PZENA Investment Management

Quarterly Report to Clients

Fourth Quarter 2025

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To Our Clients

Global equity markets finished the year higher, with fourth-quarter performance supported by resilient economic activity and improving expectations for interest rates. In 2025, returns were driven by a narrow set of market leaders, and momentum remained a powerful force across regions and styles. We believe such concentration can create compelling opportunities for patient, value-oriented investors, as many high-quality businesses are left behind. Most of our portfolios generated positive returns on an absolute basis for both the quarter and the year. During the fourth quarter, our U.S. larger-cap portfolios outperformed their benchmarks, while some other U.S. strategies lagged. Outside the U.S., our portfolios broadly outperformed.

In our Commentary, we explore how extreme momentum has shaped markets and widened dispersion, and why these conditions have historically set up attractive long-term opportunities for value investors. Our Global Research Review summarizes the key actions taken during the quarter, including adding to discounted opportunities in global pharmaceuticals and beverages across the U.S., France, Brazil, and Japan; continuing to build a U.S. small-cap industrial position; and trimming or exiting select technology and consumer holdings in Korea, the U.S., and the U.K., as they approached fair value.

This quarter's Highlighted Holding, Daikin Industries, is a global leader in HVAC. We believe the market is extrapolating temporary margin pressure into a permanent impairment, and we see a path to normalized profitability and improved returns.

Finally, in our Stewardship Insights article, we share our annual Opportunity List review and highlight examples of ways engagement outcomes drove additions, removals, and rating changes during 2025.

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

Sincerely,
Pzena Investment Management

PZENA COMMENTARY

Momentum stocks have delivered strong gains across developed markets, and leadership has become more speculative. Past momentum cycles help frame what similar environments have meant for value-oriented investors.

Stock price momentum[1] was the defining force across global equity markets in 2025, marking the second consecutive year of momentum leadership in the U.S. and a similarly strong outcome outside the U.S.

Three themes stand out:

- Momentum stocks have outperformed by roughly 17 percentage points in U.S. and 22 percentage points in non-U.S. developed markets.
- The stocks and valuation cohorts driving returns are broadly consistent with historical momentum cycles.
- Periods of pronounced momentum have historically created attractive long-term opportunities for value-oriented investors.

MOMENTUM AT AN EXTREME, BUT NOT EVERYWHERE

The past year has been dominated by momentum strategies across developed markets. That has been true both within and outside of the U.S., though the character of leadership has evolved over time. Momentum performance has been striking in both U.S. and non-U.S. developed markets (Exhibit 1).

The path has not been smooth. Momentum stocks declined sharply ahead of Trump's "Liberation Day", raising questions about whether leadership was finally breaking. That drawdown proved temporary, as momentum rebounded sharply throughout the remainder of the year.

Since Liberation Day, leadership has taken on a more speculative tone. Performance has increasingly been driven by sentiment rather than fundamentals.

Measured over the last twelve months, momentum's outperformance versus the market sits at historically extreme levels in both the U.S. and non-U.S. developed markets. At the global level, overall momentum outperformance appears elevated but less excessive due to the incorporation of emerging markets, where momentum has been less significant.

Exhibit 1: Momentum Has Significantly Outperformed

	2025 Momentum Outperformance	Percentile Among Rolling 12m Periods
U.S. Large Cap	+17.1%	93%
U.S. Small Cap	+10.9%	77%
Global	+11.5%	76%
EAFE	+22.4%	95%
Europe	+28.7%	99%
Emerging Markets	+7.5%	59%

Source: Empirical Research Partners, Pzena analysis
Momentum is defined as the best quintile of the universe, measured by the nine-month daily price trend. Outperformance is defined as the return of momentum minus the return of the universe. All data are equal-weighted, in US dollars, as of December 31, 2025.
US Large Cap = the largest ~750 US stocks. US Small Cap = US stocks ranked #751–#2,750 by market capitalization. Global = MSCI ACWI universe. EAFE = MSCI EAFE universe. Europe = MSCI Europe universe. EM = MSCI EM universe.
US Large Cap data start date = February 1, 1952. US Small Cap data start date = January 1, 1965. Global and non-U.S. data start date = January 1, 1992.
Does not represent any specific Pzena product or service. Past performance is not indicative of future returns.

These are elevated readings, but the sources of momentum matter.

MOMENTUM, SPECULATION, AND LONG-TERM EVIDENCE

Momentum and value are not opposites, nor are they inherently complementary. They can move together or diverge depending on market structure and investor behavior.

Over long horizons, both approaches have outperformed[2]. Strategies focused on value and those focused on momentum have each produced annualized returns of roughly 14 percent, despite

1. To define stock price momentum, we looked at the best performing quintile of stocks over the previous nine months, rebalanced monthly.

2. See Jegadeesh and Titman (1993) and Fama and French (1992)

following very different paths along the way[3]. The difference has always been timing.

Historically, the most challenging periods for value have tended to coincide with late-stage momentum, when returns become increasingly driven by speculative behavior rather than improving fundamentals. During the dot-com bubble, momentum leadership shifted decisively toward unprofitable and highly speculative companies, leaving many high-quality businesses behind. The current environment shows elements of that pattern, though history rarely repeats cleanly.

U.S. MARKETS AND VALUATION EXTREMES

In the U.S., leadership over the past year has again been narrow. High-growth mega-cap stocks dominated earlier in the cycle, reinforcing trends that have been in place for several years.

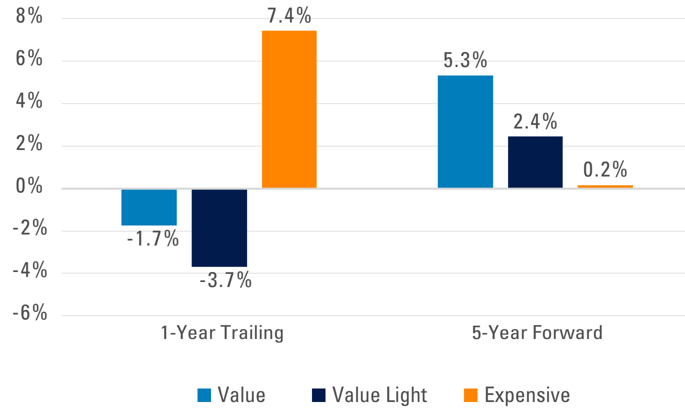
Since Liberation Day, leadership has broadened in a less constructive way, as momentum leadership has taken on a more speculative character. Meme stocks, SPACs, highly shorted stocks, and unprofitable companies have been among the strongest performers, echoing past episodes where momentum became increasingly detached from fundamentals.

The U.S. alpha chart illustrates how valuation cohorts behave during high-momentum regimes (Exhibit 2). Q1 represents the cheapest stocks, Q2 represents value-light stocks, and Q5 represents the most expensive stocks.

3. Since 1960, the cheapest quintile (by price/book) of the 1000 largest US stocks have returned 14.2% (source: Sanford C. Bernstein & Co.), while the top quintile of the largest ~750 US stocks measured by nine-month daily price trend have returned 13.9% (source: Empirical Research Partners).

Exhibit 2: U.S. Valuation Quintile Performance By Momentum Regime

Average Rolling Excess Returns in High Momentum Periods



Source: Empirical Research Partners, Sanford C. Bernstein & Co., Pzena analysis
High Momentum = top tercile of momentum excess-return periods, based on trailing 12-month relative returns vs. the universe. Momentum is defined as the best quintile of the universe, measured by the nine-month daily price trend.
Value = stocks within the cheapest quintile based on price/book of the 1000 largest US stocks (ranked by market cap). Value Light = 2nd cheapest quintile. Expensive = most expensive quintile. The quintiles are measured on an equally weighted basis. Excess return is calculated vs. the cap-weighted market (1000 largest US stocks).
Total return data are annualized, in US dollars, from January 1, 1960 to December 31, 2025.
Does not represent any specific Pzena product or service. Past performance is not indicative of future returns.

During high-momentum periods, cheap stocks have historically lagged, while expensive stocks have generated the highest alpha. This year's results are consistent with that history.

What also aligns with history is what has been left behind. High-quality, fundamentally strong companies have lagged as capital has flowed toward more speculative opportunities.

After periods of extreme and speculative momentum, forward returns have historically shifted considerably. Cheap stocks have gone on to outperform meaningfully over the subsequent five years, while expensive and speculative stocks have struggled as expectations reset.

NORMAL PERIODS FAVOR VALUE

Outside of extreme momentum regimes, valuation effects have asserted themselves more reliably.

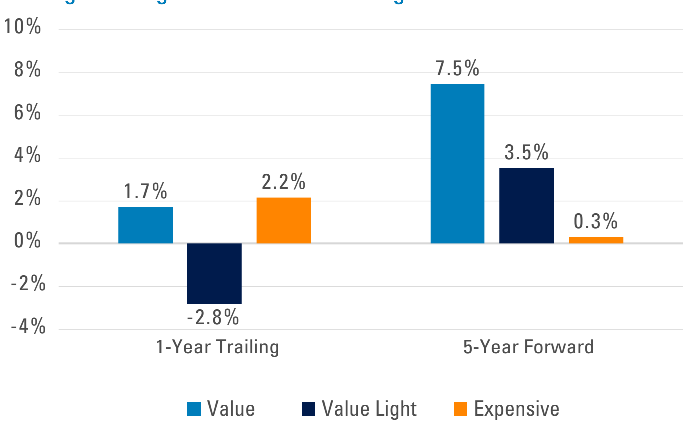
In normal periods, cheap stocks have tended to outperform over the trailing twelve months and continue to outperform over the following five years. Expensive stocks have shown a different pattern; they often lag initially, then recover modestly, but they still trail value-oriented cohorts over full cycles. Value-light stocks trailed value stocks by 200-300 basis points in all periods.

NON-U.S. DEVELOPED MARKETS LOOK DIFFERENT

While momentum was just as strong outside the U.S. in 2025, the most expensive stocks have not historically dominated high-momentum periods in the same way they have in the U.S. (Exhibit 3).

Exhibit 3: EAFE Valuation Quintile Performance By Momentum Regime

Average Rolling Excess Returns in High Momentum Periods



Source: Empirical Research Partners, Sanford C. Bernstein & Co., Pzena analysis
High Momentum = top tercile of momentum excess-return periods, based on trailing 12-month relative returns vs. the universe. Momentum is defined as the best quintile of the universe, measured by the nine-month daily price trend.
Value = stocks within the cheapest quintile based on price/book of the MSCI EAFE universe. Value Light = 2nd cheapest quintile. Expensive = most expensive quintile. The quintiles are measured on an equally weighted basis. Excess return is calculated vs. the cap-weighted MSCI EAFE universe.
Total return data are annualized, in US dollars, from January 1, 1992 to December 31, 2025.
Does not represent any specific Pzena product or service. Past performance is not indicative of future returns.

Leadership in non-U.S. developed markets has historically been broader, with value stocks participating more meaningfully even during momentum-led advances. Structural differences, including fewer large, narrative-driven growth companies, have limited the degree of speculative excess.

As a result, momentum and value have more often been coincident outside the U.S. Performance for the past year across valuation cohorts is consistent with the longer-term pattern.

EMERGING MARKETS REINFORCE THE PATTERN

Emerging markets provide an additional reference point. Momentum performance has been more moderate in emerging markets, in stark contrast to the more extreme outcomes seen in developed markets.

When momentum outperforms in emerging markets, leadership tends to resemble non-U.S. developed markets rather than the U.S. Historically, performance has been broader, and value-oriented stocks have remained competitive rather than being crowded out. This helps explain why global momentum outperformance appears less extreme than U.S.-only measures suggest.

AN OPPORTUNISTIC SETUP FOR VALUE

Momentum delivered exceptional returns in 2025, particularly in developed markets. At the same time, valuation spreads have widened, and many high-quality companies have been left behind.

History suggests that periods of extreme momentum have often set the stage for strong long-term outcomes for patient, research-driven value investors. This does not require a near-term reversal, but it has historically rewarded discipline, selectivity, and a focus on fundamentals.

CONCLUSION

Momentum has once again shaped market leadership across global equities, producing strong returns across regions. For value-oriented investors, the current backdrop reinforces the case for patience and selectivity, with an emphasis on fundamentals as dispersion creates opportunity.

Industrywide headwinds combined with company-specific issues to present attractive entry points in several disparate and otherwise solid businesses, which we capitalized on by rotating out of winners amid value's fourth quarter rally.

