

# Quarterly Report to Clients

First Quarter 2026

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# To Our Clients

Global equity markets retreated in the first quarter, pressured by AI disruption fears, geopolitical tensions, and private credit concerns. Developed markets fell while emerging markets were broadly flat. Value outperformed growth across most regions, a meaningful reversal from 2025's momentum-driven environment. Portfolio results were mixed: U.S. strategies lagged their benchmarks, emerging markets outperformed, and developed ex-U.S. portfolios beat the style-neutral index, though they trailed value indices.

Periods of heightened fear and indiscriminate selling are when we tend to find the most compelling opportunities. At such times, fundamentally strong businesses become available at prices that do not reflect their long-term earnings power. Our Global Research Review covers the quarter's portfolio activity, including initiating positions in deeply discounted IT and business services franchises where AI anxiety created attractive entry points, as well as trimming financials and metals that had appreciated to our estimate of fair value.

Our Commentary takes a hard look at transformative technology cycles and why breakthrough innovation has historically been a poor predictor of investment returns. We examine today's AI landscape through that lens and identify where the gap between market expectations and business reality is likely to be widest.

This quarter's Highlighted Holding is MasterBrand, the dominant U.S. cabinet manufacturer. Depressed housing turnover and tariff-related cost headwinds have pushed the stock to an undemanding valuation that we believe understates normalized earnings. The pending American Woodmark acquisition adds scale and supply chain optionality, reinforcing our conviction in the recovery thesis.

In Stewardship Insights, we share what we learned from engaging the greenhouse gas emitters in our portfolios on climate policy and capital allocation. We identify three ways policy design can destroy investment value and offer a framework for what more effective climate policy would look like.

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

Sincerely,  
Pzena Investment Management

Past performance does not predict future returns.

## PZENA COMMENTARY

Heavy investment, uncertain adoption, and wide outcome dispersion define today's AI landscape. Our focus is on identifying where expectations and reality are most likely to diverge.

Artificial intelligence is driving a significant shift in capital allocation and investor expectations across global markets, as large-scale investment is occurring alongside considerable uncertainty about how value will ultimately be created and captured.

Three themes frame our perspective:

- The scale of current investment and its implication for future returns
- How markets are pricing disruption and the range of potential outcomes
- Where we are finding opportunities as value investors in response to these dynamics

### THE SCALE OF INVESTMENT

The amount of capital now flowing into AI investment is extraordinary. Annual AI data center capital expenditures could reach approximately \$1.4 trillion by the end of the decade, with cumulative investment measured in the trillions of dollars<sup>1</sup>. At the same time, roughly \$20 trillion of market capitalization is now associated with AI-related companies, comparable to the size of entire developed equity markets such as Europe or Japan<sup>2</sup>.

The world is in the early stages of one of the largest capital investment waves in modern history. The scale alone demands scrutiny.

### A FAMILIAR PATTERN, WITH HIGHER STAKES

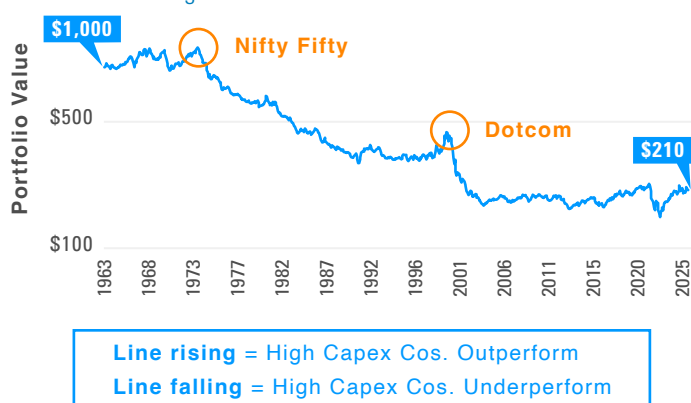
Booms in capital spending have often historically been followed by overcapacity and disappointing returns. Energy (shale), memory semiconductors, and telecom infrastructure have repeatedly demonstrated this familiar pattern. Periods of large-scale technological investment have exhibited a similar dynamic. In the late 19th century, railroad construction absorbed a meaningful share of U.S. economic activity. The impact was substantial,

1. Source: J.P. Morgan estimates of AI data center capital expenditures; McKinsey Global Institute estimates of cumulative data center investment.  
2. Source: Bespoke Investment Group, as cited by MarketWatch (~\$20.7 trillion AI-related equity market capitalization).

lowering transportation costs and enabling national markets, and may have increased U.S. GDP by as much as 25%<sup>3</sup>. Yet investor outcomes were far less attractive, with many railroad companies entering bankruptcy following periods of overbuilding.

A century later, the buildout of internet and telecom infrastructure again required substantial capital. While the technology proved transformative, many of the companies that financed and constructed it generated weak returns. The scale of investment and the magnitude of economic impact do not necessarily translate into attractive returns for investors, as highlighted by these cycles (see Exhibit 1). The benefits tend to accrue to end users, the broader economy, and scaled market leaders, rather than to the providers of capital.

**Exhibit 1: High Capex Has Historically Led to Lower Returns**  
Performance of High vs. Low Investment Stocks in the U.S.



Source: Kenneth R. French, Pzena analysis  
Blue line represents a portfolio that is long high investment stocks and short low investment stocks, displayed using a logarithmic scale. Companies are ranked by annual asset growth where High = top 30% and Low = bottom 30%. Monthly data from July 1st, 1963 to December 31st, 2025. Universe is all NYSE, AMEX, and NASDAQ stocks defined by Kenneth R. French data library.  
Does not represent any specific Pzena product or service. Past performance does not predict future returns.

Despite the scale of AI investment, the economic question remains unchanged: who ultimately earns an adequate return on this capital?

### DISRUPTION AND THE RANGE OF OUTCOMES

Markets appear to be pricing in both widespread

3. Source: Donaldson and Hornbeck (2016), Railroads and American Economic Growth.

disruption and broad displacement. In practice, outcomes are likely to be uneven. Scaled incumbents, including large banks, are often well positioned to capture efficiency gains given advantages in data, distribution, and capital. However, those gains are unlikely to remain proprietary, as competition erodes excess returns.

