PZENA Investment Management

Quarterly Report to Clients

Third Quarter 2026

TABLE OF CONTENTS

2 **COMMENTARY**
Low tracking error and diversification were never the same thing. Today, with global indices increasingly tied to AI, the difference is hard to ignore, and we believe that the case for differentiated portfolios is stronger.

5 **GLOBAL RESEARCH REVIEW**
Amid the AI frenzy and geopolitical headlines, we added to sentiment-battered software stocks and select Chinese businesses, while harvesting gains in AI supply chain beneficiaries and managed care insurers.

8 **STEWARDSHIP INSIGHTS**
We reflect on some of our significant proxy votes this season, where shareholder activism emerged as a theme. We explain the importance of being an active manager and how that can differ from activism.

10 **HIGHLIGHTED HOLDING - HAIER SMART HOME**
Haier Smart Home, which built China's leading premium appliance brand and turned GE Appliances into America's market leader, trades well below its historical valuation, as an industry downturn overshadows its continued market share gains.

14 **PORTFOLIO STRATEGIES**
Most of our portfolios outperformed their benchmarks this quarter, led by our technology holdings, which drove both absolute and relative returns across developed and emerging markets. Financials and energy also contributed meaningfully, while small- and mid-cap performance was challenged amid the surge in yields.

To Our Clients

With no resolution to the Iran war in sight, oil prices rose nearly 30% in the third quarter and bond yields climbed globally, yet equities held their ground on the strength of continued AI investment. Global stocks posted modest gains, but leadership was narrow: the cap-weighted S&P 500 advanced while the average U.S. stock declined, and small caps fell sharply. Value led growth across U.S., developed international, and emerging markets.

Our portfolios performed well in this environment, with a large majority of our strategies outperforming their benchmarks. Relative results were strongest in our international strategies, and our emerging markets and U.S. large- and mid-cap value portfolios also finished ahead.

In this quarter's Commentary, we examine what market concentration has done to diversification. The largest companies in global indices increasingly rise and fall with a single theme, and by one measure an index of nearly 2,400[1] stocks now behaves like a portfolio of little more than 100. We explain why low tracking error and diversification are not the same thing, what history and today's valuations suggest for the largest stocks, and why portfolios that look different from the index can serve as genuine diversifiers.

Our Highlighted Holding is Haier Smart Home, the world's largest major home appliance manufacturer. A reduced appliance subsidy in China and a depressed U.S. housing market, compounded by tariffs, have pushed the shares down roughly 40% from their 2024 highs, leaving them at 6.8x our estimate of normal earnings. Yet Haier has continued to gain share in both of its largest markets while holding its margins, and we believe it will emerge from the downturn in a stronger competitive position.

Our Global Research Review describes how we put capital to work this quarter. We added to enterprise software franchises where the "SaaSpocalypse" sell-off pushed valuations well below what we believe to be normalized earnings power, and to Chinese businesses where macro pessimism obscures durable long-term earnings. We also rotated within European tires toward a higher-quality manufacturer facing a temporary ownership overhang. On the other side of the ledger, we trimmed U.S. managed care insurers whose recovery is now better reflected in their share prices, along with Japanese electronic component-makers benefiting from the AI data center buildout.

In Stewardship Insights, we review significant proxy votes from a season in which shareholder activism featured prominently. We discuss the distinction between being an active investor and an activist, share cases where we supported and opposed activist campaigns based on our own analysis, and describe how private engagement led companies to amend ballot proposals in ways that better protect shareholders.

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

Sincerely,
Pzena Investment Management

1 Source: MSCI All Country World Index (ACWI)

Past performance does not predict future returns.

Global equity markets have become concentrated around a single theme—AI—leaving indices less diversified than they appear. We believe portfolios built from what this narrative has left behind can offer genuine diversification.

THE INDEX IS NOW A SINGLE THEME

Much has been written about how concentrated equity markets have become. Less attention has been paid to what that concentration has done to diversification. The largest companies in global indices are no longer just big; they are increasingly tied to a single theme—artificial intelligence. As a result, a global index portfolio behaves like a much smaller portfolio than its thousands of holdings suggest. Instead of the broad diversification they sought, many investors have been left with something much narrower: low tracking error. In this essay, we discuss the following:

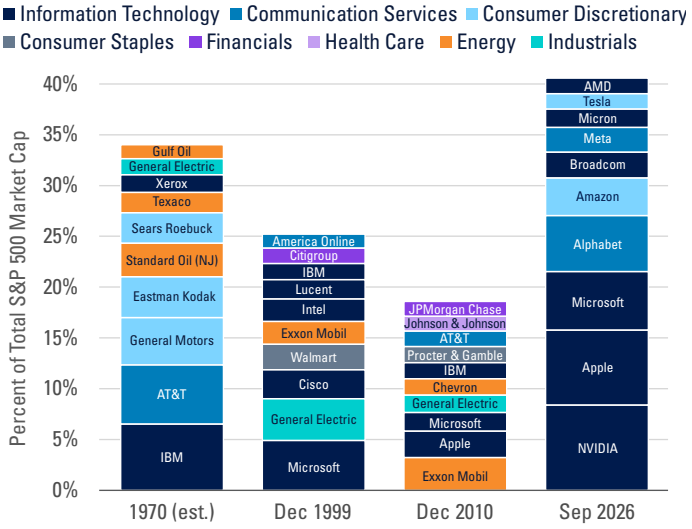
- How today's concentration differs from past peaks
- What concentration has done to diversification across global, U.S., and emerging markets indices
- What history and current valuations suggest about forward returns
- Where we are finding opportunity

THE TOP OF THE INDEX IS ONE THEME

The 10 largest U.S. companies now account for roughly 41% of the S&P 500, and because the U.S. makes up nearly two-thirds of global market capitalization, they increasingly set the course for global indices. At prior peaks of concentration, the largest companies were big but different from one another (Exhibit 1). In 1970, during the Nifty Fifty era, the top 10 spanned computers, telecommunications, autos, photography, energy, and retail. Even when technology led at the height of the dot-com bubble in 2000, the list included an industrial conglomerate, an oil major, a retailer, and a bank.

Today, nine of the 10 largest companies are chip designers, chipmakers, cloud platforms, or consumer technology businesses whose valuations rest heavily on AI-driven growth. The top of the index has become less a collection of industry leaders and more a single theme expressed through nine stocks.

Exhibit 1: Top 10 Companies by Market Cap, 1970–Today



Source: FactSet, Pzena analysis. S&P 500 holdings using current GICS sectors. 1970: company rank order from Arnott, Hsu, and West, The Fundamental Index (Wiley, 2008); bar total from JPMorgan Equity Strategy Research; individual company weights are estimates.
Data as of September 30, 2026.

DIVERSIFICATION IS SHRINKING

A simple way to gauge diversification is to ask how many stocks an index actually behaves like. Consider a portfolio with 90% of its weight in just one of its 10 holdings; on paper, it holds 10 stocks, but in practice, it behaves like a portfolio of little more than one. The Effective N metric captures this. Calculated as one divided by the Herfindahl-Hirschman Index, a standard measure of concentration, it is the number of equally weighted stocks that would be just as concentrated as the portfolio.

By this measure, diversification has fallen sharply across regions (Exhibit 2). Since 2012, the effective number of stocks in global, U.S., and emerging markets indices has fallen to between roughly one-sixth and one-third of what it was. The MSCI All Country World Index (ACWI), an index of around 2,400 companies, now behaves like a portfolio of little more than 100.

Exhibit 2: The Index Behaves like a Smaller Portfolio

		Effective Number of Stocks*	
	CURRENT NUMBER OF STOCKS	20-YEAR AVERAGE	CURRENT
MSCI ACWI Index	2,414	346	102
MSCI ACWI Value Index	1,499	236	106
Pzena Global Focused Value[1]	53	45	47

Source: FactSet, MSCI, Pzena analysis
**Effective number of stocks = 1/HHI, where the Herfindahl-Hirschman Index (HHI) = $\Sigma(w_i^2)$ and w_i is each security's weight in the index or portfolio, expressed as a decimal. The effective number of stocks is the number of equally weighted holdings that would produce the same level of concentration; lower values indicate greater concentration. Data from September 30, 2006 – September 30, 2026 on a monthly frequency.*
[1] Data is based on representative client accounts.

Emerging markets have seen the steepest decline, as a rally in a small group of Asian semiconductor companies pushed their weights higher. As a result, our Emerging Markets Focused Value strategy portfolio, a concentrated portfolio of 40–80 stocks, is now more diversified in effective terms than its benchmark.

Even these figures may overstate true diversification. Diversification is not just about the number of stocks; it's also about the different kinds of risk those stocks represent. Effective N counts nine AI-linked companies as nine separate positions, yet their fortunes depend largely on the same driver: continued spending on AI.

This is where the trade-off becomes clear. Close alignment with the index minimizes tracking error, and for many investors that has become the goal. But low tracking error and diversification were never the same thing, and today, the difference is hard to ignore. A portfolio managed for closeness to the benchmark can end up concentrated in a single theme. Diversification comes from owning businesses whose earnings depend on different drivers.

HISTORY HAS NOT FAVORED THE LARGEST

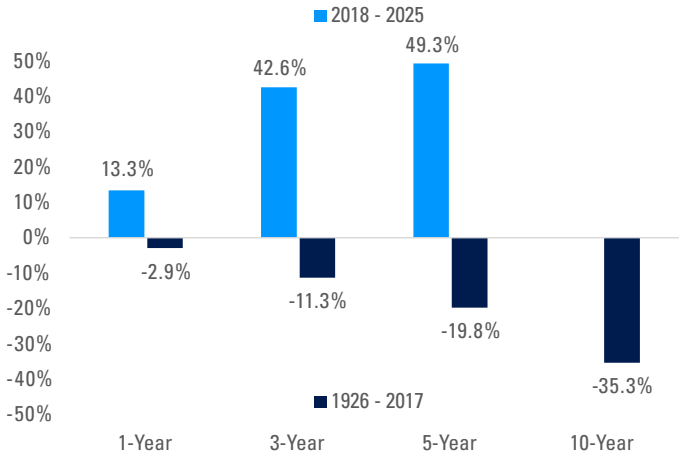
Concentration would matter less if the largest companies reliably kept outperforming. History suggests otherwise. From 1926 through 2017, the 10 largest S&P 500 companies trailed the equal-weighted index by an average of 2.9% over the following year, 11.3% over three years, 19.8% over five years, and 35.3% over ten years (Exhibit 3).

The period since 2018 has been a striking exception. The largest companies outperformed by an average of 13.3%, 42.6%, and 49.3% over the following one, three, and five years. This explains why the index looks the way it does today.

To be fair, this exception has been earned, at least in part. Many of today's largest companies have delivered extraordinary earnings growth, and the digital economy has rewritten some of the rules of scaling. Businesses built on software, platforms, and network effects can grow without the capital burdens that once held incumbents back. But the price paid for a business still matters. Even exceptional companies can make disappointing investments when the price already reflects their success.

Exhibit 3: The 10 Largest S&P 500 Stocks Have Historically Underperformed by a Wide Margin

*Average Relative 1, 3, 5, 10-Year Forward Performance of the 10 Largest S&P 500 Companies**



Source: Robert D. Arnott, Jason C. Hsu, and John M. West, The Fundamental Index: A Better Way to Invest. John Wiley & Sons, Inc. 2008, Research Affiliates, LLC., Sanford C. Bernstein & Co., Pzena analysis
**Equally weighted returns of the 10 largest S&P 500 companies by market capitalization vs. the equal-weighted S&P 500 universe.*
The 2018 – 2025 bars reflect relative returns for periods ending each year from 2018 through 2025, or eight annual observations for each time period.
Rolling annual data as of December 31, 2025. Past performance does not predict future returns.

VALUATIONS SET THE STARTING POINT

Today, that price is high. Concentration at the top has left indices richly valued relative to their own history. The forward price-to-earnings (P/E) ratio for global equities stands at more than 19x, roughly 16% above its long-term average.

History offers no guarantees about timing, but periods that began from elevated valuations have not always been followed by strong returns.

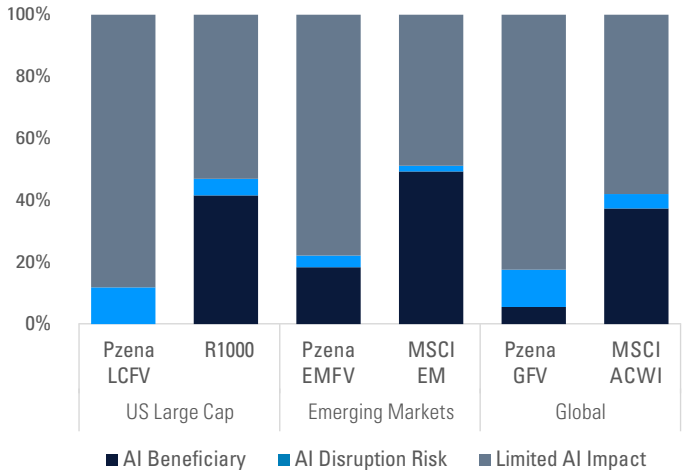
Our portfolios tell a different story. While the market trades well above its historical valuation range, our Global Focused Value portfolio trades at 7.4x normalized earnings, below its long-term average of 7.9x.

WHERE WE ARE FINDING OPPORTUNITY

That gap is not the result of a macro call against AI. It is the product of the same bottom-up process we have always followed.

The vast majority of our exposure is to companies where we expect AI to have limited impact on earnings, in either direction (Exhibit 4). In our Global Focused Value portfolio, that share is roughly 82%, compared with about 58% for ACWI. The contrast holds across regions and is widest in the U.S., where our U.S. Large Cap Focused Value portfolio has almost no exposure to companies benefiting from the AI buildout, while nearly 42% of the Russell 1000 falls in that category.

