Cap Value Composite included 5 accounts with total assets of $6,147.4 million and represented 100% of our managed assets in this product.

Eligible new portfolios enter the relevant domestic product composite at the beginning of the first full month under management. Terminated portfolios are removed from the composite after the last full month under management.

The Pzena Focused Value and Pzena Small Cap Focused Value Composites were each created on January 1, 1996. The Pzena Large Cap Focused Value Composite was created on October 1, 2000. The Pzena Mid Cap Focused Value composite was created on September 1, 1998. The Pzena Large Cap Value Composite was created on July 1, 2012. No accounts with any significant client-imposed investment restrictions are included in any composite.

Each domestic composite includes all fee-paying, non fee-paying, and non-wrap fee accounts since inception date, and mutual fund portfolios since April 2011 that are managed on a fully discretionary basis in the particular product represented by such composite. Returns are calculated in U.S. dollars.

The gross rates of return are presented gross of investment management fees, and net of the deduction of brokerage commissions and transaction costs. The net rates of return are presented net of investment management fees, the deduction of brokerage commissions and transaction costs.

Generally, investment management fees are charged based upon the size of the portfolio, and are applied quarterly. The current standard annual schedule for the domestic products are as follows: Pzena Small Cap Focused Value: the fees for accounts of $10 million or more are 1.0% per annum on the first $250 million, and 0.75% per annum thereafter; for accounts under $10 million, a higher management fee may apply; Pzena Focused Value and Pzena Mid Cap Focused Value: for accounts of $10 million or more, the fees are 1.0% per annum on the first $10 million, 0.75% per annum on the next $40 million, 0.60% per annum on the next $50 million and 0.50% per annum thereafter; for accounts under $10 million, the fees are 1.5% per annum with a maximum annual fee of $100,000; Pzena Large Cap Focused Value: for accounts of $10 million or more, the fees are 0.70% per annum on the first $25 million of assets, 0.50% per annum on the next $75 million of assets, 0.40% per annum on the next $200 million of assets, and 0.35% thereafter; for accounts under $10 million the fees are 1.00% per annum with a maximum annual fee of $70,000; Pzena Large Cap Value: the fees are 0.40% per annum on the first $100 million of assets, 0.30% per annum on the next $200 million of assets, and 0.25% per annum thereafter. Further discussion regarding our advisory fees is contained in our Form ADV, Part 2A.

The Russell 2000® Value Index is used as a benchmark for the Pzena Small Cap Focused Value strategy; the Russell 1000® Value Index is used as a benchmark for the Pzena Focused Value, Pzena Large Cap Focused Value and Pzena Large Cap Value strategies; and the Russell Midcap® Value Index is used as a benchmark for the Pzena Mid Cap Focused Value strategy. Each of these benchmarks is used to indicate the investment environment existing during the time periods shown in this report. Each Russell Index is a registered trademark or trade name of The Frank Russell Company. The Frank

Russell Company is the owner of all copyrights relating to the Russell Indexes and is the source of certain performance statistics cited herein. The Russell Indexes are unmanaged and cannot be invested in directly.

PERFORMANCE NOTES SPECIFIC TO INTERNATIONAL AND GLOBAL PRODUCTS

The international value returns presented in this report are for Pzena International Focused Value and Pzena International Value. Pzena International Focused Value is a portfolio generally consisting of 30-50 stocks generally taken from the largest 1,500 non-U.S.-traded companies at the time of initial purchase; Pzena International Value is a portfolio generally consisting of 60-80 stocks generally taken from the largest 1,500 non-U.S.-traded companies at the time of initial purchase. The global value returns presented in this report are for Pzena Global Focused Value and Pzena Global Value. Pzena Global Focused Value is a portfolio generally consisting of 40-60 stocks generally taken from the 2,000 largest companies worldwide at the time of initial purchase; Pzena Global Value is a portfolio generally consisting of 60-95 stocks generally taken from the 2,000 largest companies worldwide at the time of initial purchase. The European Focused Value returns presented in this report are for Pzena European Focused Value. Pzena European Focused Value is a portfolio generally consisting of 40-50 stocks generally taken from the 750 largest European companies at the time of initial purchase. The emerging markets returns presented in this report are for Pzena Emerging Markets Focused Value. Pzena Emerging Markets Focused Value is a portfolio generally consisting of 40-80 stocks generally taken from the largest 1,500 companies in the non-developed markets at the time of initial purchase.