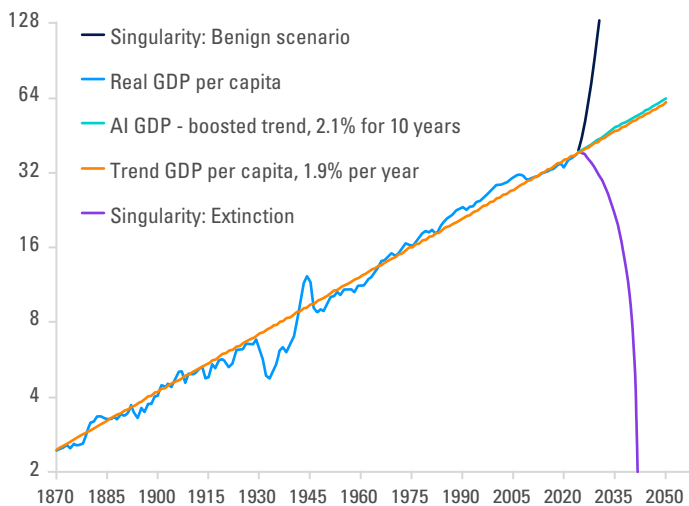
AI is likely to act as a source of both efficiency and disruption, with results varying across companies. The pace of change adds to this uncertainty, as successive model improvements reshape perceptions of competitive advantage. The timing and shape of adoption also remain unclear. Current investment represents a forward bet on demand, but how quickly that demand materializes, and who captures it, is uncertain. Open-source models and global competition further increase the risk of commoditization.

The result is a wide and asymmetric range of outcomes, reinforcing that dispersion is likely to occur at the company level. The potential paths for AI span a wide range of outcomes, not only for the economy, but also across industries and at the individual company level (see Exhibit 2).

**Exhibit 2: AI Implies a Wide Range of Potential Outcomes**

Possible Paths for AI Progress

1990 dollars (thousands), log scale



NOTES: The blue line is real gross domestic product (GDP) per capita in 1990 dollars. The orange line is a trend line fitted to the data for 1870 – 2024 with a trend growth rate of 1.9 percent per year. The navy, green and purple lines are hypothetical paths for per capita GDP based on different scenarios. SOURCES: Bureau of Economic Analytics; Haver Analytics; Macroeconomic.net; United Nations; authors’ calculations. Federal Reserve Bank of Dallas

**WHAT WE DO AS VALUE INVESTORS IN LIGHT OF AI**

We do not claim to know the ultimate winners in AI. The scale of investment and uncertainty around adoption make that impossible at this stage.

Importantly, we believe uncertainty creates opportunity. Markets tend to overreact when outcomes are unclear, and entire industries have seen sharp drawdowns as investors attempt to price AI disruption. Pricing long-duration and highly uncertain outcomes is difficult when narratives dominate near-term expectations, but that volatility can be fertile investment ground for long-term investors.

**DIRECT BENEFICIARIES**

We maintain selective exposure to areas with clearer demand visibility, where AI-related investment is already contributing to growth, including parts of the semiconductor ecosystem, cloud platforms, and infrastructure-related businesses. Examples include Samsung, TSMC, Alibaba, and suppliers such as Hon Hai and United Integrated Services. We also see second-order effects in energy, particularly in companies exposed to natural gas, such as Shell and Equinor.

Importantly, our investment cases are not predicated on AI spending continuing indefinitely. In most cases, AI represents incremental upside rather than the core thesis of the business. Several of our positions have appreciated, as expectations have increased, and we have exited some as they approached our estimate of fair value.

Our aggregate exposure to AI-related investments remains modest. Even within these areas, outcomes are unlikely to be uniform, and our focus remains on individual companies.

**BUSINESSES UNDER PRESSURE**

Compelling opportunities may also exist in companies perceived to be at risk from AI. Across several industries, valuations reflect an assumption that the profit pool will shift. Staffing, IT services, customer service outsourcing, and parts of the

software industry are being repriced under the belief that AI will materially impair their economics.

The key question is not whether AI will have an impact, but how that impact will be distributed across companies.

### STAFFING AND IT SERVICES

The bear case for both staffing and IT services is similar: if AI reduces the need for labor, demand for intermediaries is expected to decline. However, current conditions reflect more than structural change. Staffing is still adjusting from post-COVID over-hiring, while IT spending is being delayed, as enterprises reassess deployment. Near-term weakness may be overstated as a long-term trend.

Both industries have adapted to change historically. In staffing, uncertainty increases the value of flexibility, and, in IT services, greater technological capability increases implementation complexity. AI introduces similar dynamics. While some tasks become more efficient, deploying AI at scale remains complex, and most organizations lack the internal capabilities to manage this transition.

Companies such as Randstad, Cognizant, and Accenture operate within this gap. While demand may evolve, it is not clear that it declines in a sustained way. Outcomes are likely to vary at the company level.

### CUSTOMER SERVICE

Customer service outsourcing is often viewed as a clear casualty of AI. In practice, companies such as Teleperformance manage complex interactions across channels and geographies. AI may reduce simple interactions, but it also introduces new complexity in hybrid systems.

The likely outcome is a shift in service mix rather than obsolescence. Current valuations appear to discount a more severe outcome.

### SOFTWARE

Software presents a more nuanced case. AI may reduce development costs and lower barriers to entry, while enhancing the value of certain platforms. Outcomes are likely to be company-specific. We are examining the sector for opportunities, while remaining mindful of value traps.

### THE COMMON THREAD

As markets attempt to price long-term structural change in real time, they may often overshoot, particularly in sectors perceived to be at risk. This creates opportunity. When valuations imply severe disruption, outcomes do not need to be perfect, only better than what is priced in.

### POSITIONING FOR ASYMMETRY

We believe the AI cycle is still in its early stages. Heavy investment, rapid change, and uncertain outcomes are likely to drive continued volatility. Rather than trying to identify future winners, we focus on situations where the balance of risk and reward is favorable.

Our approach is to maintain humility and focus on asymmetry, investing where we believe downside is limited and upside is meaningful if outcomes are even modestly better than expected.

### CLOSING THOUGHT

AI may prove to be highly transformative. But transformative technologies do not necessarily produce attractive investment returns. Our objective is not to predict the future with precision, but to identify where expectations and reality are most likely to diverge.

## GLOBAL RESEARCH REVIEW

Investors' anxieties on AI and macro-related risks drove heightened volatility but presented attractive entry points in what we believe to be deeply undervalued, quality franchises whose stocks are trading on sentiment rather than fundamentals.

