PZENA Investment Management

Quarterly Report to Clients

Second Quarter 2026

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To Our Clients

The second quarter brought another jolt to the global economy: crude oil approaching $120 a barrel after the Iran War closed the Strait of Hormuz. Markets shrugged it off almost entirely, as a historic semiconductor rally carried emerging markets to their strongest quarter in 17 years, and optimism returned to developed markets as well. Beneath the headline numbers, though, this was a narrow rally. A single earnings story, AI-driven demand for memory and logic chips concentrated in Korea and Taiwan, accounted for the bulk of the gains across both emerging and developed value indices.

Our portfolios around the world were generally up nicely, but performance relative to the broader index benchmarks varied directly as a function of how the semiconductor-related stocks impacted the indices. Global strategies were the strongest relative performers, benefiting from a benchmark less heavily weighted toward the semiconductor companies driving the broader rally. Domestic performance was more uneven, with results varying meaningfully strategy by strategy. Our Emerging Markets and International portfolios generally fell short of their respective benchmarks, as these portfolios did not have the concentrated exposure to the high-flying stocks that the indices now do.

Our Commentary unpacks the semiconductor earnings boom itself, questioning whether gross margins north of 80% for the major memory producers can hold. Using our normalized earnings framework, we explain why we built positions in these companies when they were genuinely cheap in 2022 and 2023, why we have been trimming into strength since, and how that same discipline is harvesting gains and moving to more attractive valuations elsewhere in the portfolio.

Our Global Research Review details this quarter's portfolio activity: continued strength in global money center banks, opportunistic buying in life insurers on private-credit-driven weakness, a shift toward select luxury auto exposure following a sharp margin reset in the industry, a new stake in IT distribution, and trims across energy holdings that had run up with oil prices.

This quarter's Highlighted Holding turns to IT services firms Accenture, Cognizant, and Globant, each priced at four and a half times or less of our estimate of normal earnings on worries that AI will hollow out demand for their work. We think the market has gotten ahead of itself. A more likely outcome is a genuine adjustment period, favoring firms with real scale, domain knowledge, and delivery models flexible enough to evolve alongside the technology.

Stewardship Insights reports back from our conversations with Chief Sustainability Officers across the portfolio, who are shifting away from stakeholder-driven narratives and toward a more hard-nosed focus on business economics. We lay out three ideas from those conversations that we think make the function genuinely useful: keeping sustainability tethered to real returns, favoring pragmatism over ideology, and treating the CSO as a source of innovation rather than compliance.

We appreciate your continued support and the opportunity to share our research. We look forward to hearing your thoughts.

Sincerely,
Pzena Investment Management

Past performance does not predict future returns.

PZENA COMMENTARY

Semiconductor earnings have dominated global equity returns this year. We examine the mechanics of the current margin boom, what the bull case gets right, and why our process leads us elsewhere.

Global equity markets have delivered strong returns this year, but a single force is behind the vast majority of those gains. An extraordinary earnings boom in semiconductor stocks, fueled by AI capital spending, has powered returns in both emerging markets and developed market value indices. Understanding what is driving those earnings, and whether they are sustainable, is where our investment process begins.

In this essay, we discuss these factors:

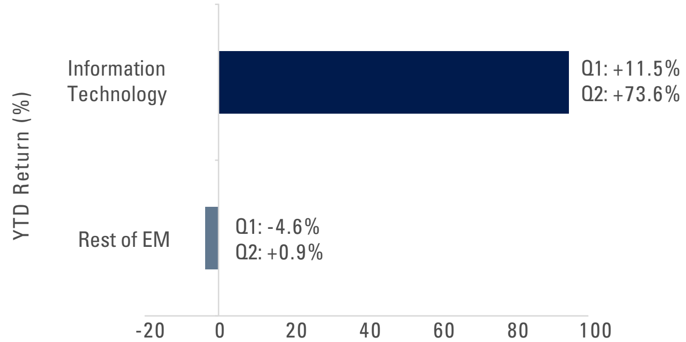
- Why the semiconductor earnings boom has driven concentrated performance across global equity markets, from the MSCI Emerging Markets (EM) Index to the Russell 1000 Value Index
- How our normalized earnings framework leads us to evaluate businesses, and why today's memory margins do not represent a new normal
- Why we owned memory semiconductors in our emerging markets portfolios when they were cheap and trimmed them as their prices rose
- Why our portfolio is an expression of our process, designed to protect against bubbles and find value in stocks left behind

A SEMICONDUCTOR EARNINGS BOOM

While emerging markets were up an impressive 24% in the first half of the year, strip away the semiconductor sector and the picture changes entirely. Information Technology, overwhelmingly memory and logic chip companies domiciled in Korea and Taiwan, has accounted for roughly 103% of the MSCI EM Index's total return this year (Exhibit 1). Korea and Taiwan together contributed more than 113% of EM's gains, meaning the rest of the emerging world was flat to negative in aggregate (Exhibit 2). This is not a broad market rally. It is an earnings boom in a single industry, concentrated in two countries, reflected in index weights that have grown to historically unusual levels.

Exhibit 1: MSCI EM YTD Return by Sector Through June 2026

IT Sector = 103% of Total EM Return (+24%)

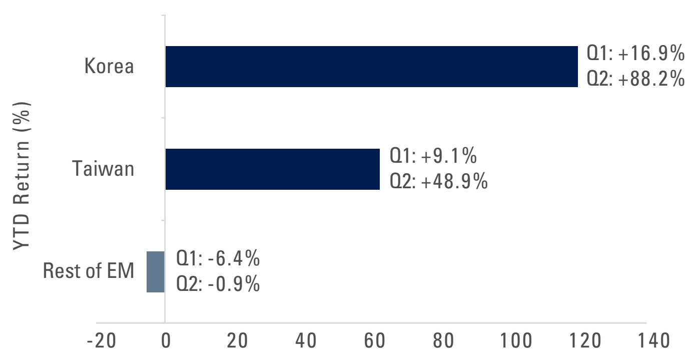


Source: FactSet, Pzena analysis
Data in US dollars December 31, 2025 – June 30, 2026.
Past performance does not predict future returns.

This is not a phenomenon unique to emerging markets. In the United States, close to half of the Russell 1000 Value Index's year-to-date return has been driven by semiconductors. The common thread between EM and the US is an AI-driven surge in semiconductor earnings that is large enough to dominate returns wherever semis represent a meaningful share of the index.

Exhibit 2: MSCI EM YTD June 2026

Korea + Taiwan = 113% of Total Return (Total EM Return: +24%)



Source: FactSet, Pzena analysis
Data in US dollars December 31, 2025 – June 30, 2026.

For active managers committed to normalized valuation, this environment has been difficult. When a single earnings story dominates across markets and geographies at the same time, there is a meaningful cost of not participating in a dramatic runup in chip stocks. It is precisely in moments like these, that the discipline of a long-term valuation framework matters most.

HOW WE THINK ABOUT CYCLICAL BUSINESSES

Our valuation process is anchored to one question: what is this business capable of earning on a normalized, mid-cycle basis, and what are we paying for that? We define normal earnings not as last quarter's results or next year's consensus estimate, but as what we believe the business can sustain on average across a full cycle, accounting for industry structure, competitive position, and the behavior of the underlying economics.

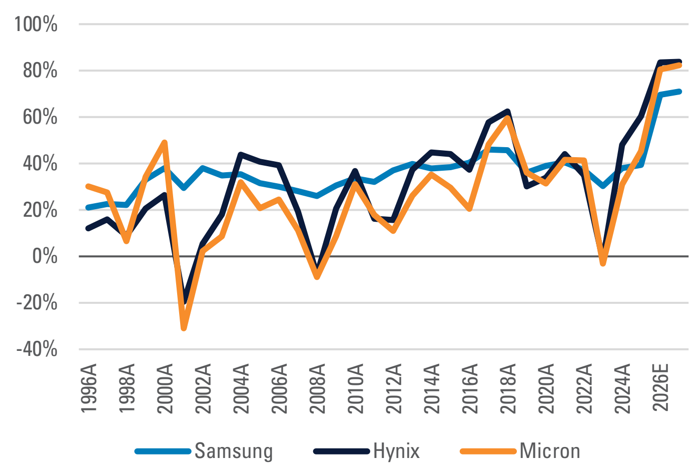
For commodity businesses—and memory semiconductors are commodity businesses—this framework produces a very different answer than current earnings suggest. Commodity industries are characterized by supply responses to elevated pricing, demand destruction when prices rise too far, and a persistent tendency for margins to revert toward levels consistent with the cost of capital. The historical record offers little support for the idea that this time is different.

The test we apply is this: if you had to own this business at today's price as a long-term holding, not trade it, not time the cycle, but commit to it at the current valuation, would you? For a commodity business whose current margins are historically unprecedented, the answer is no. This is not a forecast about when the cycle will turn; it is a statement about the risk-reward of buying stocks while earnings are peaking in a business whose history is a series of peaks and troughs. We will miss stock price momentum while the peak goes higher, but it avoids the risk of playing the momentum game. We believe that is the correct result of our process.

THE MEMORY MARGIN MATH

The current memory earnings boom shows why current earnings can be a poor guide to value. Gross margins are at unprecedented levels, reaching north of 80% for SK Hynix and Micron, which is well above the industry's raw historical average of around 30% (Exhibit 3). Our normalized margin assumption of approximately 40% already gives the industry credit for structural improvements, including the growing share of higher-value High Bandwidth Memory (HBM)—a better business—in the product mix and the consolidation of the industry to three dominant Western producers. Even against that more generous baseline, current margins are roughly double what we believe is sustainable. DRAM fabrication costs are largely fixed in the short run, so when prices rise, nearly all of the incremental revenue flows to gross profit. When prices triple, gross profit increases sixfold and margins double.

Exhibit 3: Samsung/Hynix/Micron Gross Margins



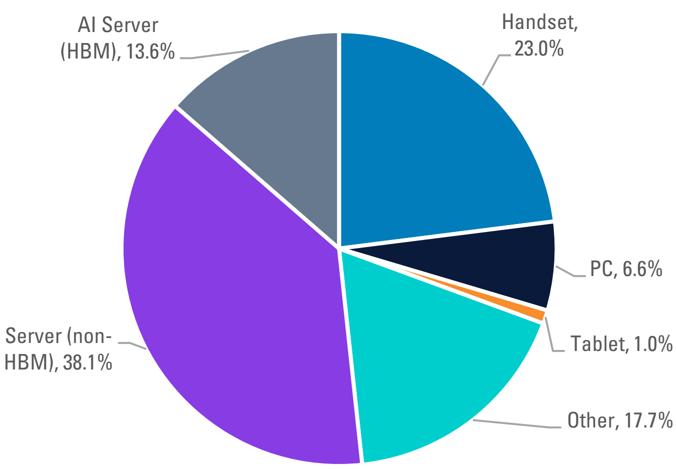
Source: Company reports, Capital IQ estimates, Pzena analysis
Estimates as of June 30, 2026.

Memory manufacturers today report higher gross margins than NVIDIA and higher than TSMC. We do not dispute that memory is a structurally better business than it was a decade ago. Industry consolidation and the emergence of HBM as a higher-value product are real improvements. But when commodity memory companies out-earn businesses with far more durable competitive positions, it is reasonable to ask how much of today's profitability reflects structure and how much reflects a pricing environment with no precedent in the industry's history.

It is noteworthy that chip demand grows nicely over time, but it is the improved economics of lower chip price that explains the long term unit demand growth. The price per bit declines over time driving more demand. This continuous price decline is known as Moore's Law. Today, the earnings growth is being driven primarily by rising memory chip prices. In that sense, it is no different than a spike in oil prices driving up oil stocks.

High Bandwidth Memory (HBM) accounts for only about 14% of DRAM bit demand, and much of its volume is sold under long-term agreements at pre-boom prices. This is the part that is widely misunderstood: the margin boom is not because HBM commands premium pricing. It is because commodity DRAM prices have surged, and at today's prices, commodity DRAM is actually generating higher margins than HBM. The reason commodity DRAM is in shortage is that HBM production has absorbed significant manufacturing capacity, tightening supply across the board. More than 50% of DRAM demand comes from price-sensitive end markets: including smartphones and PCs (Exhibit 4). The current supply-demand imbalance is the product of specific conditions, not a permanent state of affairs, and the earnings power of these businesses over a full cycle will likely look very different from what it looks like today. Going from 80% gross margins back toward 40% does not cut profits in half. Because prices tripled to produce that margin expansion, the reversal reduces profits by more than 80% (Exhibit 5).

Exhibit 4: 2026E DRAM Demand by End-Market (Bit Share)



Source: Sanford C. Bernstein & Co., UBS, Pzena analysis

The bull case has grown more specific recently. Major memory producers have announced multi-year supply agreements with datacenter customers, some structured with upfront deposits. This has led bulls to argue that the earnings stream is more durable than prior cycles and that customers are unlikely to walk away given the financial commitment. We take these developments seriously. Long-term agreements represent a meaningful change in how memory is sold, and genuine price-inelastic demand from hyperscalers investing at scale in AI infrastructure is real.

That said, these contracts cover only a minority of total volume, leaving the majority of revenue still priced on a spot basis. The floor prices embedded in the agreements remain well above prior-cycle troughs, meaning customers retain meaningful incentive to walk away in a severe downturn. Even if they do honor the contracts through a downturn, the effect may simply be to pull demand forward, leaving a softer demand environment once the agreements expire. Long-term agreements change the shape of the cycle; we are not convinced they eliminate it.

Exhibit 5: Illustrative Memory P&L*

	Normal	Boom	% Change
DRAM Price	100	300	200%
Gross Profit	40	240	500%
Gross Margin	40%	80%	100%

Source: Company reports, Capital IQ estimates, Pzena analysis
Estimates as of June 30, 2026.

**For illustrative purposes only. Values are hypothetical and not drawn from any specific company's financial statements or forecast. The "Normal" scenario assumes a base gross margin of 40%, consistent with the approximate normalized margin range observed across major DRAM manufacturers (Samsung, SK Hynix, Micron) over the prior decade, as reported in company filings and compiled by Capital IQ. The "Boom" scenario applies a hypothetical DRAM price increase to illustrate the operating leverage inherent in memory manufacturing: because a large portion of production costs is fixed, a given percentage increase in price flows through disproportionately to gross profit and margin — a dynamic that cuts in both directions. This example is intended to demonstrate that leverage dynamic and does not represent a price forecast, a specific company's results, or an expectation for any particular cycle.*

WHAT WE OWNED, AND WHY WE SOLD

During the downturn of 2022 and 2023, memory and semiconductor stocks fell into the cheapest quintile of our investable universe. We bought Samsung, TSMC, and several other semiconductor-related businesses when they were genuinely cheap on their mid-cycle earnings potential, and we benefited as they recovered. We bought when they were cheap and sold when they were not.