As of December 31, 2019, the Pzena International Focused Value Composite included 5 accounts with total assets of $823.6 million and represented 73.7% of our managed assets in this product; the Pzena International Value Composite included 11 accounts with total assets of $3,691.7 million and represented 94.0% of our managed assets in this product; the Pzena Global Focused Value Composite included 13 accounts with total assets of $2,754.1 million and represented 100% of our managed assets in this product; the Pzena Global Value Composite included 12 accounts with total assets of $3,560.8 million and represented 78.2% of our managed assets in this product; the Pzena European Focused Value Composite included 10 accounts with total assets of $2,652.0 million and represented 100% of our managed assets in this product; and the Pzena Emerging Markets Focused Value Composite included 15 accounts with total assets of $3,069.0 million and represented 75.7% of our managed assets in this product.

Foreign currency transactions were used to transact in equity securities only, where applicable. Eligible new portfolios are added to the Composites at the beginning of the first full month under management. Terminated portfolios are removed from the Composites after the last full month that the portfolio is under firm management.

The Pzena International Focused Value and Pzena Global Focused Value Composites were created on June 1, 2008 and represent clients invested in the respective strategy since the inception date of January 1, 2004. The Pzena European Focused Value Composite was created on August 1, 2008. The Pzena Emerging Markets Focused Value Composite was created on January 1, 2008. The Pzena International Value Composite was created on November 1, 2008. The Pzena Global Value Composite was created on January 1, 2010. No accounts with any significant client imposed investment restrictions are included.

Each Composite includes all fee-paying, non fee-paying, and non-wrap fee accounts since inception date, and mutual fund portfolios since April 2011 that are managed on a fully discretionary basis in the particular style represented by such composite.

Generally, investment management fees are charged based upon the size of the portfolio, and are applied quarterly. The current standard annual schedule for the international and global products are as follows: Pzena International Focused Value: 0.75% per annum on the first $50 million, 0.65% per annum on the next $50 million, 0.50% per annum thereafter; Pzena Global Focused Value: 1.00% per annum on the first $10 million, 0.80% per annum on the next $40 million, 0.70% per annum on the next $50 million, 0.60% on the next $200 million and 0.55% per annum thereafter; Pzena European Focused Value: 0.65% per annum on the first €50 million, 0.50% per annum on the next €50 million, and 0.45% per annum thereafter; Pzena Emerging Markets Focused Value: 1.00% per annum on the first $50 million, 0.70% per annum thereafter; and Pzena International Value and Pzena Global Value: 0.55% per annum on the first $100 million, 0.45% per annum on the next $200 million, and 0.35% per annum thereafter. Further discussion regarding our advisory fees is contained in our Form ADV, Part 2A.

The MSCI ACWI ex USA Index is used as a benchmark for the Pzena International Focused Value strategy. The MSCI EAFE Index is used as a benchmark for the Pzena International Value strategy. The MSCI ACWI Index is used as a benchmark for the Pzena Global Focused Value strategy. The MSCI World Index is used as a benchmark for the Pzena Global Value strategy. The MSCI Europe is used as a benchmark for the Pzena European Focused Value strategy. The MSCI Emerging Markets Index is used as a benchmark for the Pzena Emerging Markets Focused Value strategy.

The MSCI ACWI ex USA and the MSCI EAFE Index are free float-adjusted market capitalization indexes designed to measure developed market equity performance, excluding the U.S. and Canada. The MSCI ACWI and the MSCI World Index are free float-adjusted market capitalization indexes designed to measure developed market equity performance, including the U.S. and Canada. The MSCI Europe Index is a free float-adjusted market capitalization index that is designed to measure the equity market performance of the developed markets in Europe. The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. Each of these MSCI Indexes provides equity returns including dividends net of withholding tax rates as calculated by MSCI.

Benchmarks are used for comparative purposes only and generally reflect the risk or investment style of the investments reported on the schedule of investment performance. MSCI Indexes cannot be invested in directly. Investments made by the Firm for the portfolios it manages in the Pzena International Focused Value, Pzena International Value, Pzena Global Focused Value, Pzena Global Value, Pzena European Focused Value and Pzena Emerging Markets Focused Value composites may differ from their respective Indexes. Accordingly, investment results will differ from those of the respective benchmark. The Global Industry Classification Standard ("GICS") was developed by and is the exclusive property and a service mark of MSCI Inc. ("MSCI") and Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("S&P") and is licensed for use by Pzena Investment Management, LLC ("PIM"). Neither MSCI, S&P nor any third party involved in making or compiling the GICS or any GICS classifications makes any express or implied warranties or representations with respect to such standard or classification (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability and fitness for a particular purpose with respect to any of such standard or classification. Without limiting any of the foregoing, in no event shall MSCI, S&P, and of their affiliates or any third party involved in making or compiling the GICS or any GICS classifications have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