Exhibit 4: Broad-Based Opportunities Outside AI
AI Exposure: Pzena Vs. Indices



Source: FactSet, FTSE Russell, MSCI, Pzena analysis
Data as of September 30, 2026. Portfolio and index weights by AI category. Pzena Large Cap Focused Value vs. Russell 1000 Index; Pzena Emerging Markets Focused Value vs. MSCI Emerging Markets Index; Pzena Global Focused Value vs. MSCI ACWI Index. Portfolio data based on a representative account. AI categories are Pzena's classifications, assigned by sub-industry (FTSE ICB for Russell; GICS for MSCI) with company-level adjustments. AI Beneficiary: suppliers of the AI buildout. AI Disruption Risk: businesses whose products AI could substitute for. Limited AI Impact: all others. Classifications are subjective and subject to change. Holdings are subject to change and are not a recommendation to buy or sell any security.

We have found little to buy among AI beneficiaries, which has been a function of price, not conviction. We built our exposure to memory semiconductors when the industry was out of favor and trimmed it as prices rose.

We have also taken modest, thoughtful positions in companies we believe the market has overly punished for perceived AI risk, most notably in IT and business services. Our research suggests the market has priced in worst-case outcomes for businesses that have adapted to prior waves of technological change. Because the range of outcomes is wider than usual, we have sized these positions carefully.

Our portfolios often carry meaningful tracking error relative to the index, which we believe is particularly valuable in the current market environment. For investors whose core exposures have converged on the same small group of stocks, portfolios that look very different, and whose results depend on different drivers, can serve as a genuinely diversifying complement to what they already own.

CONCLUSION

The concentration of today's market is not simply a question of size. It is also a question of correlation. The largest companies in global indices are increasingly rising and falling on a single narrative. Sound portfolio construction has always meant avoiding too much exposure to any single risk. Yet for investors who rely on the index for diversification, a single risk is increasingly what they hold, at a time when valuations are well above historical averages. We do not know when or how this concentration will ease; historically, it has only needed to stop rising, not reverse, to improve the environment for active and value strategies. In the meantime, we believe the most attractive opportunities lie in the parts of the market this narrative has left behind. Portfolios built from that opportunity set can offer investors something the index increasingly cannot: diversification.

As AI spending powered markets, we trimmed winners in Japanese components and U.S. managed care and leaned into controversies where fear outran fundamentals: enterprise software, China, and a European tiremaker.

The third quarter of 2026 offered investors no shortage of reasons for caution. A resolution to the Iran war has proven elusive, feeding inflation fears through higher energy prices and sending global yields surging. Yet investors largely took this in stride, as unprecedented artificial intelligence (AI) spending continued to underpin equity markets. Against this backdrop, our portfolios generally outperformed across strategies, led by our technology holdings, which included both direct beneficiaries of the burgeoning AI supply chain and perceived AI "losers" that rebounded after being indiscriminately swept up in this year's "SaaSpocalypse" sell-off. Several of our large health care positions also outperformed in recent months on improving fundamentals, while Chinese stocks have de-rated, prompting us to add to select holdings.

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

As of September 30, 2026

	Cheapest Quintile P/N[1]	Universe Median P/N[2]
Global	7.4	13.6
U.S.	6.5	12.4
Europe	7.6	12.5
Japan	8.7	14.4
Emerging Markets	7.8	16.9

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 U.S.; ~750 largest European; ~750 largest Japanese; ~1,500 largest in non-developed markets.

FINDING VALUE IN THE SAASPOCALYPSE

In the early months of 2026, investors abandoned enterprise software stocks en masse on concerns that AI would disintermediate or outright dismantle their business models. While the rapidly advancing technology will undoubtedly disrupt software, its impact won't be uniform. The indiscriminate selling provided us with compelling entry points for three businesses whose valuations, in our view, became materially detached from their normalized earnings power.

SAP, Europe's largest pure-play software company, is a leading enterprise resource planning (ERP) provider in the midst of a customer migration from its legacy on-premise ERP suite, ECC, to its modernized, cloud-forward offering, HANA. SAP is mission-critical for its clients, handling complex processes such as supply chain management, payroll, taxes, and financial close activities. ERP implementations can take more than 12 months, and switching costs are enormous, resulting in a very sticky and captive 400,000-strong customer base[1]. We expect the bulk of that base to migrate to HANA, driving a revenue uplift as SAP provides additional services post-migration. There is also an opportunity to improve margins as the company leverages AI to accelerate software development. We took advantage of the SaaSpocalypse weakness to buy the stock at under 9x our estimate of its normal earnings.

Since late 2025, we have been increasing our stake in Amdocs, a provider of essential billing software for the world's largest telecom carriers, as the stock's multiple collapsed on AI disruption and top-line growth concerns. Over roughly the past 12 months, a period in which Amdocs grew sales, expanded its operating margin, and generated more than $638 million in free cash flow—representing approximately 10% of its market capitalization—the stock shed about a third of its value[2]. We don't believe this de-rating is justified, given Amdocs's high cash conversion, historically stable margin profile, and increasingly sticky revenue mix, with its recurring Managed Services business now making up 67% of total sales, up from 60% two years ago[3]. Meanwhile, management is implementing AI tools internally, which are already yielding material efficiency gains in software development and contributing to margin expansion. Amdocs intends to draw on its deep domain expertise in telecom to develop the go-to platform for its customers to deploy agentic AI, and it recently unveiled an operating system for that purpose. Despite solid fundamentals and a dominant position in telecom IT, the stock's valuation remains particularly undemanding at under 6x our estimate of the company's normal earnings.

1 Company filings
2 FactSet, Pzena analysis
3 Company filings, Pzena analysis

SS&C, a global provider of crucial software and services to the financial services industry, similarly fell victim to the SaaSpocalypse sell-off. We believe SS&C shares many characteristics with SAP: it is mission-critical, has a sticky customer base, and is embedded in a sector with ever-changing regulations and data-privacy concerns. SS&C's clients are risk-averse and reluctant to switch providers, as evidenced by a client retention rate of 97%[4]. Through the first half of 2026, SS&C shares fell 28%, even as the company delivered positive year-over-year organic growth while keeping headcount flat. Like SAP, the company is finding ways to leverage AI to enhance productivity. We took advantage of the weakness to add to our position.

A EUROPEAN TIRE SWAP

Shares of German tiremaker Continental had risen more than 94% in the two years from June 2024—just before management announced its intention to spin off its non-tire automotive business—outperforming the broader industry by approximately 66 percentage points[5]. Continental's valuation gap with competitor Pirelli consequently narrowed over this period, and we shifted some exposure to the Italian manufacturer—a higher-quality business, in our view, at a comparable valuation. Pirelli has lagged primarily due to an ownership overhang: its largest shareholder, Chinese state-owned enterprise Sinochem, has been stripped of key governance rights under Italy's Golden Power regime and is expected to exit its stake. We view this selling pressure as purely technical rather than driven by weakening fundamentals. Pirelli boasts the industry's highest premium mix and margins, leaving it least exposed to price competition from low-cost Asian tiremakers, which are concentrated in the lower-value segment where Continental has considerably greater exposure.

LOOKING PAST NEGATIVE CHINESE SENTIMENT

Chinese stocks have languished over the past few quarters, as trade tensions and macroeconomic concerns—particularly the troubled property sector and its drag on domestic consumption—have taken center stage again. We used this broad-based weakness to add to several businesses in which we believe near-term macro headwinds and idiosyncratic issues obscure durable long-term earnings power.

Internet giant Tencent is perceived as an AI laggard because it lacks headline-grabbing cloud growth, custom application-specific integrated circuits (ASICs), or frontier large language models (LLMs); in reality, it possesses some degree of all three. Unlike global hyperscalers, Tencent is dedicating the bulk of its data center capital expenditures to internal demand from its core franchises in gaming and advertising. We believe integrating AI into Tencent's businesses, such as using AI to improve ad targeting, represents a lower-risk, higher-return investment opportunity.

Sunny Optical, the world's largest supplier of handset and vehicle lenses, is contending with surging memory chip prices that are weighing on volumes at its customers. We believe this headwind is cyclical and that Sunny has an opportunity to take share by winning business at Apple. Additionally, structurally higher camera content per vehicle should support long-term earnings growth.

Apparel manufacturer Shenzhou International's margins hit pandemic-era lows due to weakness at major customers Nike and Puma and from higher raw-material and tariff-sharing costs. We believe Shenzhou's unmatched scale and vertical integration remain intact, supported by a sizable net cash position.

Finally, Kunlun Energy, PetroChina's city gas distribution subsidiary, has been pressured by slowing demand that we believe is temporary. Kunlun is concentrated in western China, home to the country's major gas fields and to a growing industrial customer base increasingly switching from coal to gas. Given this advantageous footprint, its diversified business mix, and its net cash position, Kunlun was our preferred way to gain exposure to an anticipated rebound in city gas volumes.

4 Company filings
5 MSCI AC World / Automobile Components GICS Industry June 2024 - June 2026

HARVESTING GAINS IN MANAGED CARE

U.S. Medicare Advantage insurers CVS Health (Aetna) and Humana rallied throughout the second quarter of this year, as the companies successfully implemented targeted market exits, benefit reductions, and plan repricing, while medical cost trends tracked in line with their assumptions. At Humana, fears of adverse selection from its rapid membership growth have faded, while CVS has substantially regained credibility in its Aetna turnaround. With more of this recovery now reflected in their share prices, we reduced both positions on strength.

JAPANESE COMPONENTS RIDE THE DATA CENTER BOOM

We also trimmed Murata, TDK, and MinebeaMitsumi on strength, as the global buildout of AI data centers lifted demand across key businesses at all three Japanese component-makers. Murata is the world's leading supplier of multilayer ceramic capacitors, which AI servers require in far greater quantities than conventional servers to stabilize power delivery to high-performance chips. TDK manufactures capacitors, inductors, and batteries for numerous end markets, including data center power management and backup power systems, as well as hard disk drive heads used in data storage. MinebeaMitsumi is the world's largest producer of miniature ball bearings, which are essential components inside the cooling fans proliferating amid the AI data center buildout, and makes the server fan motors themselves, along with components for data center hard drives.

CONCLUSION

This quarter's activity reflects our consistent discipline. Where the market rewarded our holdings, as with Japanese AI supply chain beneficiaries and recovering U.S. managed care insurers, we scaled back some exposure. Where fear and sentiment outran otherwise solid fundamentals, we leaned in, adding to enterprise software franchises, Chinese businesses weighed down by macro pessimism, and a premium tiremaker facing a purely technical ownership overhang. In a market increasingly concentrated around a single theme, valuation dispersion remains wide. Our portfolios are positioned across a diverse set of idiosyncratic investment controversies, with holdings trading at what we believe are meaningful discounts to their normalized earnings power.

STEWARDSHIP INSIGHTS

Shareholder activism was a recurring theme across our significant proxy votes this season. We share how we distinguish active ownership from activism and how private engagement can be effective in helping to create long-term shareholder value. Independent, case-by-case judgment remains central to how we exercise our responsibilities as stewards of capital.

INTRODUCTION

As in past years, we use our third-quarter Stewardship Insights article to reflect on a selection of our significant proxy votes, and this season, shareholder activism stood out as a recurring theme across companies and regions. This is not particularly surprising given that activism has been on the rise globally, including expanding significantly outside the U.S. in recent years. The significance of this theme led us to think about the interplay between activism and active management and the subtle differences between the two philosophies. Below, we illustrate these nuances with several examples.

BEING "ACTIVE" DOES NOT NECESSARILY MEAN BEING AN "ACTIVIST"

There is no one clear definition that separates an "active" investor from an "activist" investor. We have, however, always considered ourselves to be the former rather than the latter. For us, the distinction hinges on the tools used, rather than the objective or degree of conviction in the outcome. In other words, we could share the same goals as an activist, but we would typically use different means to try to achieve them. At the most basic level, an activist will typically use more public or quasi-public mechanisms to achieve their objectives (such as public letters, proxy contests, and vote-no campaigns against incumbent directors), while we tend to prefer private, ongoing dialogue.

We spend our time deeply researching businesses to find the ones that are undervalued relative to their long-term earnings potential. This requires ongoing engagement with the management teams of the companies we choose to invest in. Since we view ourselves as part-owners of the businesses in our portfolios, we seek to build long-term constructive relationships with companies, akin to those of a trusted advisor. When we disagree with management, we robustly engage to share the direction that we think maximizes long-term shareholder value.

EVALUATING THE MERITS OF "ACTIVISM"

If we are invested in a company that finds itself the subject of an activist campaign, part of our role is to independently assess the merits of the activist agenda. As the examples below illustrate, we will assess this case by case and exercise our votes accordingly.

Activist Alignment: DB Insurance, Korean Insurance Company

The recent "Value Up" legislative agenda from the Korean government was intended to improve capital efficiency and governance quality among Korean companies. This supportive regulatory backdrop appears to have emboldened activists in the region, and we have observed an increasing sophistication of activism efforts. A Korean activist approached us in an effort to improve governance and capital allocation at a variety of Korean companies this season, of which DB Insurance was a particular priority. In speaking with the activist, we identified overlap between their objectives and those of our separate engagement with DB Insurance. After speaking with both the activist and the company, we voted in favor of the activist's nominees to encourage board refreshment and their shareholder proposal to create an internal transaction committee of independent directors to better oversee related-party transactions. We would have reached the same conclusions had the proposals come from management or another shareholder. Our vote reflects our judgment of what we believe advances long-term shareholder value creation at DB Insurance. While one of the activist nominees was elected, the resolution to set up a transaction committee did not pass. We will continue to engage the board on the importance of prudent capital allocation.