Global bourses moved broadly higher into year-end, with value outpacing growth across geographies and market caps. Geopolitical and trade policy uncertainty, interest rate volatility, and the growing prevalence of – and investment in – AI have been persistent themes, helping boost sectors such as financials and technology, enabling us to harvest gains. We have been reallocating the proceeds from outperformers into cheaper opportunities, including companies being negatively impacted by temporary macroeconomic pain or discrete idiosyncratic issues that we believe to be resolvable.

Pzena Strategies: Price-to-Normalized Earnings

As of December 31, 2025

	Strategy P/N	Universe Median P/N
Global Focused Value	8.0	15.1
(U.S.) Focused Value	7.5	13.8
European Focused Value	8.3	12.9
Japan Focused Value	9.8	14.0
Emerging Markets Focused Value	8.8	19.0

Source: Pzena analysis; Pzena's estimate of normal earnings. Portfolio-weighted average.
Universes comprise the largest stocks by market capitalization for each region as follows:
~2,000 largest global; ~1,000 largest US; ~750 largest European; ~750 largest Japanese; ~1,500 largest in non-developed markets

BIG PHARMA'S BIG DISCOUNT

The global pharmaceutical industry has materially underperformed the market since the fall of 2024, when then-candidate Donald Trump's odds of a U.S. presidential election victory began to rise. Investors dumped shares of drugmakers they deemed susceptible to potential price controls, tariffs, uneconomical production reshoring, and government spending cuts to programs like Medicare and Medicaid. We own several large global drugmakers across our portfolios that, in addition to broad industry headwinds, are heavily discounted due to company-specific controversies that we have identified.

We recently added to our positions in both Sanofi and Bristol Myers Squibb (BMY) on weakness driven by investors' concerns over the companies' R&D engines. French manufacturer Sanofi's blockbuster anti-inflammatory drug, Dupixent, loses its patent in 2031[1], at which point, the bear thesis assumes its free cash flow will fall off a cliff. Loss of drug exclusivity is an inevitability for every drugmaker, but in Sanofi's case, Dupixent has been consistently posting record sales, providing management with the cash needed to reinvigorate its drug pipeline. With shares trading at a single-digit forward earnings multiple, we believe Sanofi's valuation already assumes little to no progress on its new drug prospects; in reality, Sanofi has five phase 3 readouts, nine regulatory submissions, and seven decisions expected in 2026[2], whereby any favorable development could be decidedly positive for investor sentiment.

U.S.-based BMY is similarly trading at a single-digit forward earnings multiple due to investor skepticism on the company's ability to replace the future revenue drop-off from Eliquis and Opdivo – both of which lose exclusivity in 2028. BMY has been demonstrating tangible progress on its new drug pipeline, with its growth portfolio now accounting for 56% of company revenue, up from 48% last year[3]. Remarkably, BMY shares are roughly flat from pre-COVID levels over a period in which the company grew its top line by 84%[4], which we believe indicates that investors have been overly punitive on a few disappointing drug trial readouts in recent years. In our view, BMY's current valuation – at under 8x our estimate of normal earnings – is such that only a portion of management's projected $12bn in new drug sales by 2026 would need to come to fruition for the stock's multiple to expand. In the interim, we are content holding BMY, given its strong balance sheet, hefty dividend, and double-digit free cash flow yield – more than twice that of the global pharma industry[5].

1. Company filings
2. Company filings
3. Company filings
4. Dec. 2019 – Dec. 2025
5. MSCI AC World Pharmaceuticals

BARGAIN BEVERAGES

We have been increasing our positions in three disparate global beverage companies – Ambev, Remy Cointreau, and Suntory Beverage & Food – on weakness stemming from largely unique headwinds. AB InBev's Brazilian beer subsidiary, Ambev, is an excellent franchise with a dominant position in its home market, where macroeconomic/currency and political volatility have weighed on the share price. Despite the well-documented decline in global alcohol consumption, beer as an overall category continues to grow in the emerging world, particularly in South America[6]. Ambev has leaned into the premiumization trend, benefitting its pricing. We expect Ambev's beer volumes to inflect as the Brazilian economy stabilizes, while a normalization of the Brazilian real vs. the U.S. dollar, combined with management's cost-cutting initiatives and premiumization strategy, should result in appreciable margin expansion.

French spirits group Remy Cointreau, unlike Ambev, is more exposed to the global alcohol consumption downturn, while company-specific issues around cognac, as well as tariff headwinds, have impacted the company's bottom line. Cognac, which accounts for roughly 85% of Remy's profit before tax[7], is cyclically depressed, in our view, due to headwinds in both of its key markets: the U.S. and China. In the U.S., lower- to middle-income consumers, who comprise cognac's core demographic, remain under pressure. In China, broader economic weakness in conjunction with the government's anti-corruption crackdown has also hindered demand. In our view, given the stock's estimated normal earnings multiple of 6x, the market is misinterpreting these issues – which we believe will prove temporary – to be structural, resulting in a compelling value opportunity.

Lastly, Japan's second largest soft drink (non-alcoholic) company, Suntory Beverage & Food, has been contending with weak consumer spending in Thailand and Vietnam, as well as raw material cost inflation and Japanese yen appreciation. We expect each of these headwinds, which we view as transitory in nature, to ultimately abate, providing an attractive entry point for a company trading at a single-digit normal earnings multiple with a net cash position on its balance sheet – suggesting potential higher capital returns going forward.

6. Pzena analysis
7. Company filings

A UNIQUE SMALL CAP OPPORTUNITY

We have continued to build our position in Massachusetts-based Sensata Technologies, a leading sensor supplier that caters to multiple end markets. Sensata's forward multiple has effectively been cut in half over the past few years due to a series of value-destructive M&A transactions, along with the absence of a clear electric vehicle (EV) strategy. While just over half of Sensata's sales represent automotive customers, a relatively small portion is geared toward EVs. Sensata's new management team has appropriately narrowed its focus on their core franchise where they have a right to win, while being more targeted on EV products. The other ~45% of Sensata's sales represent heavy vehicles and diversified industrial end markets, which are cyclically depressed but show no structural weakness and have historically generated +20% margins through the cycle[8].

TRIMS ON STRENGTH

Korean tech conglomerate Samsung's core memory chip business has been firing on all cylinders, as surging demand for its DRAM[9] semiconductors, combined with limited capacity, has boosted pricing. The company's HBM[10] chip business – crucial for AI – also continues to make important strides, and we trimmed our position on strength. Wonik IPS, Samsung's main semiconductor capital equipment supplier, rose in concert with the memory chip giant, and we sold our position as the stock approached our estimate of fair value. Shares of U.S.-based

8. Company filings, Pzena analysis
9. Dynamic random access memory
10. High bandwidth memory

TE Connectivity, which supplies highly engineered connectors to data centers, have been similarly rallying since the spring, and we reduced our stake on valuation. Unrelated to the AI theme, shares of UK grocers Tesco and Sainsbury have been strong year-to-date, due in large part to their respective management teams' solid execution on their pricing strategies[11], enabling discernable share gains, and we scaled back both positions on strength.

CONCLUSION

Despite recent strength is U.S. small caps, our Small Cap Focused Value strategy remains the cheapest portfolio that we manage on a price-to-normal earnings basis, which we believe bodes well for future returns. In the large-cap space, we continue to avoid massive U.S. tech companies whose valuations already reflect optimistic AI-demand assumptions. Instead, we have significantly expanded and broadened our global healthcare exposure over the past few years, which now includes 28 companies across the pharmaceutical, insurance, and medical equipment industries.

11. Company filings

STEWARDSHIP INSIGHTS

Companies on our Opportunity List make progress against our stated engagement objectives over varying time horizons. We provide examples of our Opportunity List engagements with companies on different trajectories throughout 2025.

INTRODUCTION

We take the opportunity in the fourth quarter to profile some of the engagements we have had with companies on our Opportunity List throughout the course of the year. The Pzena Opportunity List seeks to systematically identify companies in our portfolios where financially material sustainability issues exist, and engagement could have a positive influence. It is our belief in the ability to influence companies through engagement that has been the driving force behind the development of the Pzena Opportunity List.

The list itself is dynamic, meaning that we add and remove companies on an ongoing basis, depending on the progress individual companies make towards the engagement objectives we have outlined. We formally evaluate the composition of the Opportunity List and individual company ratings once every six months in a meeting with the respective investment analyst, portfolio managers and ESG team. We can, however, add, remove or change the rating of any company on the Opportunity List at any time throughout the year.

Progress towards the engagement objectives for each individual company is often not linear and can certainly trend in the wrong direction and require us to escalate our engagement. We find our proprietary rating system particularly helpful to track progress. Rating upgrades and downgrades can give a quick snapshot at a point in time but also the history of rating changes shows a company's longer-term progression towards our engagement objectives.

Below we provide some examples of the different trajectories for companies on the Opportunity List in 2025.

ADDITION TO THE OPPORTUNITY LIST – GLENCORE, GLOBAL METALS & MINING COMPANY

Prior to investing in Glencore, we engaged directly with the CEO, senior management, and the sustainability team to evaluate the company's key ESG risks, including climate transition risk, human rights concerns, and historical corruption. When we ultimately decided to invest, we also added Glencore to the Opportunity List with a rating of '2', reflecting our view that management was making incremental progress against our stated engagement objectives and was willing to engage. Our two engagement objectives are focused on areas where we still see room for improvement: climate transition planning and operational risk management. We view historic bribery and corruption allegations as sufficiently behind Glencore, such that we did not need a separate engagement objective for this issue.

We acknowledge that the energy transition is a challenge for Glencore and want to continue to discuss potential decarbonization pathways and associated costs. Decarbonizing smelting emissions will require long-term technological solutions that are not currently cost competitive. Glencore has committed to not expanding its thermal coal footprint; however, there is no fixed schedule for asset closures, given strong thermal coal demand from Southeast Asia. Potential liabilities from mine closures and rehabilitation are therefore key issues we will continue to monitor.

Our second engagement objective relates to operational risk management. We will continue to monitor safety incidents, child labor allegations, and Glencore's social license to operate. While Glencore has exited certain higher-risk geographies, operational incidents persist, and we want to ensure these risks continue to be mitigated over time.

RATING DOWNGRADE – HANKOOK TIRE & TECHNOLOGY, GLOBAL TIRE MANUFACTURER

The purpose of the Opportunity List is not only to track positive progression against our engagement objectives, but also to identify companies that are failing to move in the direction we expect. In these cases, we may need to escalate our engagement and perhaps downgrade the company on our proprietary rating scale.

Hankook is an example of such a case. We initially added the company to the Opportunity List with the objective of advocating for transparent capital allocation that protects minority shareholder interests. This was especially important given the history of corruption allegations against the company, as highlighted in our 2024 Stewardship Report.

Our recent engagement focused on Hankook's acquisition strategy and the implications for minority shareholders. We downgraded Hankook to a rating of '1' following its acquisition of Hanon Systems, which we view as a problematic and potentially conflicted transaction. We do not believe it is in the interests of long-term shareholders for Hankook to have paid such a high price for a company that is not strategically aligned with the rest of the Hankook business. The rating downgrade reflects these concerns, and we plan to advocate for a higher dividend payout to compensate shareholders for the disadvantageous deal terms. We may also escalate our engagement activities ahead of next year's annual meeting.

REMOVAL FROM THE OPPORTUNITY LIST – WELLS FARGO, US BANK

Wells Fargo was added to the Opportunity List several years ago due to significant historical governance failures that culminated in a punitive asset cap imposed by the regulator in 2018. These issues included a high-profile misconduct scandal, involving the opening of millions of unauthorized customer accounts. Our engagement objectives focused on regulatory remediation efforts and alignment of senior management incentives with the goal of having the asset cap lifted.

Throughout our engagement, we discussed the ongoing third-party review and progress toward resolving the consent orders, including the asset cap. The asset cap was ultimately lifted in June 2025, at which point we felt comfortable removing Wells Fargo from the Opportunity List. This step was a clear signal that past governance concerns had been substantively resolved. While progress for companies on the Opportunity List can take different forms, our decision to remove Wells Fargo depended on the achievement of this clear, external milestone.

We continue to monitor Wells Fargo's governance, as we do for every company we are invested in. In our most recent engagement after its removal from the Opportunity List, we discussed the recent refreshment of the governance committee and business outlook.