We continue to own select businesses where the earnings uplift has been driven more by unit growth and a higher-quality, less commodity-dependent product mix than by the pricing spike itself. To own the more commodity-exposed companies at current prices, one has to believe in an extended period of boom earnings. That may prove correct for a time, but valuations offer little downside support should the boom end, and we do not believe the cyclical nature of the underlying business has changed.

OUR PORTFOLIO AS AN EXPRESSION OF THE PROCESS

The same discipline that led us to buy semiconductors in 2022 and trim them on strength is at work across the rest of the portfolio today. We are finding businesses that generate strong cash flows, are genuinely cheap relative to normalized earnings, and do not require historically anomalous conditions to justify their valuations.

Over the past six months, the equal-weighted MSCI EM Index has underperformed the cap-weighted index by nearly 18%, marking the widest gap in the 34-year history of the data. This dispersion reflects how thoroughly index performance has been driven by a handful of companies rather than broad fundamental improvement. It also reflects the opportunity being created elsewhere. In emerging markets, we are finding compelling value in consumer businesses, both discretionary and staples, where valuations have compressed as capital has rotated toward the AI trade, and where the underlying fundamentals remain intact. In developed markets, we are carrying our highest-ever allocation to health care, a sector where we have historically struggled to find businesses at the right price, but where we are now finding quality, stable franchises at valuations we find attractive. These are not thematic bets. They are the output of the same normalized earnings process applied consistently, finding value in the places concentration has left behind. Periods of extreme concentration have historically resolved in favor of valuation discipline, and we believe the portfolio is positioned accordingly.

CONCLUSION

The AI earnings boom has concentrated equity market returns in historically unusual ways, and that concentration is visible across global benchmarks. Our process led us to acquire memory semiconductors when they were cheap and trim them well before the cycle peaked. Because our sell discipline takes us out of positions as they move beyond normal earnings power, we are unlikely to capture the full run-up of a commodity cycle. We therefore expect to find ourselves in this position again, and we believe that is the right outcome. The goal is not to capture every cycle. The goal is to own good businesses at prices that do not require the cycle to last forever.

GLOBAL RESEARCH REVIEW

Despite geopolitical turmoil and a semiconductor-led market rally, we harvested gains in energy-exposed holdings and banks while adding to life insurers on private credit fears, an iconic German automaker, and a quietly transforming IT distribution giant.

The global economy faced yet another major risk in the second quarter: an average crude oil price near $100/barrel. Markets largely took this in stride, however, as an epic semiconductor rally drove emerging markets' best quarterly performance in 17 years. During the period, we trimmed several positions that were positively exposed to the spike in energy prices, while continuing to crystallize gains in financials and adding to several compelling opportunities in insurers, a luxury auto manufacturer, and a dominant IT distributor.

Global Valuations: Price-to-Normalized Earnings Mid-Points

As of June 30, 2026

	Cheapest Quintile P/N[1]	Universe Median P/N[2]
Global	8.0	15.0
U.S.	7.5	13.8
European	8.0	13.0
Japan	8.9	15.0
Emerging Markets	8.6	19.9

Source: Pzena analysis
1. The "cheapest quintile" includes the cheapest 20% of stocks based on Pzena's estimates of their price-to-normal earnings valuations, measured on an equally weighted basis within their relative universes (as defined below).
2. Universes comprise the largest stocks by market capitalization for each region as follows:~2,000 largest global; ~1,000 largest US; ~750 largest European; ~750 largest Japanese; ~1,500 largest in non-developed markets.

GLOBAL BANKS CONTINUE TO DELIVER

Global money center banks have performed exceptionally well since policy rates peaked in 2024, with the cohort's prevailing three-year, triple-digit cumulative return only surpassed by a handful of AI-related industries. Shares of U.S. megabank Citigroup reached post-GFC highs on the back of steadily improving returns on tangible common equity, underpinned by notable expense control – a historical overhang on the stock – and impressive top-line growth. Management has been reducing the bank's excess capital position while increasing shareholder returns, and we trimmed our position on strength with the stock trading north of 1.4x tangible book value, its highest level since 2008.

We also took some money off the table in diversified Swiss giant UBS, whose shares benefited from strong capital markets activity and encouraging news flow on potentially less onerous Swiss capital regulations. Hungarian lender OTP Bank was another outperformer that we trimmed on robust loan growth, NIM[1] expansion, and benign credit costs, with the stock receiving a boost from the election of the Tisza party government. Lastly, we sold shares of HSBC, which have doubled since Liberation Day, driven by a recovery in loan growth, strong momentum in the company's sprawling wealth management business, and solid execution on its cost savings program.

LIFE INSURERS: NEW CONTROVERSY, FAMILIAR OPPORTUNITY

After underperforming in 2023, U.S. life insurance stocks staged a powerful rebound in 2024. Concerns around the group's exposure to commercial real estate investments proved overblown while annuity sales surged amid the higher interest rate environment. In early 2026, investors' anxieties resurfaced, this time due to a separate (but we believe similarly misunderstood) controversy: private credit exposure.

As private credit concerns proliferated, two of our holdings, Corebridge Financial and Equitable Holdings, sold off in concert with alternative asset managers despite having very different business models. Shortly thereafter in late March, the two companies announced a surprise merger agreement; the deal was initially well received by the market but quickly took a back seat to persistent private credit fears and broader macroeconomic/geopolitical concerns. With both stocks trading at mid-single-digit forward earnings multiples, we began adding to our positions.

We believe the proposed merger makes strategic sense given the two companies' complementary business models and the increasing importance of scaled distribution in the annuities industry. Regarding private credit exposures, direct middle market lending – the specific subsegment eliciting concerns – represents approximately 1% and less than 1% of Corebridge's and Equitable's total investment portfolios, respectively. Thus, even if recent high-profile defaults foreshadow a major credit cycle in the private

1. Net interest margin

loan market, which we believe is relatively unlikely, we would still expect the impact on each company's capital position to be manageable, particularly when factoring in existing excess capital buffers.

A LUXURY AUTO SWAP

Porsche AG, which spun out from Volkswagen in 2022, averaged an enviable 17% auto EBIT[2] margin over the decade preceding 2025. Last year, that number effectively dropped to zero, driven by a major downturn in its China business due to homegrown competition, combined with a self-inflicted gap in its product cycle. As Porsche's margins eroded over approximately the past two years, the stock price unsurprisingly collapsed, falling nearly 70% from its May 2023 peak through the first quarter of 2026.

When Porsche dropped into the first valuation quintile, we refreshed our thesis on the company, which we had previously owned indirectly via our stake in Volkswagen. We began building a position with the stock trading around 9x our normal earnings estimate. The purchase was funded by our holdings in German peer Mercedes-Benz, which, despite having a pristine balance sheet and solid capital return story, is more susceptible to Chinese competition with a less tangible earnings recovery path than Porsche, in our view.

We believe Porsche's volumes should improve markedly as the automaker refreshes its internal combustion engine (ICE) model lineup, while its China exposure – now accounting for 15% of deliveries, down from 33% in 2022 – has been substantially de-risked, with capital investments expected to peak this year. At the same time, Porsche's new CEO is intent on rationalizing the company's cost structure, which we believe is both necessary and achievable, with low-hanging fruit (mostly headcount) having already been identified and quantified by management. Perhaps most crucially, based on our research, we believe Porsche's world-class brand value remains unimpaired, enabling the luxury automaker's volume-driven earnings recovery over the coming years.

AN UNDERAPPRECIATED TRANSFORMATION

We initiated a position in market-leading IT distributor CDW Corp., at approximately 7x our estimate of the company's normal earnings. Historically focused on hardware sales, CDW has been transitioning to a full-stack solutions provider with a higher mix of software and services to help companies navigate complex IT projects such as cloud migration and cybersecurity. The investment required to facilitate this transition inflated the company's SG&A[3], resulting in margin compression despite healthy top-line growth, pressuring the share price and presenting a compelling value opportunity.

CDW is the only industry player with the requisite scale to invest in vertical expertise and solutions, which we view as a long-term competitive advantage for the company. We also view AI as a potential tailwind for CDW, as any increase in the complexity of the IT environment increases the value of CDW's solutions for its customers. Our investment thesis contemplates a stabilization of margins, with modest revenue growth not predicated on AI. As CDW's solutions-and-services push matures, we expect the company to start generating positive operating leverage again – the absence of which has been a key headwind for the stock.

SELLING THE ENERGY SURGE

The onset of the Iran War and subsequent closure of the Strait of Hormuz in late February caused oil and liquefied natural gas (LNG) prices to surge. Upstream energy producers unsurprisingly rallied, and we trimmed several of our positions on strength, including Norway's Equinor, Brazil's Petrobras, and the UK's Shell. U.S.-based chemicals giant Dow, Inc., was similarly strong, as the company's advantaged feedstock cost position resulted in a material profit uplift as oil-to-gas spreads blew out, and we sold the stock into strength.

CONCLUSION

While macroeconomic and geopolitical uncertainty remains elevated, a handful of massive companies linked to and benefiting from the AI infrastructure buildout have posted extraordinary share price gains, supporting global indices along the way. Beneath the surface, single-stock volatility remains high, allowing us to selectively realize gains and redeploy that capital into companies we believe offer compelling risk-adjusted return potential.

2. Earnings before interest and taxes

3. Selling, general, and administrative expenses

STEWARDSHIP INSIGHTS

Conversations with chief sustainability officers (CSOs) complement our ongoing engagement with the senior management of the companies we invest in. The current backlash against sustainability is proving unexpectedly useful, separating strategies that create durable business value from those that are more performative. Below we share why these conversations matter now and what they can tell us about long-term shareholder value creation.

INTRODUCTION

As bottom-up fundamental investors who are also active owners, we spend a lot of time talking to the management of companies in our portfolios. Typically, these conversations involve the CEO and/or CFO and cover a wide range of financially material issues facing the business. Discussion of sustainability issues will be an integrated part of these ongoing conversations when they are material and properly embedded into business strategy.

Sustainability commitments are under considerable pressure, and the ongoing backlash is separating strategies that create durable business value from those that are more performative. The Chief Sustainability Officer (CSO) often sits at the centre of that distinction. As a complement to our other conversations, engaging the CSO (or equivalent) can help us better understand the details of how sustainability may be contributing to long-term business value, as well as any internal challenges or trade-offs. This deepens our understanding of this subset of investment issues.

WHAT IS ON THE MIND OF THE CSO TODAY

What we are hearing from CSOs across sectors is consistent: the function is undergoing a meaningful and arguably necessary strategic reset. This means pivoting away from focusing on a broad set of stakeholder values to thinking about how sustainability can directly drive business value. This requires intellectual honesty about the trade-offs that are frequently involved in pursuing sustainability, rather than defaulting to the overly simplified "win-win" narrative that incorrectly assumes the most "sustainable" business decision is also the most profitable. If solutions to tough business problems are going to be found, business leaders must first admit that challenges exist.

We have been encouraged by the increasing number of conversations where CSOs are specific about some of these challenges. Number one on the list across industries seems to be the intractable "green premium," meaning sustainable products or services typically cost more than the non-sustainable equivalent, and customers are not necessarily willing to pay the higher prices. As an added complication, the performance of sustainable products and services must also be equal or better to drive consumer demand. Sustainability attributes alone are not sufficient for customers to pay the green premium.

The desire to develop more sustainable products or services still exists, in part because regulation may encourage or mandate it. The business opportunity can also be real. Data from PwC[1] suggests that sustainable products have the potential to capture a 6–25% revenue upside from a combination of price premiums, volume increases, and new revenue streams. The question is how to get there. Some CSOs are exploring whether reframing sustainability attributes as a marker of quality or innovation can better drive consumer demand, rather than leading with the sustainability attributes themselves.

CSOs are also aware that for sustainability to be a business driver, they must be highly data-driven, helping to guide the organization to focus on value-chain hotspots for sustainability risk or opportunity, rather than chasing the "decarbonized doorknob," as one CSO succinctly put it during one of our conversations. Refocusing attention inward on what is directly connected to business strategy and within company control is essential. CSOs acknowledge the important role that standardized disclosure frameworks have played, as do we as investors; however, over time, the external focus had the unintended consequence of obfuscating company-specific materiality. Partially shifting back to internal focus should help businesses derive more value from sustainability over time.

OUR INVESTOR PERSPECTIVE

We believe following these three principles could make the CSO function invaluable.

Sustainability in every sense of the word
We view the recalibration of the sustainability function as a much-needed development. We have always looked for sustainability initiatives to be grounded in

1. Source: PWC 'Third Annual State of Decarbonization Report'.

underlying economics, such as projects or products that lower operational risk, drive revenue, or generate cost savings. Several years ago, we observed a temptation on the part of some management teams to pursue projects that were pushed by outside stakeholders, rather than those that had synergies with the existing business.

For example, in 2020, Japanese energy and mining conglomerate ENEOS suddenly proposed spending 85% of its discretionary free cash flow on new strategic investments, including a significant amount on low-carbon technology and services. We were concerned by the size of the investment, lack of synergies with the core business, and management's track record of investing in projects that generated weak returns on investment. We engaged management to advocate instead for targeted high-return investment in clean technology that better leveraged existing operational expertise. In our experience, when a company deviates too far from the pursuit of long-term and sustainable shareholder returns, it usually results in negative outcomes—not just for shareholders, but for all stakeholders.

Pragmatism over ideology

The opportunity for the CSO is to focus sharply on answering the question, "What can sustainability do for the business?", whether from a risk or a value-creation perspective. The agricultural sector's exposure to physical climate risks means CSOs have typically been acutely aware of the role sustainability can play in supply chain resilience. We recently invested in global chocolate processor Barry Callebaut after conducting diligence on its agroforestry initiatives. Successful agroforestry builds supply chain resilience by preserving the natural environment and generating additional revenue streams for smallholder farmers, helping to preserve access to cocoa beans, upon which the business depends.

The CSO should not be afraid to recommend a change in strategy or speak up if a particular industry standard is no longer fit for purpose. For example, we recently engaged with Dow, a global chemical company, and were encouraged to hear that they have been advocating that the Science Based Targets initiative (SBTi) develop a more realistic standard for the industry. Dow has refused to set an SBTi-aligned target until its concerns are addressed, which we think correctly prioritizes business longevity over short-term reputational gain. That is not to say we are dismissive of SBTi-aligned targets, but ambition should not be presented as strategy, and accompanying targets should not be misaligned with the operational realities of the company.

Catalyst for innovation

The CSO can be a catalyst for innovation and therefore a partner to the CEO/CFO in solving some of the business' toughest challenges. For example, the growth of data centers requires a massive amount of power which cannot be met through existing grid capacity and legacy technologies alone. In conversations with sustainability leaders in the energy and technology sectors, they likened the current situation to the "whale oil moment." When whale oil was running critically short in the mid-19th century, the solution did not come from extracting it more efficiently, but from kerosene, an entirely new technology that emerged and made the underlying constraint irrelevant. The suggestion was that some of today's hardest sustainability challenges may be resolved the same way, i.e., through disruptive innovation.