Activist Misalignment: Genesco, U.S. Specialty Retailer

We can also find ourselves in disagreement with some of the specifics of a given activist agenda. We saw this in the case of Genesco, where an activist was pushing for board refreshment and proposed two dissident board member candidates to replace specific incumbent directors on the Genesco board. We engaged extensively with this activist in the lead-up to the proxy contest because we did share the view that board refreshment could help address an extended period of underperformance. Unfortunately, the activist did not nominate candidates with relevant retail experience, and we did not think that their individual experience made them better candidates than the incumbent directors. That led us to support the management slate of directors (who were ultimately re-elected) rather than the activist candidates. This example highlights that while we may agree in part with the objective of an activist, the devil is always in the details.

We will vote for activist nominees only if we genuinely believe that doing so will result in a more favorable outcome for long-term shareholders.

WE CAN HAVE JUST AS MUCH IMPACT BY BEING "ACTIVE"

Our role as an active manager extends beyond deciding whether we agree with the objectives of activists. We can also directly effect change at these companies and can often succeed through more subtle means. For example, through direct engagement ahead of some votes this season, we were able to get specific ballot items amended to better protect shareholder rights. This meant we could ultimately support these items, and other investors could then vote on what were, in our view, better proposals.

Baxter, U.S. Medical Device Manufacturer
Baxter sought to amend its certificate of incorporation regarding board size, which would have given the board authority to increase the number of directors up to a cap of 17. Academic literature[1] supports our view that smaller boards are associated with better decision making. Baxter's proposed cap was also well above market norms, as boards of large-cap companies comparable to Baxter typically average 10-11 directors[2]. We engaged with the company and shared our preference for a smaller board. Following that conversation, the board adopted an amendment to the bylaws fixing the board size with a range of 7-12 members. We felt this sufficiently addressed our concerns, while still allowing flexibility to appoint new directors when needed. This enabled us to vote for the original proposal and, in our view, improved corporate governance practices at the company for other shareholders. It is perhaps not surprising that the vote ultimately passed.

ArcelorMittal, Global Steel and Mining Company
ArcelorMittal requested the authorization of equity issuance without preemptive rights. We will typically approve these requests, provided the issuance does not exceed 20% of share capital. In the case of Arcelor, this threshold was not specified but was instead left open to past precedent. Calculations by Institutional Shareholder Services (ISS) showed the maximum issuance could have exceeded our limit of 20%. We engaged with Arcelor and encouraged the company to state an explicit limit in the proposal. Arcelor ultimately amended the proposal to reduce and limit the requested authority to 10% of share capital, which allowed us, and other investors, to vote in favor. The resolution passed with 98% support.

1 See https://www.pzena.com/americas/institutional-investors/insights/assessing-corporate-governance/
2 Spencer Stuart Board Index

IMPACT CAN TAKE TIME

We are also not afraid to push for change that may be difficult to achieve or take time to materialize. For example, we continue to encourage Japanese companies to go beyond simply what is required under the new Tokyo Stock Exchange (TSE) reforms designed to improve corporate governance and capital allocation. Most recently, we decided to advocate for fully independent audit committees[3] at Japanese companies with a three-committee governance structure[4] (the closest in structure to the Western model). Japanese companies had previously been exempted from this engagement priority because of cultural and market norms to have insiders sit on key committees. We chose to define "independence" for former company insiders using a five-year cooling-off period, as this reflects the most robust standard among global market norms.

Sumitomo Mitsui Financial, Japanese Multinational Bank
Given that Sumitomo has a three-committee structure, we chose to express our new preference for a fully independent audit committee through our votes. This meant voting against one former executive on the audit committee who had not yet passed the five-year cooling-off window. While our decision to vote against this individual did not materially affect the vote outcome, we believe that voting is a helpful tool to escalate our engagement with companies in the Japanese market. Over time, this approach will show companies that we are serious about advocating for greater independence on audit committees.

CONCLUSION

The common thread across all these examples from the season is the application of independent, case-by-case judgment. In our view, it is that judgment which allows us to have real-world impact through our stewardship and engagement efforts. We will continue pursuing impact through our own fundamental research and active ownership while supporting change at a company when we think it serves the best long-term interests of shareholders and, ultimately, our clients.

3 It is our view, based on academic evidence (see footnote 1), that the independence of the audit committee is one of the most important signals of future company performance.
4 Japan has three governance structures: the traditional Statutory Auditor model, where non-director auditors separately oversee the board; the Supervisory Committee model, which integrates oversight into the board through director-members with voting rights; and the Three-Committee model, which separates nomination, audit, and compensation oversight and most closely resembles Western governance structures.

HIGHLIGHTED HOLDING: HAIER SMART HOME

Weak appliance demand has driven Haier's shares lower. Yet its premium brands and continued investment are helping it gain market share, offering investors a stronger business at a lower valuation.

		Earnings Per Share			Price/Earnings		
Company	Price	FY26E	FY27E	Normal*	FY26E	FY27E	Normal**
Haier Smart Home	HK$ 20.24	HK$ 2.40	HK$ 2.63	HK$ 3.39	8.4x	7.7x	6.8x

Fiscal year-end December 31.
**Pzena estimate of normal earnings.*
***Globally adjusted price-to-normal multiple based on Hong Kong discount rate.*
Source: S&P Capital IQ, Pzena analysis. Data as of September 30, 2026.

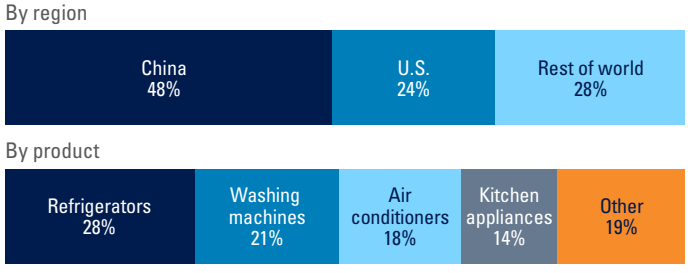
HIGHLIGHTED HOLDING: HAIER SMART HOME

Headquartered in China, Haier Smart Home is the world's largest[1] major home appliance manufacturer. Despite continued market share gains in China and the U.S., its two largest markets, sales and profits have stalled. Demand in China has fallen since the government scaled back appliance subsidies, while tariffs and a soft housing market have weighed on GE Appliances, its U.S. business. These headwinds, along with investors' flight out of Chinese consumer stocks and into AI, have driven the stock down roughly 40% from its 2024 highs. In our view, at 6.8x our normal earnings estimate, the industry's strongest franchise is priced for structural decline rather than a cyclical downturn.

CHINA'S PREMIUM LEADER

Founded in 1984 as a single factory in Qingdao, Haier is now one of China's big three home appliance makers, along with Midea and Gree, and the most international of the three. It built its overseas business largely by buying established brands, including GE Appliances in the U.S., Fisher & Paykel in New Zealand, and Candy in Italy. China accounts for roughly half of its sales, and the U.S. for about a quarter (Exhibit 1).

Exhibit 1: Haier's Sales by Region and Product, 2025



Source: Haier Smart Home, Pzena estimates.

In China, a handful of giants dominate refrigerators, washing machines, and air conditioners. The three largest in each category account for more than 70% of sales, and Haier alone sells roughly one of every two washing machines and refrigerators. Concentration and strong brands have supported pricing discipline, giving appliances one of the country's best industry structures. Appliance makers have largely avoided the price wars that have battered industries such as electric cars and solar panels.

Haier has also led the premiumization of China's appliance market. Its homegrown premium brand, Casarte, sells more than half of the refrigerators and nearly three-quarters of the washing machines priced above approximately $1,400[2]. That position reflects years of investment in product innovation and brand building, and it brings higher margins and steadier sales through downturns.

TRANSFORMING GE APPLIANCES

When Haier bought GE Appliances in 2016, years of underinvestment had left the business earning about 3% on sales, roughly a quarter of Whirlpool's North American margin. Haier kept GE Appliances' experienced American managers but gave them capital and shared its product technology and factory automation know-how. A Chinese owner and an American icon might easily have clashed. Instead, the partnership has worked remarkably well, and GE Appliances has even adopted its parent's management system, which puts small teams in charge of individual product lines. The business has modernized its factories and brought out new products faster than its rivals.

GE Appliances is now the U.S. market leader, ahead of Whirlpool, LG, Samsung, and Electrolux, with products in half of all American homes. It has a particular edge over LG and Samsung with homebuilders, a channel it dominates along with Whirlpool because builders rely on delivery and installation networks that take decades to develop. Its own service network also helps keep customers loyal when an appliance needs repair or replacement.

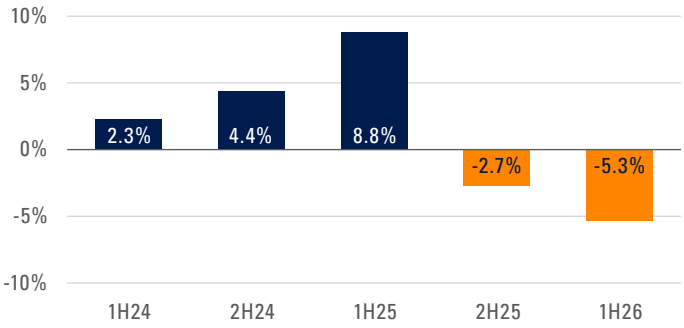
1 By retail volume of major appliances. Source: Euromonitor International

2 Source: Haier Smart Home 2026 Interim Report

CHINA'S POST-SUBSIDY SLUMP

China's property slump has weighed on Haier's home market for several years, cutting demand for appliances that typically go into new homes. In 2025, to support consumer spending, the government expanded an appliance trade-in subsidy that cut prices by up to 20% at checkout. Shoppers rushed to buy while the discount lasted, and sales jumped across the industry. Haier's China revenue rose 9% in the first half of 2025 (Exhibit 2). That surge faded as funding ran low, and in 2026 the government cut the subsidy to 15% and narrowed it to fewer products. Haier's China revenue fell 5% in the first half of 2026, while the industry's retail sales dropped nearly 10%. The remaining subsidy is funded only through 2026, and investors fear that sales will fall further if the government does not renew it.

Exhibit 2: Haier's China Sales Rose with Subsidies, Then Fell Back
Mainland China Revenue by Half



Source: Company reports, Pzena analysis.

When China ended its previous appliance subsidy program in 2011, Haier pulled ahead of its rivals. The industry took nearly two years to recover, but Haier's revenue rose 8% and its operating profit 25% in 2012[3], as its distribution network and premium brands won customers from weaker competitors. Early signs suggest it is pulling ahead again. So far in 2026, Haier has increased its retail value share in China, and its domestic gross margin has risen despite lower sales and higher commodity costs. Casarte has done best, with retail sales down only 3%, because its wealthier buyers are less sensitive to price and relied less on the subsidy.

HOUSING AND TARIFFS PRESSURE THE U.S. BUSINESS

GE Appliances is contending with a weak appliance market, as housing activity remains depressed. Higher mortgage rates have created a pronounced "lock-in" effect, with most homeowners paying well below today's rates and therefore reluctant to move. That lock-in effect has helped push existing-home sales to near 30-year lows, while new construction has provided little offset. The damage shows up more in profits than in units. Broken appliances are still being replaced, but those buyers tend to pick cheaper models. The high-end purchases that come with moving or remodeling have fallen furthest.

Tariffs have added a second, more direct pressure on profits by raising the cost of steel, components, and imported finished goods. Imported front-load washers are GE Appliances' largest tariff exposure, and we estimate that, at peak rates, tariffs on those washers alone could absorb roughly a fifth of its U.S. operating profit. GE Appliances is responding with price increases and a $3 billion, five-year plan to expand U.S. production[4].

Both headwinds are hurting GE Appliances' rivals more, widening a lead GE has built through a decade of market share gains under Haier (Exhibit 3). The downturn has forced Whirlpool and Electrolux, the owner of Frigidaire, to raise capital. Whirlpool sold about $1.1 billion of new equity in February and suspended its dividend in May to pay down debt, while Electrolux raised about $1 billion from shareholders as part of a restructuring. Tariffs, meanwhile, weigh more heavily on LG and Samsung, which by Haier's estimate import about 70% of what they sell in the U.S., against about 40% for GE Appliances.

Exhibit 3: Haier's Market Share Gains, 2016–2025

CATEGORY	2016	2025
China		
Refrigerators	39%	45%
Washing machines	44%	51%
Air conditioners	11%	16%
U.S.		
Refrigerators	19%	28%
Washing machines	14%	23%
Air conditioners	20%	32%
Kitchen appliances	23%	33%

Source: Euromonitor International
Figures rounded to the nearest whole percentage point.

3 Source: S&P Capital IQ

4 GE Appliances (August 2025)

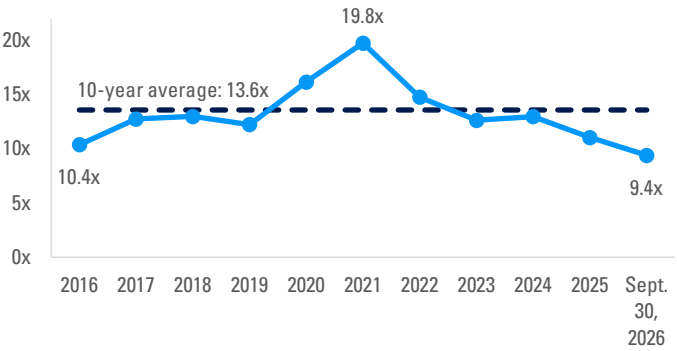
EARNINGS POWER INTACT

Haier's operating profit has held up far better than its share price. Its operating margin has stayed at about 7% through the subsidy cut and tariffs, as cost savings in China and growth in other overseas markets offset weakness in the U.S. Our normal earnings estimate assumes a margin of only about 5.5%, slightly below Haier's 10-year average. Further share gains, premiumization, or a housing recovery would lift earnings above it.