Global stocks started the year on solid footing, with value outpacing growth<sup>1</sup>, as the AI trade lost some steam and investors began to anticipate further rate cuts from the Fed. Sentiment shifted abruptly in the second half of the quarter, prompted by concerns around cracks in the private credit market and, subsequently, the military escalation in the Middle East. We were able to take advantage of specific pockets of strength earlier in the quarter—particularly in financials and metals—by trimming outperformers and using the proceeds to capitalize on acute AI disruption fears.

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

As of March 31, 2026

	Cheapest Quintile P/N <sup>1</sup>	Universe Median P/N <sup>2</sup>
Global	7.9	14.6
U.S.	7.1	12.9
European	7.6	12.8
Japan	8.5	14.0
Emerging Markets	9.0	18.5

Source: Pzena analysis

1. The "cheapest quintile" includes the cheapest 20% of stocks based on Pzena's estimates of their price-to-normal earnings valuations, measured on an equally weighted basis within their relative universes (as defined below).

2. Universes comprise the largest stocks by market capitalization for each region as follows: ~2,000 largest global; ~1,000 largest US; ~750 largest European; ~750 largest Japanese; ~1,500 largest in non-developed markets.

### AI PANIC CREATES OPPORTUNITY

In early February, Anthropic unveiled its latest AI tool, Claude Cowork, exacerbating investors' growing "SaaSocalypse" fears<sup>2</sup>. The notion that AI would eventually displace a large swath of the software industry fed into concerns about the viability of IT services, consulting, and even traditional ad agency business models. Accenture, Cognizant, and Publicis, which were already contending with a post-pandemic cyclical pullback in corporate IT and advertising budgets, fell—unjustifiably, in our view—in concert

1. MSCI AC World Growth/Value

2. Investor concern that widespread adoption of AI could materially disrupt the revenue outlook for Software-as-a-Service business.

with software stocks, and we added to each existing holding on weakness, while also initiating a position in Luxembourg-based Globant SA.

Shares of Accenture, a high-quality global IT services franchise, have languished since early 2025, as management teams cut back on IT spending, while investors continue to worry that AI could depress pricing across the industry. In our view, the slowdown appears cyclical in nature, rather than structural, driven by cautious client budgeting following several years of heavy digital investment, not by AI displacement. Based on our research and conversations with management teams across industries, we believe the market is misidentifying what is likely to be a key tailwind for Accenture; that is, in order to effectively integrate AI into their operations, businesses must modernize their legacy infrastructure, improve governance, and clean up their data. This plays directly to Accenture's strengths in large-scale business transformation and integration. As enterprises move from AI pilots and preparation to actual deployment, Accenture should be well positioned as an indispensable facilitator of these transformations, capturing renewed demand for complex implementation work, which the market appears to be completely overlooking.

Cognizant, a leading U.S.-based IT services provider, has succumbed to the same pullback in discretionary IT spending that Accenture is contending with, eliciting investor concerns that enterprise AI adoption is permanently disrupting its business model. AI has reduced companies' software development costs, which has weighed on IT services' top lines. However, Cognizant's fastest growing segment over the past year, Financial Services, also happens to be the sector of the economy spending the most money on AI platforms. This reflects Cognizant's successful pivot in recent years to securing larger deals with deep-pocketed clients who are continuing to partner with them on both AI- and non-AI-related technology initiatives, which we expect to persist. Cognizant's share price has nonetheless fallen precipitously despite accelerating organic growth in conjunction

with margin expansion; in our view, this disconnect has presented a compelling re-entry point for a business that continues to improve, not deteriorate, amid the AI revolution.

Publicis, one of the world's largest ad agencies, has similarly been weak on investor concerns that AI could disintermediate the industry. While AI may automate parts of the creative process, the bulk of agency value today lies in data integration, media planning, and maximizing tangible returns on marketing dollars—complex functions that are increasingly important to large global advertisers, where Publicis excels. Further weighing on agencies' valuations, the industry has steadily lost share to search and social platforms over much of the past decade. Our research indicates that this share leakage is stabilizing as spending becomes more diversified across platforms, while scaled ad agencies like Publicis demonstrate measurable value through data-driven advertising campaigns. Publicis has outperformed peers by combining data, technology, and digital transformation capabilities within its marketing services, allowing it to link media and creative execution to measurable returns for clients. As marketing becomes increasingly data-driven and outcome-based rather than purely creative, Publicis is poised to gain share, demonstrating the value of its unique full-service model.

Globant is a design-led digital engineering firm focused on customer-facing applications. Despite its differentiated business model, Globant's valuation has been pressured by the same pullback in discretionary IT spending and AI disruption fears plaguing the IT services industry. While investors are overly fixated on short-term, cyclical revenue headwinds, we believe Globant's long-term earnings power is underpinned by structural growth in corporate demand for AI-enabled digital transformation. Globant's capabilities in user interface/experience, product engineering, and agile delivery position it to benefit from a rapidly expanding total addressable market, and we bought the stock at under 7x our estimate of the company's normal earnings.

### A SELL-OFF WITHOUT SUBSTANCE

Shares of Skyworks Solutions, a supplier of radio frequency (RF) semiconductors, are down roughly 30% since late October following an initially positive market reaction to the company's announced acquisition of competitor, Qorvo, for \$22 billion in cash and stock. In our view, the sell-off was largely sentiment-driven, with rumors of Chinese regulatory hurdles for its proposed merger, expectations for tepid global handset sales in 2026, and a potential loss of RF content on the iPhone—from which Skyworks generates two thirds of its revenue. On a fundamental basis, Skyworks' quarterly results released in early February came in ahead of Wall Street's consensus expectations on both the top and bottom lines, while the company confirmed it gained, not lost, content share on the iPhone. Despite near-term uncertainty around the demand elasticity for handsets given surging memory prices and, relatedly, what the ultimate sales mix of iPhone 18 models will be, Skyworks' fundamentals are moving in the right direction, as evidenced by a double-digit free cash flow yield, mid-single-digit dividend yield, and a net cash position on the balance sheet. Moreover, we believe the company's transformative merger with Qorvo should result in meaningful synergies, leading scale, revenue diversification away from Apple, and reduced industry competition. We added to our position with the stock trading under 7x our estimate of normal earnings.