The CSO may be better positioned than the CEO or CFO to research and present ideas for longer-term projects that have the potential to offer attractive returns on investment. In the case of grid capacity constraints, this might involve making strategic and targeted investment in emerging clean technology solutions such as small modular reactors (SMRs) or next-generation geothermal. A conversation with a CSO who is thinking at this level may offer us as investors a sense of where a company is placing its longer-term technology bets, insights that may not always surface in other discussions.

CONCLUSION

The CSOs making the function durable are the ones anchoring it to business economics, speaking honestly about trade-offs, and ignoring external pressure when it does not add business value. That alignment is what shifts sustainability from the cost of doing business into a driver of long-term value. Engaging directly with sustainability teams is increasingly a way to assess which companies are on the right side of that distinction, from near-term capital allocation discipline to longer-horizon bets on technology and supply chain resilience. We will continue to expand these conversations as a complement to our ongoing engagement with management teams.

HIGHLIGHTED HOLDING: IT SERVICES

Accenture, Cognizant, and Globant, three leading IT services firms, trade at depressed valuations as fears that AI will erode demand for outsourced technology work obscure their normal earnings power.

AI has lifted valuations across much of the technology sector, but IT services companies have been treated as structural losers. The industry has sold off on fears that AI will erode demand for third-party technology services through price deflation and disintermediation, driving a sharp compression in forward earnings multiples. We highlight three holdings at the center of this debate: Accenture, Cognizant, and Globant (Exhibit 1). Trading at 4.5x or less of our estimate of normal earnings, these businesses are priced as if in terminal decline. We believe they can adapt and become enablers of AI adoption, not victims of it.

Exhibit 1: Valuations Have Collapsed on AI Disruption Fears
Data as of June 30, 2026

Company	5-Year Median Forward P/E	Current Forward P/E	Discount vs. Median	Price / Normalized EPS
Accenture	24.3x	8.7x	-64%	4.5x
Cognizant	15.2x	6.7x	-56%	4.1x
Globant	29.6x	4.6x	-85%	3.0x

Source: Capital IQ, Pzena analysis
Forward P/E based on NTM consensus EPS. Normalized EPS reflects Pzena estimates.

THE IT SERVICES INDUSTRY

At its simplest, IT services is outsourced technology work. Companies hire firms like Accenture, Cognizant, and Globant when projects sit outside their core business or exceed what internal IT teams can absorb. In practice, that often means technology consulting upfront, followed by building or integrating systems and managing them after launch. The work can include moving applications to the cloud, securing data, modernizing legacy systems, maintaining software, or operating a business process such as insurance claims processing or customer care.

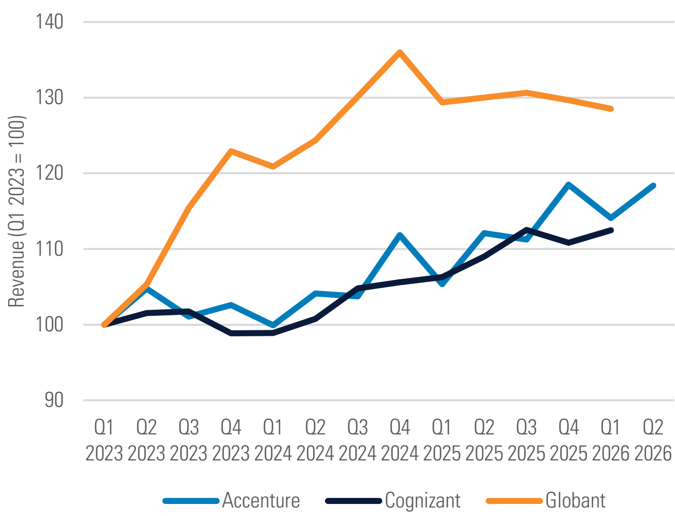
The industry accelerated in the late 1990s and early 2000s, when Y2K projects and large enterprise software rollouts pushed companies to outsource technology work at scale. Offshore delivery, especially in India, made large projects cheaper and easier to staff, while later waves of cloud migration, cybersecurity, digital commerce, data modernization, and, more recently, AI added new layers of demand. The industry now accounts for roughly 30% of global technology spending.

DOES AI SHRINK THE REVENUE POOL?

The recent selloff in IT services stocks reflects a fear that AI will pressure an industry that has long billed for people's time. If a project that once required ten engineers can now be done by seven, the client will expect to pay less, leading to lower revenue per contract. That is already visible in renewals, where annual price step-downs that once ran 3% to 4% are now closer to 6% to 7%.

There are two offsets. The first is a change in how contracts are priced. When a provider bills by the hour, every efficiency gain flows straight to the client as fewer billed hours. As work becomes AI-enabled, providers are instead signing fixed-price and outcome-based contracts, where the client pays for a result rather than hours. A provider that delivers that result at lower cost keeps part of the savings. The second offset is that cheaper work means more work, as the industry proved through prior deflationary waves from offshore delivery to cloud. Large companies still have long backlogs as they modernize aging systems and prepare for AI. As costs fall, project ROI improves, making more of that backlog worth doing and allowing volume to offset price. Consistent with that view, growth has slowed across our three holdings, but revenues have broadly held, despite steep drops in per-contract pricing (Exhibit 2).

Exhibit 2: Growth Slowed, But No Collapse
Quarterly Revenue, Indexed to Q1 2023



Source: Company reports, Pzena analysis
Constant currency, as reported. Accenture fiscal quarters mapped to calendar quarters.

DOES AI REPLACE THE INDUSTRY?

The second fear is that AI disintermediates the industry, shifting technology work away from IT services firms altogether. It could take three forms. Clients may bring more work in-house, reversing the long trend toward outsourcing. Software vendors and frontier labs may move downstream into implementation. AI-native startups may become more credible competitors as AI shrinks the advantage of employing thousands of low-cost engineers.

Some of this will happen, especially for routine, well-defined work, but each threat has limits. Most companies still do not want to manage non-core technology transformation themselves, and AI is making that work more complex, not less. Software vendors and frontier labs may offer more implementation help, but the cloud transition showed that platforms still need independent partners to integrate, customize, and manage technology across messy enterprise environments. AI-native startups can move quickly, but they lack the embedded relationships, trust, and business context needed to win complex work from large enterprises.
That does not mean every IT services firm will win. The most exposed firms are those that simply rent out cheap engineering labor. The winners will be firms that combine deep engineering expertise with trusted client relationships and real knowledge of how the client's business operates. Every transition creates new winners and losers, and the task is to identify which firms are more likely than not to come out ahead. Accenture, Cognizant, and Globant each make that case in a different way.

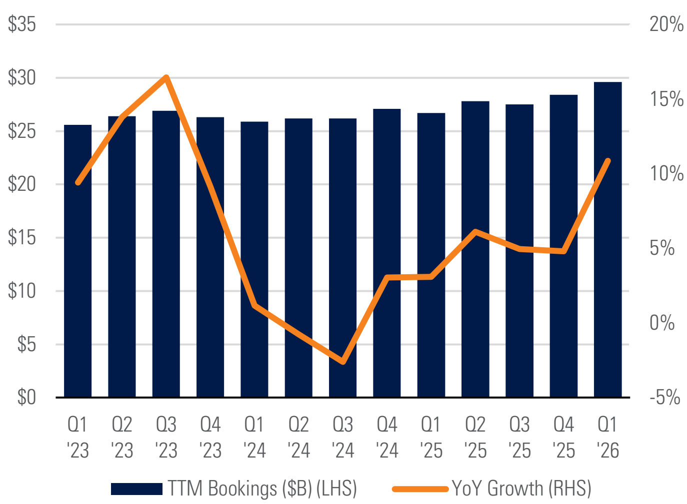
ACCENTURE

Accenture is the world's largest IT services firm. Because it over-indexes to consulting-led transformation work, which pairs business expertise with engineering, Accenture is in the room when clients set direction. That position earns a premium, visible in revenue per employee of roughly $90,000, nearly twice the level of India's largest outsourcing firms. The mix also carries little of the commoditized application development that AI automates first. The stock has been cut in half over the past year on fears that organic growth is impaired—fears that were deepened by a June guidance cut and stepped-up acquisition spending. But many companies are still in the early stages of adopting AI across the enterprise. Clients are asking Accenture what to do about AI but deferring the large programs that follow, because spending on AI itself is crowding out the rest of the technology budget. That work is deferred, not gone, and no firm is better positioned to capture it when those programs begin. Meanwhile, investors collect roughly 12% of the market capitalization annually in dividends and buybacks.

COGNIZANT

Cognizant is more exposed to the bear case than Accenture, with more of its revenue tied to delivery and operations work where AI can reduce human effort. However, roughly 60% of its revenue comes from healthcare and financial services, where claims, payments, and risk systems cannot fail. These are not industries where clients can simply hand a workflow to an AI tool and hope it works. Cognizant is embedded in them, with its proprietary TriZetto platform processing roughly two-thirds of U.S. healthcare claims. Cognizant has also been aggressive in evolving its pricing model, with fixed-price and outcome-based contracts crossing 50% of revenue for the first time this year, accepting the risk of cost overruns in exchange for keeping a share of the productivity AI creates. Demand is holding up, with trailing-12-month bookings up 11% from a year ago, as new work outpaces the price deflation on each contract (Exhibit 3).

Exhibit 3: Cognizant Bookings Keep Growing



Source: Company reports, Pzena analysis

GLOBANT

Globant is the smallest of the three companies and the most digital-native. Founded in Argentina and staffed largely across Latin America, it builds the consumer-facing side of technology—the streaming apps, games, and fintech experiences of clients like Disney and Google—not legacy systems or back-office operations. Its expertise is pairing design talent with engineering, and design currently remains a challenge for AI. Deciding what a product should be and how people will interact with it, refined through iteration with the client, is valuable; consumers pay for novelty while AI models converge on the familiar. Engineering will become more AI-assisted, and Globant is adapting how it sells that work. Subscription teams called AI Pods combine its engineers with AI agents in an early attempt to decouple revenue from billable hours. Revenue per employee, roughly $85,000, rivals that of Accenture and has risen every year since 2022.

CONCLUSION

AI will reduce the labor required on many projects, pressuring pricing and forcing IT services firms to adapt. That is why Accenture, Cognizant, and Globant are cheap, all three trading at double-digit free cash flow yields for businesses that convert 90% or more of their earnings into cash. While we expect a difficult transition, their conservative balance sheets buy time to navigate it, with Accenture and Cognizant holding net cash and Globant carrying little debt. At today's valuations, investors are being paid for the risk that the transition proves arduous, while getting little credit for the possibility that these firms remain central to enterprise AI adoption.

Pzena Investment Strategies

	APPROXIMATE HOLDINGS	INVESTMENT UNIVERSE	TYPICAL CLIENT BENCHMARKS	STRATEGY INCEPTION DATE	PAGE #
GLOBAL/NON-U.S. EQUITY STRATEGIES					
Global Value	60 - 95	2,000 Largest Companies Worldwide	MSCI World[1]	1/2010	14
Global Focused Value	40 - 60	2,000 Largest Companies Worldwide	MSCI ACWI	1/2004	15
International Value	60 - 80	1,500 Largest non-U.S. Companies	MSCI EAFE[1]	11/2008	16
International Focused Value	30 - 50	1,500 Largest non-U.S. Companies	MSCI ACWI ex USA	1/2004	17
International Small Cap Focused Value	40 - 70	MSCI World ex USA Small Cap	MSCI World ex USA Small Cap	10/2016	18
Emerging Markets Focused Value	40 - 80	1,500 Largest Companies in Non-Developed Markets	MSCI Emerging Markets	1/2008	19
European Focused Value	40 - 50	750 Largest European Companies	MSCI Europe	8/2008	20
Japan Focused Value	25 - 40	750 Largest Japanese Companies	TOPIX	7/2015	21
U.S. EQUITY STRATEGIES					
Large Cap Value	50 - 80	500 Largest U.S. Companies	Russell 1000 Value®	7/2012	22
Large Cap Focused Value	30 - 40	500 Largest U.S. Companies	Russell 1000 Value®	10/2000	23
Focused Value	30 - 40	1,000 Largest U.S. Companies	Russell 1000 Value®	1/1996	24
Mid Cap Focused Value	30 - 40	1,000 U.S. Companies (ranked 201 – 1200)	Russell Mid Cap Value®	9/1998	25
Small Cap Focused Value	40 - 50	2,000 U.S. Companies (ranked 1001 – 3000)	Russell 2000 Value®	1/1996	26
CREDIT STRATEGY					
Focused Credit Opportunities	30-60[2]	High yield bonds and leveraged loans	N/A	7/2022	27

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.
2. Our Credit Opportunities portfolio currently holds 30-60 positions, although it may hold more positions depending on the size of the portfolio.

PZENA GLOBAL VALUE

Global equity markets rallied in the quarter, driven by continued optimism over the global buildout of AI data centers. Our portfolio slightly underperformed its broad-market benchmark due to our underweight in information technology.

Materials and energy were the largest sectoral detractors, and chemical producer Dow fell in concert with oil prices. Both Cognizant and Accenture were weak on fears that AI will shrink their respective businesses, but we believe the market is misinterpreting the criticality of their services and the embedded nature of their work inside major companies.

Although the information technology sector was by far the portfolio's largest relative detractor, it was the top contributor on an absolute basis, led by Finnish telecom equipment manufacturer Nokia and Japanese electronic component and battery maker TDK Corp., which both benefited from the AI buildout. Health care also rose, led by the strategy's top individual contributor, pure-play Medicare Advantage insurer Humana.

We initiated a position in Workday, a leading enterprise resource planning (ERP) software company that integrates human resources and financial management into a cloud-native platform. We believe the mission-critical nature of Workday's offerings, as evidenced by its exceptionally high retention rates, is underappreciated by the market. We also added SAP, another leading ERP provider, where the ongoing migration of its large legacy on-premise customer base to the cloud delivers significant revenue uplift per customer, while the company's deep incumbency within essential enterprise workflows provides a durable competitive advantage. Lastly, we purchased FUJIFILM Holdings, a Japanese conglomerate with a diversified portfolio spanning several distinct end markets. We expect cash flow to improve materially, driven by utilization normalization at its Bio CDMO facilities. We also added to our positions in Corebridge, Publicis, Dollar General, and Cognizant, and continued to harvest profits in Nokia, while exiting Roche Holdings, ArcelorMittal, and Barclays, all on strength. ■

PERFORMANCE SUMMARY

periods greater than 1 year annualized in USD as of June 30, 2026

	2Q	YTD	One Year	Three Year	Five Year	Ten Year	Since Inception 1/1/10
Pzena Global Value Composite - Gross	12.5%	10.7%	23.4%	16.9%	11.0%	12.1%	9.9%
Pzena Global Value Composite - Net	12.3%	10.4%	22.7%	16.3%	10.4%	11.5%	9.3%
MSCI World Index	13.8%	9.7%	21.3%	19.2%	11.5%	13.1%	11.0%
MSCI World Value Index	9.2%	10.5%	20.8%	16.9%	10.5%	10.2%	8.7%

See Calendar Year Returns, Portfolio Notes/Disclosures and important risk information beginning on pg. 28.
Past performance does not predict future returns.
Returns could be impacted, positively or negatively, by currency fluctuations, where applicable.