The main risks are a longer slump in China, if the subsidy lapses at year-end, and a deeper one in the U.S., if housing weakens further. Electrolux's new partnership with Midea could also add competition in the U.S., though it will take years to reach scale. Haier's net cash, equal to about a sixth of its market value, means it can ride out a longer slump and keep investing, while indebted rivals have had to pull back on investment. It also pays out more than half its earnings as dividends and is buying back shares.

Yet Haier's shares trade at about 9x forward earnings, well below their 10-year average of nearly 14x (Exhibit 4). We believe the company's competitive advantages are growing, not shrinking, and long-term investors can now buy a far stronger Haier at a lower valuation than at almost any point in the past decade.

Exhibit 4: Haier's Valuation Sits Well Below Its 10-Year Average
Price to Forward Earnings



Source: CapIQ and Pzena

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

Developed-market equities advanced modestly during the third quarter, as investors navigated the ongoing conflict in the Middle East, rising bond yields, and sustained investment in AI infrastructure. Our portfolio outperformed both the broad market index and the value index.

The information technology sector was the largest source of absolute contribution, with financials and industrials also adding to returns. IT services and consulting providers Cognizant and Accenture were the top two individual contributors, after both companies delivered broadly in-line results that helped ease investor concerns about the potential disruptive impact of AI. Semiconductor company Skyworks Solutions rallied on progress toward its pending merger with Qorvo, which we believe is strategically attractive.

Consumer discretionary and materials were the primary sources of sector-level weakness. Among individual detractors, pharmacy and health care services company CVS Health declined, as investors assessed the implications of pending reform of pharmacy benefit managers, which will require a shift from bundled pricing toward a more transparent fee-based model. Coatings manufacturer PPG Industries fell after reporting margins that lagged those of its peers, and Finnish network equipment-maker Nokia, which had benefited earlier in the year from enthusiasm around AI-related infrastructure spending, gave back some of those gains.

We initiated a position in Microsoft on the premise that investor concerns about the potential for unproductive AI infrastructure spending are already reflected in the valuation. We also purchased CDW, the largest IT solutions provider in the U.S., whose margins have been pressured by investments in technical and vertical capabilities that we expect to support operating leverage as its solutions business matures. Finally, we bought Tencent, a leading Chinese technology platform, as regulatory uncertainty and subdued investor sentiment toward Chinese equities have created what we believe is an unusually attractive entry point.

We exited Nokia and Cisco Systems on valuation and trimmed Enel, Humana, and TDK following share-price strength. ■

PERFORMANCE SUMMARY

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

	3Q	YTD	One Year	Three Year	Five Year	Ten Year	Since Inception 1/1/10
Pzena Global Value Composite - Gross	5.2%	16.5%	24.3%	19.6%	12.4%	11.7%	10.1%
Pzena Global Value Composite - Net	5.1%	16.0%	23.7%	19.0%	11.8%	11.1%	9.5%
MSCI World Index	1.9%	11.8%	15.2%	21.4%	11.9%	12.8%	10.9%
MSCI World Value Index	3.8%	14.7%	18.6%	19.1%	11.5%	10.0%	8.8%

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)

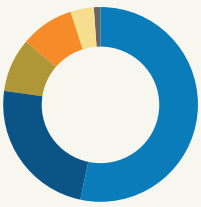
Baxter Intl	3.1%
Taiwan Semiconductor Mfg.	3.0%
Cognizant Tech A	2.7%
Skyworks Solutions	2.6%
BASF	2.5%
Daimler Truck Holding	2.4%
Julius Baer Gruppe	2.3%
Shell	2.2%
Corebridge Financial	2.1%
SS&C Technologies Holdings	2.1%
Total	25.0%

PORTFOLIO CHARACTERISTICS

	Strategy	Index
Price to Normal Earnings [1]	8.0x	13.6x *
Price / Earnings (1-Year Forecast)	11.4x	19.4x
Price / Book	1.6x	4.1x
Median Market Cap ($B)	$26.3	$28.5
Weighted Average Market Cap ($B)	$186.4	$1,129.6
Active Share	95.0%	-
Standard Deviation (5-Year)	17.2%	14.9%
Number of Stocks (model portfolio)	62	1,249

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

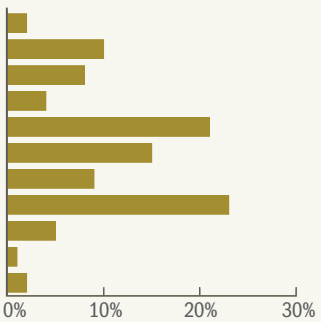
REGION CONCENTRATION



	Strategy	Index
North America	54%	76%
Europe ex-U.K.	24%	12%
United Kingdom	9%	3%
Emerging Markets	9%	0%
Japan	4%	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	10%	8%
Consumer Staples	8%	5%
Energy	4%	4%
Financials	21%	16%
Health Care	15%	9%
Industrials	9%	11%
Information Technology	23%	32%
Materials	5%	3%
Real Estate	1%	2%
Utilities	2%	2%

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

PZENA GLOBAL FOCUSED VALUE

Global equities advanced modestly during the third quarter, as investors navigated the ongoing conflict in the Middle East, rising bond yields, and sustained investment in AI infrastructure. Our portfolio outperformed both the broad market index and the value index.

The information technology sector was the largest source of absolute contribution during the quarter. IT services and consulting providers Cognizant and Accenture were among the top contributors, after both companies delivered broadly in-line results that helped ease investor concerns about the potential disruptive impact of AI. Semiconductor company Skyworks Solutions rallied on progress toward its pending merger with Qorvo, which we believe is strategically attractive.

Materials and consumer staples were the primary sources of sector-level weakness. Among individual detractors, pharmacy and health care services company CVS Health declined, as investors assessed the implications of pending reform of pharmacy benefit managers, which will require a shift from bundled pricing toward a more transparent fee-based model. Coatings manufacturer PPG Industries fell after reporting margins that lagged those of its peers, as pricing had not yet fully offset higher-than-expected input-cost inflation. Japanese air-conditioning leader Daikin also detracted following mixed fiscal first-quarter results, with strong revenue growth offset by margin pressure from elevated costs.

We initiated a position in Tencent, a leading Chinese technology platform, as regulatory uncertainty and subdued investor sentiment toward Chinese equities have created what we believe is an unusually attractive entry point. Following share-price weakness, we also continued building positions in life and supplemental health insurer Globe Life, as favorable mortality trends and a captive distribution model support attractive underwriting returns, and in U.K. regulated water utility United Utilities, a stable, asset-backed business with inflation-linked revenues.

To fund these additions, we exited Chinese e-commerce company Alibaba Group and Italian utility Enel. ■

PERFORMANCE SUMMARY

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

	3Q	YTD	One Year	Three Year	Five Year	Ten Year	Since Inception 1/1/04
Pzena Global Focused Value Composite - Gross	5.2%	13.5%	20.3%	18.5%	11.7%	11.3%	7.6%
Pzena Global Focused Value Composite - Net	5.0%	12.9%	19.4%	17.6%	10.8%	10.5%	6.7%
MSCI All Country World Index	1.6%	13.0%	16.8%	21.7%	11.6%	12.4%	8.9%
MSCI All Country World Value Index	3.7%	16.1%	20.3%	19.6%	11.5%	9.9%	7.6%

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)

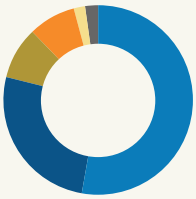
Baxter Intl	3.8%
Humana	3.5%
Fresenius Medical Care	3.0%
Dollar General	2.8%
BASF	2.7%
Shell	2.7%
Reckitt Benckiser Group	2.5%
Corebridge Financial	2.5%
Julius Baer Gruppe	2.4%
Skyworks Solutions	2.4%
Total	28.3%

PORTFOLIO CHARACTERISTICS

	Strategy	Index
Price to Normal Earnings[1]	7.4x	13.6x *
Price / Earnings (1-Year Forecast)	11.1x	17.8x
Price / Book	1.5x	3.8x
Median Market Cap ($B)	$21.5	$17.8
Weighted Average Market Cap ($B)	$57.9	$1,057.6
Active Share	97.2%	-
Standard Deviation (5-Year)	17.7%	14.8%
Number of Stocks (model portfolio)	49	2,414

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

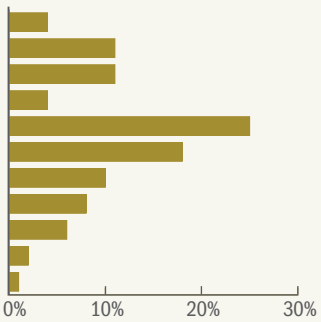
REGION CONCENTRATION



	Strategy	Index
North America	53%	67%
Europe ex-U.K.	26%	10%
United Kingdom	9%	3%
Emerging Markets	8%	12%
Japan	2%	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	4%	8%
Consumer Discretionary	11%	8%
Consumer Staples	11%	5%
Energy	4%	4%
Financials	25%	16%
Health Care	18%	8%
Industrials	10%	10%
Information Technology	8%	33%
Materials	6%	4%
Real Estate	2%	1%
Utilities	1%	2%

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

PZENA INTERNATIONAL VALUE

Non-U.S. equity markets were up modestly in the third quarter, as optimism in AI stocks subsided while the crisis in the Middle East kept the markets on edge. Our portfolio outperformed both its broad market benchmark and the value index.

Financials and energy were the largest contributing sectors, and the top individual stock contributor was Teleperformance, the French customer-experience outsourcer, which rallied after first-half results showed improving revenue trends and a stable margin. Enterprise software company SAP benefited from an industry-wide rebound combined with continued momentum in moving its customers to the cloud and an increased share buyback. Accenture delivered broadly in-line results that helped ease investor concerns about the potential disruptive impact of AI, driving the stock higher.

Our largest individual detractor was Japanese air-conditioning leader Daikin, which had mixed fiscal first-quarter results, with strong revenue growth offset by margin pressure from elevated costs. French luxury group LVMH also fell on declining consumer sentiment, especially in China. MinebeaMitsumi, the Japanese precision-components manufacturer, gave back a portion of its very strong first-half gains, as AI-linked hardware and electronic-component stocks pulled back.

We initiated a position in Tencent, a leading Chinese technology platform. We believe Tencent will be able to leverage its AI spending internally to accelerate game development and improve ad targeting and matching, driving incremental profit growth. Regulatory uncertainty and subdued investor sentiment toward Chinese equities have created what we believe is an unusually attractive entry point. Among other portfolio changes, we continued to build our positions in United Utilities and Pirelli and added to Julius Baer on weakness. We funded these purchases with sales of Toray Industries and ArcelorMittal, as well as trims of Murata Manufacturing and UBS on strength. ■

PERFORMANCE SUMMARY

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

	3Q	YTD	One Year	Three Year	Five Year	Ten Year	Since Inception 11/1/08
Pzena International Value Composite - Gross	6.8%	19.0%	27.6%	23.0%	13.9%	11.7%	11.1%
Pzena International Value Composite - Net	6.6%	18.5%	26.9%	22.3%	13.3%	11.1%	10.5%
MSCI EAFE Index	0.8%	10.3%	15.7%	18.4%	9.3%	9.1%	8.2%
MSCI EAFE Value Index	4.3%	14.3%	23.3%	23.0%	14.3%	10.1%	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)

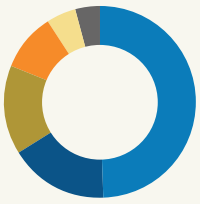
Shell	3.1%
ING Groep	2.9%
Publicis Groupe	2.7%
Michelin	2.6%
BASF	2.6%
Julius Baer Gruppe	2.6%
HSBC Holdings	2.5%
Reckitt Benckiser Group	2.5%
Daimler Truck Holding	2.5%
Bank of Ireland Group	2.4%
Total	26.4%

PORTFOLIO CHARACTERISTICS

	Strategy	Index
Price to Normal Earnings[1]	9.1x	14.4x *
Price / Earnings (1-Year Forecast)	12.1x	15.5x
Price / Book	1.6x	2.3x
Median Market Cap ($B)	$36.4	$21.0
Weighted Average Market Cap ($B)	$88.0	$125.6
Active Share	86.4%	-
Standard Deviation (5-Year)	16.6%	15.4%
Number of Stocks (model portfolio)	65	656

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

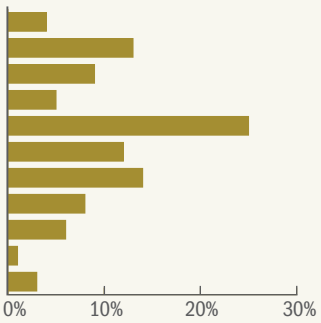
REGION CONCENTRATION



	Strategy	Index
Europe ex-U.K.	50%	49%
Japan	17%	25%
United Kingdom	15%	14%
Emerging Markets	10%	0%
North America	5%	0%
Dev. Asia ex-Japan	4%	4%
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	4%	4%
Consumer Discretionary	13%	8%
Consumer Staples	9%	6%
Energy	5%	4%
Financials	25%	26%
Health Care	12%	10%
Industrials	14%	19%
Information Technology	8%	11%
Materials	6%	6%
Real Estate	1%	1%
Utilities	3%	4%

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

PZENA INTERNATIONAL FOCUSED VALUE

Non-U.S. equity markets were up modestly in the third quarter, as optimism in AI stocks subsided while the crisis in the Middle East kept the markets on edge. Our portfolio outperformed both its broad market benchmark and the value index.

