

As accelerating vaccine roll-outs and large stimulus measures gave rise to an improving economic outlook, **value has trounced the broader stock market recently.**

Can it continue?

Wall Street analysts project a classic V-shaped rebound for value stocks.

Value Stocks - Net Income¹

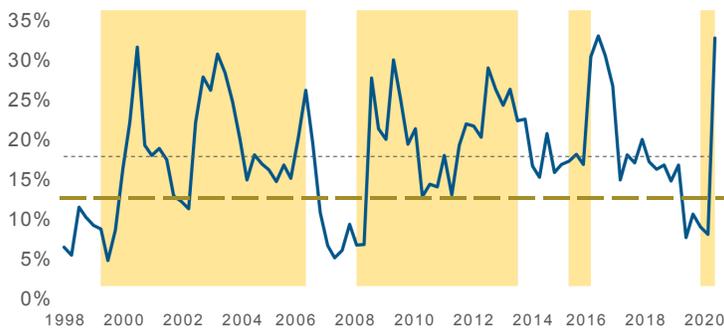


Source: FactSet, Pzena analysis.

Many value stocks, whose earnings were most impacted by the lockdown, have the potential to see the strongest earnings growth.

To many, momentum, tech, and growth stocks seem joined at the hip. That hasn't always been the case.

Percent of Cheap Stocks Among High Momentum Stocks²



Source: FactSet, FTSE Russell, Sanford C. Bernstein & Co., Pzena analysis. ■ Pro-value Cycles. Blue line represents low price-to-book (the cheapest quintile) stocks that also qualify as high momentum stocks within the Russell 1000 Index. Past performance is not indicative of future results.

Value and momentum often converge in economic recoveries, giving rise to a powerful value cycle.

Corporate America navigated the pandemic extremely effectively the past three quarters, and the reopening of the economy continues to move forward. Though that should be good for the stock market broadly, with earnings growth and momentum on value's side, there may be **plenty of support left for the value rally to continue.**



READ MORE: [Recovery math and the history of value stock sentiment](#)

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US Equity Funds

	MID CAP VALUE FUND		SMALL CAP VALUE FUND	
	Institutional	Investor	Institutional	Investor
Ticker	PZIMX	PZVMX	PZISX	PZVSX
CUSIP	00770X659	00770X667	00770X394	00770X410
Expense Ratio Gross% / Net%¹	1.23 / 0.90	1.58 / 1.25	1.78 / 1.11	2.13 / 1.46
Morningstar Category	Mid-Cap Value		Small-Cap Value	

Non-US Equity Funds

	EMERGING MARKETS VALUE FUND		INTERNATIONAL SMALL CAP VALUE FUND	
	Institutional	Investor	Institutional	Investor
Ticker	PZIEIX	PZVEX	PZIEIX	PZVIX
CUSIP	00770X675	00770X683	00770X675	00770X683
Expense Ratio Gross% / Net%¹	1.24 / 1.09	1.59 / 1.44	13.19 / 1.18	13.54 / 1.53
Morningstar Category	Diversified Emerging Mkts		Foreign Small/Mid Value	

¹ Contractual fee waivers through at least 6/27/21.

FURTHER INFORMATION

¹Net income of the cheapest 20% of stocks based on Pzena's estimates of their price-to-normal valuations, measured on an equally weighted basis within the ~1,000 largest US stock universe. 2021 - 2023 earnings based on consensus estimates as of March 31, 2021. Does not represent any specific Pzena product or service.

²Blue solid line represents low price-to-book (the cheapest quintile) stocks that also qualify as high momentum stocks within the Russell 1000 Index. We define high momentum for this analysis as the stocks within the best tertile of stock price performance during the previous 12 months. This analysis was done on a quarterly basis from 12/31/1998 – 3/31/2021. The shaded yellow areas represent pro-value cycles by comparing the cheapest quintile price to book of the ~1,000 largest US stock universe versus its universe. We define a cycle as when the relative performance of value vs. the market from the last peak or trough is at least +/-1500 basis points and has persisted for a minimum of 12 months. Does not represent any specific Pzena product or service.

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The funds' investment objectives, risks, charges and expenses must be considered carefully before investing. The summary and statutory prospectus contain this and other important information about the investment company, and may be obtained by calling 1.844.PZN.1996 (1.844.796.1996), or visiting www.pzenafunds.com. Read it carefully before investing.

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