TOP 10 HOLDINGS

(See Portfolio Notes on page 30)

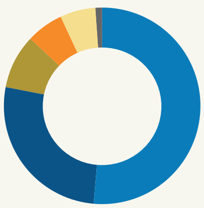
Humana	3.9%
Baxter Intl	3.1%
Taiwan Semiconductor Mfg.	2.9%
BASF	2.5%
CVS Health	2.4%
Magna International	2.4%
Daimler Truck Holding	2.4%
Cognizant Tech A	2.3%
Corebridge Financial	2.3%
Daikin Industries	2.3%
Total	26.5%

PORTFOLIO CHARACTERISTICS

	Strategy	Index
Price to Normal Earnings[1]	8.6x	15x *
Price / Earnings (1-Year Forecast)	11.6x	20.4x
Price / Book	1.6x	4.1x
Median Market Cap ($B)	$25.3	$27.8
Weighted Average Market Cap ($B)	$142.8	$940.2
Active Share	95.8%	-
Standard Deviation (5-Year)	16.9%	15.1%
Number of Stocks (model portfolio)	63	1,283

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

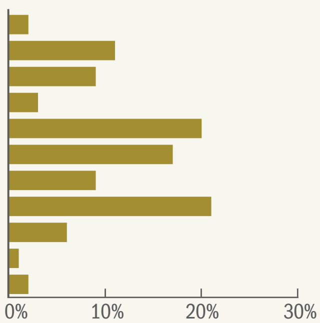
REGION CONCENTRATION



	Strategy	Index
North America	52%	76%
Europe ex-U.K.	27%	12%
Emerging Markets	9%	0%
United Kingdom	6%	3%
Japan	6%	6%
Dev. Asia ex-Japan	1%	1%
Australia/New Zealand	0%	2%

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

SECTOR WEIGHTS



	Strategy	Index
Communication Services	2%	8%
Consumer Discretionary	11%	9%
Consumer Staples	9%	5%
Energy	3%	4%
Financials	20%	16%
Health Care	17%	9%
Industrials	9%	12%
Information Technology	21%	30%
Materials	6%	3%
Real Estate	1%	2%
Utilities	2%	3%

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

PORTFOLIO STRATEGIES

PZENA GLOBAL FOCUSED VALUE

Global equity markets rallied in the quarter, driven by continued optimism over the global buildout of AI data centers. Our portfolio trailed its broad-market benchmark, as both value and growth indices were driven by increasing concentration of performance.

Energy and materials were the only sectoral detractors, and the most significant drags were Cognizant Technology Solutions, Amdocs, and Dow Inc. Chemical producer Dow fell in concert with oil prices, while both Cognizant and Amdocs were weak on fears that AI will shrink their respective businesses. In both cases, we believe the market is misinterpreting the criticality of their services and the embedded nature of their work inside major companies.

The portfolio's top contributors were all in health care, where the long-running opportunity is beginning to bear fruit. Humana, CVS Health, and Baxter International were each sizable contributors to both absolute and relative performance, as the market began to price in the likelihood of longer-term profit growth.

We initiated a position in Publicis Groupe, a global leader in helping companies drive awareness of their products and obtain the data they need to connect better with customers. Another new portfolio addition, Accenture is similarly a global leader in facilitating companies' transitions to the digital economy. These two distinct businesses have excellent prospects and longer-term contracts with major corporations around the world, but their stocks have come under pressure due to concerns —which we believe to be grossly overstated—that companies can leverage AI to displace their services.

We concluded our exit from Samsung Electronics in the quarter amid the stock's meteoric rise; we believe it is trading at levels unsupported by its long-term earnings power. We trimmed TDK, a Japanese manufacturer of components for memory disk drives, and continued to sell Nokia on strength driven by optimism for growth in AI-driven demand for its network products. We also sold our position in ArcelorMittal on strength. ■

PERFORMANCE SUMMARY

periods greater than 1 year annualized in USD as of June 30, 2026

	2Q	YTD	One Year	Three Year	Five Year	Ten Year	Since Inception 1/1/04
Pzena Global Focused Value Composite - Gross	10.3%	7.9%	19.5%	15.9%	10.3%	11.9%	7.4%
Pzena Global Focused Value Composite - Net	10.1%	7.5%	18.6%	15.1%	9.5%	11.1%	6.6%
MSCI All Country World Index	14.9%	11.2%	23.7%	19.7%	11.0%	12.8%	8.9%
MSCI All Country World Value Index	10.6%	11.9%	23.1%	17.5%	10.4%	10.1%	7.5%

See Calendar Year Returns, Portfolio Notes/Disclosures and important risk information beginning on pg. 28.
Past performance does not predict future returns.
Returns could be impacted, positively or negatively, by currency fluctuations, where applicable.

TOP 10 HOLDINGS

(See Portfolio Notes on page 30)

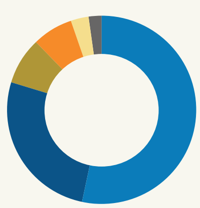
Humana	4.5%
Baxter Intl	3.5%
CVS Health	3.3%
Daimler Truck Holding	3.1%
Magna International	3.0%
Dollar General	2.9%
Bristol-Myers Squibb	2.7%
Daikin Industries	2.7%
BASF SE	2.6%
Fresenius Medical Care	2.5%
Total	30.8%

PORTFOLIO CHARACTERISTICS

	Strategy	Index
Price to Normal Earnings[1]	7.6x	15x *
Price / Earnings (1-Year Forecast)	11.2x	19x
Price / Book	1.4x	3.9x
Median Market Cap ($B)	$21.5	$17.5
Weighted Average Market Cap ($B)	$55.9	$893.6
Active Share	97.2%	-
Standard Deviation (5-Year)	17.3%	14.9%
Number of Stocks (model portfolio)	49	2,461

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

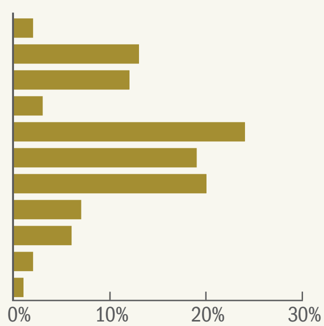
REGION CONCENTRATION



	Strategy	Index
North America	53%	67%
Europe ex-U.K.	26%	11%
Emerging Markets	8%	12%
United Kingdom	7%	3%
Japan	3%	5%
Dev. Asia ex-Japan	2%	1%
Australia/New Zealand	0%	1%

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

SECTOR WEIGHTS



	Strategy	Index
Communication Services	2%	8%
Consumer Discretionary	13%	9%
Consumer Staples	12%	5%
Energy	3%	4%
Financials	24%	16%
Health Care	19%	8%
Industrials	10%	11%
Information Technology	7%	32%
Materials	6%	4%
Real Estate	2%	2%
Utilities	1%	3%

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

PZENA INTERNATIONAL VALUE

International developed-market equities advanced in the second quarter, supported by resilient corporate earnings and improving macro sentiment. Our portfolio posted a double-digit return, largely in line with its broad-market benchmark.

Information technology and financials led the portfolio's gains, and the top three individual contributors were each Japanese beneficiaries of AI-related capital spend. Multilayer ceramic capacitor (MLCC) manufacturer Murata rose after reporting strong quarterly results and raising its AI-related volume growth forecast. Electronic components manufacturer TDK Corp. also gained, benefiting from structural demand growth across its passive components and hard disk drive head businesses. Precision component-maker MinebeaMitsumi rounded out the top contributors, with ball bearings production for servers surging several-fold over recent years, as agentic AI workloads drove a step-function increase in demand for traditional CPU-based server infrastructure.

Energy was the portfolio's only meaningfully detracting sector, as easing Middle East tensions caused oil prices to reverse; Norwegian energy company Equinor and British oil major Shell both experienced share price declines as a result. Global IT services provider Accenture also detracted after management reduced its full-year revenue guidance and raised its acquisition spend.

We initiated a position in FUJIFILM Holdings, a Japanese conglomerate with a diversified portfolio spanning multiple end markets. We expect free cash flow to improve materially, as utilization normalizes at its recently expanded Bio CDMO facilities. We also bought SAP, a leading enterprise resource planning (ERP) provider, where the ongoing migration of its legacy on-premise customers to the cloud delivers significant revenue uplift, while the company's deep incumbency within mission-critical enterprise workflows provides a durable competitive advantage. Lastly, we purchased Oversea-Chinese Banking Corporation, a Singaporean lender operating in a structurally attractive oligopoly with expanding fee income and a growing asset management business.

We trimmed Murata and Finnish telecommunications equipment maker Nokia on relative strength and exited German automaker Mercedes-Benz, reallocating capital to opportunities with more compelling return profiles. ■

PERFORMANCE SUMMARY

periods greater than 1 year annualized in USD as of June 30, 2026

	2Q	YTD	One Year	Three Year	Five Year	Ten Year	Since Inception 11/1/08
Pzena International Value Composite - Gross	11.3%	11.4%	28.2%	19.7%	12.1%	11.9%	10.8%
Pzena International Value Composite - Net	11.2%	11.1%	27.5%	19.1%	11.5%	11.3%	10.2%
MSCI EAFE Index	10.8%	9.4%	20.2%	16.4%	9.0%	9.7%	8.3%
MSCI EAFE Value Index	7.5%	9.6%	27.0%	21.5%	13.1%	10.4%	8.2%

See Calendar Year Returns, Portfolio Notes/Disclosures and important risk information beginning on pg. 28.
Past performance does not predict future returns.
Returns could be impacted, positively or negatively, by currency fluctuations, where applicable.

TOP 10 HOLDINGS

(See Portfolio Notes on page 30)

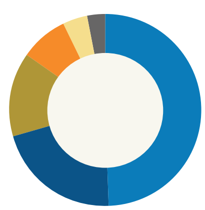
Daikin Industries	2.8%
Michelin	2.8%
ING Groep	2.7%
Daimler Truck Holding	2.6%
Publicis Groupe	2.6%
Reckitt Benckiser Group	2.5%
BASF SE	2.5%
HSBC Holdings	2.5%
Bank of Ireland Group	2.4%
Rexel SA	2.3%
Total	25.7%

PORTFOLIO CHARACTERISTICS

	Strategy	Index
Price to Normal Earnings[1]	9.3x	15.3x *
Price / Earnings (1-Year Forecast)	12x	16.1x
Price / Book	1.5x	2.3x
Median Market Cap ($B)	$29.6	$20.1
Weighted Average Market Cap ($B)	$78.1	$129.2
Active Share	86.6%	-
Standard Deviation (5-Year)	16.3%	15.4%
Number of Stocks (model portfolio)	63	673

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

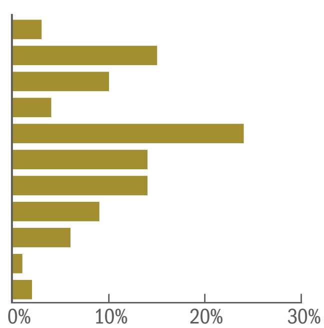
REGION CONCENTRATION



	Strategy	Index
Europe ex-U.K.	49%	51%
Japan	21%	24%
United Kingdom	14%	14%
Emerging Markets	8%	0%
North America	4%	0%
Dev. Asia ex-Japan	3%	3%
Australia/New Zealand	0%	7%
Dev. Africa/Middle East	0%	1%

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

SECTOR WEIGHTS



	Strategy	Index
Communication Services	3%	4%
Consumer Discretionary	15%	8%
Consumer Staples	10%	7%
Energy	4%	3%
Financials	24%	25%
Health Care	14%	10%
Industrials	14%	19%
Information Technology	9%	12%
Materials	6%	6%
Real Estate	1%	2%
Utilities	2%	4%

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

PZENA INTERNATIONAL FOCUSED VALUE

International equities advanced strongly in the second quarter, led by a powerful rally in chip stocks, and our portfolio trailed its broad-market benchmark.

Energy was the portfolio's only meaningfully detracting sector, as easing Middle East tensions caused oil prices to reverse; Norwegian energy company Equinor and British oil major Shell both experienced share-price declines as a result. Global IT services provider Accenture also detracted after management reduced its full-year revenue guidance and raised its acquisition spend.

Information technology and industrials led the portfolio's gains, and the top three individual contributors were each Japanese beneficiaries of AI-related capital spend. Electronic components manufacturer TDK Corp. gained, benefiting from structural demand growth across its passive components and hard disk drive head businesses. Precision component-maker MinebeaMitsumi also rose, with ball bearing production for servers surging several-fold over recent years, as agentic AI workloads drove a step-function increase in demand for traditional CPU-based server infrastructure. Multilayer ceramic capacitor manufacturer (MLCC) Murata rounded out the top contributors after reporting strong quarterly results and raising its AI-related volume growth forecast.

We initiated a position in SAP, a leading enterprise resource planning (ERP) provider, where the ongoing migration of its legacy on-premise customers to the cloud delivers significant revenue uplift, while the company's deep incumbency within mission-critical enterprise workflows provides a durable competitive advantage. Another new position, FUJIFILM Holdings, is a Japanese conglomerate with a diversified portfolio spanning multiple end markets. We expect free cash flow to improve materially, as utilization normalizes at its Bio CDMO facilities. We also bought Italian premium tire manufacturer Pirelli, which is well positioned to benefit from the structural growth of high-performance tires and where the expected exit of its largest shareholder has dampened the valuation.

We trimmed Murata on strength and exited steelmaker ArcelorMittal and building materials distributor Travis Perkins, reallocating capital to opportunities with more compelling long-term return profiles. ■

PERFORMANCE SUMMARY

periods greater than 1 year annualized in USD as of June 30, 2026

	2Q	YTD	One Year	Three Year	Five Year	Ten Year	Since Inception 1/1/04
Pzena International Focused Value Composite - Gross	8.4%	8.8%	25.0%	20.4%	12.2%	12.6%	8.3%
Pzena International Focused Value Composite - Net	8.2%	8.4%	24.1%	19.6%	11.3%	11.7%	7.3%
MSCI ACWI ex USA Index	14.5%	13.7%	27.7%	18.8%	8.8%	9.9%	7.2%
MSCI ACWI ex USA Value Index	12.2%	14.5%	33.2%	22.4%	12.4%	10.5%	7.2%

See Calendar Year Returns, Portfolio Notes/Disclosures and important risk information beginning on pg. 28.
Past performance does not predict future returns.
Returns could be impacted, positively or negatively, by currency fluctuations, where applicable.