Financials and information technology were the largest contributing sectors, and the top individual stock contributor was enterprise software company SAP, which benefited from an industry-wide rebound combined with continued momentum in moving its customers to the cloud and an increased share buyback. French customer-experience outsourcer Teleperformance also contributed, rallying after first-half results showed improving revenue trends and a stable margin. Accenture delivered broadly in-line results that helped ease investor concerns about the potential disruptive impact of AI, driving the stock higher.

Consumer staples was the only meaningful absolute sectoral detractor, and our largest individual detractor was MinebeaMitsumi, the Japanese precision-components manufacturer, which gave back a portion of its very strong first-half gains, as AI-linked hardware and electronic-component stocks pulled back. WH Group, the world's largest pork company, also fell after first-half results showed weak operating profit driven by lower profitability in its hog-raising businesses. Japanese air-conditioning leader Daikin detracted following mixed fiscal first-quarter results, with strong revenue growth offset by margin pressure from elevated costs.

We initiated a position in Tencent, a leading Chinese technology platform. We believe Tencent will be able to leverage its AI spending internally to accelerate game development and improve ad targeting and matching, driving incremental profit growth. Regulatory uncertainty and subdued investor sentiment toward Chinese equities have created what we believe is an unusually attractive entry point. Among other portfolio changes, we continued to build our positions in United Utilities and Pirelli, while adding to WH Group on weakness. We funded these purchases with sales of TDK, Continental, Samsung, and Barclays. ■

PERFORMANCE SUMMARY

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

	3Q	YTD	One Year	Three Year	Five Year	Ten Year	Since Inception 1/1/04
Pzena International Focused Value Composite - Gross	5.5%	14.8%	22.4%	23.3%	13.8%	12.0%	8.4%
Pzena International Focused Value Composite - Net	5.3%	14.1%	21.5%	22.4%	13.0%	11.2%	7.5%
MSCI ACWI ex USA Index	0.5%	14.2%	20.0%	20.5%	9.6%	9.2%	7.2%
MSCI ACWI ex USA Value Index	3.5%	18.5%	27.5%	23.9%	13.7%	10.0%	7.3%

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)

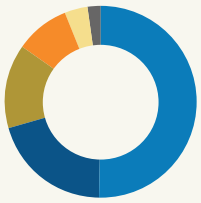
Shell	3.5%
Michelin	3.2%
BASF	3.2%
Publicis Groupe	3.0%
Julius Baer Gruppe	2.8%
Tencent Holdings	2.8%
Daimler Truck Holding	2.7%
Reckitt Benckiser Group	2.6%
Daikin Industries	2.5%
Sanofi	2.5%
Total	28.8%

PORTFOLIO CHARACTERISTICS

	Strategy	Index
Price to Normal Earnings[1]	8.1x	14.4x *
Price / Earnings (1-Year Forecast)	11.1x	13.9x
Price / Book	1.4x	2.4x
Median Market Cap ($B)	$25.6	$14.0
Weighted Average Market Cap ($B)	$71.4	$257.5
Active Share	93.0%	-
Standard Deviation (5-Year)	17.0%	15.4%
Number of Stocks (model portfolio)	47	1,897

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

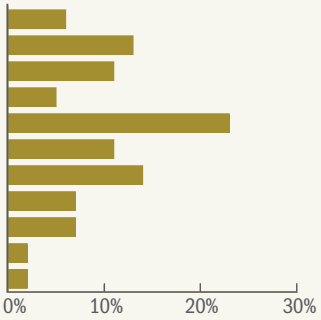
REGION CONCENTRATION



	Strategy	Index
Europe ex-U.K.	50%	29%
Emerging Markets	20%	33%
United Kingdom	14%	8%
Japan	9%	15%
North America	4%	8%
Dev. Asia ex-Japan	2%	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	6%	4%
Consumer Discretionary	13%	7%
Consumer Staples	11%	5%
Energy	5%	5%
Financials	23%	25%
Health Care	11%	7%
Industrials	14%	14%
Information Technology	7%	22%
Materials	7%	7%
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.

PZENA INTERNATIONAL SMALL CAP FOCUSED VALUE

International small-cap equities advanced in the third quarter despite geopolitical uncertainty and elevated energy prices, supported by resilient corporate earnings. Value outperformed growth, and our portfolio finished ahead of both the MSCI World ex USA Small Cap Index and the value series.

The industrials sector was the largest source of contribution, followed by consumer discretionary and financials. U.K. staffing firms SThree and PageGroup led the way as individual contributors, with first-half results showing sequential improvement and both reiterating their full-year outlooks. SThree also rejected a takeover approach from U.S.-based Circle8 Group. Finnish tiremaker Nokian Renkaat reported strong quarterly results, helped by the ramp-up of its new Romanian factory.

Real estate was the largest detracting sector. French residential developer Nexity declined on continued demand weakness in a municipal election year, though earnings and guidance remained on track. French boat builder Beneteau fell, as dealers managed inventory cautiously and Middle East uncertainty slowed new orders. Italian foodservice distributor MARR was pressured by disappointing margins, with higher fuel and energy costs outweighing gross margin gains.

We initiated a position in Rightmove, the U.K.'s leading online property portal, on weakness driven by AI disruption fears, which we believe are overblown given the company's strong network effects and proven value to estate agents. We also bought Metro Bank, a U.K. retail and commercial bank shifting its lending toward higher-yielding commercial and specialist loans, and we expect returns to improve as expensive regulatory debt rolls off. To make room for these positions, we rotated capital out of Nokian Renkaat, Tokai Carbon, and Kanto Denka Kogyo, all of which had performed well.

Even after strong performance, international small caps still trade at a discount to larger companies. We continue to identify opportunities in durable businesses where near-term uncertainty has created a meaningful gap between current prices and long-term earnings power. ■

PERFORMANCE SUMMARY

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

	3Q	YTD	One Year	Three Year	Five Year	Ten Year	Since Inception 10/1/16
Pzena International Small Cap Focused Value Composite - Gross	6.3%	8.5%	12.3%	18.0%	12.7%	10.6%	10.6%
Pzena International Small Cap Focused Value Composite - Net	6.0%	7.7%	11.2%	16.9%	11.6%	9.5%	9.5%
MSCI World ex USA Small Cap Index	2.9%	10.6%	14.5%	19.0%	6.5%	8.4%	8.4%
MSCI World ex USA Small Cap Value Index	5.7%	11.3%	16.9%	20.4%	9.5%	8.8%	8.8%

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)

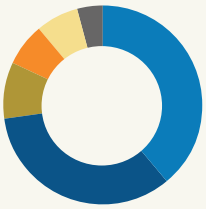
Travis Perkins	3.9%
Elders	3.6%
SThree	3.5%
B&M European Value Retail	3.5%
Origin Enterprises	3.3%
Sabre Insurance Group	3.3%
Signify	3.2%
Ariston Holding	3.2%
Permanent tsb	3.1%
Unicaja Banco	3.0%
Total	33.6%

PORTFOLIO CHARACTERISTICS

	Strategy	Index
Price to Normal Earnings[1]	6.5x	12.5x *
Price / Earnings (1-Year Forecast)	12.5x	14.3x
Price / Book	0.9x	1.6x
Median Market Cap ($B)	$1.5	$1.9
Weighted Average Market Cap ($B)	$2.2	$4.4
Active Share	98.7%	-
Standard Deviation (5-Year)	17.0%	17.3%
Number of Stocks (model portfolio)	38	2,204

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

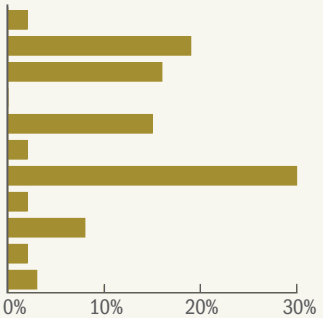
REGION CONCENTRATION



	Strategy	Index
Europe ex-U.K.	39%	27%
United Kingdom	34%	11%
Australia/New Zealand	9%	10%
North America	7%	11%
Japan	7%	33%
Dev. Asia ex-Japan	4%	3%
Dev. Africa/Middle East	0%	4%

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

SECTOR WEIGHTS



	Strategy	Index
Communication Services	2%	4%
Consumer Discretionary	19%	10%
Consumer Staples	16%	5%
Energy	0%	5%
Financials	15%	13%
Health Care	2%	5%
Industrials	30%	22%
Information Technology	2%	10%
Materials	8%	15%
Real Estate	2%	9%
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

After a strong second quarter, emerging-market equities were mixed in the third quarter, with value outperforming growth. Our portfolio outperformed both the broad MSCI Emerging Markets Index and the value series.

Financials, information technology, and energy were the largest contributing sectors. IT services company Cognizant was the largest individual contributor, rebounding from a sharp second-quarter sell-off with steady results showing organic growth, margin expansion, and solid execution on large deals. Hong Kong-based dry bulk shipper Pacific Basin advanced on rising freight rates, while Brazilian oil producer Petrobras benefited from high oil prices and the prospect of an extraordinary dividend.

Consumer staples, communication services, and materials were the largest detracting sectors. South Korean memory manufacturer Samsung was the largest detractor, giving back some second-quarter gains on questions about the sustainability of memory upcycle. Chinese internet search leader Baidu declined after missing earnings expectations, as AI cloud growth did not offset weakness in traditional search. Chinese pork producer WH Group fell after cutting margin guidance for its U.S. business.

We initiated positions in Sunny Optical and Chicony Electronics, both pressured by rising memory prices. Sunny Optical, a Chinese camera module maker, faces a smartphone downturn we believe is cyclical. Meanwhile, it is benefiting from rising content per vehicle in autos, with potential upside from a larger share of Apple's camera business and from co-packaged optics in AI servers. Chicony, a Taiwanese notebook keyboard manufacturer, faces weaker PC demand, though its power supply subsidiary offers underappreciated exposure to AI servers. We added to Shenzhou International and Tencent on weakness and increased our position in REC Ltd. We trimmed OTP Bank, Compal Electronics, and Pacific Basin on strength and exited Banca Transilvania. We also found an opportunity to sell our remaining stake in Sberbank.

With unprecedented concentration in the IT sector and in companies exposed to the AI capital-spending trade leaving many areas of the market overlooked, we remain excited about emerging-market equities as an asset class. ■

PERFORMANCE SUMMARY

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

	3Q	YTD	One Year	Three Year	Five Year	Ten Year	Since Inception 1/1/08
Pzena Emerging Markets Focused Value Composite - Gross	4.2%	10.8%	17.9%	19.8%	12.9%	11.8%	6.7%
Pzena Emerging Markets Focused Value Composite - Net	4.0%	9.9%	16.7%	18.7%	11.8%	10.7%	5.6%
MSCI Emerging Markets Index	-0.4%	23.4%	29.2%	24.1%	8.9%	9.1%	4.1%
MSCI Emerging Markets Value Index	3.1%	26.8%	34.9%	23.9%	11.0%	8.9%	3.8%

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)

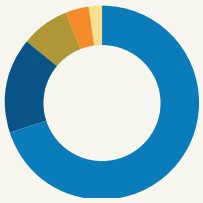
Taiwan Semiconductor Mfg.	4.5%
Samsung Electr Pfd	4.1%
Tencent Holdings	2.9%
Shenzhou International Group	2.7%
Alibaba Group Holding	2.6%
Cognizant Tech A	2.6%
Ambev	2.4%
Galaxy Entertainment	2.3%
China Overseas Land & Investment	2.3%
Petroleo Brasileiro	2.2%
Total	28.6%

PORTFOLIO CHARACTERISTICS

	Strategy	Index
Price to Normal Earnings[1]	7.9x	16.9x *
Price / Earnings (1-Year Forecast)	9.3x	11.3x
Price / Book	1.2x	2.4x
Median Market Cap ($B)	$11.8	$11.0
Weighted Average Market Cap ($B)	$212.0	$527.5
Active Share	80.2%	-
Standard Deviation (5-Year)	16.7%	18.2%
Number of Stocks (model portfolio)	56	1,165

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

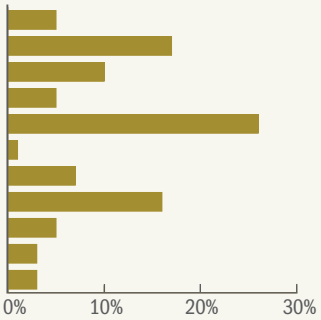
REGION CONCENTRATION



	Strategy	Index
Asia	70%	83%
Latin America	16%	7%
Europe	8%	3%
North America	4%	0%
Africa/Middle East	2%	7%

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

SECTOR WEIGHTS



	Strategy	Index
Communication Services	5%	6%
Consumer Discretionary	17%	7%
Consumer Staples	10%	3%
Energy	5%	3%
Financials	26%	19%
Health Care	1%	3%
Industrials	7%	6%
Information Technology	16%	44%
Materials	5%	6%
Real Estate	3%	1%
Utilities	3%	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 markets declined in the quarter, pressured by an energy-driven inflation shock and a sharp rise in bond yields. Value outperformed growth, and our portfolio materially outpaced both the MSCI Europe Index and the value series.

Industrials, financials, and energy were the largest contributing sectors. Among the largest individual contributors, French customer-experience outsourcer Teleperformance rose sharply after results showed narrowing revenue declines and steady margins, easing fears of AI-driven disruption. U.K. discount retailer B&M European Value Retail extended its recovery, as confidence in its turnaround grew. And U.K. temporary staffing firm Hays more than doubled after a trading update showed the business stabilizing.