### TRIMS ON STRENGTH

Global banks rallied through the second half of 2025 and into 2026, as volatility in global interest rates, uncertainty regarding trade flows, and accelerating capital formation related to technology infrastructure investments resulted in surging capital markets activity, healthy net interest margins, and loan growth for the money center lenders. Ahead of the February sell-off initially triggered by private credit concerns and compounded by the outbreak of war in Iran, we scaled back our positions in Citigroup, Barclays, UBS, and Wells Fargo, all on strength. We also fully exited

Abu Dhabi Commercial Bank in February after a series of strong results led to the stock approaching our estimate of fair value, and we trimmed our positions in EM lenders Banca Transilvania and OTP Bank, also on share price appreciation.

Prices of precious and industrial metals have surged over approximately the past year due to a combination of geopolitical volatility and tight supply, which coincided with rising demand, driven by data center buildouts and a step-up in global infrastructure and defense spending. This dynamic benefitted several of our holdings, including metal processing and recycling business Umicore (which was also aided by the company's pullback in value-destructive battery materials capex), German copper smelter Aurubis, and European steel giant ArcelorMittal (also aided by Europe's Carbon Border Adjustment Mechanism). We scaled back each position on strength.

## CONCLUSION

The market continues to digest the economic implications of the war in Iran, while simultaneously grappling with the theory that AI could render countless software businesses obsolete and thus inflict further pain on highly exposed alternative asset managers. One thing is clear: investors are decidedly unclear about how these dynamics will ultimately play out. This is evidenced by enormous and abrupt swings in entire sectors, often without the corresponding deterioration in fundamentals. We view these circumstances as ideal for disciplined, active value managers to buy excellent franchises whose valuations have become detached from their normal earnings power.

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## STEWARDSHIP INSIGHTS

Climate policy can drive decarbonization, but when poorly designed, it can create investment risk. We explore these risks and potential paths forward for policy to better incentivize decarbonization investments at attractive rates of return.

### INTRODUCTION

The energy transition is a multidecadal reorientation of capital away from traditional fossil fuels toward lower-carbon alternatives. Industry decarbonization pathways and company net-zero commitments often depend, in large part, on climate policy. As long-term investors focused on sustainable earnings growth, we expect transition investments to be grounded in economic discipline, not only environmental ambition; however, in practice, this has proved challenging. While climate policy has shown it can reduce emissions in specific regions and sectors, these environmental gains have often come at the expense of attractive returns on investment. This tension can be exacerbated by how climate policy is designed and implemented.

We recently engaged some of the highest-emitting companies and industries across our portfolios, as well as some other market participants, to better understand this tension and identify potential paths forward. For the world to decarbonize at a rate that mitigates the worst effects of climate change, market incentives need to be better aligned with actions to reduce emissions. Our thinking on this topic continues to evolve through ongoing research and engagement; what follows is our current perspective.

### CLIMATE POLICY CAN BECOME AN INVESTMENT RISK

Climate policy may translate into an investment risk when there is an inherent flaw in policy design. Some of the risks we have contended with in our research and investment diligence include three ways in which climate policy can “fail”: when policy is too aggressive, when it is too abstract, and when an investment becomes overly reliant on it.

#### 1. Climate policy is too aggressive

In cases where climate policy seeks to drastically bend the emissions curve over a short period of time, companies may not be able to make the investments required at an attractive rate of return. For example, the EU’s carbon market via the Emissions Trading

System (ETS) has been successful in cutting emissions from a variety of high-emitting sectors. However, imposing a direct carbon cost on EU industry, without ensuring a level playing field with importers, exposed domestic producers to a structural cost disadvantage. In globally traded sectors such as steel and chemicals, this ultimately pressured margins and earnings. Now that geopolitical considerations have refocused policymakers on domestic supply security, the EU is considering softening its climate policy. This includes potentially providing more free carbon allowances to higher-emitting sectors subject to the ETS and delaying the implementation of ETS2 (Emissions Trading System 2) from 2027 to 2028.

Part of the conviction in our investment in steel and mining company ArcelorMittal is that the management team has approached the challenges in the European regulatory environment in a sensible manner. Management has been vocal that ArcelorMittal will not continue to spend decarbonization capex in Europe without certain changes to the policy environment that would allow attractive rates of return on these investments. These changes include: (1) reform of the Carbon Border Adjustment Mechanism (CBAM) to close loopholes, (2) green capex subsidies, and (3) long-term cost-competitive electricity prices. For more information on how we think about ArcelorMittal’s approach to decarbonization, please see p.16 in our recently published [2025 Stewardship Report](#).

#### 2. Climate policy is too abstract

Investment risk can also arise when companies try to build markets without the specific combination of policy incentives required to support nascent technology and market development. Climate policy may exist as high-level targets, but markets for early-stage, lower-carbon technologies often require a complex combination of granular policy, supporting infrastructure, and customer adoption to scale into a self-sustaining, profitable industry. Today there remains a “green premium” for many lower-carbon solutions, such that customers are often not willing to pay the higher prices, absent any offsetting policy

incentives. Typically, in these cases, returns suffer and investors penalize the decision-makers.

BP experienced this following the launch of “Reinvent BP” in 2020, which proposed an energy transition strategy at a pace well ahead of peers and out of step with market demand and policy support. As a part of that strategy, BP committed to rapid cuts to oil and gas production and an aggressive capital reallocation plan away from fossil fuels into renewables, electric vehicle (EV) charging, and hydrogen, where it lacked a structural competitive advantage. BP eventually pivoted back to a strategy more aligned with peers, but the share price has continued to reflect this strategic misstep.

We have preferred to be long-term shareholders of Shell because we think their approach to the energy transition has been more measured and therefore durable. While Shell has, at times, faced criticism for removing or refocusing discrete targets in its transition strategy, management has remained focused on areas of clear competitive advantage, where there is strong market demand. Shell’s strategy has focused investment on Liquefied Natural Gas (LNG) as a lower-emissions bridge fuel and deployed smaller amounts of capital into longer-term solutions, such as carbon capture and storage (CCS).

### **3. Over-reliance on climate policy**

Capital investments that are entirely reliant on climate policy can become just as value-destructive as those that lack policy support to begin with. Offshore wind, particularly in the U.S., has depended heavily on policy support—primarily in the form of tax credits—to generate attractive returns. Over the last several years, Orsted invested significantly in the development of a series of projects in the U.S. Investment risk emerged when the policy environment changed in 2025, and stop-work orders forced Orsted to take legal action to resume construction. The resultant project delays and inability to attract financing contributed to the need for an equity raise. There is now uncertainty about project economics longer-term and a hesitance to commit further investment.