HIGHLIGHTED HOLDING: DAIKIN INDUSTRIES

Heavy U.S. investment, a mistimed refrigerant transition, and cyclical weakness have pressured Daikin's margins and returns. As these headwinds fade, we see a clear path to normalized profitability.

Headquartered in Japan, Daikin Industries is the world's largest manufacturer[1] of heating, ventilation, and air-conditioning (HVAC) equipment, serving residential and commercial customers in more than 170 countries. In recent years, capital efficiency has declined as the company invested heavily to build out its U.S. manufacturing and distribution footprint, while execution missteps during the U.S. refrigerant transition resulted in temporary market share losses. These company-specific challenges have coincided with cyclical weakness across key regions. At 9.0x our normal earnings estimate, the shares reflect expectations more consistent with structural impairment than with Daikin's position as a global technology leader capable of long-term profitable growth.

BUSINESS AND INDUSTRY DYNAMICS

The global HVAC market generates approximately $275 billion in annual revenue and is consolidated at the manufacturing level around a small group of scaled, multi-brand incumbents, including Daikin, Carrier Global, Trane Technologies, and other leading Asian manufacturers. While distribution and installation remain fragmented, HVAC manufacturing faces meaningful barriers to entry due to stringent, region-specific regulations and the need for localized manufacturing to manage cost and lead times.

Within this structure, economics differ meaningfully across end markets. Residential HVAC represents roughly 40% of global demand, with manufacturers earning most of their profit at the point of equipment sale. Installation and service are handled by third-party contractors. Non-residential HVAC accounts for the remaining 60% of demand[2]. This segment includes light commercial systems with similar equipment-sale economics, as well as large-scale commercial, data center, and industrial applications, where manufacturers often retain service relationships and generate the vast majority of profit through aftermarket and service revenue.

1. By sales
2. Source: Grand View Research

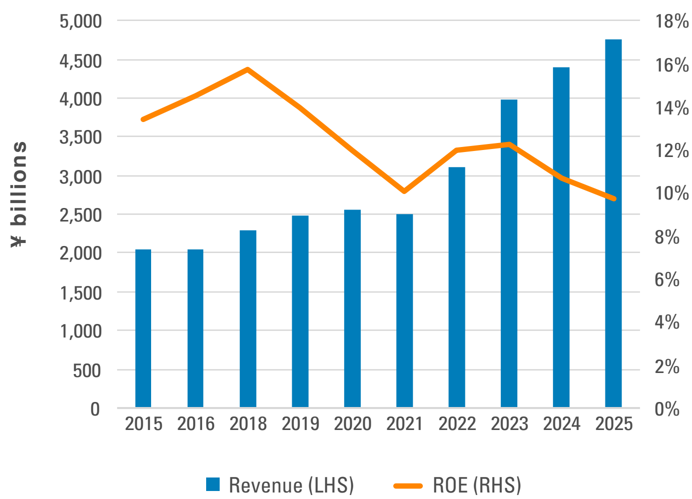
		Earnings Per Share			Price/Earnings		
	Price	FY 26E	FY 27E	Normal*	FY 26E	FY 27E	Normal*
Daikin Industries, Ltd.	¥20,080	¥959	¥1,050	¥2,227	20.9x	19.1x	9.0x

Fiscal year-end March 31.
**Pzena estimate of normal earnings.*
Source: S&P Capital IQ, Pzena analysis
Data as of December 31, 2025.

U.S. INVESTMENT: NEAR-TERM PAIN, LONG-TERM GAINS

Over the past decade, Daikin's revenue has grown steadily, with only a brief COVID-related interruption. However, since mid-2023, the company's stock has underperformed the broader market, driven in part by a sustained decline in return on equity (see Exhibit 1).

Exhibit 1: Revenue vs. ROE



Source: Company filings

This pattern of revenue growth alongside declining returns reflects Daikin's long-term effort to build a more competitive U.S. platform. The U.S. is the most important profit pool in global HVAC—and Daikin's largest single market—but the company's U.S. operations historically lacked the degree of vertical integration that management believed was necessary to earn attractive returns. Earlier acquisitions, including McQuay and Goodman, established scale in commercial and residential HVAC, respectively, but did not, on their own, create an optimized operating model, leaving U.S. margins well below peer levels.

Over the past few years, management has invested heavily to close this gap, expanding U.S.-based manufacturing capacity, internalizing key components, and strengthening its distribution, service, and support infrastructure. In residential HVAC, these investments have strengthened the cost position, product availability, and mix, including greater penetration of inverter-based systems, which are more energy-efficient and carry higher margins. In non-residential HVAC, investment has supported expanded service capabilities and aftermarket penetration. With the bulk of this investment now complete, profitability should increasingly benefit from favorable mix and operating leverage.

REFRIGERANT TRANSITION: A TIMING ERROR

Layered on top of the U.S. investment cycle was an execution misstep during a mandated refrigerant transition. Refrigerants are chemicals that enable air conditioning by absorbing and releasing heat, and legacy HVAC systems relied on older refrigerants that regulators have targeted for their higher environmental impact. Under U.S. federal climate policy, manufacturers were required to cease production of systems using these legacy refrigerants beginning in January 2025, with sales and installation prohibited starting in January 2026[3].

Anticipating this shift, Daikin moved earlier than most peers to wind down production of legacy systems and transition toward next-generation alternatives. However, distributors and contractors favored legacy systems due to lower costs and installer familiarity, stockpiling inventory ahead of the production cutoff. As a result, Daikin lacked sufficient legacy inventory during the transition, leading to temporary market share losses as competitors maintained better availability. With the transition now complete, Daikin has moved aggressively on pricing and channel reengagement, reclaiming its U.S. residential market share to pre-disruption levels.

CYCLICAL WEAKNESS MASKS PROGRESS

Daikin's company-specific challenges, which have begun to ease, have coincided with cyclical weakness across key end markets, obscuring underlying progress and weighing on near-term results. In the U.S., higher interest rates have weighed on residential replacement demand, a slowdown amplified by pull-forward ahead of the refrigerant transition. Tariffs and broader cost inflation have further pressured pricing and margins. In Europe, where Daikin is heavily exposed to heat pumps, adoption has cooled after rapid growth, as subsidy programs were adjusted and high electricity prices made heat pumps more expensive to operate than gas systems. In China, the prolonged property downturn continues to pressure both residential and commercial demand.

These pressures are cyclical rather than structural. HVAC replacement demand can be deferred as customers choose to repair existing systems rather than replace them outright, but it cannot be avoided indefinitely, given the aging installed base and the essential nature of climate control. As interest rates, inventories, and policy distortions normalize, replacement activity should recover. In that environment, the benefits of Daikin's U.S. investments and post-transition stabilization should increasingly flow through to reported results.

EMBEDDED OPTIONALITY

While not central to our thesis, Daikin offers meaningful incremental upside across several long-term growth themes. Emerging markets account for roughly a quarter of Daikin's revenue today, with long-term growth supported by rising incomes, urbanization, and increasing cooling demand. India is a clear example of this opportunity: it represents approximately 4% of Daikin's global sales and has

3. Source: U.S. Environmental Protection Agency, Technology Transitions Program under the American Innovation and Manufacturing (AIM) Act.

grown at 17% CAGR over the past decade. Despite this growth, penetration remains low, and Daikin's #1 market share in India provides a strong platform to benefit as adoption continues to expand over time.

A second source of upside lies in advanced cooling solutions for data centers and other high-intensity applications. Growth in artificial intelligence and cloud computing are driving demand for large-scale, engineered cooling systems. While still a small portion of revenue, this is Daikin's fastest-growing end market and carries structurally higher margins, aligning well with the company's strength in integrated, system-level cooling solutions.

Finally, tightening energy-efficiency standards and decarbonization policies globally support longer-term replacement and upgrade cycles. Daikin is particularly well positioned for this shift given its leadership in inverter-based air-conditioning technology, which materially reduces energy consumption and has been a core focus of the company's R&D for decades.

CONCLUSION

Daikin is emerging from a period of heavy investment, regulatory disruption, and cyclical weakness with a stronger platform that supports improving margins and returns. As capital intensity moderates, earnings growth should increasingly convert into higher free cash flow, adding to the company's net cash balance sheet and supporting a step-up in shareholder returns over time. Despite this improving setup, Daikin's valuation continues to imply structurally impaired economics, especially relative to global HVAC peers that trade at meaningfully higher multiples (see Exhibit 2). For the world's largest HVAC manufacturer, with clear scale advantages, technology leadership, and a path to normalized profitability, this disconnect presents an attractive opportunity for long-term investors.

Exhibit 2: Global HVAC Valuation Comps

	EV / TTM Revenue	EV / Forward EBITDA*
Trane Technologies	4.3x	19.3x
Johnson Controls	3.6x	18.5x
Lennox International	3.4x	15.1x
Carrier Global	2.5x	11.9x
Mitsubishi Electric	1.6x	11.8x
Peer Average	3.1x	15.3x
Daikin Industries	1.3x	8.2x

Source: S&P Capital IQ

**Forward EBITDA based on next-twelve-month consensus estimates.*

Pzena Investment Strategies

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

All our strategies follow the same value investment process and philosophy; the primary difference lies in the universe considered for investment.
1. MSCI ACWI and MSCI ACWI ex-USA versions also available.
2. Our Credit Opportunities portfolio currently holds 30-60 positions, although it may hold more positions depending on the size of the portfolio.

PZENA GLOBAL VALUE

Global equity markets recorded another strong quarter, with China being the notable weak point amid continued geopolitical tensions. Our Global Value strategy outperformed both its MSCI World benchmark and the Value series.

The information technology and financials sectors led the gains, with Korean technology conglomerate Samsung Electronics the largest individual contributor. The recovery in Samsung's core dynamic random access memory (DRAM) business persisted in line with our thesis, alongside encouraging developments in its high bandwidth memory (HBM) prospects. Discount retailer Dollar General's self-help initiatives gained traction, as higher-end customers continued to trade down from grocery and pharmacy channels. European steelmaker ArcelorMittal benefitted from optimism around the implementation of a European Carbon Border Adjustment Mechanism (CBAM), which is expected to boost profitability.

The real estate and consumer discretionary sectors both detracted from absolute performance. Medical products company Baxter continues to struggle with issues stemming from Hurricane Helene's destruction, product recalls, and poor management decisions, which we believe are now in the rearview mirror. Radio frequency component supplier Skyworks traded down on weaker forward guidance amid concerns about mobile demand and customer concentration, while China's Alibaba gave back some gains despite continued momentum in its cloud business.

We initiated a position in Accenture, a high-quality IT services franchise trading near the low end of its historical valuation range due to investors' AI disruption fears and a cyclical slowdown in corporate IT spending – both of which we believe to be overstated. We also added leading paints and coatings supplier PPG at a heavily discounted valuation due to concerns around tepid organic growth relative to peers, which we expect to improve over time as key end markets recover from cyclical pressure. Lastly, we added Japan's Daikin, which is our featured Highlighted Holding this quarter.

Our portfolios continue to gradually shift away from cyclicals and toward health care and leading industrials. ■

PERFORMANCE SUMMARY

periods greater than 1 year annualized in USD as of Dec 31, 2025

	4Q	YTD	One Year	Three Year	Five Year	Ten Year	Since Inception 1/1/10
Pzena Global Value Composite - Gross	6.8%	25.0%	25.0%	17.0%	12.3%	10.5%	9.6%
Pzena Global Value Composite - Net	6.6%	24.3%	24.3%	16.4%	11.7%	9.9%	9.0%
MSCI World Index	3.1%	21.1%	21.1%	21.2%	12.1%	12.2%	10.7%
MSCI World Value Index	3.3%	20.8%	20.8%	14.5%	11.3%	9.2%	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 29)

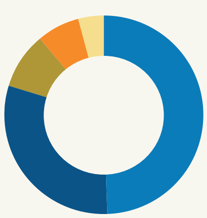
Baxter International Inc.	2.9%
Daimler Truck Holding AG	2.8%
Samsung Electronics	2.7%
BASF SE	2.7%
Magna International	2.5%
Capital One Financial Corp	2.4%
Enel	2.4%
Bristol-Myers Squibb	2.3%
Citigroup Inc.	2.2%
Reckitt Benckiser Group	2.2%
Total	25.1%

PORTFOLIO CHARACTERISTICS

	Strategy	Index
Price to Normal Earnings[1]	8.8x	15.1x *
Price / Earnings (1-Year Forecast)	12.7x	21.9x
Price / Book	1.5x	3.9x
Median Market Cap ($B)	$30.0	$25.9
Weighted Average Market Cap ($B)	$133.1	$940.1
Active Share	93.2%	-
Standard Deviation (5-Year)	16.3%	14.3%
Number of Stocks (model portfolio)	62	1,320

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

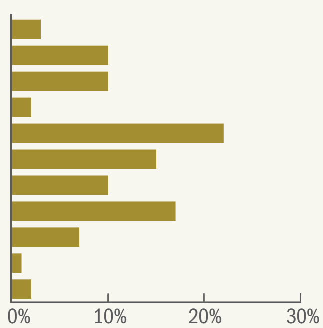
REGION CONCENTRATION



	Strategy	Index
North America	49%	75%
Europe ex-U.K.	30%	13%
Emerging Markets	9%	0%
United Kingdom	7%	4%
Japan	4%	5%
Dev. Asia ex-Japan	0%	1%
Australia/New Zealand	0%	2%

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

SECTOR WEIGHTS



	Strategy	Index
Communication Services	3%	9%
Consumer Discretionary	10%	10%
Consumer Staples	10%	5%
Energy	2%	3%
Financials	22%	17%
Health Care	15%	10%
Industrials	10%	11%
Information Technology	17%	27%
Materials	7%	3%
Real Estate	1%	2%
Utilities	2%	3%

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

PORTFOLIO STRATEGIES

PZENA GLOBAL FOCUSED VALUE

Global equity markets recorded another strong quarter, with China being the notable weak point amid continued geopolitical tensions. Our Global Focused Value strategy outperformed both its MSCI AC World benchmark and the Value series.