TOP 10 HOLDINGS

(See Portfolio Notes on page 30)

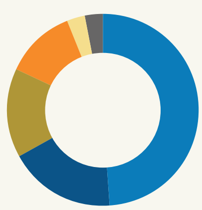
Publicis Groupe	3.3%
Daikin Industries	2.9%
Michelin	2.7%
BASF SE	2.7%
Reckitt Benckiser Group	2.6%
Daimler Truck Holding	2.6%
Bayer	2.6%
Ambev	2.5%
Shell	2.4%
Magna International	2.4%
Total	26.7%

PORTFOLIO CHARACTERISTICS

	Strategy	Index
Price to Normal Earnings [1]	8.5x	15.3x *
Price / Earnings (1-Year Forecast)	11.1x	14.8x
Price / Book	1.4x	2.4x
Median Market Cap ($B)	$23.1	$13.9
Weighted Average Market Cap ($B)	$64.1	$269.8
Active Share	93.0%	-
Standard Deviation (5-Year)	16.7%	15.4%
Number of Stocks (model portfolio)	48	1,934

Source: MSCI ACWI (ex USA) Index, Pzena analysis
*Investment universe median; [1]Pzena's estimate of normal earnings.

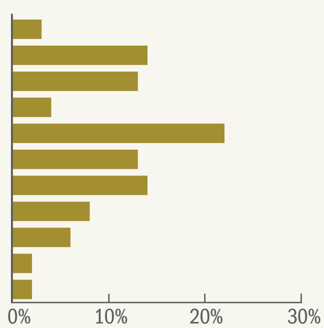
REGION CONCENTRATION



	Strategy	Index
Europe ex-U.K.	49%	30%
Emerging Markets	18%	33%
Japan	15%	14%
United Kingdom	12%	8%
North America	3%	8%
Dev. Asia ex-Japan	3%	2%
Australia/New Zealand	0%	4%
Dev. Africa/Middle East	0%	1%

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

SECTOR WEIGHTS



	Strategy	Index
Communication Services	3%	4%
Consumer Discretionary	14%	7%
Consumer Staples	13%	5%
Energy	4%	4%
Financials	22%	24%
Health Care	13%	7%
Industrials	14%	14%
Information Technology	8%	23%
Materials	6%	6%
Real Estate	2%	1%
Utilities	2%	3%

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

PORTFOLIO STRATEGIES

PZENA INTERNATIONAL SMALL CAP FOCUSED VALUE

International small-cap equities advanced during the quarter, supported by easing macro uncertainty and resilient earnings. Growth outperformed value, aided by enthusiasm around AI and semiconductor-related demand. Our portfolio was roughly in line with its broad-market benchmark but outperformed its value benchmark.

The materials sector was the largest contributor, driven by two Japanese specialty producers benefiting from surging semiconductor demand. Specialty chemical producer Kanto Denka Kogyo advanced after a strong quarter and guidance for operating profit to nearly double next year on demand for memory-chip specialty gases. Graphite and carbon black producer Tokai Carbon rose after beating first-quarter results, supported by its silicon carbide exposure. Food ingredients maker Tate & Lyle was a top contributor after Ingredion confirmed a recommended all-cash offer at a premium of roughly 60%, which we view as a reasonable price for shareholders.

Health care and utilities were the largest detracting sectors. Australian agricultural retailer Elders fell on higher-than-expected overhead and delayed synergies from its Delta acquisition. Japanese generic drug manufacturer Sawai declined on a weak quarter, hurt by a slower-than-expected capacity ramp and margin pressure. UK water utility Pennon Group was lower after guiding below consensus, with pollution-related challenges weighing on sentiment amid political uncertainty around Thames Water's restructuring.

We added to housing materials distributor Travis Perkins, building products manufacturer Ibstock, and heating and water technology producer Ariston Holding on weakness. Travis Perkins and Ibstock are levered to UK construction activity, which we believe remains near cyclical lows. Ariston has been pressured by soft consumer demand, though replacement demand should prove resilient. We exited Umicore as it reached the midpoint of our investment universe, and Transcontinental, which completed the sale of its largest business. We exited Ferrexpo on deteriorating governance, exited Aurubis, Barry Callebaut, and Senior on strength, and trimmed Kanto Denka Kogyo and Tokai Carbon, reallocating capital toward more compelling opportunities. ■

PERFORMANCE SUMMARY

periods greater than 1 year annualized in USD as of June 30, 2026

	2Q	YTD	One Year	Three Year	Five Year	Since Inception 10/1/16
Pzena International Small Cap Focused Value Composite - Gross	7.7%	2.1%	12.1%	16.3%	11.5%	10.2%
Pzena International Small Cap Focused Value Composite - Net	7.5%	1.6%	11.0%	15.2%	10.4%	9.1%
MSCI World ex USA Small Cap Index	7.9%	7.5%	19.4%	16.5%	6.0%	8.3%
MSCI World ex USA Small Cap Value Index	5.5%	5.3%	20.2%	17.8%	8.4%	8.5%

See Calendar Year Returns, Portfolio Notes/Disclosures and important risk information beginning on pg. 28.
Past performance does not predict future returns.
Returns could be impacted, positively or negatively, by currency fluctuations, where applicable.

TOP 10 HOLDINGS

(See Portfolio Notes on page 30)

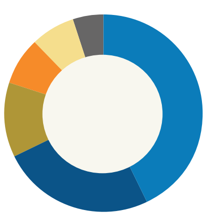
Origin Enterprises	3.7%
Sabre Insurance Group	3.5%
Permanent TSB	3.4%
Fukuoka Financial Group ADR	3.4%
Tate & Lyle	3.3%
Nexity SA	3.2%
Nokian Renkaat	3.2%
Arkema	3.2%
Unicaja Banco	2.9%
Fletcher Building	2.9%
Total	32.7%

PORTFOLIO CHARACTERISTICS

	Strategy	Index
Price to Normal Earnings[1]	7.1x	12.5x *
Price / Earnings (1-Year Forecast)	12.2x	14.5x
Price / Book	0.9x	1.6x
Median Market Cap ($B)	$1.6	$1.8
Weighted Average Market Cap ($B)	$2.1	$4.4
Active Share	98.7%	-
Standard Deviation (5-Year)	16.7%	17.2%
Number of Stocks (model portfolio)	38	2,245

Source: MSCI World ex USA Small Cap Index, Pzena analysis
*Investment universe median; [1]Pzena's estimate of normal earnings.

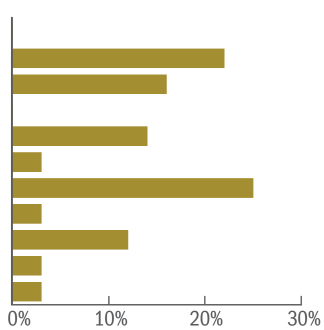
REGION CONCENTRATION



	Strategy	Index
Europe ex-U.K.	43%	27%
United Kingdom	25%	12%
Japan	12%	33%
North America	8%	11%
Australia/New Zealand	7%	9%
Dev. Asia ex-Japan	5%	3%
Dev. Africa/Middle East	0%	4%

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

SECTOR WEIGHTS



	Strategy	Index
Communication Services	0%	3%
Consumer Discretionary	22%	11%
Consumer Staples	16%	5%
Energy	0%	5%
Financials	14%	12%
Health Care	3%	5%
Industrials	25%	22%
Information Technology	3%	11%
Materials	12%	14%
Real Estate	3%	10%
Utilities	3%	3%

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

PZENA EMERGING MARKETS FOCUSED VALUE

Emerging-market equities advanced strongly during the quarter, driven by a rally in AI-linked semiconductor stocks. Growth significantly outperformed value, as AI enthusiasm concentrated returns in a narrow set of holdings. Our portfolio underperformed both the MSCI Emerging Markets Index and MSCI Emerging Markets Value Index. Our limited exposure to the tech sector, which accounted for more than 90% of the broad index's return in the quarter, was the main driver of the relative underperformance.

Consumer discretionary, materials, and energy were the largest detracting sectors. IT services company Cognizant declined despite strong earnings and bookings, as concerns around AI-driven disruption weighed on the stock, compounded by softer near-term guidance. Peer Globant also fell, pressured by fears around AI displacement and weakening discretionary spending, despite in-line results. We believe both are positioned to help customers scale their AI capabilities. Chinese e-commerce player Alibaba detracted on concerns around rising cloud capital expenditures and losses in its quick commerce business.

Despite being a large relative detractor, information technology was the top contributing sector. Korean memory manufacturer Samsung Electronics rose sharply, as unabated memory demand fueled expectations of DRAM shortages through 2027. Taiwanese foundry leader Taiwan Semiconductor Manufacturing contributed, benefiting from supply tightness, as demand for advanced capacity outpaced its conservative expansion. Hungarian lender OTP Bank rounded out the top contributors after strong first-quarter results, with robust loan growth and improving margins.

We initiated a position in KE Holdings, a leading Chinese property services platform, where a recovering housing market should support profitability. We also bought Kunlun Energy, a Chinese city gas and liquefied natural gas (LNG) utility with favorable exposure to western China, limited reliance on connection fees, and a strong balance sheet. We added to Cognizant, Haier Smart Home, and Taiwanese window-coverings manufacturer Nien Made on weakness. Following relative strength, we trimmed Taiwan Semiconductor Manufacturing, OTP Bank, Petrobras, and Samsung Electronics, and exited Chinese chemicals producer Zhejiang Longsheng. ■

PERFORMANCE SUMMARY

periods greater than 1 year annualized in USD as of June 30, 2026

	2Q	YTD	One Year	Three Year	Five Year	Ten Year	Since Inception 1/1/08
Pzena Emerging Markets Focused Value Composite - Gross	1.9%	6.3%	25.7%	19.0%	11.1%	12.4%	6.6%
Pzena Emerging Markets Focused Value Composite - Net	1.6%	5.7%	24.5%	17.8%	10.0%	11.3%	5.4%
MSCI Emerging Markets Index	24.1%	23.8%	43.5%	23.0%	7.2%	10.1%	4.2%
MSCI Emerging Markets Value Index	21.7%	23.0%	42.3%	22.3%	9.2%	9.4%	3.7%

See Calendar Year Returns, Portfolio Notes/Disclosures and important risk information beginning on pg. 28.
Past performance does not predict future returns.
Returns could be impacted, positively or negatively, by currency fluctuations, where applicable.

TOP 10 HOLDINGS

(See Portfolio Notes on page 30)

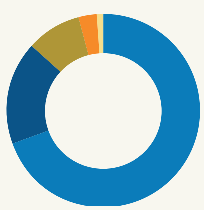
Taiwan Semiconductor Mfg.	5.1%
Samsung Electr Pfd	4.6%
Ambev	2.8%
Galaxy Entertainment	2.5%
Credicorp	2.5%
Alibaba Group Holding	2.3%
Haier Smart Home A	2.3%
Tencent Holdings	2.3%
China Overseas Land & Investment	2.2%
Bangkok Bank	2.2%
Total	28.8%

PORTFOLIO CHARACTERISTICS

	Strategy	Index
Price to Normal Earnings[1]	8.6x	19.9x *
Price / Earnings (1-Year Forecast)	9.3x	12.6x
Price / Book	1.2x	2.6x
Median Market Cap ($B)	$13.9	$11.0
Weighted Average Market Cap ($B)	$216.5	$557.3
Active Share	80.1%	-
Standard Deviation (5-Year)	16.7%	18.5%
Number of Stocks (model portfolio)	57	1,178

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

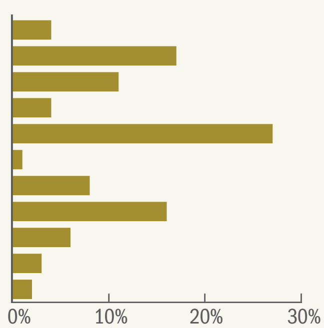
REGION CONCENTRATION



	Strategy	Index
Asia	69%	84%
Latin America	17%	6%
Europe	9%	2%
North America	3%	0%
Africa/Middle East	1%	8%

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

SECTOR WEIGHTS



	Strategy	Index
Communication Services	4%	6%
Consumer Discretionary	17%	7%
Consumer Staples	11%	3%
Energy	4%	3%
Financials	27%	18%
Health Care	1%	2%
Industrials	8%	7%
Information Technology	16%	45%
Materials	6%	5%
Real Estate	3%	1%
Utilities	2%	2%

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

PZENA EUROPEAN FOCUSED VALUE

European equities advanced during the quarter, with growth outpacing value across the region. Against that backdrop, the portfolio underperformed the MSCI Europe Index but was roughly in line with the MSCI Europe Value Index.

Energy was the largest detracting sector, with Norwegian oil and gas producer Equinor the largest laggard, as oil prices fell on hopes of an end to the Middle East conflict. Swiss chocolate manufacturer Barry Callebaut declined after cutting full-year profit guidance, as lower cocoa prices weighed on its higher-margin gourmet business. IT services provider Accenture sold off despite steady results, as softer bookings and slower client decisions revived concerns about AI disrupting demand.

Financials, consumer discretionary, and consumer staples were the largest contributing sectors. Food ingredients maker Tate & Lyle was the top contributor, rising on an all-cash acquisition proposal from Ingredion. Pharmaceutical and crop science group Bayer advanced, as confidence grew that its long-running Roundup litigation is being contained, following an expected nationwide class settlement and favorable Supreme Court arguments. Swiss lender UBS Group rose on growing confidence that Switzerland's proposed bank-capital increase would be softened materially.

We initiated a position in Accenture, where the weakness that pressured the shares created the opportunity. It now trades near its lowest valuation in a decade and stands to benefit from rising AI-enabled automation demand. We purchased Italian premium tiremaker Pirelli, whose industry-leading margins and limited exposure to low-cost Asian competition have been obscured by a technical overhang tied to a potential stake sale by its major Chinese shareholder. We introduced luxury automaker Porsche, where a China downturn and a self-inflicted product-cycle gap have depressed earnings; refreshed models and cost restructuring should drive a recovery, supported by a world-class brand. We funded these purchases by exiting Nokia, Mercedes-Benz, Umicore, and ArcelorMittal, reallocating capital toward opportunities with more compelling long-term return profiles. ■

PERFORMANCE SUMMARY

periods greater than 1 year annualized in USD as of June 30, 2026

	2Q	YTD	One Year	Three Year	Five Year	Ten Year	Since Inception 8/1/08
Pzena European Focused Value Composite - Gross	8.1%	8.0%	21.7%	18.6%	12.9%	11.9%	7.7%
Pzena European Focused Value Composite - Net	8.0%	7.6%	21.0%	17.9%	12.2%	11.2%	7.0%
MSCI Europe Index	10.9%	7.8%	18.6%	16.2%	9.5%	9.9%	5.5%
MSCI Europe Value Index	8.2%	8.3%	24.6%	21.9%	13.6%	10.5%	4.9%

See Calendar Year Returns, Portfolio Notes/Disclosures and important risk information beginning on pg. 28.
Past performance does not predict future returns.
Returns could be impacted, positively or negatively, by currency fluctuations, where applicable.