The MSCI information may only be used for internal use, may not be reproduced or redisseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the MSCI Parties) expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages. (www.msci.com)

ADDITIONAL INFORMATION FOR EUROPEAN INVESTORS IMPORTANT RISK INFORMATION:

This financial promotion is issued by Pzena Investment Management, Ltd. Pzena Investment Management, Ltd. is a limited company registered in England and Wales with registered number 09380422, and its registered office is at Dashwood House, 69 Old Broad Street, London EC2M 1QS, United Kingdom. Pzena Investment Management, Ltd is an appointed representative of DMS Capital Solutions (UK) Limited and Mirabella Advisers LLP which are authorised and regulated by the Financial Conduct Authority.

The Pzena documents are only made available to professional clients and eligible counterparties as defined by the FCA. Past performance is not indicative of future results. The value of your investment may go down as well as up, and you may not receive upon redemption the full amount of your original investment. The views and statements contained herein are those of Pzena Investment Management, LLC and are based on internal research.

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities or investment advisory services in any jurisdiction where such an offer or solicitation is against the law, or to anyone to whom it is unlawful to make such an offer or solicitation, or if the person making the offer or solicitation is not qualified to do so. The information contained herein is general in nature and does not constitute legal, tax, or investment advice. Prospective investors are encouraged to consult their own professional advisers as to the implications of making an investment in any securities or investment advisory services.

FURTHER INFORMATION

These presentation materials are intended for the exclusive purpose of evaluating the investment advisory services of Pzena Investment Management, LLC. Pzena Investment Management, LLC is located at 320 Park Avenue, 8th Floor, New York, NY 10022 and is a registered investment adviser registered with the United States Securities and Exchange Commission. Any other use is strictly prohibited.

These presentation materials and any attachments delivered separately herewith may contain non-public or confidential information of Pzena Investment Management, LLC. Accordingly, neither this booklet nor any portion hereof may be reproduced or redistributed without the prior written consent of Pzena Investment Management, LLC. Disclosure of the information presented in this booklet to anyone other than the recipient's employees, officers, directors, or financial or legal representatives is also prohibited without the prior written consent of Pzena Investment Management, LLC.

FOR JERSEY INVESTORS ONLY:

Consent under the Control of Borrowing (Jersey) Order 1958 (the "COBO Order") has not been obtained for the circulation of this document. Accordingly, the offer that is the subject of this document may only be made in Jersey where the offer is valid in the United Kingdom or Guernsey and is circulated in Jersey only to persons similar to those to whom, and in a manner similar to that in which, it is for the time being circulated in the United Kingdom or Guernsey as the case may be. The Directors may, but are not obliged to, apply for such consent in the future. The services and/or products discussed herein are only suitable for sophisticated investors who understand the risks involved. Neither Pzena Investment Management, Ltd. nor Pzena Investment Management, LLC nor the activities of any functionary with regard to either Pzena Investment Management, Ltd. or Pzena Investment Management, LLC are subject to the provisions of the Financial Services (Jersey) Law 1998.

FOR AUSTRALIA AND NEW ZEALAND INVESTORS ONLY:

This document has been prepared and issued by Pzena Investment Management, LLC (ARBN 108 743 415), a limited liability company ("Pzena"). Pzena is regulated by the Securities and Exchange Commission (SEC) under U.S. laws, which differ from Australian laws. Pzena is exempt from the requirement to hold an Australian financial services license in Australia in accordance with ASIC Corporations (Repeal and Transitional) Instrument 2016/396. Pzena offers financial services in Australia to 'wholesale clients' only pursuant to that exemption. This document is not intended to be distributed or passed on, directly or indirectly, to any other class of persons in Australia.

In New Zealand, any offer is limited to 'wholesale investors' within the meaning of clause 3(2) of Schedule 1 of the Financial Markets Conduct Act 2013 ('FMCA'). This document is not to be treated as an offer, and is not capable of acceptance by, any person in New Zealand who is not a Wholesale Investor.

© Pzena Investment Management, LLC, 2020. All rights reserved.

PZENA Investment Management

320 PARK AVENUE, 8TH FLOOR | NEW YORK, NY 10022 | TEL: (347) 643-0912 | FAX: (212) 308-0010 | WWW.PZENA.COM

© Pzena Investment Management, 2020. All rights reserved.