The financials sector was the top-performer, with Korean technology conglomerate Samsung Electronics the largest individual contributor. The recovery in Samsung's core dynamic random access memory (DRAM) business persisted in line with our thesis, alongside encouraging developments in its high bandwidth memory (HBM) prospects. Discount retailer Dollar General's self-help initiatives gained traction, as higher-end customers continued to trade down from grocery and pharmacy channels. European steelmaker ArcelorMittal benefitted from optimism around the implementation of a European Carbon Border Adjustment Mechanism (CBAM), which is expected to boost profitability.

The consumer discretionary sector detracted the most from absolute performance. Medical products company Baxter continues to struggle with issues stemming from Hurricane Helene's destruction, product recalls, and poor management decisions, which we believe are now in the rearview mirror. China's Alibaba gave back some gains despite continued momentum in its cloud business, while radio frequency component supplier Skyworks traded down on weaker forward guidance amid concerns about mobile demand and customer concentration.

We initiated a position in leading paints and coatings supplier PPG at a heavily discounted valuation due to concerns around tepid organic growth relative to peers, which we expect to improve over time as key end markets recover from cyclical pressure. We also added Japan's Daikin, which is our featured Highlighted Holding this quarter. We increased existing positions in Amdocs, Ambev, and MetLife on share price weakness, funding these purchases with trims of Samsung, ArcelorMittal, and Barclays, following substantial stock appreciation.

Our portfolios continue to gradually shift away from cyclicals and toward health care and leading industrials. ■

PERFORMANCE SUMMARY

periods greater than 1 year annualized in USD as of Dec 31, 2025

	4Q	YTD	One Year	Three Year	Five Year	Ten Year	Since Inception 1/1/04
Pzena Global Focused Value Composite - Gross	5.9%	25.3%	25.3%	17.1%	12.3%	10.4%	7.3%
Pzena Global Focused Value Composite - Net	5.7%	24.4%	24.4%	16.2%	11.5%	9.6%	6.4%
MSCI All Country World Index	3.3%	22.3%	22.3%	20.7%	11.2%	11.7%	8.6%
MSCI All Country World Value Index	3.7%	22.0%	22.0%	14.7%	10.8%	9.1%	7.1%

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 29)

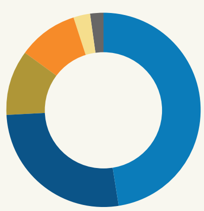
Dollar General Corporation	3.4%
Baxter International Inc.	3.0%
CVS Health Corporation	2.9%
Daimler Truck Holding AG	2.7%
Magna International Inc.	2.6%
Cognizant Tech A	2.6%
Reckitt Benckiser Group plc	2.6%
Capital One Financial	2.5%
Citigroup Inc.	2.5%
Ambev	2.5%
Total	27.3%

PORTFOLIO CHARACTERISTICS

	Strategy	Index
Price to Normal Earnings[1]	8.4x	15.1x *
Price / Earnings (1-Year Forecast)	12.2x	20.9x
Price / Book	1.4x	3.6x
Median Market Cap ($B)	$25.9	$16.2
Weighted Average Market Cap ($B)	$74.1	$865.6
Active Share	96.5%	-
Standard Deviation (5-Year)	17.1%	13.8%
Number of Stocks (model portfolio)	50	2,516

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

REGION CONCENTRATION

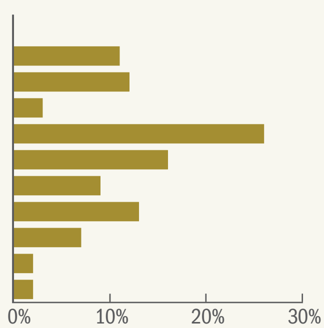


	Strategy	Index
North America	48%	67%
Europe ex-U.K.	27%	11%
Emerging Markets	11%	11%
United Kingdom	10%	3%
Japan	3%	5%
Dev. Asia ex-Japan	2%	1%
Australia/New Zealand	0%	1%

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

SECTOR WEIGHTS

	Strategy	Index
Communication Services	0%	9%
Consumer Discretionary	11%	10%
Consumer Staples	12%	5%
Energy	3%	3%
Financials	26%	18%
Health Care	16%	9%
Industrials	9%	11%
Information Technology	13%	27%
Materials	7%	4%
Real Estate	2%	2%
Utilities	2%	3%



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

PORTFOLIO STRATEGIES

PZENA INTERNATIONAL VALUE

Non-U.S. equity markets continued their upward trend in the fourth quarter on easing tariff concerns, supporting higher investor risk appetite. Our IV strategy outperformed its broad market benchmark for the quarter.

The financials sector led this quarter, with Korean technology conglomerate Samsung Electronics the largest individual contributor. The recovery in Samsung's core dynamic random access memory (DRAM) business persisted into the fourth quarter, alongside encouraging developments in its high bandwidth memory (HBM) prospects. European steelmaker ArcelorMittal benefitted from optimism around the implementation of a European Carbon Border Adjustment Mechanism (CBAM), which is expected to boost profitability, while Swiss pharmaceutical giant Roche benefitted from several positive drug readouts in the quarter.

By sector, only real estate materially detracted from absolute performance, and China's Alibaba gave back some gains despite continued momentum in its cloud business and stabilizing market share in its core e-commerce unit. Shares of Macau casino operator Galaxy Entertainment retraced, as optimism surrounding an anticipated Chinese macroeconomic revival ebbed, while French tire manufacturer Michelin's shares dropped in October after the company issued a significant guidance cut, in part due to tariff-induced margin pressure.

During the quarter, we added Japan's Kubota, a global producer of agricultural and construction equipment facing near-term demand weakness in the U.S. and tariff uncertainty. We also initiated positions in global advertising agency Publicis and IT service provider Accenture on weakness driven by both macro and AI disruption fears, which we believe are overstated. We added Brazil-based Vale, the world's largest iron ore producer on overcapacity and peak China demand fears.

The volatile macro environment and uncertainty over AI's evolution continue to keep the market on edge, creating opportunities for long-term value investors. We remain excited by the attractive valuations of companies relative to their fundamentals. ■

PERFORMANCE SUMMARY

periods greater than 1 year annualized in USD as of Dec 31, 2025

	4Q	YTD	One Year	Three Year	Five Year	Ten Year	Since Inception 11/1/08
Pzena International Value Composite - Gross	7.2%	38.1%	38.1%	20.6%	12.8%	9.9%	10.4%
Pzena International Value Composite - Net	7.1%	37.3%	37.3%	19.9%	12.2%	9.3%	9.8%
MSCI EAFE Index	4.9%	31.2%	31.2%	17.2%	8.9%	8.2%	8.0%
MSCI EAFE Value Index	7.8%	42.2%	42.2%	21.4%	13.4%	8.7%	7.8%

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 29)

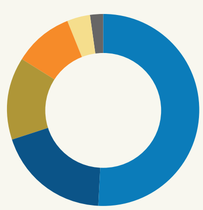
Reckitt Benckiser Group plc	2.7%
ING GROEP NV	2.6%
Daimler Truck Holding AG	2.6%
Bank of Ireland Group	2.5%
Daikin Industries	2.5%
Michelin SA	2.5%
Samsung Electronics Co.	2.4%
HSBC Holdings	2.4%
UBS Group	2.4%
Sanofi	2.4%
Total	25.0%

PORTFOLIO CHARACTERISTICS

	Strategy	Index
Price to Normal Earnings[1]	8.9x	16x *
Price / Earnings (1-Year Forecast)	12.8x	16.7x
Price / Book	1.4x	2.2x
Median Market Cap ($B)	$28.5	$19.1
Weighted Average Market Cap ($B)	$70.5	$105.6
Active Share	88.5%	-
Standard Deviation (5-Year)	15.4%	14.2%
Number of Stocks (model portfolio)	62	693

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

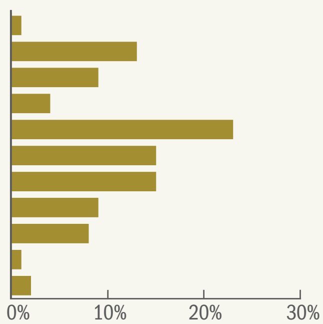
REGION CONCENTRATION



	Strategy	Index
Europe ex-U.K.	51%	52%
Japan	19%	22%
United Kingdom	14%	15%
Emerging Markets	10%	0%
North America	4%	0%
Dev. Asia ex-Japan	2%	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	1%	4%
Consumer Discretionary	13%	10%
Consumer Staples	9%	7%
Energy	4%	3%
Financials	23%	25%
Health Care	15%	11%
Industrials	15%	19%
Information Technology	9%	8%
Materials	8%	6%
Real Estate	1%	2%
Utilities	2%	4%

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

PZENA INTERNATIONAL FOCUSED VALUE

Non-U.S. equity markets continued their upward trend in the fourth quarter, as easing tariff concerns supported higher investor risk appetite. Our International Focused Value strategy outperformed its broad market benchmark for the quarter.

The financials sector led this quarter, with Korean technology conglomerate Samsung Electronics the largest individual contributor. The recovery in Samsung's core dynamic random access memory (DRAM) business persisted into the fourth quarter, alongside encouraging developments in its high bandwidth memory (HBM) prospects. European steelmaker ArcelorMittal benefitted from optimism around the implementation of a European Carbon Border Adjustment Mechanism (CBAM), which is expected to boost profitability, while German pharmaceutical and crop protection company Bayer rose on positive news flow surrounding its Roundup (glyphosate) litigation.

Consumer discretionary was the largest absolute detracting sector. China's Alibaba gave back some gains despite continued momentum in its cloud business and stabilizing market share in its core e-commerce unit. Another detractor, real estate developer China Overseas Land & Investment, remained under pressure amid the persistently challenged property market, while shares of Macau casino operator Galaxy Entertainment retraced, as optimism surrounding an anticipated Chinese macroeconomic revival ebbed.

During the quarter, we added Japan's Kubota, a global producer of agricultural and construction equipment facing near-term demand weakness in the U.S. and tariff uncertainty. We also initiated a position in global advertising agency Publicis on weakness driven by both macro and AI disruption fears, which we believe are overstated. Lastly, we initiated a position in Evonik, a specialty chemicals company with a diversified product portfolio and market-leading positions across several categories.