TOP 10 HOLDINGS

(See Portfolio Notes on page 30)

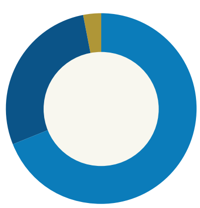
Bayer	4.0%
Daimler Truck Holding	3.6%
Bank of Ireland Group	3.4%
Michelin	3.3%
Tate & Lyle	3.3%
Reckitt Benckiser Group	3.2%
Julius Baer Gruppe	3.1%
Fresenius Medical Care	3.1%
HSBC Holdings	3.0%
BASF	3.0%
Total	33.0%

PORTFOLIO CHARACTERISTICS

	Strategy	Index
Price to Normal Earnings[1]	8.4x	13x *
Price / Earnings (1-Year Forecast)	12x	15.6x
Price / Book	1.4x	2.5x
Median Market Cap ($B)	$19.3	$22.6
Weighted Average Market Cap ($B)	$50.6	$150.9
Active Share	86.5%	-
Standard Deviation (5-Year)	18.4%	16.3%
Number of Stocks (model portfolio)	44	397

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

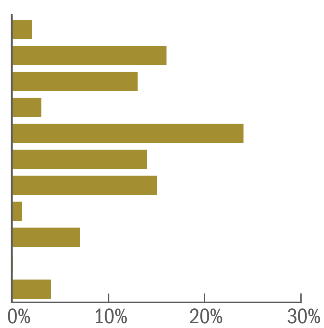
REGION CONCENTRATION



	Strategy	Index
Europe ex-U.K.	69%	78%
United Kingdom	28%	22%
North America	3%	0%

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

SECTOR WEIGHTS



	Strategy	Index
Communication Services	2%	3%
Consumer Discretionary	16%	6%
Consumer Staples	13%	9%
Energy	3%	4%
Financials	24%	24%
Health Care	14%	13%
Industrials	15%	19%
Information Technology	1%	10%
Materials	7%	5%
Real Estate	0%	1%
Utilities	4%	5%

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

PZENA JAPAN FOCUSED VALUE

Japanese equities advanced during the quarter, with the broad market posting strong gains. Growth outpaced value, as investor enthusiasm for technology and AI-related themes drove a notable divergence across styles. Our portfolio outperformed both the broader TOPIX Index and the TOPIX Value benchmark.

Information technology was the dominant source of positive contribution, followed by industrials and materials. Multilayer ceramic capacitor (MLCC) producers Murata Manufacturing, Taiyo Yuden, and TDK all rallied, as investors grew more optimistic that AI-server demand is creating structural tightness in high-end MLCCs and scope for price increases, prompting comparisons with a memory upcycle. TDK was further lifted by hard disk drive (HDD) head demand for AI nearline storage, while silicon wafer producer SUMCO contributed, as AI demand raised prospects of medium-term wafer tightness.

Health care and consumer discretionary were the largest detracting sectors. Generic drug manufacturer Sawai Group Holdings declined after production volumes fell short of targets. Takeda Pharmaceutical lagged, as litigation concerns and a weak near-term earnings outlook overshadowed its pipeline. Toyota Motor fell, as results and guidance came in below expectations, reflecting the Middle East conflict's impact on sales and costs.

During the quarter, we initiated positions in FUJIFILM, TIS, Toyota Motor, and ARCHION. FUJIFILM, a Japanese conglomerate, has seen cash flow temporarily depressed by Bio CDMO investment ahead of a normalization. TIS, one of Japan's leading IT services companies, is embedded in mission-critical financial systems and sold off on AI-disruption fears we view as overly simplistic. Toyota's conflict-driven weakness created an attractive entry for a company with durable hybrid leadership. ARCHION, formed from Hino Motors and Daimler Truck's Fuso division, benefits from a consolidated truck market and an international growth opportunity. We added to Sawai, Japan Airlines, and Persol Holdings on weakness, and trimmed Murata Manufacturing, TDK, and SUMCO on strength. We exited Daihen, Toyota Boshoku, Taiyo Yuden, and Suzuken on valuation. ■

PERFORMANCE SUMMARY

periods greater than 1 year annualized in USD as of June 30, 2026

	2Q	YTD	One Year	Three Year	Five Year	Ten Year	Since Inception 7/1/15
Pzena Japan Focused Value Composite - Gross	23.2%	24.6%	47.0%	24.7%	14.8%	12.6%	9.7%
Pzena Japan Focused Value Composite - NET	23.0%	24.1%	45.9%	23.7%	13.9%	11.7%	8.8%
TOPIX Index	12.0%	14.1%	26.9%	18.1%	9.2%	9.5%	7.8%
TOPIX Value Index	9.8%	15.2%	37.8%	24.4%	15.2%	12.0%	9.3%

See Calendar Year Returns, Portfolio Notes/Disclosures and important risk information beginning on pg. 28.
Past performance does not predict future returns.
Returns could be impacted, positively or negatively, by currency fluctuations, where applicable.

TOP 10 HOLDINGS

(See Portfolio Notes on page 30)

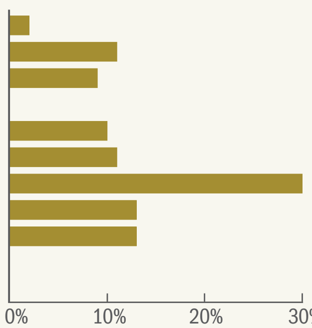
Daikin Industries	4.8%
Minebea Mitsumi	4.2%
Japan Airlines	3.8%
Suntory Beverage & Food	3.8%
Tokai Carbon	3.6%
PERSOL Holdings	3.6%
Bridgestone	3.6%
Coca-Cola Jp H	3.3%
Takeda Pharmaceutical	3.3%
Fujifilm Holdings	3.2%
Total	37.2%

PORTFOLIO CHARACTERISTICS

	Strategy	Index
Price to Normal Earnings [1]	11.1x	15x *
Price / Earnings (1-Year Forecast)	15.2x	16.9x
Price / Book	1.3x	1.8x
Median Market Cap ($B)	$8.1	$0.7
Weighted Average Market Cap ($B)	$24.4	$72.1
Active Share	88.1%	-
Standard Deviation (5-Year)	16.4%	15.3%
Number of Stocks (model portfolio)	35	1,638

Source: TOPIX Index, Pzena Analysis
*Investment universe median; [1]Pzena's estimate of normal earnings.

SECTOR WEIGHTS



	Strategy	Index
Communication Services	2%	6%
Consumer Discretionary	11%	14%
Consumer Staples	9%	5%
Energy	0%	1%
Financials	10%	17%
Health Care	11%	5%
Industrials	30%	25%
Information Technology	13%	18%
Materials	13%	6%
Real Estate	0%	2%
Utilities	0%	1%

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

PORTFOLIO STRATEGIES

PZENA LARGE CAP VALUE (U.S.)

The U.S. market surged during the quarter, driven by continued optimism over the global buildout of AI data centers and an improving outlook for economic growth as tensions eased following the de-escalation of hostilities in the Middle East. Portfolio performance was strong, but we slightly underperformed the value benchmark, driven primarily by the outsized contribution of information technology, which contributed more than 900 basis points to benchmark performance. Our strongest contributions came from health care and financials, partially offset by weakness in energy and technology.

Energy was the largest detractor from performance. IT services companies Cognizant, Accenture, and Amdocs declined materially following weaker organic growth guidance and, in Accenture's case, the announcement of increased future acquisitions. The market continues to assess the long-term implications of AI-driven disruption on IT services business models and the near-term shift in client spending toward AI-related token consumption.

The health care sector contributed to portfolio performance during the quarter. Medical insurer Humana rose sharply, more than recovering its prior-quarter decline after strong first-quarter results. Health insurer and retail pharmacy operator CVS Health also benefited from moderating medical cost trends and continued retail pharmacy growth, with its pharmacy benefit manager operations proving resilient. Mobile component provider Skyworks recovered, as fears over declining mobile phone volumes abated, aided by strong growth outside its mobile business.

We initiated a position in Workday, a leading enterprise resource planning (ERP) software company integrating human resources and financial management into a cloud-native platform. We established the position following the broader software sell-off driven by concerns over AI disruption. We believe the mission-critical nature of Workday's offerings, as evidenced by their exceptionally high retention rates, is underappreciated by the market, and we see a significant opportunity for AI-driven margin expansion, including in software development.

Another new position is The Walt Disney Company, an entertainment company monetizing nearly a century of owned IP through its flywheel of TV/film, consumer products, theme parks, hotels, and cruises. The market is primarily concerned that long-term streaming economics will fall short of historical cable economics. We believe streaming should earn at least the company's long-term average. Its Experiences segment provides a stable, growing source of earnings power.

We increased our position in IT solutions distributor CDW, which sold off sharply due to near-term margin pressure from a mix shift toward hardware despite solid revenue growth. We also added to fund administrator SS&C Technologies on weakness. We funded these purchases by exiting rail equipment company Wabtec and diversified health care company Johnson & Johnson, and trimming Humana and chemical producer Dow, following strong performance.

Looking ahead, large-cap value stocks continue to offer meaningful opportunities where near-term dislocations have compressed valuations below our assessment of long-term earnings power. The portfolio remains well positioned across a diverse set of businesses with durable franchises, and we remain focused on identifying companies where the gap between sentiment and business quality is greatest. ■

PERFORMANCE SUMMARY

periods greater than 1 year annualized in USD as of June 30, 2026

	2Q	YTD	One Year	Three Year	Five Year	Ten Year	Since Inception 7/1/12
Pzena Large Cap Value Composite - Gross	10.2%	5.1%	13.0%	12.1%	8.9%	11.1%	11.7%
Pzena Large Cap Value Composite - Net	10.1%	4.9%	12.5%	11.7%	8.5%	10.6%	11.3%
Russell 1000 Value Index	13.9%	16.3%	27.1%	17.8%	11.2%	11.5%	12.1%

See Calendar Year Returns, Portfolio Notes/Disclosures and important risk information beginning on pg. 28.
Past performance does not predict future returns.
Returns could be impacted, positively or negatively, by currency fluctuations, where applicable.

TOP 10 HOLDINGS

(See Portfolio Notes on page 30)

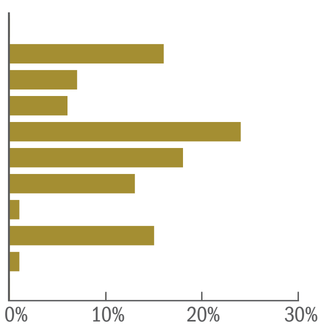
Humana	4.0%
Magna International	3.7%
CVS Health	3.3%
Skyworks Solutions	3.3%
Baxter Intl	3.2%
Dollar General	3.2%
Bank of America	3.1%
CDW	3.1%
MetLife	3.1%
Wells Fargo	2.9%
Total	32.9%

PORTFOLIO CHARACTERISTICS

	Strategy	Index
Price to Normal Earnings[1]	7.8x	14.4x *
Price / Earnings (1-Year Forecast)	10.8x	18.3x
Price / Book	1.7x	3.2x
Median Market Cap ($B)	$39.4	$15.1
Weighted Average Market Cap ($B)	$93.2	$673.1
Active Share	89.0%	-
Standard Deviation (5-Year)	17.3%	14.8%
Number of Stocks (model portfolio)	50	870

Source: Russell 1000® Value, Pzena analysis
*Investment universe median; [1]Pzena's estimate of normal earnings.

SECTOR WEIGHTS



	Strategy	Index
Basic Materials	0%	3%
Consumer Discretionary	16%	15%
Consumer Staples	7%	6%
Energy	6%	6%
Financials	24%	18%
Health Care	18%	12%
Industrials	13%	13%
Real Estate	1%	4%
Technology	15%	17%
Telecommunications	1%	3%
Utilities	0%	4%

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

PZENA LARGE CAP FOCUSED VALUE (U.S.)

The U.S. market surged during the quarter, driven by continued optimism over the global buildout of AI data centers and an improving outlook for economic growth as tensions eased following the de-escalation of hostilities in the Middle East. Portfolio performance was strong, but we slightly underperformed the value benchmark, driven primarily by the outsized contribution of information technology, which contributed more than 900 basis points to benchmark performance. Our strongest contributions came from health care and financials, partially offset by weakness in technology and energy.

Technology was the largest detractor from performance. IT services companies Cognizant and Accenture declined materially following weaker organic growth guidance and, in Accenture's case, the announcement of increased future acquisitions. The market continues to assess the long-term implications of AI-driven disruption on IT services business models and the near-term shift in client spending toward AI-related token consumption at the expense of services spending. Chemical producer Dow Inc. also declined, as oil prices fell.

The health care sector was the largest contributor to portfolio performance during the quarter. Medical insurer Humana rose sharply, more than recovering its prior-quarter decline after strong first-quarter results driven by favorable medical cost trends and no evidence of the feared adverse selection associated with the company's substantial membership growth. Health insurer and retail pharmacy operator CVS Health also benefited from moderating medical cost trends and continued retail pharmacy growth, with its pharmacy benefit manager operations proving resilient. Medical products manufacturer Baxter International rebounded from last quarter's decline on solid results and the absence of meaningful impact from higher oil prices, which subsequently declined.

We initiated a position in Workday, a leading enterprise resource planning (ERP) software company integrating human resources and financial management into a cloud-native platform. Workday's products are highly sticky, with gross revenue retention approaching 98%, reflecting their deep integration into core workflows such as accounts payable, payroll, tax, and financial reporting. We established the position following the broader software sell-off driven by concerns over AI disruption. We believe the mission-critical nature of Workday's offerings is underappreciated by the market, and we see a significant opportunity for AI-driven margin expansion, including in software development.

We increased our position in IT solutions distributor CDW, which sold off sharply due to near-term margin pressure from a mix shift toward hardware despite solid revenue growth. We also added to Accenture on weakness. We funded these purchases by exiting electronic connector manufacturer TE Connectivity and trimming CVS Health and Dow, following strong performance.

