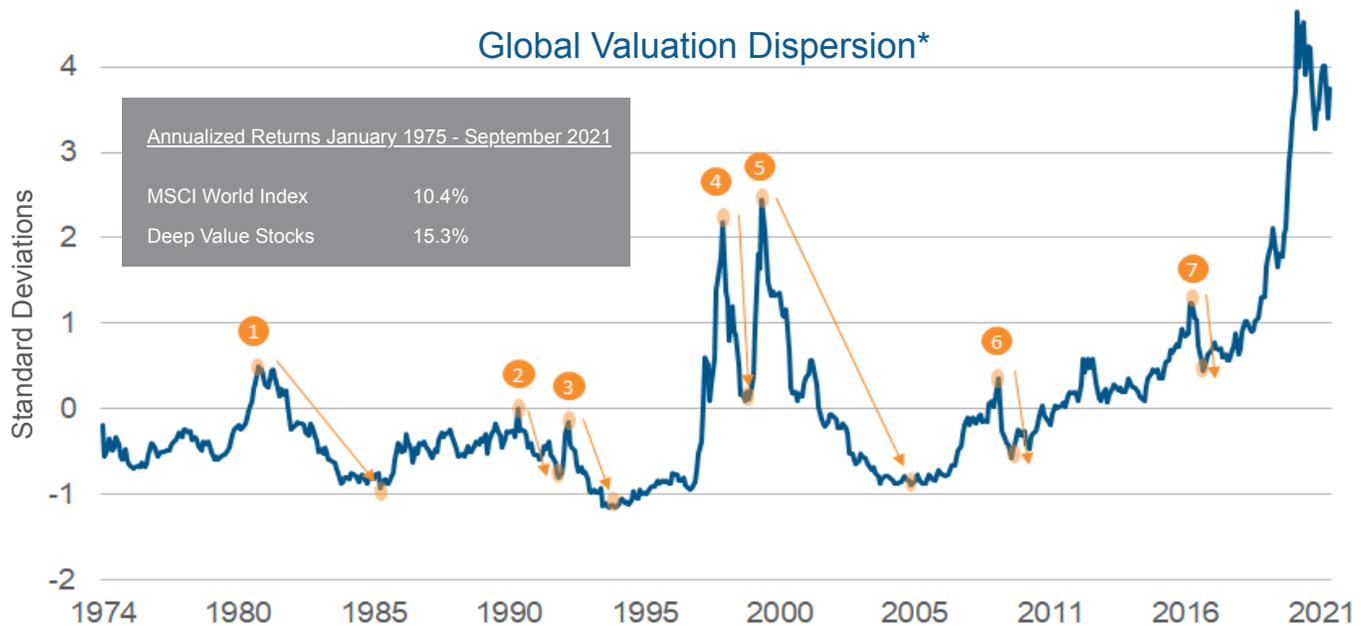


# Recent Events Have Set up a Classic Value Opportunity

Valuation spreads\* are at or near all-time highs across all of the universes we measure, setting up a classic value opportunity. As the spread between the cheap and expensive stocks contracts, value typically outperforms, which is demonstrated in the graphs below.



Annualized Returns	1	2	3	4	5	6	7
	12/80 - 7/85	11/90 - 5/92	10/92 - 7/94	9/98 - 8/99	3/00 - 10/05	3/09 - 8/09	8/16 - 10/16
MSCI World Index	9.9%	9.1%	14.9%	33.0%	-0.6%	46.7%	2.5%
Deep Value Stocks	21.6%	21.7%	45.1%	86.5%	22.0%	114.1%	12.4%



Data through September 2021. Source: Sanford C. Bernstein & Co., Pzena analysis. \*Value spread, or dispersion, measures the valuation gap between the cheapest and most expensive stocks in our universes based on price-to-book ratios. Global Universe valuation dispersion expressed in standard deviations, based on price/book of the cheapest quintile (Deep Value Stocks) of the largest ~1,600 developed world stock universe vs. the most expensive quintile; equally-weighted data. Performance table displays periods since 1975 (inception date of MSCI World Value Index) where dispersion narrows by at least one standard deviation from peak to trough; all returns in US dollars and annualized for periods over 12 months. Universes are the MSCI World, the largest 1000 US stocks (ranked by market cap.), MSCI Europe, MSCI Japan, and MSCI EM. Returns do not represent any specific Pzena investment strategy. Past performance is not indicative of future results.

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## Investment Management

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