The volatile macro environment and uncertainty over AI's evolution continue to keep the market on edge, creating opportunities for long-term value investors. We remain excited by the attractive valuations of companies relative to their fundamentals. ■

PERFORMANCE SUMMARY

periods greater than 1 year annualized in USD as of Dec 31, 2025

	4Q	YTD	One Year	Three Year	Five Year	Ten Year	Since Inception 1/1/04
Pzena International Focused Value Composite - Gross	6.7%	40.0%	40.0%	22.5%	13.7%	10.8%	8.1%
Pzena International Focused Value Composite - Net	6.5%	39.0%	39.0%	21.6%	12.9%	10.0%	7.1%
MSCI All Country World Ex-U.S. Index	5.1%	32.4%	32.4%	17.3%	7.9%	8.4%	6.8%
MSCI ACWI ex USA Value - Net Index	7.6%	39.5%	39.5%	20.2%	11.9%	8.7%	6.7%

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

TOP 10 HOLDINGS

(See Portfolio Notes on page 29)

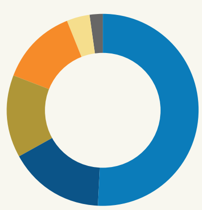
UBS Group AG	2.8%
BASF SE	2.8%
Reckitt Benckiser Group plc	2.7%
HSBC Holdings	2.6%
Rexel SA	2.6%
Bank of Ireland Group	2.6%
Daimler Truck Holding AG	2.5%
Daikin Industries	2.5%
Michelin SA	2.5%
Sanofi	2.4%
Total	26.0%

PORTFOLIO CHARACTERISTICS

	Strategy	Index
Price to Normal Earnings [1]	8.5x	16x *
Price / Earnings (1-Year Forecast)	12.2x	16.3x
Price / Book	1.4x	2.2x
Median Market Cap ($B)	$26.1	$13.1
Weighted Average Market Cap ($B)	$67.2	$151.4
Active Share	91.6%	-
Standard Deviation (5-Year)	16.0%	13.6%
Number of Stocks (model portfolio)	48	1,972

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

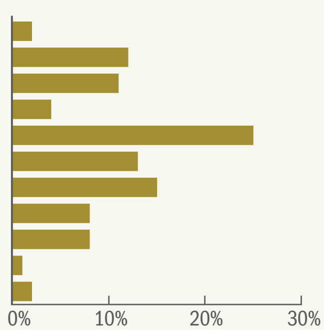
REGION CONCENTRATION



	Strategy	Index
Europe ex-U.K.	51%	32%
Emerging Markets	16%	31%
Japan	14%	13%
United Kingdom	13%	9%
Dev. Asia ex-Japan	4%	2%
North America	2%	8%
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	2%	6%
Consumer Discretionary	12%	10%
Consumer Staples	11%	6%
Energy	4%	4%
Financials	25%	25%
Health Care	13%	8%
Industrials	15%	15%
Information Technology	8%	15%
Materials	8%	7%
Real Estate	1%	2%
Utilities	2%	3%

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

PZENA INTERNATIONAL SMALL CAP FOCUSED VALUE

International small-cap equities moved higher in the fourth quarter, and our portfolio performed in line with its benchmark.

The consumer discretionary sector was the largest source of absolute contribution, and the top individual contributor was Irish lender Permanent TSB Group, which rose after announcing it is exploring strategic alternatives. Tire producer Nokian Renkaat continued ramping up its new manufacturing capacity in Romania, helping restore confidence following earlier operational disruption due to the Russian invasion of Ukraine. Spanish lender Unicaja Banco also benefitted from stable credit quality and improving profitability.

Real estate was the largest detracting sector. Both homebuilder Nexity and French spirits company Rémy Cointreau are contending with downturns in their core businesses, which we believe to be cyclical and temporary. Korean petrochemical producer KH Neochem was lower after posting weak third-quarter results driven by tepid air conditioning demand.

We initiated a position in PageGroup, a leading global recruiter focused on permanent placements. We also bought Manitou, a global leader in rough-terrain material handling equipment, which maintains strong positions across agricultural and construction end markets and has a track record of disciplined capital management. Lastly, we added Teleperformance, a global provider of outsourced customer experience services with a free cash flow yield exceeding 20% due to investors' concerns around AI disruption, which we view as overly discounted by the market.

We trimmed metals company Aurubis following relative strength, and we exited KH Neochem as our investment thesis began to develop adversely, reallocating capital to opportunities with more compelling long-term return profiles.

Looking ahead, we remain focused on identifying durable businesses where near-term uncertainty has created meaningful dislocations between price and long-term earnings power. The international small-cap universe continues to offer a broad and varied opportunity set, supporting a patient, bottom-up approach to value investing. ■

PERFORMANCE SUMMARY

periods greater than 1 year annualized in USD as of Dec 31, 2025

	4Q	YTD	One Year	Three Year	Five Year	Since Inception 10/1/16
Pzena International Small Cap Focused Value Composite - Gross	3.5%	30.7%	30.7%	20.0%	15.2%	10.6%
Pzena International Small Cap Focused Value Composite - Net	3.2%	29.4%	29.4%	18.8%	14.1%	9.5%
MSCI World ex USA Small Cap Index	3.5%	34.1%	34.1%	15.8%	6.5%	7.9%
MSCI World ex USA Small Cap Value Index	5.0%	38.6%	38.6%	17.8%	9.8%	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 29)

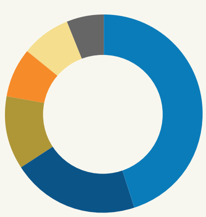
Origin Enterprises PLC	4.1%
Permanent TBS Group Holdings PLC	3.4%
Nokian Renkaat Oyj	3.3%
Unicaja Banco S.A.	3.2%
Signify NV	3.1%
Samsonite Group	3.0%
C&C Group	2.9%
Fletcher Building	2.9%
Elders	2.9%
Sabre Insurance Group PLC	2.9%
Total	31.7%

PORTFOLIO CHARACTERISTICS

	Strategy	Index
Price to Normal Earnings[1]	7.7x	12.9x *
Price / Earnings (1-Year Forecast)	13.6x	15.8x
Price / Book	1x	1.6x
Median Market Cap ($B)	$1.7	$1.8
Weighted Average Market Cap ($B)	$2.4	$4.0
Active Share	98.4%	-
Standard Deviation (5-Year)	15.6%	15.6%
Number of Stocks (model portfolio)	43	2,179

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

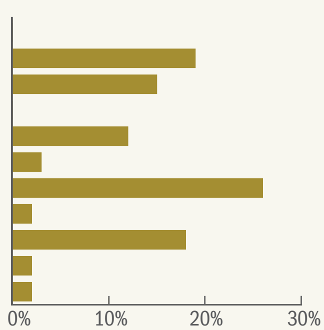
REGION CONCENTRATION



	Strategy	Index
Europe ex-U.K.	45%	29%
United Kingdom	21%	11%
Japan	12%	32%
North America	8%	11%
Australia/New Zealand	8%	10%
Dev. Asia ex-Japan	6%	4%
Dev. Africa/Middle East	0%	4%

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

SECTOR WEIGHTS



	Strategy	Index
Communication Services	0%	4%
Consumer Discretionary	19%	11%
Consumer Staples	15%	5%
Energy	0%	4%
Financials	12%	12%
Health Care	3%	5%
Industrials	26%	21%
Information Technology	2%	9%
Materials	18%	14%
Real Estate	2%	11%
Utilities	2%	3%

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

PORTFOLIO STRATEGIES

PZENA EMERGING MARKETS FOCUSED VALUE

Emerging markets had a strong finish to the year, with most bourses closing the quarter in positive territory – China being the notable exception. Our Emerging Markets Focused Value strategy outperformed its MSCI EM benchmark for the period.

Information technology, financials, and materials were the top-performing sectors. Korean technology conglomerate Samsung Electronics was the largest individual contributor, as the recovery in its core dynamic random access memory (DRAM) business persisted into the fourth quarter, alongside encouraging developments in its high bandwidth memory (HBM) prospects. Korean tire manufacturer Hankook Tire & Technology displayed solid operating margins in its tire business, while Taiwanese foundry TSMC continues to benefit from strong demand for AI chips.

Real estate and communication services were the only two materially detracting sectors, and China's Alibaba gave back some gains during the quarter despite continued strong momentum in its cloud business and stabilizing market share in its core e-commerce unit. Another detractor, real estate developer China Overseas Land & Investment, remained under pressure amid the persistently challenged property market. Brazilian cosmetics and fragrance company Natura reported underwhelming third-quarter results amidst ongoing restructuring while facing a soft macroeconomic situation in Brazil.

We added Doosan Bobcat, a manufacturer of compact construction equipment with exposure to North American residential construction, capitalizing on weakness driven by the U.S. housing downturn. We also added Shenzhou International, an apparel manufacturer with four large customers accounting for approximately 80% of the company's revenue. Despite headwinds from tariff uncertainty and destocking, we believe the value proposition of the business remains intact and were able to buy the franchise at a low multiple of normalized earnings.

Despite the uncertainty surrounding U.S.-centric tariff policies and domestic challenges in China, we remain excited by the attractiveness of emerging-market equities as an asset class. ■

PERFORMANCE SUMMARY

periods greater than 1 year annualized in USD as of Dec 31, 2025

	4Q	YTD	One Year	Three Year	Five Year	Ten Year	Since Inception 1/1/08
Pzena Emerging Markets Focused Value Composite - Gross	6.4%	37.2%	37.2%	21.4%	12.6%	12.8%	6.4%
Pzena Emerging Markets Focused Value Composite - Net	6.1%	35.9%	35.9%	20.2%	11.5%	11.7%	5.3%
MSCI Emerging Markets Index	4.7%	33.6%	33.6%	16.4%	4.2%	8.4%	3.1%
MSCI Emerging Markets Value Index	6.4%	32.7%	32.7%	16.6%	6.8%	8.0%	2.6%

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 29)

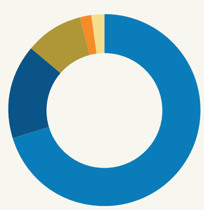
Samsung Electronics Co.	5.8%
Taiwan Semiconductor Mfg. Co.	5.0%
Alibaba Group Holding	2.9%
China Overseas Land & Investment	2.5%
Hankook Tire & Tech.	2.5%
Credicorp Ltd.	2.4%
Baidu, Inc. Class A	2.4%
Tencent Holdings Ltd.	2.4%
OTP Bank	2.3%
Cognizant Tech A	2.3%
Total	30.5%

PORTFOLIO CHARACTERISTICS

	Strategy	Index
Price to Normal Earnings[1]	9.2x	19x *
Price / Earnings (1-Year Forecast)	10.9x	15.1x
Price / Book	1.3x	2.2x
Median Market Cap ($B)	$13.3	$10.1
Weighted Average Market Cap ($B)	$161.0	$261.2
Active Share	78.8%	-
Standard Deviation (5-Year)	14.5%	15.3%
Number of Stocks (model portfolio)	55	1,196

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

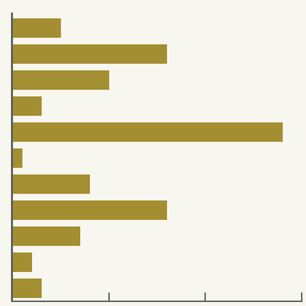
REGION CONCENTRATION



	Strategy	Index
Asia	71%	81%
Latin America	16%	7%
Europe	10%	3%
North America	2%	0%
Africa/Middle East	2%	10%

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

SECTOR WEIGHTS



	Strategy	Index
Communication Services	5%	9%
Consumer Discretionary	16%	12%
Consumer Staples	10%	4%
Energy	3%	4%
Financials	28%	22%
Health Care	1%	3%
Industrials	8%	7%
Information Technology	16%	28%
Materials	7%	7%
Real Estate	2%	1%
Utilities	3%	2%

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

PORTFOLIO STRATEGIES

PZENA EUROPEAN FOCUSED VALUE

European markets were strong in the fourth quarter, buoyed by firmer macroeconomic visibility and easing U.S.-China tensions. Our portfolio outperformed its MSCI Europe benchmark but lagged the Value series.

The financials sector was by far the top performer. By security, pharmaceutical and crop protection giant Bayer rose on positive news flow surrounding its Roundup (glyphosate) litigation. European steelmaker ArcelorMittal benefitted from optimism around the implementation of a European Carbon Border Adjustment Mechanism (CBAM), which is expected to boost profitability. Finnish networking equipment manufacturer Nokia rose after receiving a $1 billion equity investment from NVIDIA to advance AI-driven wireless network infrastructure.

Energy was the only sector to marginally detract from absolute performance. The largest individual detractor was French small appliance manufacturer SEB SA, which declined after management cut its full-year outlook due to weaker European demand, Chinese competition, and tariff headwinds. French spirits company Rémy Cointreau fell following a subdued sales outlook characterized by muted improvement in U.S. cognac demand, while dialysis provider Fresenius Medical Care lagged, as ongoing softness in patient volumes and higher mortality rates continued to cloud the recovery outlook.