Looking ahead, large-cap value stocks continue to offer meaningful opportunities where near-term dislocations have compressed valuations below our assessment of long-term earnings power. The portfolio remains well positioned across a diverse set of businesses with durable franchises, and we remain focused on identifying companies where the gap between market sentiment and underlying business quality is greatest. ■

PERFORMANCE SUMMARY

periods greater than 1 year annualized in USD as of June 30, 2026

	2Q	YTD	One Year	Three Year	Five Year	Ten Year	Since Inception 10/1/00
Pzena Large Cap Focused Value Composite - Gross	13.3%	6.9%	13.5%	11.7%	8.6%	11.1%	8.1%
Pzena Large Cap Focused Value Composite - Net	13.1%	6.5%	12.7%	10.9%	7.8%	10.3%	7.3%
Russell 1000 Value Index	13.9%	16.3%	27.1%	17.8%	11.2%	11.5%	8.3%

See Calendar Year Returns, Portfolio Notes/Disclosures and important risk information beginning on pg. 28.
Past performance does not predict future returns.
Returns could be impacted, positively or negatively, by currency fluctuations, where applicable.

TOP 10 HOLDINGS

(See Portfolio Notes on page 30)

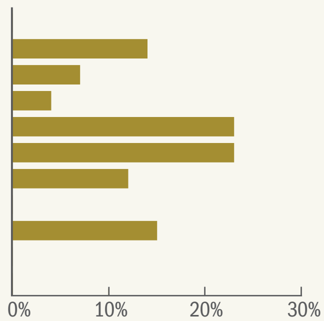
Humana	7.1%
Baxter Intl	5.5%
CVS Health	4.8%
Skyworks Solutions	3.9%
Fresenius Medical Care	3.8%
Dollar General	3.7%
Magna International	3.6%
Corebridge Financial	3.6%
MetLife	3.6%
Wells Fargo	3.5%
Total	43.1%

PORTFOLIO CHARACTERISTICS

	Strategy	Index
Price to Normal Earnings[1]	7.2x	14.4x*
Price / Earnings (1-Year Forecast)	10.6x	18.3x
Price / Book	1.6x	3.2x
Median Market Cap ($B)	$19.8	$15.1
Weighted Average Market Cap ($B)	$73.8	$673.1
Active Share	94.7%	-
Standard Deviation (5-Year)	18.6%	14.8%
Number of Stocks (model portfolio)	33	870

Source: Russell 1000® Value, Pzena analysis
*Investment universe median; [1]Pzena's estimate of normal earnings.

SECTOR WEIGHTS



	Strategy	Index
Basic Materials	0%	3%
Consumer Discretionary	14%	15%
Consumer Staples	7%	6%
Energy	4%	6%
Financials	23%	18%
Health Care	23%	12%
Industrials	12%	13%
Real Estate	0%	4%
Technology	15%	17%
Telecommunications	0%	3%
Utilities	0%	4%

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

PORTFOLIO STRATEGIES

PZENA FOCUSED VALUE (U.S.)

The U.S. market surged during the quarter, driven by continued optimism over the global buildout of AI data centers and an improving outlook for economic growth as tensions eased following the de-escalation of hostilities in the Middle East. Portfolio performance was strong, with contributions from a broad range of sectors, and we slightly outperformed the value benchmark.

The health care sector was the largest contributor to portfolio performance during the quarter. Medical insurer Humana rose sharply, more than recovering its prior-quarter decline after strong first-quarter results driven by favorable medical cost trends and no evidence of the feared adverse selection associated with the company's substantial membership growth. Health insurer and retail pharmacy operator CVS Health also benefited from moderating medical cost trends and continued retail pharmacy growth, with its pharmacy benefit manager operations proving resilient. Medical products manufacturer Baxter International rebounded from last quarter's decline on solid results and the absence of meaningful impact from higher oil prices, which subsequently declined.

Energy was the only sector to decline from absolute performance. IT services companies Cognizant and Accenture declined materially following weaker organic growth guidance and, in Accenture's case, the announcement of increased future acquisitions. The market continues to assess the long-term implications of AI-driven disruption on IT services business models and the near-term shift in client spending toward AI-related token consumption at the expense of services spending. Leading hospital group Universal Health Services also declined on lighter Acute Care volumes from a light flu season; the company expects anticipated capacity increases to drive revenue growth.

During the quarter, we initiated a position in Workday, a leading enterprise resource planning (ERP) software company integrating human resources and financial management into a cloud-native platform. Workday's products are highly sticky, with gross revenue retention approaching 98%, reflecting their deep integration into core workflows such as accounts payable, payroll, tax, and financial reporting. We established the position following the broader software sell-off driven by concerns over AI disruption. We believe the mission-critical nature of Workday's offerings is underappreciated by the market, and we see a significant opportunity for AI-driven margin expansion, including in software development.

We increased our position in IT solutions distributor CDW, which sold off sharply due to near-term margin pressure from a mix shift toward hardware despite solid revenue growth. We also added to Accenture on weakness. We funded these purchases by trimming electronic components distributor Avnet and money center bank Citigroup, following strong performance.

Looking ahead, large-cap value stocks continue to offer meaningful opportunities where near-term dislocations have compressed valuations below our assessment of long-term earnings power. The portfolio remains well positioned across a diverse set of businesses with durable franchises, and we remain focused on identifying companies where the gap between market sentiment and underlying business quality is greatest. ■

PERFORMANCE SUMMARY

periods greater than 1 year annualized in USD as of June 30, 2026

	2Q	YTD	One Year	Three Year	Five Year	Ten Year	Since Inception 1/1/96
Pzena Focused Value Composite - Gross	14.3%	9.2%	13.5%	13.0%	9.5%	11.0%	10.5%
Pzena Focused Value Composite - Net	14.0%	8.7%	12.4%	11.8%	8.4%	9.9%	9.4%
Russell 1000 Value Index	13.9%	16.3%	27.1%	17.8%	11.2%	11.5%	9.6%

See Calendar Year Returns, Portfolio Notes/Disclosures and important risk information beginning on pg. 28.
Past performance does not predict future returns.
Returns could be impacted, positively or negatively, by currency fluctuations, where applicable.

TOP 10 HOLDINGS

(See Portfolio Notes on page 30)

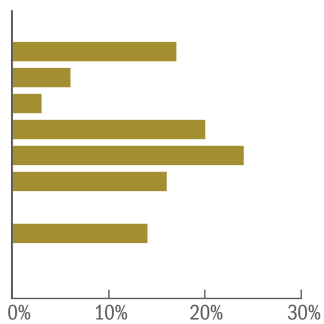
Humana	7.6%
Baxter Intl	5.1%
CVS Health	4.2%
Dollar General	3.8%
Skyworks Solutions	3.4%
Magna International	3.4%
Lear	3.4%
Capital One Financial	3.4%
Wells Fargo	3.3%
CDW Corporation	3.2%
Total	40.8%

PORTFOLIO CHARACTERISTICS

	Strategy	Index
Price to Normal Earnings[1]	7.2x	13.8x*
Price / Earnings (1-Year Forecast)	10.8x	18.3x
Price / Book	1.6x	3.2x
Median Market Cap ($B)	$16.2	$15.1
Weighted Average Market Cap ($B)	$55.6	$673.1
Active Share	94.8%	-
Standard Deviation (5-Year)	19.7%	14.8%
Number of Stocks (model portfolio)	37	870

Source: Russell 1000® Value, Pzena analysis
*Investment universe median; [1]Pzena's estimate of normal earnings.

SECTOR WEIGHTS



	Strategy	Index
Basic Materials	0%	3%
Consumer Discretionary	17%	15%
Consumer Staples	6%	6%
Energy	3%	6%
Financials	20%	18%
Health Care	24%	12%
Industrials	16%	13%
Real Estate	0%	4%
Technology	14%	17%
Telecommunications	0%	3%
Utilities	0%	4%

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

PZENA MID CAP FOCUSED VALUE (U.S.)

Markets advanced strongly during the second quarter, as investors looked past disruptions in the Middle East and embraced a semiconductor-led rally. Within mid caps, value and growth performed largely in line with each other. Our portfolio outperformed its value benchmark, driven by relative strength across multiple sectors.

Health care was the largest contributor to absolute performance, with the financials and consumer discretionary sectors also contributing meaningfully. Medical insurer Humana was the top individual contributor after reporting first-quarter results that exceeded expectations, with the medical loss ratio below consensus and no signs of adverse selection risk despite significant Medicare Advantage membership growth. Medical products company Baxter International also contributed after reporting better-than-expected results and reiterating its full-year outlook despite peers cutting guidance, as management expects meaningful margin expansion in the second half. Electronic components distributor Avnet rose sharply on exceptional quarterly results driven by surging data center demand, with broad-based growth across regions and end markets.

Basic materials and consumer staples were the only sectors to weigh on absolute performance. IT services company Cognizant Technology Solutions was the largest individual detractor, declining despite beating on earnings and bookings, as persistent concerns about AI disruption to the IT services business model weighed on the stock. Commodity chemicals producer Dow also detracted, as the stock gave back gains from earlier in the year when Middle East supply disruptions had tightened petrochemical markets. Chlor-alkali and ammunition manufacturer Olin Corporation declined after announcing an all-stock merger of equals with specialty chemicals company Huntsman Corporation, compounded by broader chemical market weakness.

We initiated a position in Workday, a leading enterprise resource planning (ERP) software company integrating human resources and financial management into a cloud-native platform. We established the position following the broader software sell-off driven by concerns over AI disruption.

We believe the mission-critical nature of Workday's offerings, as evidenced by their exceptionally high retention rates, is underappreciated by the market, and we see a significant opportunity for AI-driven margin expansion, including in software development.

We also initiated a position in fund administration and financial technology provider SS&C Technologies, whose stock has been pressured by AI-disruption concerns despite continued organic growth and productivity gains from AI and automation tools. Its high revenue retention rate and the complexity of its regulatory and data environment provide meaningful barriers to displacement. We also believe the market has overstated the near-term competitive threat from AI-native entrants. ■

PERFORMANCE SUMMARY

periods greater than 1 year annualized in USD as of June 30, 2026

	2Q	YTD	One Year	Three Year	Five Year	Ten Year	Since Inception 9/1/98
Pzena Mid Cap Focused Value Composite - Gross	15.2%	13.8%	14.8%	9.8%	7.4%	11.2%	11.9%
Pzena Mid Cap Focused Value Composite - Net	14.9%	13.3%	13.6%	8.8%	6.3%	10.1%	10.8%
Russell Midcap Value Index	13.4%	17.6%	26.6%	16.5%	9.5%	10.6%	10.4%

See Calendar Year Returns, Portfolio Notes/Disclosures and important risk information beginning on pg. 28.
Past performance does not predict future returns.
Returns could be impacted, positively or negatively, by currency fluctuations, where applicable.

TOP 10 HOLDINGS

(See Portfolio Notes on page 30)

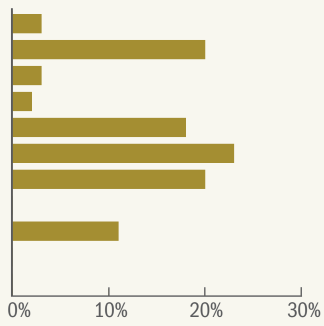
Humana	6.7%
Advance Auto Parts	5.6%
Baxter Intl	5.1%
Sensata Technologies Hldg	3.7%
Robert Half	3.5%
Knight Swift Trans Hldgs A	3.5%
Dollar General	3.4%
Globe Life	3.2%
Universal Health Services B	3.1%
Magna International	3.1%
Total	40.9%

PORTFOLIO CHARACTERISTICS

	Strategy	Index
Price to Normal Earnings[1]	7.5x	13.1x *
Price / Earnings (1-Year Forecast)	10.9x	15.9x
Price / Book	1.5x	2.4x
Median Market Cap ($B)	$11.5	$12.3
Weighted Average Market Cap ($B)	$18.3	$28.1
Active Share	95.9%	-
Standard Deviation (5-Year)	20.7%	17.1%
Number of Stocks (model portfolio)	38	719

Source: Russell Midcap® Value, Pzena analysis
*Investment universe median; [1]Pzena's estimate of normal earnings.

SECTOR WEIGHTS



	Strategy	Index
Basic Materials	3%	4%
Consumer Discretionary	20%	13%
Consumer Staples	3%	6%
Energy	2%	7%
Financials	18%	15%
Health Care	23%	10%
Industrials	20%	21%
Real Estate	0%	8%
Technology	11%	9%
Telecommunications	0%	0%
Utilities	0%	7%

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 (U.S.)

Markets advanced strongly during the second quarter, as investors looked past disruptions in the Middle East and embraced a semiconductor-led rally. Small caps participated in the advance, though growth meaningfully outperformed value within the asset class, extending a pattern that has persisted for much of the past year. Despite the challenging style environment for value-oriented approaches, our portfolio was roughly in line with its value benchmark for the period.

Basic materials was the only sector to detract from absolute performance. Chlor-alkali and ammunition manufacturer Olin Corporation was the largest individual detractor after announcing an all-stock merger of equals with specialty chemicals company Huntsman Corporation in June. The market viewed the strategic rationale as unclear, and broader chemical market weakness compounded the decline. Huntsman also detracted for similar reasons. Contact center services provider Concentrix Corporation declined after reporting weaker-than-expected results and cutting its full-year revenue outlook, citing softness in health care volumes and accelerated client offshoring.

The industrials and financials sectors contributed most to absolute performance. Consumer products company Newell Brands was the top individual contributor after reporting first-quarter earnings that meaningfully exceeded expectations, as new product launches and retail shelf space wins gained traction despite ongoing softness in core sales. Sensor manufacturer Sensata Technologies also contributed strongly, outperforming in weak automotive and industrial end markets through new product wins, including electric vehicle contracts with major manufacturers in Europe and China. Auto parts retailer Advance Auto Parts rose after reporting its highest quarterly same-store sales in five years, as progress on its turnaround eased concerns about navigating a challenging consumer environment.

We initiated a position in professional services and business process outsourcing company Genpact, whose stock has been under pressure on concerns about generative AI's impact on its core business. We believe these fears are overstated, and Genpact's scale, client relationships, and domain expertise position it to adapt and benefit from AI-driven efficiency gains, while the current valuation offers an attractive entry point.

We also initiated a position in telecom billing and managed services provider Amdocs, where strong execution and cash flow generation have been overshadowed by software-sector weakness and AI-related sentiment. The company continues to deliver consistent growth in managed services and trades at an attractive valuation relative to our earnings power estimate.

We added to apparel company PVH on weakness. We funded these purchases by trimming electronic components distributor Avnet, private-label credit card company Bread Financial, and sensor manufacturer Sensata, all on strength.

While growth-led markets have created a challenging backdrop for value-oriented strategies, our portfolio remains attractively valued and positioned for the current environment. We are focused on identifying durable businesses where near-term uncertainty has created compelling opportunities for patient investors. ■

PERFORMANCE SUMMARY

periods greater than 1 year annualized in USD as of June 30, 2026

	2Q	YTD	One Year	Three Year	Five Year	Ten Year	Since Inception 1/1/96
Pzena Small Cap Focused Value Composite - Gross	17.1%	21.1%	26.6%	12.1%	8.4%	11.0%	12.7%
Pzena Small Cap Focused Value Composite - Net	16.8%	20.5%	25.4%	11.0%	7.3%	10.0%	11.4%
Russell 2000 Value Index	17.2%	23.0%	43.0%	18.7%	8.2%	10.9%	9.8%

See Calendar Year Returns, Portfolio Notes/Disclosures and important risk information beginning on pg. 28.
Past performance does not predict future returns.
Returns could be impacted, positively or negatively, by currency fluctuations, where applicable.