This is not only a U.S. phenomenon. In the UK, Drax's

BECCS (bioenergy with carbon capture and storage) project has faced a gradual erosion of a subsidy framework that underpinned the business model. Drax spent significant capex to convert an existing coal generation plant to a biomass generation platform, heavily incentivized by government subsidies. Under the new policy framework, these subsidies will disappear in 2027, to be replaced by new ones at half the level of output from 2027 to 2031. Drax also faces an uncertain path beyond 2031 after the current agreement with the government ends. This may delay the timeline for the implementation of carbon capture and storage and therefore for BECCS to become fully operational, which was originally planned for 2030.

Together, these examples highlight that policy can become a single point of failure for capital investments, whether the risk manifests as a sudden reversal or slow withdrawal of support. This risk is particularly acute when the technology in question also requires significant policy support to scale and achieve adequate returns on investment.

## **OPPORTUNITIES TO IMPROVE FUTURE CLIMATE POLICY**

It may be impossible for climate policy to strike the perfect balance among all competing priorities, but we have identified a few potential opportunities for improvement:

### **1. Incentivize demand, not just supply, for low-carbon solutions**

Incentivizing both demand and supply is important if climate policy seeks to scale lower-carbon solutions at attractive rates of return for the providers of capital. Supply-side climate policy has largely taken center stage, with a focus on the decarbonization of energy sources and production processes. Without demand-side incentives that work in tandem, companies find themselves without an attractive end market.

This is why we are intrigued by the work of Carbon Measures, an organization that intends to develop comparable product carbon footprints for the most carbon-intensive industries, covering approximately 70% of global emissions. Carbon Measures builds on the e-liability methodology—highlighted in this

[newsletter in 2022](#)—which applies cost accounting principles to carbon by tracking the actual emissions embedded in a product at each stage of the supply chain rather than relying on estimates. The goal would be product- and technology-agnostic climate policy, focused on simply regulating carbon intensity thresholds for end products and services. This would allow embedded carbon to be more directly reflected in pricing and procurement decisions. Transparent price signals could then incentivize the market to drive innovation and help close the “green premium.” This work is in the early stages, but we think it has the potential to address market demand for low-carbon products and services.

### 2. Policy stability and consistency

Given that the capital cycle for many low-carbon investments is longer than any one political cycle, if policy is needed to help catalyze the market, companies need predictability and stability in the policy environment. For example, Dow has frequently pointed to the policy support via tax credits and long-term stability in the political environment in Canada as one of the key reasons why it was able to move forward with the capex required to build its first net-zero cracker in Alberta. Long-term political stability was cited by all the companies we engaged as a key precondition for any successful climate policy.

However, it is also important that policymakers can adapt quickly when newer technologies make prior regulations no longer fit for purpose. For example, nuclear small modular reactors (SMRs) do not necessarily have the same risk profile as legacy large-scale nuclear reactors, so nuclear regulations should be able to adapt as needed to reflect these differences. There is an inherent tension in policymaking between stability and the need for adaptability as new technologies emerge and evolve. Striking the right balance is critical as energy system needs change over time.

### 3. Cross-border collaboration

Finally, since climate policy is intended to address a global issue, it is important that policymakers do not operate in a silo and ignore the policy environment in other jurisdictions. While a global carbon price remains unlikely, the development of negotiated

trade agreements which have started to price carbon—such as the Carbon Border Adjustment Mechanism (CBAM)—have started to prove effective. There are also examples of isolated successful cross-border projects, such as the Norwegian government’s Northern Lights carbon capture and storage project, with investment from Equinor, Shell, and TotalEnergies. This project collects carbon dioxide from industrial sites in several European countries and transports it for storage. In August 2025, the first carbon dioxide volumes were injected and successfully stored in a reservoir beneath the Norwegian North Sea.

Part of the challenge remains that there is no single coordinating global body with the authority to regulate. The Conference of the Parties (COP) process remains the closest thing to this kind of entity, but it still relies on the commitment of individual member countries to implement and legislate. However, companies appear somewhat optimistic about isolated areas of success, made possible through the COP process. For example, the Oil & Gas Decarbonization Charter was an output from COP28. It marked the first time that many state-owned oil and gas companies publicly supported an ambition to reduce greenhouse gas emissions from their operations and achieve net zero by 2050. There may be more opportunities for successful collaboration during future COP convenings.

## CONCLUSION

Climate policy directly shapes the return profiles for companies and influences capital allocation decisions. This is the first time we have tried to distill the insights from our bottom-up, fundamental company research into a point of view on the successes and failures of global climate policy. We will continue to assess how climate policy affects individual company investments, cost curves, and long-term returns. Ongoing engagement with the higher-emitters across our portfolios remains central to this work, as we track how policy frameworks can affect shareholder returns. As appropriate, we also hope to contribute to the conversation with regulators and other market participants by sharing our evolving perspective.

## HIGHLIGHTED HOLDING: MASTERBRAND

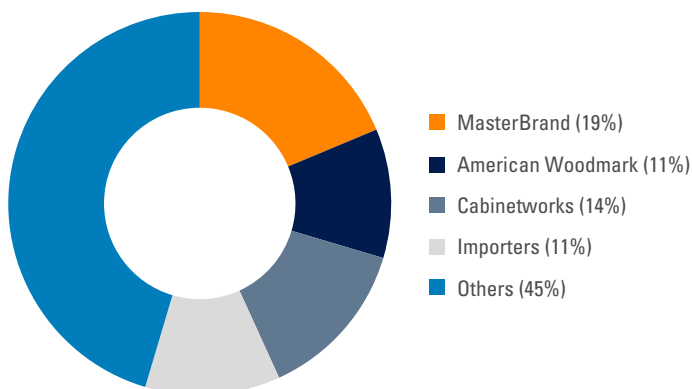
Weak housing turnover and tariff-driven cost pressure have weighed on MasterBrand’s earnings. As demand normalizes and the American Woodmark acquisition expands its scale and flexibility, we see a clear path to higher profitability.

MasterBrand is the largest manufacturer of kitchen cabinets in the United States, operating as an independent public company since its 2022 spin-off from Fortune Brands. Despite its leading market share, earnings have come under pressure as a prolonged downturn in housing turnover has reduced volumes, while tariffs on imported cabinets and components have raised costs across the industry. These headwinds have obscured MasterBrand’s underlying earnings power at a time when its pending acquisition of American Woodmark, the third-largest player in the industry, is set to further strengthen its competitive position. At 5.5x our normal earnings estimate, the shares reflect expectations for a continuation of currently depressed conditions rather than an eventual recovery in demand and profitability.