Health care was the only detracting sector. The largest individual detractor was Swiss watchmaker Swatch Group, which declined after a sharp profit miss overshadowed better-than-expected sales. U.K. property portal Rightmove fell on concerns about rising U.K. interest rates and heightened fears of AI disruption. Dutch lighting company Signify was also down after a profit miss, as component shortages, input-cost inflation, and retailer destocking squeezed its consumer margins.

We initiated positions in Rightmove and RS Group. We purchased Rightmove, the U.K.'s leading online property portal, on weakness driven by AI disruption fears, which we believe are overblown given the company's strong network effects and proven value to estate agents. We expect RS Group, an industrial parts distributor strongly positioned in automation and control, to benefit from continued automation growth and a cyclical recovery in industrial spending. We also added to our positions in Italian tire maker Pirelli and U.K. water utility Pennon, funding these purchases by exiting U.K. bank Barclays on valuation and trimming German tire maker Continental and Asia-focused bank HSBC.

Even after strong relative performance, we continue to see good value in European equities, which trade at a notable valuation discount to the rest of the world. We view the current uncertain macroeconomic environment as an attractive opportunity to invest in strong businesses trading at depressed valuations. ■

PERFORMANCE SUMMARY

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

	3Q	YTD	One Year	Three Year	Five Year	Ten Year	Since Inception 8/1/08
Pzena European Focused Value Composite - Gross	5.8%	14.2%	24.0%	21.6%	14.3%	11.3%	8.0%
Pzena European Focused Value Composite - Net	5.6%	13.7%	23.2%	20.9%	13.5%	10.6%	7.3%
MSCI Europe Index	-1.6%	6.0%	12.6%	17.5%	9.5%	9.2%	5.4%
MSCI Europe Value Index	0.8%	9.2%	19.3%	22.5%	14.2%	9.9%	4.8%

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)

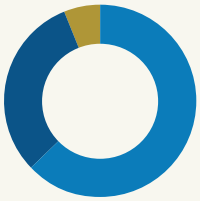
Bank of Ireland Group	3.7%
Bayer	3.5%
Accenture A	3.2%
Daimler Truck Holding	3.2%
Reckitt Benckiser Group	3.0%
Michelin	3.0%
Signify	2.9%
BASF	2.9%
Julius Baer Gruppe	2.9%
Travis Perkins	2.8%
Total	31.1%

PORTFOLIO CHARACTERISTICS

	Strategy	Index
Price to Normal Earnings[1]	8.3x	12.5x *
Price / Earnings (1-Year Forecast)	12.5x	14.9x
Price / Book	1.5x	2.5x
Median Market Cap ($B)	$18.3	$23.3
Weighted Average Market Cap ($B)	$43.3	$145.0
Active Share	87.8%	-
Standard Deviation (5-Year)	18.7%	16.3%
Number of Stocks (model portfolio)	42	386

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

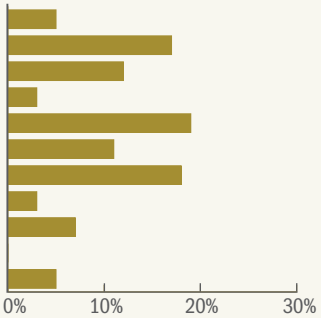
REGION CONCENTRATION



	Strategy	Index
Europe ex-U.K.	63%	77%
United Kingdom	31%	23%
North America	6%	0%

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

SECTOR WEIGHTS



	Strategy	Index
Communication Services	5%	3%
Consumer Discretionary	17%	6%
Consumer Staples	12%	8%
Energy	3%	5%
Financials	19%	25%
Health Care	11%	13%
Industrials	18%	19%
Information Technology	3%	10%
Materials	7%	5%
Real Estate	0%	1%
Utilities	5%	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 in the third quarter, supported by resilient corporate earnings and progress on capital efficiency. Value stocks outpaced the broader market. Our portfolio outperformed the TOPIX and was roughly in line with the TOPIX Value.

Financials, industrials, and materials were the largest contributing sectors, and all sectors held in the portfolio contributed positively. Writing instruments maker Pilot was the top individual contributor, as robust demand for its G2 gel pen overseas and erasable FriXion pens in Japan lifted margins, prompting management to raise full-year guidance and its dividend. At IT services provider TISI, demand for system modernization work drove profit growth and higher orders. Staffing group PERSOL Holdings rose, as pricing gains and cost efficiencies drove fiscal first-quarter profit well above expectations.

Precision-components manufacturer MinebeaMitsumi was the largest detractor. Despite quarterly profit ahead of guidance, its shares fell amid a sector-wide sell-off on concerns that AI-related demand may be peaking. Air-conditioning leader Daikin detracted following mixed fiscal first-quarter results, with strong revenue growth offset by margin pressure from elevated costs. Electronic components maker TDK also declined despite strong results, as full-year guidance remained below market expectations.

We initiated a position in video game maker Nintendo, which has evolved from a hit-driven console business into a platform with a stable user base and recurring revenue. While the market worries that elevated memory prices will squeeze Switch 2 margins, we expect memory costs to normalize through the cycle. We also bought M3, Japan's leading digital health care platform, whose shares became inexpensive amid fears of AI disruption, though we expect pharmaceutical promotion to shift further toward targeted digital channels. We added to ARCHION on weakness, exited THK, and completed our exits from SUMCO and Murata Manufacturing. We also trimmed Tokai Carbon on strength.

Japanese equities continue to offer a broad and varied opportunity set, with ongoing governance reform creating room for improved shareholder returns. ■

PERFORMANCE SUMMARY

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

	3Q	YTD	One Year	Three Year	Five Year	Ten Year	Since Inception 7/1/15
Pzena Japan Focused Value Composite - Gross	9.9%	36.9%	43.1%	26.7%	15.8%	12.2%	10.4%
Pzena Japan Focused Value Composite - Net	9.7%	36.1%	42.0%	25.7%	14.9%	11.3%	9.5%
TOPIX Index	7.2%	22.4%	25.4%	21.3%	9.8%	9.3%	8.3%
TOPIX Value Index	9.5%	26.1%	32.2%	26.3%	16.3%	11.8%	10.0%

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)

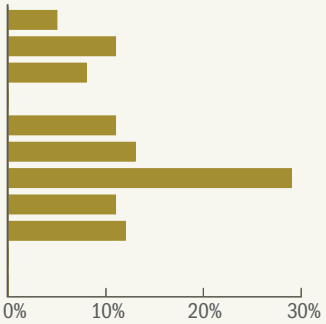
Daikin Industries	4.4%
Japan Airlines	4.0%
Fujifilm Holdings	3.9%
Pilot	3.7%
Suntory Beverage & Food	3.5%
PERSOL Holdings	3.5%
Fukuoka Financial Group	3.4%
Bridgestone	3.4%
Takeda Pharmaceutical	3.3%
Archion	3.3%
Total	36.4%

PORTFOLIO CHARACTERISTICS

	Strategy	Index
Price to Normal Earnings[1]	10.2x	14.4x *
Price / Earnings (1-Year Forecast)	12.8x	16.1x
Price / Book	1.3x	1.8x
Median Market Cap ($B)	$8.7	$0.8
Weighted Average Market Cap ($B)	$26.8	$77.1
Active Share	88.3%	-
Standard Deviation (5-Year)	16.4%	15.3%
Number of Stocks (model portfolio)	35	1,636

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

SECTOR WEIGHTS



	Strategy	Index
Communication Services	5%	7%
Consumer Discretionary	11%	14%
Consumer Staples	8%	5%
Energy	0%	1%
Financials	11%	19%
Health Care	13%	5%
Industrials	29%	26%
Information Technology	11%	16%
Materials	12%	5%
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.

PZENA LARGE CAP VALUE (U.S.)

Broad market indices advanced modestly in the third quarter despite continued conflict in the Middle East, high energy prices, and rising bond yields. Market breadth was weak, with equal-weighted indices declining, while ongoing investment in AI infrastructure continued to generate significant dispersion. Against this backdrop, the portfolio outperformed both the broad market and its value benchmark.

The technology sector was the largest contributor, with financials and health care also adding to returns. The top individual contributor was IT services provider Cognizant, which rose sharply after reporting steady second-quarter results. Semiconductor company Skyworks Solutions rallied on progress toward its pending merger with Qorvo, which we believe is strategically attractive. Human capital management software provider Workday also benefited as software and technology services stocks, including Cognizant, recovered from earlier AI disruption fears. Media speculation about a potential take-private transaction provided further support.

Consumer staples and consumer discretionary were the only sectors to detract from performance. Pharmacy and health care services company CVS Health was the largest individual detractor despite beating second-quarter expectations and raising full-year guidance, as investors focused on greater uncertainty in its Health Services segment. Coatings manufacturer PPG Industries declined after reporting solid organic growth but weaker-than-peer margins, as its high-margin refinish business absorbed distributor destocking and price increases lagged raw-material inflation. Meat processor Tyson Foods detracted after lowering its full-year outlook, as a historically severe cattle shortage deepened losses in its beef business.

We initiated a position in GE HealthCare, a leading provider of medical imaging equipment and diagnostic pharmaceuticals. The shares have declined amid margin pressure from rising input costs and headwinds in China. We see a defensible pharmaceutical diagnostics franchise and material scope for self-help in the core imaging business that are not reflected in the valuation. We also added to Tyson and to dialysis services provider Fresenius Medical Care, which declined on tepid U.S. dialysis volume growth. We funded these purchases by exiting communications equipment provider Cisco Systems and trimming Bank of America and Skyworks on strength.

U.S. market returns and investor attention remain concentrated in a narrow group of AI beneficiaries, leaving many high-quality businesses trading at valuations we believe are attractive relative to the strength of their franchises and balance sheets. We continue to build a portfolio of companies whose return drivers are differentiated from the dominant AI capital-spending theme. ■

PERFORMANCE SUMMARY

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

	3Q	YTD	One Year	Three Year	Five Year	Ten Year	Since Inception 7/1/12
Pzena Large Cap Value Composite - Gross	4.9%	10.3%	15.2%	14.6%	10.2%	10.8%	11.9%
Pzena Large Cap Value Composite - Net	4.8%	10.0%	14.8%	14.2%	9.7%	10.3%	11.4%
Russell 1000 Value Index	2.6%	19.3%	23.8%	20.1%	11.9%	11.4%	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)

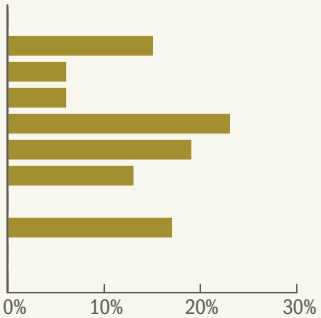
Humana	3.7%
Magna International	3.5%
Skyworks Solutions	3.5%
Baxter Intl	3.4%
MetLife	3.3%
SS&C Technologies Holdings	3.2%
Dollar General	3.2%
Corebridge Financial	3.2%
Cognizant Tech A	3.1%
Global Payments	3.0%
Total	33.1%

PORTFOLIO CHARACTERISTICS

	Strategy	Index
Price to Normal Earnings[1]	7.4x	13.0x *
Price / Earnings (1-Year Forecast)	10.9x	17.7x
Price / Book	1.7x	3.2x
Median Market Cap ($B)	$37.2	$14.2
Weighted Average Market Cap ($B)	$86.9	$844.9
Active Share	89.8%	-
Standard Deviation (5-Year)	17.6%	14.8%
Number of Stocks (model portfolio)	50	869

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	15%	14%
Consumer Staples	6%	6%
Energy	6%	6%
Financials	23%	17%
Health Care	19%	13%
Industrials	13%	12%
Real Estate	0%	3%
Technology	17%	20%
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 LARGE CAP FOCUSED VALUE (U.S.)

Broad market indices advanced modestly in the third quarter despite continued conflict in the Middle East, high energy prices, and rising bond yields. Market breadth was weak, with equal-weighted indices declining, while ongoing investment in AI infrastructure continued to generate significant dispersion. Against this backdrop, the portfolio outperformed both the broad market and its value benchmark.

The technology sector was the largest contributor, with health care and financials also adding to returns. The top individual contributor was IT services provider Cognizant, which rose sharply after reporting steady second-quarter results. Human capital management software provider Workday also benefited as software and technology services stocks, including Cognizant, recovered from earlier AI disruption fears. Media speculation about a potential take-private transaction provided further support. Semiconductor company Skyworks Solutions rallied on progress toward its pending merger with Qorvo, which we believe is strategically attractive.

Consumer staples and consumer discretionary were the only sectors to detract from performance. Pharmacy and health care services company CVS Health was the largest individual detractor despite beating second-quarter expectations and raising full-year guidance, as investors focused on greater uncertainty in its Health Services segment. Coatings manufacturer PPG Industries declined after reporting solid organic growth but weaker-than-peer margins, as its high-margin refinish business absorbed distributor destocking and price increases lagged raw-material inflation. Automotive supplier Lear also detracted after management signaled a cautious near-term demand outlook.

We initiated a position in global entertainment giant Walt Disney, whose shares have been weighed down by concerns about streaming economics. We believe Disney's scale, brands, and unique content library provide an attractive competitive position in streaming over the long term, while its Experiences segment, which includes the theme parks, provides a stable earnings base that supports the valuation. We also added to dialysis services provider Fresenius Medical Care, which declined on tepid U.S. dialysis volume growth. We funded these purchases by trimming Medicare Advantage insurer Humana, Skyworks, and global bank UBS, all on strength.