TOP 10 HOLDINGS

(See Portfolio Notes on page 30)

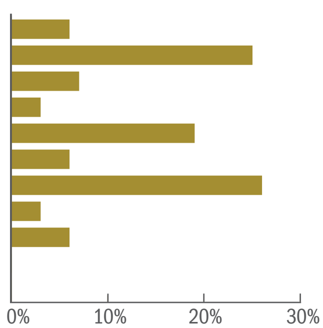
Advance Auto Parts	4.8%
MasterBrand	4.7%
Spectrum Brands Holdings	4.7%
ABM Industries	3.1%
Robert Half	3.1%
Columbia Banking System	3.1%
Old National Bancorp	3.0%
WSFS Financial	3.0%
Douglas Dynamics	2.8%
Teleflex Incorporated	2.8%
Total	35.1%

PORTFOLIO CHARACTERISTICS

	Strategy	Index
Price to Normal Earnings[1]	7.6x	12.4x *
Price / Earnings (1-Year Forecast)	12.4x	12.9x
Price / Book	1.2x	1.4x
Median Market Cap ($B)	$2.3	$0.9
Weighted Average Market Cap ($B)	$3.3	$3.5
Active Share	95.8%	-
Standard Deviation (5-Year)	23.8%	20.3%
Number of Stocks (model portfolio)	47	1,406

Source: Russell 2000® Value, Pzena analysis
*Investment universe median; [1]Pzena's estimate of normal earnings.

SECTOR WEIGHTS



	Strategy	Index
Basic Materials	6%	3%
Consumer Discretionary	25%	13%
Consumer Staples	7%	2%
Energy	3%	6%
Financials	19%	28%
Health Care	6%	11%
Industrials	26%	13%
Real Estate	3%	10%
Technology	6%	6%
Telecommunications	0%	2%
Utilities	0%	5%

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

PZENA FOCUSED CREDIT OPPORTUNITIES

Credit markets rallied in the quarter, rebounding from broad weakness in the previous quarter. A blended leveraged loan/high-yield index returned 2.2% for the quarter and 1.6% year-to-date, while lower-rated credits, software, and building products remained weak. Our portfolio again generated a positive return in the quarter, driven by price recoveries in P.F. Chang's (restaurant), Sitel (customer experience outsourcing), and ABRA (airline), plus strong contributions from new positions including Getty Images. Gains were partly offset by declines in Hispanic grocery store chain Heritage Grocers (downgrades, weak operational results) and software company CDK (sector-wide weakness).

We initiated three new positions during the period: Alphia (pet food manufacturer), Getty Images (leading visual content provider), and Orion Engineered Carbons (OEC) (specialty chemicals). A sector-wide sell-off caused by persistent inflation and declining consumer discretionary income dragged down Alphia despite its solid fundamentals, creating an attractive entry point to purchase the company's first-lien term loan. We added Getty Images' secured high-yield bonds amid AI displacement fears and a then-pending Shutterstock merger. We bought the 10.5% bonds (high-70s price, 17.5% yield, with a special mandatory redemption clause tied to the merger) and 11.25% bonds (~17% yield, on expected leverage reduction from 4.2x to 2.4x). Since quarter-end, following the announcement of the merger's termination on July 1, 2026, the 10.5% bonds moved to near par on planned at-par redemption. OEC's first-lien term loan dropped from 100 to 82, as oil price spikes hurt OEC's revenues and margins due to the company's formula-based contract pricing, which we believe is a temporary issue. The loan's trading level appeared anomalous, given OEC's equity performance and the price of the company's pari passu Eurodollar tranche.

We also added to our existing positions in Associated Materials (building products), Century Casino (regional gaming), Physician Partners (health care), and Resolute Investment (value manager) on valuation. Additionally, Trinseo (chemical) filed for Chapter 11 in late May 2026. We joined a steering committee for its super-priority debt and provided a debtor-in-possession (DIP) loan at SOFR+900, expecting attractive restructuring upside. Turning to sales, we used the broad market strength to exit Tenneco Automotive (bought mid-80s, sold near par) and Sound Physicians (bought mid-50s under stress, recovered to near par on earnings recovery).

Despite the rally, the loan distress ratio, a share of loans priced below 80 cents, hit multi-year highs, signaling potential rising defaults. We continue to deploy capital selectively to situations offering disproportionately high yields compared to their credit fundamentals. ■

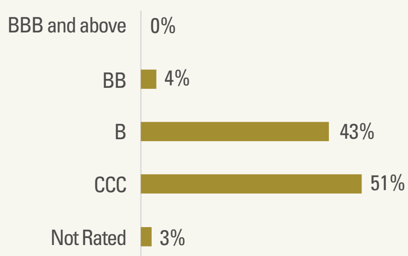
PERFORMANCE SUMMARY

periods greater than 1 year annualized in USD as of June 30, 2026

	YTD	One Year	Three Year	Since Inception 7/1/22
Focused Credit Opportunities Composite – Gross	4.02%	1.41%	7.28%	7.75%
Focused Credit Opportunities Composite – Net	3.63%	0.65%	5.77%	6.41%

See Calendar Year Returns, Portfolio Notes/Disclosures and important risk information beginning on pg. 28. Returns in USD through June 30, 2026. Past performance does not predict future returns. Gross rates of return are presented gross of management fees and incentive allocation, and net of the deduction of transaction costs and borrowing costs. Net rates of return are derived using a model management fee and an incentive fee, reflected when crystalized, applied monthly to Gross returns. Pzena uses the highest tier fee and incentive rate schedule to illustrate the impact of fees on performance returns. As product fees change, the current highest tier schedule will be in effect. The current "standard" fee rates are 0.75% management fee and a 10% incentive allocation on net profits over a high watermark and subject to an annual 6% hurdle with a catch-up. All performance numbers are preliminary and subject to change.

CREDIT RATING DISTRIBUTION



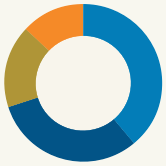
Weights adjusted for cash – may appear higher than actual. Numbers may not add to 100% due to rounding. Data as of June 30, 2026. Source: PitchBook Data, Inc.

PORTFOLIO CHARACTERISTICS

Number of Issuers	34
Median Tranche Size	$580M
Average Coupon	S+665
Yield to Maturity*	14.8%
Average Maturity	3.2 yrs
Average Net Leverage**	3.4x
% with Covenants	85%

* Portfolio weighted average yield to maturity
**Issue-level leverage ratio calculated as: Issue size at par/EBITDA. Data as of June 30, 2026. Past performance does not predict future returns.

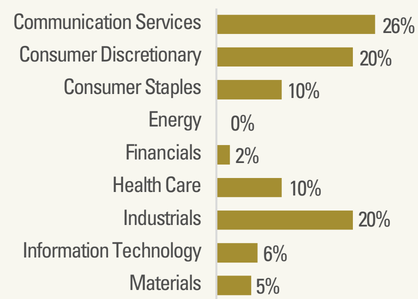
CREDIT TYPE DISTRIBUTION



Secondary	39%
Exit Facility	31%
Troubled Syndication	17%
Restructured/Chpt 11	13%

Weights adjusted for cash – may appear higher than actual. Numbers may not add to 100% due to rounding. Data as of June 30, 2026. Source: PitchBook Data, Inc.

SECTOR WEIGHTS



Sector weights adjusted for cash – may appear higher than actual. Numbers may not add to 100% due to rounding. Data as of June 30, 2026. Source: PitchBook Data, Inc.

Calendar Year Returns *FIGURES IN USD*

GLOBAL VALUE

	2021	2022	2023	2024	2025
Global Value - Gross	20.6%	-7.3%	20.1%	6.7%	25.0%
Global Value - Net	19.9%	-7.8%	19.4%	6.1%	24.3%
MSCI World Index	21.8%	-18.1%	23.8%	18.7%	21.1%
MSCI World Value Index	21.9%	-6.5%	11.5%	11.5%	20.8%

GLOBAL FOCUSED VALUE

	2021	2022	2023	2024	2025
Global Focused Value - Gross	20.2%	-7.4%	20.8%	6.1%	25.3%
Global Focused Value - Net	19.3%	-8.1%	19.9%	5.3%	24.4%
MSCI ACWI Index	18.5%	-18.4%	22.2%	17.5%	22.3%
MSCI ACWI Value Index	19.6%	-7.5%	11.8%	10.8%	22.0%

INTERNATIONAL VALUE

	2021	2022	2023	2024	2025
International Value - Gross	12.9%	-7.6%	19.4%	6.4%	38.1%
International Value - Net	12.3%	-8.1%	18.7%	5.8%	37.3%
MSCI EAFE Index	11.3%	-14.5%	18.2%	3.8%	31.2%
MSCI EAFE Value Index	10.9%	-5.6%	19.0%	5.7%	42.2%

INTERNATIONAL FOCUSED VALUE

	2021	2022	2023	2024	2025
International Focused Value - Gross	13.2%	-8.7%	20.8%	8.6%	40.0%
International Focused Value - Net	12.3%	-9.4%	19.9%	7.8%	39.0%
MSCI ACWI ex USA Index	7.8%	-16.0%	15.6%	5.5%	32.4%
MSCI ACWI ex USA Value Index	10.5%	-8.6%	17.3%	6.0%	39.5%

INTERNATIONAL SMALL CAP FOCUSED VALUE

	2021	2022	2023	2024	2025
Int. Small Cap Focused Value - Gross	18.0%	-0.3%	24.0%	6.6%	30.7%
Int. Small Cap Focused Value - Net	16.8%	-1.3%	22.8%	5.5%	29.4%
MSCI World ex-USA Small Cap Index	11.1%	-20.6%	12.6%	2.8%	34.1%
MSCI World ex-USA Small Cap Value Index	13.3%	-14.0%	14.7%	3.0%	38.6%

EMERGING MARKETS FOCUSED VALUE

	2021	2022	2023	2024	2025
EM Focused Value - Gross	7.5%	-5.7%	22.4%	6.6%	37.2%
EM Focused Value - Net	6.4%	-6.6%	21.2%	5.5%	35.9%
MSCI Emerging Markets Index	-2.5%	-20.1%	9.8%	7.5%	33.6%
MSCI Emerging Markets Value Index	4.0%	-15.8%	14.2%	4.5%	32.7%

EUROPEAN FOCUSED VALUE

	2021	2022	2023	2024	2025
European Focused Value - Gross	17.2%	-6.2%	24.8%	2.1%	41.2%
European Focused Value - Net	16.5%	-6.8%	24.0%	1.4%	40.3%
MSCI Europe Index	16.3%	-15.1%	19.9%	1.8%	35.4%
MSCI Europe Value Index	13.2%	-7.2%	19.7%	4.2%	48.0%

JAPAN FOCUSED VALUE

	2021	2022	2023	2024	2025
Japan Focused Value - Gross	8.3%	0.7%	11.6%	10.2%	31.9%
Japan Focused Value - Net	7.5%	-0.1%	10.7%	9.3%	30.9%
TOPIX	0.8%	-15.2%	19.6%	7.7%	25.3%
TOPIX Value	5.5%	-5.0%	23.9%	13.2%	34.7%

LARGE CAP VALUE

	2021	2022	2023	2024	2025
Large Cap Value - Gross	29.5%	-4.1%	17.5%	7.1%	14.0%
Large Cap Value - Net	29.0%	-4.5%	17.0%	6.7%	13.6%
Russell 1000® Value	25.2%	-7.5%	11.5%	14.4%	15.9%

LARGE CAP FOCUSED VALUE

	2021	2022	2023	2024	2025
Large Cap Focused Value - Gross	30.2%	-5.7%	20.0%	5.0%	13.0%
Large Cap Focused Value - Net	29.3%	-6.3%	19.2%	4.3%	12.2%
Russell 1000® Value	25.2%	-7.5%	11.5%	14.4%	15.9%

FOCUSED VALUE

	2021	2022	2023	2024	2025
Focused Value - Gross	27.2%	-6.4%	28.7%	6.5%	8.4%
Focused Value - Net	26.0%	-7.4%	27.4%	5.5%	7.3%
Russell 1000® Value	25.2%	-7.5%	11.5%	14.4%	15.9%

MID CAP FOCUSED VALUE

	2021	2022	2023	2024	2025
Mid Cap Focused Value - Gross	32.9%	-5.0%	22.6%	1.8%	0.4%
Mid Cap Focused Value - Net	31.6%	-6.0%	21.4%	0.8%	-0.6%
Russell Midcap® Value	28.3%	-12.0%	12.7%	13.1%	11.0%

SMALL CAP FOCUSED VALUE

	2021	2022	2023	2024	2025
Small Cap Focused Value - Gross	30.5%	-5.8%	26.7%	3.0%	-4.4%
Small Cap Focused Value - Net	29.2%	-6.8%	25.5%	2.0%	-5.4%
Russell 2000® Value	28.3%	-14.5%	14.6%	8.1%	12.6%

FOCUSED CREDIT OPPORTUNITY

	2023	2024	2025
Focused Credit Opportunities Composite - Gross	14.2%	8.6%	2.2%
Focused Credit Opportunities Composite - Net	12.0%	7.0%	1.4%

See Portfolio Notes/Disclosures and important risk information beginning on the following page.
Past performance does not predict future returns.
Returns could be impacted, positively or negatively, by currency fluctuations, where applicable.
Gross rates of return are presented gross of investment management fees and net of the deduction of transaction costs. An investor's actual return will be reduced by investment management fees. Net Returns are derived using a model fee applied monthly to Gross returns. Pzena uses the highest tier fee schedule, to illustrate the impact of fees on performance returns. As product fees change, the current highest tier schedule will be in effect.

Portfolio Notes / Disclosures

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The portfolio securities discussed in the Highlighted Holding section of this report, Accenture and Cognizant, were held in our Focused Value, Global Focused Value, Global Value, Large Cap Focused Value, Large Cap Value, and other strategies during the second quarter of 2026. Globant was held in our Emerging Markets Focused Value and other strategies during the second quarter of 2026. These securities were 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.

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The MSCI World Value Index, MSCI ACWI Value Index, MSCI EAFE Value Index, MSCI ACWI ex USA Value Index, MSCI Emerging Markets Value Index, MSCI World ex-USA Small Cap Value Index, TOPIX Value Index and MSCI Europe Value Index are constructed from their respective parent index. The value investment style characteristics for index construction are defined using three variables: book value to price, 12-month forward earnings to price, and dividend yield.

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PZENA Investment Management

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