We initiated a position in global advertising agency Publicis on weakness driven by AI disruption fears, which we believe are overblown. At roughly 10x forward earnings, we believe the stock offers an attractive cash flow return at today's price. Publicis is well positioned for helping its large clients in a data-centric world well beyond offering just media solutions. We exited our position in auto parts spin-off Aumovio and trimmed our holdings in ArcelorMittal and metals company Aurubis on valuation. Even after a very strong 2025, we continue to see good value in European equities, which remain at a notable valuation discount relative to the rest of the world. We believe investors have priced in much of the geopolitical risk, creating opportunities to invest in strong businesses trading at depressed valuations, largely because of where they are domiciled. ■

PERFORMANCE SUMMARY

periods greater than 1 year annualized in USD as of Dec 31, 2025

	4Q	YTD	One Year	Three Year	Five Year	Ten Year	Since Inception 8/1/08
Pzena European Focused Value Composite - Gross	8.6%	41.2%	41.2%	21.6%	14.6%	9.9%	7.5%
Pzena European Focused Value Composite - Net	8.4%	40.3%	40.3%	20.8%	13.9%	9.2%	6.8%
MSCI Europe Index	6.2%	35.4%	35.4%	18.2%	10.3%	8.5%	5.2%
MSCI Europe Value Index	9.3%	48.0%	48.0%	22.7%	14.2%	8.9%	4.5%

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

TOP 10 HOLDINGS

(See Portfolio Notes on page 29)

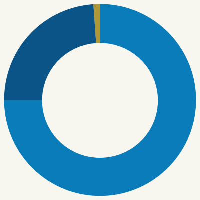
Bank of Ireland Group Plc	3.3%
Bayer	3.2%
Rexel SA	3.2%
Signify NV	3.0%
HSBC Holdings Plc	3.0%
Reckitt Benckiser Group plc	3.0%
Julius Baer Gruppe	3.0%
UBS Group	2.8%
Swatch Group	2.7%
Equinor ASA	2.7%
Total	29.9%

PORTFOLIO CHARACTERISTICS

	Strategy	Index
Price to Normal Earnings[1]	8.4x	12.9x *
Price / Earnings (1-Year Forecast)	12.8x	16.4x
Price / Book	1.4x	2.4x
Median Market Cap ($B)	$18.3	$21.4
Weighted Average Market Cap ($B)	$50.7	$121.9
Active Share	85.5%	-
Standard Deviation (5-Year)	18.2%	15.5%
Number of Stocks (model portfolio)	44	403

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

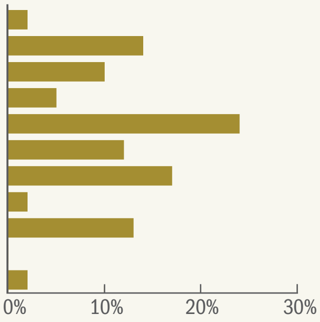
REGION CONCENTRATION



	Strategy	Index
Europe ex-U.K.	75%	78%
United Kingdom	24%	22%
North America	1%	0%

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

SECTOR WEIGHTS



	Strategy	Index
Communication Services	2%	4%
Consumer Discretionary	14%	8%
Consumer Staples	10%	9%
Energy	5%	4%
Financials	24%	25%
Health Care	12%	14%
Industrials	17%	19%
Information Technology	2%	7%
Materials	13%	5%
Real Estate	0%	1%
Utilities	2%	5%

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

PORTFOLIO STRATEGIES

PZENA JAPAN FOCUSED VALUE

Japanese equities extended gains during the quarter, supported by better-than-expected corporate earnings, optimism around policy initiatives under the new administration, and continued strength in AI-related names. Our portfolio also delivered positive returns; while it modestly lagged the TOPIX Value benchmark, it outperformed the broader TOPIX.

Communication services was the primary sector-level detractor. Tokai Carbon, a manufacturer of carbon products used in tire and industrial applications, weighed on returns amid a weaker near-term earnings outlook, reflecting production adjustments in the U.S. tire industry. SUMCO, a supplier of silicon wafers to the semiconductor industry, detracted as excess inventory continued to pressure the sector. Asahi Group Holdings declined after a cyberattack disrupted domestic shipments and delayed earnings disclosure. We view these issues as temporary, and our longer-term investment theses remain intact. The industrials, consumer discretionary, and information technology sectors were the largest contributors during the quarter, and AI-related holdings again led performance. Sumitomo Electric Industries, a diversified manufacturer with exposure to data center-related components, benefitted from expectations for sustained data center investment. Ibiden, a leading supplier of semiconductor package substrates, performed well on continued demand for AI server applications, and chemical company Resonac rose as demand strengthened for advanced semiconductor packaging materials.

During the quarter, we added to Daikin Industries, a global air-conditioning manufacturer, and Kubota Corporation, a producer of agricultural and construction equipment, following underperformance tied to concerns related to their North American businesses. We sold Ibiden after strong performance and trimmed positions in Sumitomo Electric Industries and Taiyo Yuden on valuation. We also reduced SUMCO ahead of earnings after a share price rally, before again increasing our position following a post-earnings pullback.

The portfolio maintains meaningful exposure to cyclical industries. We remain focused on undervalued Japanese companies that are advancing structural reform, improving capital efficiency, and maintaining resilient balance sheets, positioning the portfolio to benefit from improving corporate profitability over time. ■

PERFORMANCE SUMMARY

periods greater than 1 year annualized in USD as of Dec 31, 2025

	4Q	YTD	One Year	Three Year	Five Year	Ten Year	Since Inception 7/1/15
Pzena Japan Focused Value Composite - Gross	4.6%	31.9%	31.9%	17.5%	12.1%	8.9%	7.9%
Pzena Japan Focused Value Composite - NET	4.3%	30.9%	30.9%	16.6%	11.2%	8.1%	7.0%
TOPIX Index	2.5%	25.3%	25.3%	17.3%	6.6%	7.5%	6.9%
TOPIX Value Index	4.8%	34.7%	34.7%	23.6%	13.6%	9.2%	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 29)

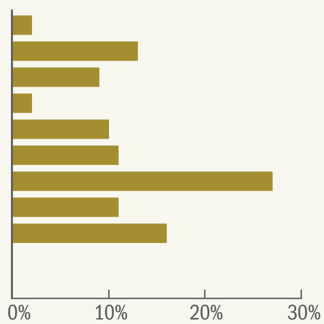
Daikin Industries	3.8%
MinebeaMitsumi Inc.	3.6%
Suntory Beverage & Food Ltd.	3.5%
NSK LTD.	3.4%
Olympus Corp.	3.3%
Bridgestone Corporation	3.3%
TDK Corporation	3.2%
Takeda Pharmaceutical	3.2%
Yamaha	3.2%
Coca-Cola Jp H	3.2%
Total	33.7%

PORTFOLIO CHARACTERISTICS

	Strategy	Index
Price to Normal Earnings [1]	10x	14x *
Price / Earnings (1-Year Forecast)	16x	16.5x
Price / Book	1.2x	1.6x
Median Market Cap ($B)	$7.0	$0.7
Weighted Average Market Cap ($B)	$15.7	$63.1
Active Share	90.9%	-
Standard Deviation (5-Year)	13.0%	13.0%
Number of Stocks (model portfolio)	36	1,664

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

SECTOR WEIGHTS



	Strategy	Index
Communication Services	2%	7%
Consumer Discretionary	13%	17%
Consumer Staples	9%	5%
Energy	2%	1%
Financials	10%	16%
Health Care	11%	6%
Industrials	27%	27%
Information Technology	11%	13%
Materials	16%	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.

PORTFOLIO STRATEGIES

PZENA LARGE CAP VALUE (U.S.)

The fourth quarter capped a year characterized by strong enthusiasm for AI and continued leadership from momentum-oriented stocks. Against this backdrop, our Large Cap Value strategy outperformed both the broad market and the value index during the quarter, though it remained behind for the full year.

Consumer discretionary, financials, and energy were the largest contributors during the quarter. The largest individual contributor was discount retailer Dollar General, which delivered strong same-store sales and margin improvement, resulting in an earnings beat. Store traffic increased as higher-end customers traded down from grocery and pharmacy channels, while continued progress on shrink provided a margin tailwind expected to persist. Cognizant also contributed following an earnings beat, as organic sales continued to come in near the top of the peer group after several years of company-specific execution challenges. Citigroup shares rose amid strong capital markets and benign credit conditions. The company continued to repurchase stock and return capital to shareholders, while transformation-related expenses are expected to decline next year.

Health care, utilities, and basic materials were the largest detracting sectors during the quarter. The largest individual detractor was radio frequency component supplier Skyworks, which traded down on weaker forward guidance and concerns about mobile demand and customer concentration, despite better-than-expected quarterly results and the announced acquisition of competitor Qorvo. Medical products company Baxter's shares were weak following disappointing third-quarter results and a dividend cut. Delayed normalization of IV fluid volumes following Hurricane Helene continued to pressure revenue, while the Novum pump ship-hold announced last quarter is now expected to extend into 2026. Fresenius shares declined despite an earnings beat, as dialysis treatment volumes remained below pre-COVID levels, particularly in the U.S., with results driven more by cost savings and pricing than volume growth.

During the quarter we initiated a position in Constellation Brands. In 2012, the company acquired the Grupo Modelo U.S. beer business as part of a forced divestiture. After a series of capital allocation missteps, new management was brought in and the brands have seen strong success in the U.S. Volumes have faced headwinds in the current environment, as the core Latino customer has been less active, though we believe the long-term brand strength remains intact. We also added to Baxter following share price weakness and continued to build positions in PPG and Tyson Foods, where we see improving long-term fundamentals amid near-term uncertainty. These purchases were funded through trims to Goldman Sachs, TE Connectivity, Morgan Stanley, Dollar General, and Citigroup following strong performance.

The portfolio remains positioned across a diverse set of idiosyncratic investment controversies, with exposure to businesses where near-term challenges obscure durable earnings power. Due to the narrow market leadership, we continue to see attractive valuation dispersion, an environment we believe remains constructive for long-term value investors. ■

PERFORMANCE SUMMARY

periods greater than 1 year annualized in USD as of Dec 31, 2025

	4Q	YTD	One Year	Three Year	Five Year	Ten Year	Since Inception 7/1/12
Pzena Large Cap Value Composite - Gross	4.5%	14.0%	14.0%	12.8%	12.3%	10.6%	11.7%
Pzena Large Cap Value Composite - Net	4.4%	13.6%	13.6%	12.4%	11.8%	10.1%	11.3%
Russell 1000 Value Index	3.8%	15.9%	15.9%	13.9%	11.3%	10.5%	11.3%

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 29)

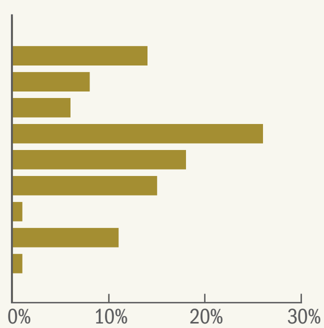
Citigroup Inc.	4.1%
Wells Fargo & Company	4.0%
Magna International Inc.	3.9%
Capital One Financial Corp.	3.7%
CVS Health Corp.	3.6%
Dollar General Corp	3.4%
Bank of America	3.1%
Cognizant Tech A	3.0%
Humana Inc.	3.0%
MetLife, Inc.	2.9%
Total	34.2%

PORTFOLIO CHARACTERISTICS

	Strategy	Index
Price to Normal Earnings[1]	8.5x	14.1x *
Price / Earnings (1-Year Forecast)	11.9x	18.6x
Price / Book	1.6x	2.8x
Median Market Cap ($B)	$44.3	$14.0
Weighted Average Market Cap ($B)	$102.8	$307.7
Active Share	87.4%	-
Standard Deviation (5-Year)	17.7%	14.5%
Number of Stocks (model portfolio)	50	870

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

SECTOR WEIGHTS



	Strategy	Index
Basic Materials	0%	3%
Consumer Discretionary	14%	11%
Consumer Staples	8%	6%
Energy	6%	6%
Financials	26%	21%
Health Care	18%	12%
Industrials	15%	16%
Real Estate	1%	4%
Technology	11%	14%
Telecommunications	1%	3%
Utilities	0%	5%

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

PORTFOLIO STRATEGIES

PZENA LARGE CAP FOCUSED VALUE (U.S.)