### THE KITCHEN CABINET MARKET

The U.S. cabinet industry is dominated by three national scaled players—MasterBrand, American Woodmark, and Cabinetworks—alongside a highly fragmented group of regional manufacturers and importers (Exhibit 1). Demand is driven by repair and remodel (R&R), representing roughly two-thirds of the market and served through independent dealers and home centers such as Home Depot and Lowe’s. Dealers, which provide design services, are the largest channel and typically carry higher margins, while home centers are more price competitive.

Exhibit 1: U.S. Kitchen Cabinet Market Share



Source: Company filings, industry estimates, Pzena analysis

	Price	Earnings Per Share			Price/Earnings		
		FY 26E	FY 27E	Normal*	FY 26E	FY 27E	Normal*
Master-Brand, Inc.	\$8.31	\$0.40	\$0.56	\$1.50	20.8x	14.8x	5.5x

Fiscal year-end March 31.

\*Pzena estimate of normal earnings.

Source: S&P Capital IQ, Pzena analysis

Data as of March 31, 2026.

The remaining one-third of demand is tied to new residential construction, a more volume-driven segment served through a mix of direct builder relationships as well as dealer and distributor channels.

Despite being a central feature of nearly every home, cabinets are rarely purchased based on brand, with purchasing decisions instead driven by dealers, home centers, and builders that control product selection. These channel partners prioritize price, product availability, service, and design capabilities. Products range from stock to semi-custom and custom cabinetry, with higher levels of customization generally associated with higher price points and margins.

### THE MERGER

MasterBrand’s pending acquisition of American Woodmark, expected to close in early 2026, combines the first- and third-largest players in the U.S. cabinet industry in an all-stock transaction, with the combined company retaining the MasterBrand name. The merger creates a behemoth in the industry, with over \$4 billion in pro forma revenue. Net debt to EBITDA is expected to be approximately 2.0x at close, down from 2.5x at MasterBrand on a standalone basis, reflecting American Woodmark’s lower leverage and resulting in a more conservative capital structure.

Strategically, the businesses are complementary: MasterBrand has historically skewed toward the dealer channel and higher-margin semi-custom and custom cabinetry, while American Woodmark has

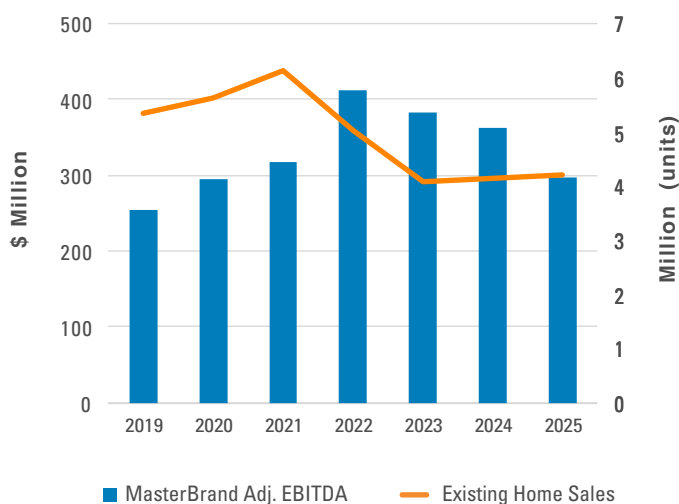
had greater exposure to the builder channel and more value-oriented stock products. The combination broadens exposure across both R&R and new construction, reducing reliance on any single channel or product segment.

The transaction is not without risks. The combined company will represent a significant share of cabinet sales at home centers, which may seek to preserve bargaining leverage by shifting volume to alternative suppliers. However, in practice, the complexity of serving these accounts and the need for consistent, nationwide supply limit the number of viable alternatives. Integration presents another risk, yet MasterBrand’s history as a roll-up of smaller manufacturers—including its 2024 acquisition of Supreme Cabinetry Brands—demonstrates a track record of successfully consolidating operations.

**HOUSING TURNOVER REMAINS DEPRESSED**

MasterBrand's organic sales and adjusted EBITDA have declined each year since peaking in 2022, reflecting a sharp deterioration in end-market demand (Exhibit 2).

**Exhibit 2: EBITDA Decline Follows Housing Turnover**



Source: Company filings, industry estimates, Pzena analysis

The primary driver has been a collapse in housing turnover, which is a key catalyst for large-scale kitchen renovations. With mortgage rates having risen from roughly 3% in 2021 to over 6% today, and the average effective rate on outstanding mortgages sitting at approximately 4.3%, homeowners face a financial disincentive to sell<sup>1</sup>. This has created a pronounced "lock-in" effect that has pushed existing home sales to near cyclical lows. While housing turnover has disproportionately impacted the R&R segment, new residential construction has offered little offset, leaving MasterBrand exposed to weakness across both end markets.

The current environment is further compounded by normalization from unusually strong pandemic-era demand. During 2020–2022, stimulus, elevated home equity, and increased time spent at home drove a surge in remodeling activity, resulting in an elevated comparison base. As these tailwinds faded, higher borrowing costs and broader affordability pressures led consumers not only to defer large discretionary renovation projects but also to trade down across product tiers, compressing average selling prices, particularly in MasterBrand's higher-margin premium and semi-custom offerings.

**TARIFFS ARE PRESSURING NEAR-TERM MARGINS**

In October 2025, the U.S. government imposed Section 232 tariffs on imported kitchen cabinets and related components from all countries, including Mexico and Canada, which were previously exempt under the United States-Mexico-Canada Agreement (USMCA). The tariffs are currently set at 25% and are scheduled to increase to 50% in 2027 absent further changes. While these measures were supported by smaller domestic manufacturers with limited import exposure, the impact is more complex for MasterBrand. Approximately 25% of the company’s cost of goods sold is tied to imports, including finished goods from Canada and Mexico and components sourced primarily from Asia, implying

1. Source: Bloomberg

unmitigated tariff exposure of roughly 5% to 6% of sales at current tariff rates.

Tariffs are creating near-term pressure on margins, with a roughly 300 basis point gross margin headwind in the most recent quarter. Management is actively working to mitigate the impact through price increases, supplier renegotiations, alternative sourcing, product redesign, and manufacturing optimization. The company can also shift production to the U.S., where it has available capacity, providing an additional lever to reduce tariff exposure if needed, particularly in a higher-tariff scenario. These mitigation efforts will take time to fully materialize, but the company expects to offset tariff costs on a run-rate basis by the end of 2026.