U.S. market returns and investor attention remain concentrated in a narrow group of AI beneficiaries, leaving many high-quality businesses trading at valuations we believe are attractive relative to the strength of their franchises and balance sheets. We continue to build a portfolio of companies whose return drivers are differentiated from the dominant AI capital-spending theme. ■

PERFORMANCE SUMMARY

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

	3Q	YTD	One Year	Three Year	Five Year	Ten Year	Since Inception 10/1/00
Pzena Large Cap Focused Value Composite - Gross	5.5%	12.8%	17.8%	14.5%	9.9%	10.6%	8.2%
Pzena Large Cap Focused Value Composite - Net	5.3%	12.2%	17.0%	13.7%	9.2%	9.9%	7.5%
Russell 1000 Value Index	2.6%	19.3%	23.8%	20.1%	11.9%	11.4%	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)

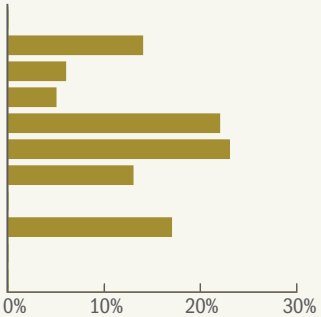
Baxter Intl	5.6%
Humana	5.3%
Fresenius ADR	4.3%
Corebridge Financial	4.1%
Skyworks Solutions	4.0%
CVS Health	3.9%
MetLife	3.8%
Dollar General	3.7%
Cognizant Tech A	3.6%
Global Payments	3.4%
Total	41.7%

PORTFOLIO CHARACTERISTICS

	Strategy	Index
Price to Normal Earnings[1]	7.0x	13.0x*
Price / Earnings (1-Year Forecast)	10.7x	17.7x
Price / Book	1.6x	3.2x
Median Market Cap ($B)	$24.5	$14.2
Weighted Average Market Cap ($B)	$72.7	$844.9
Active Share	94.3%	-
Standard Deviation (5-Year)	18.8%	14.8%
Number of Stocks (model portfolio)	34	869

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%	14%
Consumer Staples	6%	6%
Energy	5%	6%
Financials	22%	17%
Health Care	23%	13%
Industrials	13%	12%
Real Estate	0%	3%
Technology	17%	20%
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 FOCUSED VALUE (U.S.)

Broad market indices advanced modestly in the third quarter despite continued conflict in the Middle East, high energy prices, and rising bond yields. Market breadth was weak, with equal-weighted indices declining, while ongoing investment in AI infrastructure continued to generate significant dispersion. Against this backdrop, the portfolio outperformed both the broad market and its value benchmark.

The technology sector was the largest contributor, with health care and industrials also adding to returns. The top individual contributor was IT services provider Cognizant, which rose sharply after reporting steady second-quarter results. The shares also benefited as software and technology services stocks recovered from earlier AI disruption fears. Staffing company Robert Half rose, as industry results pointed to green shoots after a prolonged downturn. Semiconductor company Skyworks Solutions rallied on progress toward its pending merger with Qorvo, which we believe is strategically attractive.

Consumer staples and consumer discretionary were the only sectors to detract from performance. Pharmacy and health care services company CVS Health was the largest individual detractor despite beating second-quarter expectations and raising full-year guidance, as investors focused on greater uncertainty in its Health Services segment. Automotive supplier Lear also detracted after management signaled a cautious near-term demand outlook. Coatings manufacturer PPG Industries declined after reporting solid organic growth but weaker-than-peer margins, as its high-margin refinish business absorbed distributor destocking and price increases lagged raw-material inflation.

We initiated a position in business process outsourcing provider Genpact, whose shares have fallen on what we believe are overstated concerns that AI will erode demand for its services. We also bought pharmaceutical company Sanofi, whose immunology drug Dupixent is one of the industry's largest franchises. Disappointing pipeline results and uncertainty about the new CEO's priorities have weighed on the shares, but we believe Dupixent's cash flow gives management time to rebuild the pipeline, and the shares offer an attractive free cash flow yield. We also continued building positions in life insurer Corebridge Financial and hospital provider Universal Health Services. We funded these purchases by trimming pharmaceutical company Bristol Myers Squibb, Medicare Advantage insurer Humana, and Skyworks on strength.

U.S. market returns and investor attention remain concentrated in a narrow group of AI beneficiaries, leaving many high-quality businesses trading at valuations we believe are attractive relative to the strength of their franchises and balance sheets. We continue to build a portfolio of companies whose return drivers are differentiated from the dominant AI capital-spending theme. ■

PERFORMANCE SUMMARY

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

	3Q	YTD	One Year	Three Year	Five Year	Ten Year	Since Inception 1/1/96
Pzena Focused Value Composite - Gross	4.8%	14.4%	17.5%	15.4%	10.9%	10.5%	10.6%
Pzena Focused Value Composite - Net	4.5%	13.5%	16.4%	14.3%	9.8%	9.4%	9.5%
Russell 1000 Value Index	2.6%	19.3%	23.8%	20.1%	11.9%	11.4%	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)

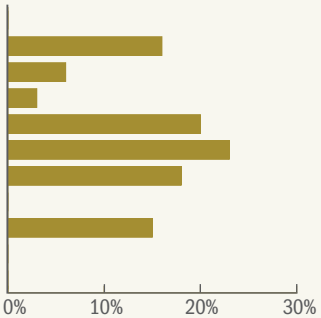
Humana	5.3%
Baxter Intl	5.1%
Corebridge Financial	4.6%
Dollar General	3.7%
Lear	3.5%
Skyworks Solutions	3.4%
CVS Health	3.3%
Universal Health Services B	3.3%
Fresenius ADR	3.2%
Capital One Financial	3.1%
Total	38.5%

PORTFOLIO CHARACTERISTICS

	Strategy	Index
Price to Normal Earnings[1]	6.9x	12.4x*
Price / Earnings (1-Year Forecast)	10.6x	17.7x
Price / Book	1.6x	3.2x
Median Market Cap ($B)	$16.0	$14.2
Weighted Average Market Cap ($B)	$52.5	$844.9
Active Share	95.2%	-
Standard Deviation (5-Year)	19.9%	14.8%
Number of Stocks (model portfolio)	36	869

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%	14%
Consumer Staples	6%	6%
Energy	3%	6%
Financials	20%	17%
Health Care	23%	13%
Industrials	18%	12%
Real Estate	0%	3%
Technology	15%	20%
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.)

The U.S. market rose slightly in a quarter marked by a growing economy, rising interest rates, higher oil prices, and elevated inflation. While the larger-cap market eked out a small return, driven by a narrow range of stocks, the mid-cap market was negative and small caps performed even worse amid mounting economic concerns. Against this backdrop, the portfolio outperformed both the broad market and its value benchmark.

The technology sector was the largest contributor, as the market partially rebounded from earlier concerns about companies seen as most at risk from AI disruption. Health care and financials also contributed to performance. The top individual contributor was IT services provider Cognizant, which rose sharply after reporting steady second-quarter results. Human capital management software provider Workday also contributed, and both companies benefited from a broader recovery in software and technology services stocks. Media speculation about a potential take-private transaction also supported Workday's shares. Staffing and consulting firm Robert Half was another notable contributor. While headline results only met expectations, revenue declines narrowed in its core contract talent business and permanent placement returned to growth for the first time in several years, more than offsetting softer demand at its Protiviti consulting arm.

Consumer discretionary, basic materials, and consumer staples were the only sectors to detract from performance. The largest individual detractor was auto parts retailer Advance Auto Parts, which fell after a top-line miss driven by weakness in its do-it-yourself segment, reflecting a combination of a weaker consumer, trade-down to value-priced products, and unfavorable weather. Chemical producer Olin declined after issuing weaker guidance for its chlor-alkali segment due to an unplanned outage at its vinyl chloride monomer plant, despite solid earnings across its businesses. Investors were also disappointed by the lack of earnings growth stemming from ongoing issues in the Middle East. Specialty vehicle maker Oshkosh was similarly weak following lower guidance, as the overhaul of its Fire Truck business is taking longer than expected and reducing shipments. Once completed, the overhaul is expected to increase capacity by more than 25%. Meanwhile, the Access business continues to drive earnings, supported by large projects, including data centers.

While we did not initiate any new positions, we added to Lear, Genpact, and Olin on weakness. We funded these purchases by trimming Robert Half, Baxter, and Humana, which have appreciated this year.

We continue to see a broad opportunity set across sectors, with valuations that compare favorably with underlying cash generation and long-term fundamentals. ■

PERFORMANCE SUMMARY

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

	3Q	YTD	One Year	Three Year	Five Year	Ten Year	Since Inception 9/1/98
Pzena Mid Cap Focused Value Composite - Gross	0.9%	14.8%	13.5%	11.2%	8.1%	10.1%	11.8%
Pzena Mid Cap Focused Value Composite - Net	0.6%	14.0%	12.4%	10.1%	7.0%	9.0%	10.7%
Russell Midcap Value Index	-2.0%	15.3%	16.9%	17.5%	9.3%	9.9%	10.3%

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)

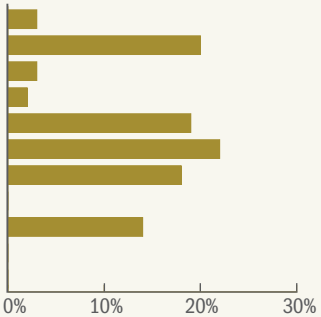
Baxter Intl	5.5%
Humana	5.3%
Advance Auto Parts	3.8%
Fresenius ADR	3.6%
Robert Half	3.6%
Universal Health Services B	3.4%
Skyworks Solutions	3.2%
Magna International	3.2%
Dollar General	3.1%
Globe Life	3.1%
Total	37.8%

PORTFOLIO CHARACTERISTICS

	Strategy	Index
Price to Normal Earnings[1]	6.8x	11.5x *
Price / Earnings (1-Year Forecast)	10.2x	14.9x
Price / Book	1.5x	2.3x
Median Market Cap ($B)	$12.4	$11.5
Weighted Average Market Cap ($B)	$18.7	$28.9
Active Share	95.7%	-
Standard Deviation (5-Year)	20.9%	17.1%
Number of Stocks (model portfolio)	38	717

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%	12%
Consumer Staples	3%	6%
Energy	2%	8%
Financials	19%	15%
Health Care	22%	11%
Industrials	18%	20%
Real Estate	0%	8%
Technology	14%	10%
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.

PZENA SMALL CAP FOCUSED VALUE (U.S.)

Small-cap stocks declined sharply in the third quarter, as softening consumer demand and uneven earnings revisions weighed on the asset class, though value held up better than growth. Dispersion remained wide, with outsized share-price reactions to quarterly results. Against this backdrop, the portfolio performed roughly in line with its value benchmark.

Health care, technology, and energy were the largest contributing sectors. Imaging component manufacturer Varex Imaging led the portfolio after Teledyne Technologies agreed to acquire it at a substantial premium. Staffing and consulting firm Robert Half also contributed, as declines in its core contract talent business narrowed and permanent placement returned to growth for the first time in several years. Technology products distributor ScanSource rounded out the leaders, reporting results well ahead of expectations and raising guidance for the coming fiscal year.

Consumer discretionary, industrials, and financials were the largest detracting sectors. The largest individual detractor was auto parts retailer Advance Auto Parts, which fell after a top-line miss, as a weaker consumer, trade-down activity, and weather hurt its do-it-yourself segment. Cabinet manufacturer MasterBrand declined after a noisy quarter that included closing its American Woodmark acquisition. Despite weak housing-related demand and tariff risk, we believe the company is well positioned to begin capturing synergies from the deal. Work truck attachment manufacturer Douglas Dynamics gave back the sharp gains it had built up through late June despite record earnings and raised guidance, as concerns about interest rates and diesel costs weighed on small-cap industrials.

We initiated a position in LKQ, a scaled distributor of alternative automotive parts whose North American business carries a genuine competitive moat, in our view. The company is trading through a cyclical trough, and its European segment appears mispriced relative to its post-restructuring earnings potential. The portfolio also gained a holding in ADI Global Distribution, a leading distributor of security and audiovisual equipment, through its separation from connected-home products manufacturer Resideo Technologies. As a standalone company, ADI should benefit from greater focus and a U.S. housing recovery. We also added to Resideo on weakness. We funded these purchases by exiting plastics and metal products manufacturer Myers Industries and semiconductor distributor Avnet on strength and by trimming Varex after the deal announcement.

Small-cap valuations remain depressed relative to those of larger companies, and wide dispersion continues to reward a disciplined, bottom-up approach. The portfolio is concentrated in businesses whose earnings power, we believe, is temporarily obscured by cyclical weakness, competitive transitions, or restructuring, and where the gap between price and long-term value appears meaningful to us. We remain patient as these situations play out. ■

PERFORMANCE SUMMARY

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

	3Q	YTD	One Year	Three Year	Five Year	Ten Year	Since Inception 1/1/96
Pzena Small Cap Focused Value Composite - Gross	-5.1%	15.0%	9.4%	9.6%	7.3%	9.3%	12.4%
Pzena Small Cap Focused Value Composite - Net	-5.3%	14.1%	8.4%	8.5%	6.2%	8.2%	11.1%
Russell 2000 Value Index	-4.9%	17.0%	20.8%	17.9%	7.8%	9.4%	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)

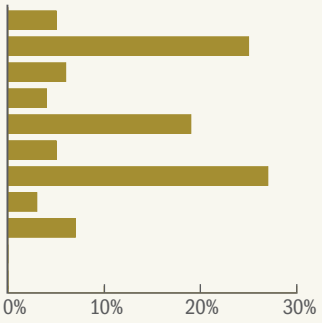
Spectrum Brands Holdings	4.1%
MasterBrand	3.9%
Advance Auto Parts	3.7%
ABM Industries	3.7%
Robert Half	3.2%
WSFS Financial	3.1%
Resideo Technologies	3.1%
Old National	3.0%
Teleflex	2.9%
Columbia Banking System	2.9%
Total	33.6%

PORTFOLIO CHARACTERISTICS

	Strategy	Index
Price to Normal Earnings[1]	6.7x	11.3x *
Price / Earnings (1-Year Forecast)	10.6x	11.6x
Price / Book	1.1x	1.3x
Median Market Cap ($B)	$1.8	$0.9
Weighted Average Market Cap ($B)	$3.3	$3.3
Active Share	95.8%	-
Standard Deviation (5-Year)	24.0%	20.3%
Number of Stocks (model portfolio)	47	1,414

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

SECTOR WEIGHTS



	Strategy	Index
Basic Materials	5%	4%
Consumer Discretionary	25%	11%
Consumer Staples	6%	2%
Energy	4%	7%
Financials	19%	28%
Health Care	5%	12%
Industrials	27%	13%
Real Estate	3%	10%
Technology	7%	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

The third quarter ended with a "September to forget," as Bloomberg put it. High inflation and renewed rate-hike expectations weighed on credit markets. High-yield bonds fell for the quarter, while loans generally held up better. Within the loan index, CCC debt declined 2.6% for the quarter, bringing its year-to-date return to -6.0%.