The fourth quarter capped a year characterized by strong enthusiasm for AI and continued leadership from momentum-oriented stocks. Against this backdrop, our Large Cap Focused Value strategy outperformed both the broad market and the value index during the quarter, though it lagged for the full year.

The consumer discretionary, financials, and consumer staples sectors were the largest contributors during the quarter. The largest individual contributor was discount retailer Dollar General, which delivered strong same-store sales and margin improvement, resulting in an earnings beat. Store traffic increased as higher-end customers traded down from grocery and pharmacy channels, while continued progress on shrink provided a tailwind to margins that are expected to persist into 2026. Citigroup shares rose amid strong capital markets and benign credit conditions. The company continued to repurchase stock and return capital to shareholders, while expenses related to its transformation are expected to decline next year. Cognizant also contributed following an earnings beat, as organic sales continued to come in at the top of the peer group after several years of company-specific execution challenges.

Health care, real estate, and utilities were the largest detracting sectors during the quarter. The largest individual detractor was medical products company Baxter, which declined following disappointing third-quarter results and a dividend cut. Delayed normalization of IV fluid volumes following Hurricane Helene continued to pressure revenue, while the voluntary Novum pump ship-hold announced last quarter is now expected to extend into 2026, adding further near-term pressure. Radio frequency component supplier Skyworks traded down during the quarter on weaker forward guidance and concerns about mobile demand and customer concentration. This occurred despite better-than-expected quarterly results and the announced acquisition of competitor Qorvo, creating a combination of the second- and third-largest players in radio frequency smartphone component suppliers. Shares of Fresenius Medical Care declined during the quarter despite an earnings beat, as dialysis treatment volumes remained below pre-COVID levels, particularly in the U.S. Results were driven more by cost savings and pricing than by underlying volume growth, which continued to weigh on investor sentiment.

During the quarter, we added to Baxter following share price weakness and continued to build positions in PPG, a global paints and coatings supplier, and Tyson Foods, a diversified protein producer serving retail and foodservice customers, where we see improving long-term fundamentals amid near-term uncertainty. These purchases were funded through trims to Dollar General, Citigroup, TE Connectivity, Wells Fargo, and Magna, all following strong performance. No new positions were initiated.

The portfolio remains positioned across a diverse set of idiosyncratic investment controversies, with exposure to businesses where near-term challenges obscure durable earnings power. Due to the narrow market leadership, we continue to see attractive valuation dispersion—an environment we believe remains constructive for long-term value investors. ■

PERFORMANCE SUMMARY

periods greater than 1 year annualized in USD as of Dec 31, 2025

	4Q	YTD	One Year	Three Year	Five Year	Ten Year	Since Inception 10/1/00
Pzena Large Cap Focused Value Composite - Gross	4.5%	13.0%	13.0%	12.5%	11.8%	10.3%	8.0%
Pzena Large Cap Focused Value Composite - Net	4.3%	12.2%	12.2%	11.7%	11.1%	9.5%	7.2%
Russell 1000 Value Index	3.8%	15.9%	15.9%	13.9%	11.3%	10.5%	7.8%

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 29)

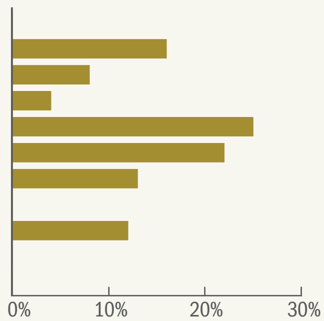
CVS Health Corp.	5.3%
Citigroup Inc.	5.2%
Baxter International Inc.	5.0%
Humana Inc.	4.9%
Wells Fargo & Company	4.6%
Capital One Financial Corp	4.3%
Magna International Inc.	4.1%
Dollar General Corp.	4.0%
Fresenius Medical Care AG	4.0%
MetLife, Inc.	3.5%
Total	44.9%

PORTFOLIO CHARACTERISTICS

	Strategy	Index
Price to Normal Earnings[1]	7.7x	14.1x*
Price / Earnings (1-Year Forecast)	11.2x	18.6x
Price / Book	1.4x	2.8x
Median Market Cap ($B)	$23.0	$14.0
Weighted Average Market Cap ($B)	$82.5	$307.7
Active Share	94.2%	-
Standard Deviation (5-Year)	19.0%	14.5%
Number of Stocks (model portfolio)	31	870

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

SECTOR WEIGHTS



	Strategy	Index
Basic Materials	0%	3%
Consumer Discretionary	16%	11%
Consumer Staples	8%	6%
Energy	4%	6%
Financials	25%	21%
Health Care	22%	12%
Industrials	13%	16%
Real Estate	0%	4%
Technology	12%	14%
Telecommunications	0%	3%
Utilities	0%	5%

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

PZENA FOCUSED VALUE (U.S.)

The fourth quarter capped a year characterized by strong enthusiasm for AI and continued leadership from momentum-oriented stocks. Against this backdrop, our Focused Value strategy lagged the value index during the quarter.

Basic materials, health care, and technology were the largest detracting sectors during the quarter. The largest individual detractor was global agricultural sciences company FMC, which declined following disappointing third-quarter results, as management cut both guidance and the dividend. Delayed customer collections in Brazil, the sale of the India business, and increased generic competition drove the revisions. Medical products company Baxter's shares were also weak following disappointing third-quarter results and a dividend cut. Delayed normalization of IV fluid volumes following Hurricane Helene continued to pressure revenue, while the voluntary Novum pump ship-hold announced last quarter is now expected to extend into 2026, adding further near-term pressure. Radio frequency component supplier Skyworks traded down during the quarter on weaker forward guidance and concerns about mobile demand and customer concentration. This occurred despite better-than-expected quarterly results and the announced acquisition of competitor Qorvo, creating a combination of the second- and third-largest players in radio frequency smartphone component suppliers.

The consumer discretionary, financials, and consumer staples sectors were the largest contributors during the quarter. The largest individual contributor was discount retailer Dollar General, which delivered strong same-store sales and margin improvement, resulting in an earnings beat. Store traffic increased as higher-end customers traded down from grocery and pharmacy channels, while continued progress on shrink provided a tailwind to margins that are expected to persist into 2026. Cognizant also contributed following an earnings beat, as organic sales continued to come in at the top of the peer group after several years of company-specific execution challenges. Citigroup shares rose amid strong capital markets activity and benign credit conditions. The company continued to repurchase stock and return capital to shareholders, while expenses related to its transformation are expected to decline next year.

During the quarter, we initiated a position in Knight-Swift, North America's largest truckload carrier. The company is operating in a prolonged freight downturn, as excess capacity added during the 2021 profit peak has persisted despite weaker demand, pressuring rates and earnings. Given its scale and network efficiency, we believe profitability should recover as conditions normalize.

We also added to Baxter following share price weakness and continued to build positions in Robert Half, PPG, and Amdocs. These purchases were funded through trims to Medtronic, Dollar General, Delta Air Lines, Citigroup, and Wells Fargo, all following strong performance.

The portfolio remains positioned across a diverse set of idiosyncratic investment controversies, with exposure to businesses where near-term challenges obscure durable earnings power. Due to the narrow market leadership, we continue to see attractive valuation dispersion—an environment we believe remains constructive for long-term value investors. ■

PERFORMANCE SUMMARY

periods greater than 1 year annualized in USD as of Dec 31, 2025

	4Q	YTD	One Year	Three Year	Five Year	Ten Year	Since Inception 1/1/96
Pzena Focused Value Composite - Gross	2.8%	8.4%	8.4%	14.1%	12.1%	10.1%	10.4%
Pzena Focused Value Composite - Net	2.5%	7.3%	7.3%	13.0%	11.0%	9.0%	9.2%
Russell 1000 Value Index	3.8%	15.9%	15.9%	13.9%	11.3%	10.5%	9.2%

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

TOP 10 HOLDINGS

(See Portfolio Notes on page 29)

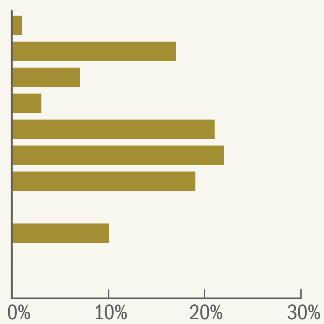
Baxter International Inc.	4.8%
Citigroup Inc.	4.4%
CVS Health Corp.	4.4%
Capital One Financial Corp.	4.3%
Humana Inc.	4.2%
Dollar General Corporation	4.2%
Wells Fargo & Company	4.1%
Lear Corporation	3.7%
Universal Health Services, Inc.	3.4%
Magna International	3.2%
Total	40.7%

PORTFOLIO CHARACTERISTICS

	Strategy	Index
Price to Normal Earnings[1]	7.3x	13.8x*
Price / Earnings (1-Year Forecast)	11.2x	18.6x
Price / Book	1.4x	2.8x
Median Market Cap ($B)	$15.7	$14.0
Weighted Average Market Cap ($B)	$61.2	$307.7
Active Share	94.3%	-
Standard Deviation (5-Year)	20.0%	14.5%
Number of Stocks (model portfolio)	37	870

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

SECTOR WEIGHTS



	Strategy	Index
Basic Materials	1%	3%
Consumer Discretionary	17%	11%
Consumer Staples	7%	6%
Energy	3%	6%
Financials	21%	21%
Health Care	22%	12%
Industrials	19%	16%
Real Estate	0%	4%
Technology	10%	14%
Telecommunications	0%	3%
Utilities	0%	5%

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. mid-cap market was up modestly during the quarter but trailed large caps for both the quarter and the year. Within the mid-cap universe, value outperformed growth for the quarter and the year, though the portfolio underperformed its benchmark.

The largest sector detractors in the quarter were basic materials, consumer discretionary, and technology. Advanced Auto Parts was the largest individual detractor following cautious management commentary on a challenging consumer environment and lower cash flow guidance tied to inventory buildup. The company remains on track with its turnaround plan, with progress in the Do-It-For-Me segment and improving operating margins. Medical products company Baxter also underperformed due to lower IV fluid demand and ongoing issues related to its Novum pump recall. We believe these issues are temporary, and we expect the company to maintain its industry leadership. Global agricultural sciences company FMC also detracted from performance as it faced increasing price competition from generics and reduced guidance.

The top contributing sectors this quarter were industrials, financials, and energy. Discount retailer Dollar General delivered strong same-store sales and margin improvement, resulting in an earnings beat. Store traffic increased as higher-end customers traded down from grocery and pharmacy channels, while continued progress on shrink provided a tailwind to margins that is expected to persist into 2026. Cognizant also performed well, driven by continued organic growth and operating margin improvement from strong execution on fixed rate contracts. Lastly, automotive supplier Magna appeared to turn the corner, delivering strong profitability driven by restructuring-related cost reductions and successful tariff pass-through. They also lowered capital spending guidance and announced a ten percent share repurchase authorization.

We initiated two new positions during the quarter. Knight-Swift is North America's largest truckload carrier with a diversified service platform. The company is operating in a prolonged freight downturn, as excess capacity added during the 2021 profit peak has persisted despite weaker demand, pressuring rates and earnings. Given its scale and network efficiency, we believe profitability should recover as conditions normalize. We also added Webster Financial, a Connecticut-based regional bank with a differentiated deposit franchise through its Health Savings Account business, providing a source of low-cost funding. The company benefits from an efficient cost structure and trades at a discount to its peers.

We continued to build our positions in sensor manufacturer Sensata, global staffing firm Robert Half, and Baxter, all on weakness.

These purchases were funded by trimming Universal Health, Dollar General, and CNO Financial on strength, and by selling Delta and SS&C as they neared fair value and Comerica as it is being acquired by Fifth Third, another portfolio company.