Over the longer term, we believe tariffs could prove to be a net positive for MasterBrand. While the company does have exposure to imported inputs, certain competitors rely almost entirely on imports, particularly at the value end of the market where these competitors had been gaining share. By eroding this cost advantage, tariffs should slow competitive pressure and support improved positioning for domestic manufacturers.

### **PATH BACK TO NORMALIZED EARNINGS**

MasterBrand's recent results reflect cyclical pressure rather than structural impairment. Housing turnover remains depressed, but the long-term drivers of cabinet spending remain intact. The median U.S. home is now a record 44 years old, and ongoing household formation continues to support demand, suggesting spending has been deferred rather than destroyed. As turnover normalizes, pent-up remodeling activity should follow. Tariffs remain a near-term margin headwind, and while management's mitigation efforts are expected to offset these costs over time, pricing actions take time to flow through channels, and sourcing and manufacturing changes require time to implement, meaning current margins have yet to reflect these efforts.

Cabinet manufacturing carries meaningful fixed costs, so a recovery in volumes should drive a disproportionate improvement in profitability as plants run more efficiently. The pending acquisition of American Woodmark further strengthens the recovery profile, adding scale, broadening channel exposure, and introducing synergy opportunities. Taken together, when the cycle turns, MasterBrand will not simply be recovering lost ground. It will be operating a larger, leaner, and better-positioned business than the one that existed before the downturn.

# Pzena Investment Strategies

	APPROXIMATE HOLDINGS	INVESTMENT UNIVERSE	TYPICAL CLIENT BENCHMARKS	STRATEGY INCEPTION DATE	PAGE #
<b>GLOBAL/NON-U.S. EQUITY STRATEGIES</b>					
<b>Global Value</b>	60 - 95	2,000 Largest Companies Worldwide	MSCI World <sup>1</sup>	1/2010	15
<b>Global Focused Value</b>	40 - 60	2,000 Largest Companies Worldwide	MSCI ACWI	1/2004	16
<b>International Value</b>	60 - 80	1,500 Largest non-U.S. Companies	MSCI EAFE <sup>1</sup>	11/2008	17
<b>International Focused Value</b>	30 - 50	1,500 Largest non-U.S. Companies	MSCI ACWI ex USA	1/2004	18
<b>International Small Cap Focused Value</b>	40 - 70	MSCI World ex USA Small Cap	MSCI World ex USA Small Cap	10/2016	19
<b>Emerging Markets Focused Value</b>	40 - 80	1,500 Largest Companies in Non-Developed Markets	MSCI Emerging Markets	1/2008	20
<b>European Focused Value</b>	40 - 50	750 Largest European Companies	MSCI Europe	8/2008	21
<b>Japan Focused Value</b>	25 - 40	750 Largest Japanese Companies	TOPIX	7/2015	22
<b>U.S. EQUITY STRATEGIES</b>					
<b>Large Cap Value</b>	50 - 80	500 Largest U.S. Companies	Russell 1000 Value <sup>®</sup>	7/2012	23
<b>Large Cap Focused Value</b>	30 - 40	500 Largest U.S. Companies	Russell 1000 Value <sup>®</sup>	10/2000	24
<b>Focused Value</b>	30 - 40	1,000 Largest U.S. Companies	Russell 1000 Value <sup>®</sup>	1/1996	25
<b>Mid Cap Focused Value</b>	30 - 40	1,000 U.S. Companies (ranked 201 – 1200)	Russell Mid Cap Value <sup>®</sup>	9/1998	26
<b>Small Cap Focused Value</b>	40 - 50	2,000 U.S. Companies (ranked 1001 – 3000)	Russell 2000 Value <sup>®</sup>	1/1996	27
<b>CREDIT STRATEGY</b>					
<b>Focused Credit Opportunities</b>	30-60 <sup>2</sup>	High yield bonds and leveraged loans	N/A	7/2022	28

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.

## PORTFOLIO STRATEGIES

# PZENA GLOBAL VALUE

Global equities began the quarter on solid footing but subsequently reversed course amid concerns surrounding the software sector coupled with an escalating conflict in the Middle East. Our portfolio outpaced its broad market benchmark but underperformed the value series.

Materials and energy drove the gains this quarter, as oil prices broke above \$100 per barrel. U.S.-based chemicals giant Dow was the largest individual contributor, as the company is well positioned to benefit from higher oil prices given its advantaged feedstock position. Memory chip producer Samsung Electronics gained, as consensus estimates continued to rise, driven by a more than 100% increase in spot memory prices. Finnish telecom equipment manufacturer Nokia was higher on investor optimism surrounding its AI-RAN (Artificial Intelligence—Radio Access Network) prospects.

The portfolio's largest detractors were in the financials and health care sectors. While IT services provider Cognizant reported strong bookings and market share gains, investor focus shifted to the sharing of AI-driven productivity gains with clients, which weighed on the stock. Health insurer Humana also detracted, as the company disclosed an unexpected 25% increase in Medicare Advantage plan membership, eliciting concerns of adverse selection. Capital One was lower, as management guided to higher expenses related to the rollout of the recently acquired Discover Financial Services network in Europe.

We added to Cognizant, Humana, Daikin Industries, and Skyworks, all on weakness. To fund these investments, we continued to trim positions in Samsung, ArcelorMittal, and Dow, all on strength.

Recent performance has been challenged by a combination of macroeconomic concerns, AI

uncertainty, and idiosyncratic developments weighing on short-term fundamentals of large, high-conviction holdings. Despite these headwinds to recent performance, we

believe the current environment provides exceptional long-term opportunity, given the portfolio's starting point of valuation and the breadth, magnitude, and quality of the opportunity set. ■

## PERFORMANCE SUMMARY periods greater than 1 year annualized in USD as of Mar 31, 2026

	1Q	YTD	One Year	Three Year	Five Year	Ten Year	Since Inception 1/1/10
Pzena Global Value Composite - Gross	-1.6%	-1.6%	16.5%	13.6%	9.1%	10.6%	9.3%
Pzena Global Value Composite - Net	-1.7%	-1.7%	15.8%	13.0%	8.5%	10.0%	8.7%
MSCI World Index	-3.6%	-3.6%	18.9%	16.8%	10.3%	11.8%	10.3%
MSCI World Value Index	1.2%	1.2%	16.6%	14.6%	9.6%	9.4%	8.3%

See Calendar Year Returns, Portfolio Notes/Disclosures and important risk information beginning on pg. 29. Past performance does not predict future returns. Returns could be impacted, positively or negatively, by currency fluctuations, where applicable.