Headline leveraged loan default rates of 1.08%[1] exclude liability management exercises (LMEs), which typically involve principal forgiveness or debt exchanges. Including LMEs, the trailing 12-month default rate is 2.97%[2], nearly triple the headline rate. In private credit, Fitch Ratings reported a record 6.3% default rate. We expect defaults to keep rising as the distressed ratio climbs and downgrades outpace upgrades. With 18% of loans rated B-[3], roughly double the 8.8% long-term average[4], further downgrades to CCC could force selling by CLOs and mutual funds, creating dislocations we may find attractive.

Despite the dislocation in lower-rated debt, our portfolio posted strong returns. A media company repaid our bonds, bought in the high 70s, at par after its merger was terminated; a business services company's sponsor-funded restructuring paid down 20% of our first-lien term loan at par. Meanwhile, high oil prices weighed on our emerging-market airline credits.

We reinvested the proceeds in several new positions, including a market research firm and a generic pharmaceutical company. We purchased the market research firm's post-restructuring 1.5-lien term loan with a cash yield over 20%, creating the company at about 2.7x EBITDA, roughly half of public peers. Among the company's key clients are advertising agencies and consulting firms, where we own several companies on the equity side, and those companies' equities have sold off with the debt on AI fears. We believe AI disintermediation risk is lower than the market expects, and customer data defends against AI and offers a monetization path it is pursuing.

1 2 3 4 Source: PitchBook | LCD; Morningstar LSTA US Leveraged Loan Index. Data through Sept. 30, 2026

We added a generic pharmaceutical company's first-lien term loan yielding about 13.5% at a create multiple of roughly 3x, under half of public peers. Pzena has deep experience in pharma and favors equities with rich free cash flow yields supporting struggling pipelines. The company uses its strong position in generics to fund 35 new products, and its largely U.S.-based manufacturing limits tariff exposure. We also added to two existing positions and exited one, all based on valuation.

As we enter the fourth quarter, our portfolio offers approximately 15% yield-to-maturity, low leverage of about 3x at market prices and 3.6x at par, and near-term maturities with potential paydowns from asset sales. We will continue to deploy capital selectively where valuations and yields are most compelling. ■

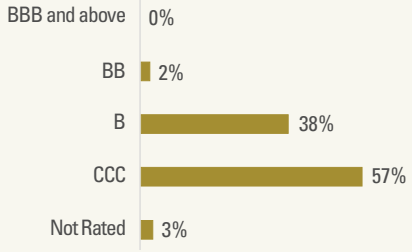
PERFORMANCE SUMMARY

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

	YTD	One Year	Three Year	Since Inception 7/1/22
Focused Credit Opportunities Composite – Gross	7.5%	6.0%	7.0%	8.1%
Focused Credit Opportunities Composite – Net	6.9%	5.2%	5.5%	6.8%

See Calendar Year Returns, Portfolio Notes/Disclosures and important risk information beginning on pg. 28. Returns in USD through September 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 Sept 30, 2026. Source: PitchBook Data, Inc.

PORTFOLIO CHARACTERISTICS

Number of Issuers	37
Median Tranche Size	$555M
Average Coupon	S+670
Yield to Maturity*	14.9%
Average Maturity	3.3 yrs
Average Net Leverage**	3.6x
% with Covenants	87%

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

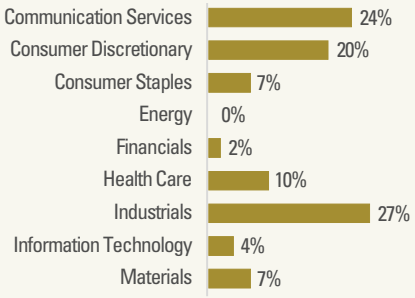
CREDIT TYPE DISTRIBUTION



Secondary	40%
Exit Facility	33%
Troubled Syndication	13%
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 September 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 September 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

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

The specific portfolio securities discussed in the Commentary, Global Research Review, and Stewardship Insights sections of this report were selected for inclusion based on their ability to help you understand our investment process and not based on performance. They do not represent all of the securities purchased or sold or recommended for our client accounts during the quarter, and it should not be assumed that investments in such securities were or will be profitable.

The portfolio security discussed in the Highlighted Holding section of this report, Haier Smart Home, was held in our Emerging Markets Focused Value, Emerging Markets Select Value, Global Focused Value, International Focused Value, International Value, and other strategies during the third quarter of 2026. This security was selected to illustrate our research process and not based on performance. Top 10 holdings for our strategies have been derived from the strategy's composite. Holdings will vary among client accounts as a result of different product strategies having been selected thereby. Holdings also may vary among client accounts as a result of opening dates, cash flows, tax strategies, etc. There is no assurance that any securities discussed herein remain in your portfolio at the time you receive this report or that securities sold have not been repurchased. The securities discussed do not represent an account's entire portfolio and, in the aggregate, may represent only a small percentage of an account's portfolio holdings.

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.

RISK INFORMATION

All investments involve risk, including loss of principal. Investments may be in a variety of currencies and therefore changes in rates of exchange between currencies may cause the value of investments to decrease or increase. The price of equity securities may rise or fall because of economic or political changes or changes in a company's financial condition, sometimes rapidly or unpredictably. Investments in foreign securities involve political, economic and currency risks, greater volatility and differences in accounting methods. These risks are greater for investments in Emerging Markets. Investments in small-cap or mid-cap companies involve additional risks such as limited liquidity and greater volatility than larger companies. PIM's strategies emphasize a "value" style of investing, which targets undervalued companies with characteristics for improved valuations. This style of investing is subject to the risk that the valuations never improve or that returns on "value" securities may not move in tandem with the returns on other styles of investing or the stock market in general.

Past performance does not predict future returns, and the past performance of any accounts or commingled funds managed by PIM should not be considered indicative of the future performance of any accounts or commingled funds managed by PIM. Investment return and principal value of an investment will fluctuate over time. The performance information provided is historical in nature. The performance information presented for each investment strategy represents composite performance of separately-managed accounts and/or commingled funds (depending on the particular investment strategy presented).

DISCLOSURES

London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). ©LSE Group 2026. FTSE Russell is a trading name of certain of the LSE Group companies. Russell® is a trade mark of the relevant LSE Group companies and is used by any other LSE Group company under license. All rights in the FTSE Russell indexes or data vest in the relevant LSE Group company which owns the index or the data. Neither LSE Group nor its licensors accept any liability for any errors or omissions in the indexes or data and no party may rely on any indexes or data contained in this communication. No further distribution of data from the LSE Group is permitted without the relevant LSE Group company's express written consent. The LSE Group does not promote, sponsor or endorse the content of this communication.

The Global Industry Classification Standard ("GICS") was developed by and is the exclusive property and a service mark of MSCI Inc. ("MSCI") and Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("S&P") and is licensed for use by Pzena Investment Management, LLC ("PIM"). Neither MSCI, S&P nor any third party involved in making or compiling the GICS or any GICS classifications makes any express or implied warranties or representations with respect to such standard or classification (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability and fitness for a particular purpose with respect to any of such standard or classification. Without limiting any of the foregoing, in no event shall MSCI, S&P, and of their affiliates or any third party involved in making or compiling the GICS or any GICS classifications have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

The S&P 500® is a registered trademark of Standard & Poor's, a division of The McGraw Hill Companies, Inc., which is the owner of all copyrights relating to this index and the source of the performance statistics of this index that are referred to herein.

The MSCI information may only be used for your internal use, may not be reproduced or redisseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices.

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

Benchmarks are used for comparative purposes only. The Russell, MSCI, and TOPIX indices cannot be invested in directly. The Pzena strategies are significantly more concentrated in their holdings and have different sector/regional weights than their respective benchmarks. Accordingly, the performance of the Pzena Composites will be different from, and at times more volatile, than that of the indices.

The Russell 1000® Value Index measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000® companies with lower price-to-book ratios and lower expected growth values. The Russell 2000® Value Index measures the performance of small-cap value segment of the U.S. equity universe. It includes those Russell 2000® companies with lower price-to-book ratios and lower forecasted growth values. The Russell Midcap® Value Index measures the performance of the midcap value segment of the U.S. equity universe. It includes those Russell Midcap® Index companies with lower price-to-book ratios and lower forecasted growth values.

The MSCI World Index is a free float-adjusted market capitalization index that is designed to measure developed market equity performance and provides equity returns including dividends net of withholding tax rates as calculated by MSCI. The MSCI All Country World Index (ACWI) is a free float-adjusted market capitalization index that is designed to measure developed and

emerging market equity performance and provides equity returns including dividends net of withholding tax rates as calculated by MSCI. The MSCI EAFE Index is a free float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the U.S. and Canada, and provides equity returns including dividends net of withholding tax rates as calculated by MSCI. The MSCI ACWI ex USA Index is a free float-adjusted market capitalization index that is designed to measure developed and emerging market equity performance, excluding the U.S., and provides equity returns including dividends net of withholding tax rates as calculated by MSCI. The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets, and provides equity returns including dividends net of withholding tax rates as calculated by MSCI. The MSCI World ex-USA Small Cap Index is a free float-adjusted market capitalization index that is designed to measure small cap developed market equity performance, excluding the United States, and provides equity returns including dividends net of withholding tax rates as calculated by MSCI. The TOPIX Net Total Return Index is a free-float adjusted market capitalization-weighted index that is calculated based on all the domestic common stocks listed on the TSE First Section including dividends net of withholding tax rates as calculated by TOPIX. The MSCI Europe Index is a free float-adjusted market capitalization index that is designed to measure the equity market performance of the developed markets in Europe, and provides equity returns including dividends net of withholding tax rates as calculated by MSCI.

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.

FURTHER INFORMATION

Pzena Investment Management, LLC is located at 320 Park Avenue, 8th Floor, New York, NY 10022 and is a registered investment adviser registered with the United States Securities and Exchange Commission.

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

ADDITIONAL INFORMATION FOR U.K. INVESTORS:

This marketing communication is issued by Pzena Investment Management, Limited ("PIM U.K."). PIM U.K. is a limited company registered in England and Wales with registered number 09380422, and its registered office is at 34-37 Liverpool Street, London EC2M 7PP, United Kingdom. PIM U.K. is an appointed representative of Vittoria & Partners LLP (FRN 709710), which is authorised and regulated by the Financial Conduct Authority ("FCA"). The Pzena documents have been approved by Vittoria & Partners LLP and, in the U.K., are only made available to professional clients and eligible counterparties as defined by the FCA.

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

ADDITIONAL INFORMATION FOR EU INVESTORS:

This marketing communication is issued by Pzena Investment Management Europe Limited ("PIM Europe"). PIM Europe (No. C457984) is authorised and regulated by the Central Bank of Ireland as a UCITS management company (pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, as amended), with additional authorisation for management of portfolios of investments, in accordance with mandates given by investors on a discretionary, client-by-client basis, where such portfolios include one or more of the investment instruments listed in Section C of the Annex to the MiFID (Markets in Financial Instruments) Regulations 2017 (S.I. No. 375 of 2017), as amended), and investment advice concerning one or more of the instruments listed in Annex I, Section C to Directive 2014/65/EU (MiFID II). PIM Europe is registered in Ireland with the Companies Registration Office (No. 699811), with its registered office at Riverside One, Sir John Rogerson's Quay, Dublin, 2, Ireland. Past performance does not predict future returns. The value of your investment may go down as well as up, and you may not receive upon redemption the full amount of your original investment. The views and statements contained herein are those of Pzena Investment Management and are based on internal research.

FOR AUSTRALIA AND NEW ZEALAND INVESTORS ONLY:

This document has been prepared and issued by Pzena Investment Management, LLC (ARBN 108 743 415), a limited liability company ("Pzena"). Pzena is regulated by the Securities and Exchange Commission (SEC) under U.S. laws, which differ from Australian laws. Pzena is exempt from the requirement to hold an Australian financial services license in Australia in accordance with ASIC Class Order CO 03/1100 and the transitional relief under ASIC Corporations (Repeal and Transitional) Instrument 2016/396, extended through 31 March 2027 by ASIC Corporations (Foreign Financial Services Providers) Instrument 2025/798. Pzena offers financial services in Australia to 'wholesale clients' only pursuant to that exemption. This document is not intended to be distributed or passed on, directly or indirectly, to any other class of persons in Australia.

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

FOR JERSEY INVESTORS ONLY:

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

© Pzena Investment Management, LLC, 2026. All rights reserved.

PZENA Investment Management

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

© Pzena Investment Management, 2026. All rights reserved.

20261020-20270115-6021481