Mid-cap stocks remain particularly depressed, posting the weakest performance for the year among market-cap ranges. While relative performance has been challenging, our Mid Cap Focused Value portfolio is currently among the least expensive we manage, offering opportunities at attractive valuations. ■

PERFORMANCE SUMMARY

periods greater than 1 year annualized in USD as of Dec 31, 2025

	4Q	YTD	One Year	Three Year	Five Year	Ten Year	Since Inception 9/1/98
Pzena Mid Cap Focused Value Composite - Gross	-1.1%	0.4%	0.4%	7.8%	9.6%	10.0%	11.6%
Pzena Mid Cap Focused Value Composite - Net	-1.4%	-0.6%	-0.6%	6.8%	8.5%	8.9%	10.5%
Russell Midcap Value Index	1.4%	11.0%	11.0%	12.3%	9.8%	9.8%	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 29)

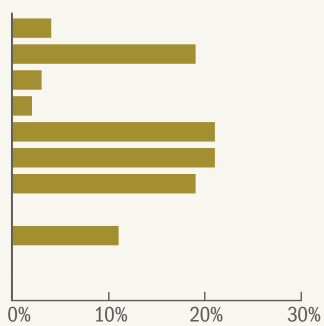
Humana Inc.	5.2%
Baxter International Inc.	5.0%
Dollar General Corp	3.5%
Advance Auto Parts Inc.	3.5%
Magna International Inc.	3.4%
Fresenius Medical Care AG	3.2%
Capital One Financial	3.2%
Globe Life Inc.	3.2%
Corebridge Financial	3.1%
Robert Half	3.0%
Total	36.3%

PORTFOLIO CHARACTERISTICS

	Strategy	Index
Price to Normal Earnings[1]	6.8x	12.8x *
Price / Earnings (1-Year Forecast)	10.6x	17.4x
Price / Book	1.2x	2.4x
Median Market Cap ($B)	$9.5	$11.4
Weighted Average Market Cap ($B)	$18.0	$27.2
Active Share	96.3%	-
Standard Deviation (5-Year)	21.2%	16.9%
Number of Stocks (model portfolio)	37	717

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

SECTOR WEIGHTS



	Strategy	Index
Basic Materials	4%	4%
Consumer Discretionary	19%	13%
Consumer Staples	3%	5%
Energy	2%	7%
Financials	21%	16%
Health Care	21%	8%
Industrials	19%	21%
Real Estate	0%	9%
Technology	11%	10%
Telecommunications	0%	1%
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.)

Markets rose throughout the fourth quarter, with small caps slightly underperforming large caps and finishing the year significantly behind. Within small caps, value outperformed growth, offsetting much of the underperformance from earlier in the year. Our portfolio materially underperformed the benchmark during the period, as stocks experienced negatively skewed reactions to earnings, and many small-cap stocks seemed to have no market bid during periods of uncertainty.

The consumer discretionary, industrials, and basic materials sectors all detracted from performance this quarter. The largest individual detractor was auto parts retailer Advance Auto Parts, which traded down on concerns around consumer sentiment and top-line underperformance versus peers, after having been a top contributor earlier in the year. We remain confident in the company's turnaround efforts and believe the magnitude of the stock reaction reflects the market's sensitivity to short-term uncertainty. Automotive seat manufacturer Adient also detracted after reporting weaker-than-peer guidance for the coming year, reflecting customer expectations rather than share losses or internal challenges. American Woodmark, the cabinet manufacturer merging with MasterBrand, was another source of weakness. The stock traded down on incremental tariffs on cabinets imported from Mexico, though its manufacturing footprint is similarly positioned to or better than its peers, and the tariffs have since been delayed.

The financials sector was the top performer during the quarter. Private-label credit card company Bread Financial contributed following strong earnings and better-than-expected credit trends. Spectrum Brands rose after an earnings beat in its Home & Garden and Pet businesses, offsetting ongoing weakness in the Appliance business. Luggage manufacturer Samsonite also contributed after reporting better-than-expected earnings, as sales stabilized following prior declines.

We initiated a position in leading recreational vehicle and boat manufacturer Winnebago Industries. The stock has been under pressure due to industry-wide cyclical headwinds as well as company-specific execution issues. The industry is highly consolidated, and the company is well positioned to capitalize on industry volumes normalizing over time. We also initiated a position in Myers Industries, a diversified manufacturer of plastics-based material handling and protection products. After years of underperformance driven by acquisitions and neglect of organic growth opportunities, we believe the new management's focus on internal investment and footprint rationalization will lead to improved financial results. We also continued to build our position in sensor manufacturer Sensata and added to our holdings in contact center company Concentrix and staffing company Robert Half on weakness. We funded these purchases by exiting hospitality REIT DiamondRock and trimming Resideo and Trimas on strength.

Small-cap stocks remain particularly depressed relative to larger companies, and our relative performance has been challenged. However, our Small Cap Focused Value portfolio remains attractively valued and is the most inexpensive portfolio across the firm. ■

PERFORMANCE SUMMARY

periods greater than 1 year annualized in USD as of Dec 31, 2025

	4Q	YTD	One Year	Three Year	Five Year	Ten Year	Since Inception 1/1/96
Pzena Small Cap Focused Value Composite - Gross	-4.8%	-4.4%	-4.4%	7.6%	8.9%	9.0%	12.2%
Pzena Small Cap Focused Value Composite - Net	-5.1%	-5.4%	-5.4%	6.6%	7.8%	7.9%	10.9%
Russell 2000 Value Index	3.3%	12.6%	12.6%	11.7%	8.9%	9.3%	9.3%

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

TOP 10 HOLDINGS

(See Portfolio Notes on page 29)

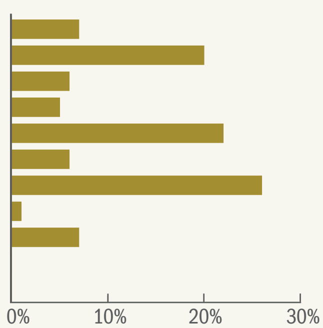
Spectrum Brands Holdings, Inc.	4.1%
Webster Financial Corp.	3.4%
Douglas Dynamics, Inc.	3.3%
Advance Auto Parts, Inc.	3.2%
Adient plc	3.1%
AEBI Schmidt Holdings AG	3.1%
Columbia Banking System	2.8%
Sensata Technologies Holdings	2.8%
Concentrix	2.8%
Old National	2.7%
Total	31.3%

PORTFOLIO CHARACTERISTICS

	Strategy	Index
Price to Normal Earnings[1]	6.8x	12.4x *
Price / Earnings (1-Year Forecast)	11.3x	13.7x
Price / Book	1x	1.3x
Median Market Cap ($B)	$1.8	$0.8
Weighted Average Market Cap ($B)	$3.1	$3.4
Active Share	96.3%	-
Standard Deviation (5-Year)	23.9%	20.2%
Number of Stocks (model portfolio)	47	1,426

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

SECTOR WEIGHTS



	Strategy	Index
Basic Materials	7%	5%
Consumer Discretionary	20%	13%
Consumer Staples	6%	2%
Energy	5%	7%
Financials	22%	26%
Health Care	6%	11%
Industrials	26%	12%
Real Estate	1%	10%
Technology	7%	6%
Telecommunications	0%	3%
Utilities	0%	6%

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

PZENA FOCUSED CREDIT OPPORTUNITIES

Stressed-performing credit markets remained under pressure during the fourth quarter, as investors sought to de-gross "risky" exposures—primarily lower-rated debt—regardless of underlying business fundamentals. Although our strategy declined during the quarter, it demonstrated resilience on a year-to-date basis amid weakness in the stressed-performing segment on which we focus.

Auto parts supplier First Brands' loans were the primary detractor, as uncertainty surrounding the issuer persisted following its extraordinary bankruptcy in September 2025. As a member of an ad-hoc committee overseeing the company's restructuring, we have been monitoring the situation closely. Meanwhile, Wellpath, a provider of medical services to correctional facilities, and EmployBridge, a light industrial staffing firm, were top contributors during the quarter. Both companies posted strong third-quarter results, lifting the trading levels of our positions meaningfully. These investments represent idiosyncratic opportunities, underscoring the largely uncorrelated nature of our strategy relative to broader markets.

We initiated a position in Brazilian airline Azul's debtor-in-possession (DIP) super-priority bonds, which pay a 15% coupon and carry a loan-to-value ratio of just 29% based on collateral appraisals completed as part of the company's Chapter 11 process. Like its peers—including LATAM Airlines, Aeromexico, Avianca, and Abra Group, all of which we have invested in the portfolio—Azul was forced to file for Chapter 11 bankruptcy in May 2025 due to lingering issues stemming from the COVID-19 pandemic. Further within Latin American carriers, we added to Abra Group's senior secured bond and Avianca's first-lien exit bonds. These bonds carry low leverage and coupons of 14% and 9 5/8%, respectively. The extensive knowledge of global and Latin American regional aviation we have developed through our equity investments in Delta Air Lines and Wizz Air, along with fundamental research and engagement with Copa Airlines, which competes with Avianca and LATAM, supports our analysis of these issuers.

We also funded First Brands' new DIP loan while exiting positions that became subordinated to it. Again, we have gained comprehensive industry perspective through our equity investments, including Advance Auto Parts and Genuine Parts Company.

Additionally, we sold specialty chemicals company KIK Consumer Product's term loan, as a plant fire in 2025 widened the investment's range of potential outcomes considerably; our global equity research also reinforced the decision, indicating potentially persistent industry-wide headwinds.

Despite historically tight spreads in the broader high-yield bond and leveraged loan markets, we find a far more compelling opportunity set within the stressed-performing credits.

As of quarter-end, our portfolio's cash yield was approximately 10%, exceeding yields available in both the broader public credit markets and the direct lending market. Our focus remains on unique situations that offer disproportionally high yields relative to underlying credit fundamentals, which we believe provide a risk/reward profile materially skewed in our favor. This focus is reflected in the portfolio's average yield to maturity of 13.5%, achieved alongside modest 3x average portfolio leverage. ■

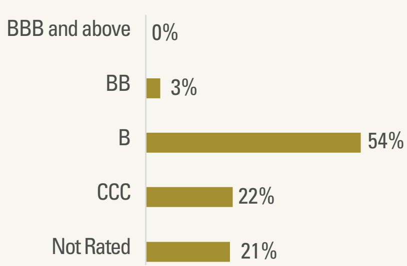
PERFORMANCE SUMMARY

periods greater than 1 year annualized in USD as of Dec 31, 2025

	4Q	YTD	One Year	Three Year	Since Inception 7/1/22
Focused Credit Opportunities Composite – Gross	-1.8%	1.8%	1.8%	8.1%	7.6%
Focused Credit Opportunities Composite – Net	-1.9%	1.1%	1.1%	6.6%	6.2%

Returns in USD through December 31, 2025. 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



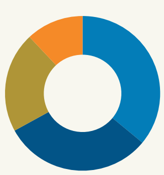
Weights adjusted for cash – may appear higher than actual. Numbers may not add to 100% due to rounding. Data as of Dec 31, 2025. Source: PitchBook Data, Inc.

PORTFOLIO CHARACTERISTICS

Number of Issuers	36
Median Tranche Size	$580M
Average Coupon	S+650
Yield to Maturity*	13.5%
Average Maturity	2.8 yrs
Average Net Leverage**	2.95x
% with Covenants	80%

* Portfolio weighted average yield to maturity
**Issue-level leverage ratio calculated as: Issue size at par/EBITDA. Data as of December 31, 2025. Past performance is not indicative of future returns.

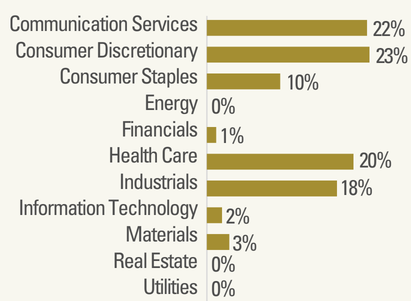
CREDIT TYPE DISTRIBUTION



Secondary	36%
Exit Facility	31%
Troubled Syndication	21%
Restructured/Chpt 11	12%

Weights adjusted for cash – may appear higher than actual. Numbers may not add to 100% due to rounding. Data as of Dec 31, 2025. 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 Dec 31, 2025. 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%
Pzena 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%	1.8%
Focused Credit Opportunities Composite - Net	12.0%	7.0%	1.1%

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, excluding performance fees, 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 section 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 (Daikin Industries) was held in our Global Focused Value, Global Value, International Focused Value, International Value, Japan Focused Value, and other strategies during the fourth quarter of 2025. These securities were selected to illustrate our research process and not based on performance. Top 10 holdings for our strategies have been derived from the strategy's composite. Holdings will vary among client accounts as a result of different product strategies having been selected thereby. Holdings also may vary among client accounts as a result of opening dates, cash flows, tax strategies, etc. There is no assurance that any securities discussed herein remain in your portfolio at the time you receive this report or that securities sold have not been repurchased. The securities discussed do not represent an account's entire portfolio and, in the aggregate, may represent only a small percentage of an account's portfolio holdings.

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, excluding performance fees, to illustrate the impact of fees on performance returns. As product fees change, the current highest tier schedule will be in effect.

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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 investmeThsnts 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).

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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

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