## TOP 10 HOLDINGS

(See Portfolio Notes on page 30)

Nokia	3.1%
BASF	3.1%
Baxter Intl	2.7%
Daimler Truck Holding	2.7%
Magna International	2.6%
Cognizant Tech A	2.6%
Bristol-Myers Squibb	2.5%
Taiwan Semiconductor Mfg.	2.3%
Enel	2.3%
Dow	2.3%
Total	26.2%

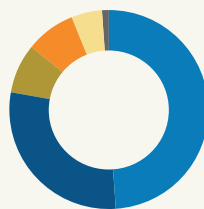
## PORTFOLIO CHARACTERISTICS

	Strategy	Index
Price to Normal Earnings <sup>1</sup>	8.3x	14.6x*
Price/Earnings (1-Year Forecast)	11.3x	18.9x
Price/Book	1.4x	3.7x
Median Market Cap (\$B)	\$28.3	\$25.8
Weighted Average Market Cap (\$B)	\$97.9	\$807.8
Active Share	95.5%	-
Standard Deviation (5-Year)	16.5%	14.6%
Number of Stocks (model portfolio)	62	1,311

Source: MSCI World Index, Pzena analysis

\*Investment universe median; <sup>1</sup>Pzena's estimate of normal earnings.

## REGION CONCENTRATION



	Strategy	Index
North America	49%	75%
Europe ex-U.K.	29%	13%
Emerging Markets	8%	0%
United Kingdom	8%	4%
Japan	5%	6%
Dev. Asia ex-Japan	1%	1%
Australia/New Zealand	0%	2%

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

## SECTOR WEIGHTS

	Strategy	Index
Communication Services	0%	9%
Consumer Discretionary	11%	9%
Consumer Staples	10%	6%
Energy	4%	5%
Financials	20%	16%
Health Care	16%	10%
Industrials	9%	12%
Information Technology	19%	26%
Materials	8%	4%
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 equities began the quarter on solid footing but subsequently reversed course amid concerns surrounding the software sector coupled with an escalating conflict in the Middle East. Our portfolio outpaced its broad market benchmark but underperformed the value series.

Materials and energy drove the gains this quarter, as oil prices broke above \$100 per barrel. U.S.-based chemicals giant Dow was the largest individual contributor, as the company is well positioned to benefit from higher oil prices given its advantaged feedstock position. Memory chip producer Samsung Electronics gained, as consensus estimates continued to rise, driven by a more than 100% increase in spot memory prices. Energy major Shell also benefited from higher oil and gas prices.

The portfolio's largest detractors were in the financials and health care sectors. The largest individual detractor was health insurer Humana, as the company disclosed an unexpected 25% increase in Medicare Advantage plan membership, eliciting concerns of adverse selection. While IT services provider Cognizant reported strong bookings and market share gains, investor focus shifted to the sharing of AI-driven productivity gains with clients, which weighed on the stock. Capital One was lower, as management guided to higher expenses related to the rollout of the recently acquired Discover Financial Services network in Europe.

We initiated a position in LKQ, an automotive parts distributor operating in North America and Europe, on weakness stemming from a decline in collision claims in North America, which we believe will prove temporary.

Recent performance has been challenged by a combination of macroeconomic concerns, AI uncertainty, and idiosyncratic developments weighing on short-

term fundamentals of large, high-conviction holdings. Despite these headwinds to recent performance, we believe the current environment provides exceptional long-term

opportunity, given the portfolio's starting point of valuation and the breadth, magnitude, and quality of the opportunity set. ■

## PERFORMANCE SUMMARY periods greater than 1 year annualized in USD as of Mar 31, 2026

	1Q	YTD	One Year	Three Year	Five Year	Ten Year	Since Inception 1/1/04
Pzena Global Focused Value Composite - Gross	-2.2%	-2.2%	15.0%	13.3%	8.7%	10.5%	7.1%
Pzena Global Focused Value Composite - Net	-2.3%	-2.3%	14.2%	12.5%	7.9%	9.7%	6.2%
MSCI All Country World Index	-3.2%	-3.2%	20.0%	16.6%	9.5%	11.3%	8.4%
MSCI All Country World Value Index	1.2%	1.2%	17.8%	14.7%	9.2%	9.1%	7.1%

See Calendar Year Returns, Portfolio Notes/Disclosures and important risk information beginning on pg. 29. Past performance does not predict future returns. Returns could be impacted, positively or negatively, by currency fluctuations, where applicable.

## TOP 10 HOLDINGS

(See Portfolio Notes on page 30)

Daimler Truck Holding	3.2%
BASF	3.1%
Ambev	3.0%
Bristol-Myers Squibb	2.9%
Magna International	2.9%
Tyson Foods A	2.9%
Baxter Intl	2.8%
Cognizant Tech A	2.7%
CVS Health	2.7%
Shell	2.5%
Total	28.7%

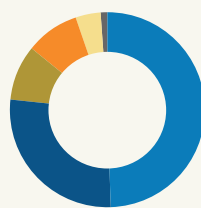
## PORTFOLIO CHARACTERISTICS

	Strategy	Index
Price to Normal Earnings <sup>1</sup>	7.7x	14.6x *
Price / Earnings (1-Year Forecast)	10.9x	17.7x
Price / Book	1.3x	3.4x
Median Market Cap (\$B)	\$23.9	\$16.1
Weighted Average Market Cap (\$B)	\$59.7	\$749.9
Active Share	97.0%	-
Standard Deviation (5-Year)	17.1%	14.3%
Number of Stocks (model portfolio)	51	2,514

Source: MSCI ACWI Index, Pzena analysis

\*Investment universe median; <sup>1</sup>Pzena's estimate of normal earnings.

## REGION CONCENTRATION



Region	Strategy	Index
North America	49%	66%
Europe ex-U.K.	27%	11%
United Kingdom	9%	3%
Emerging Markets	9%	11%
Japan	4%	5%
Dev. Asia ex-Japan	1%	1%
Australia/New Zealand	0%	2%

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

## SECTOR WEIGHTS

Sector	Strategy	Index
Communication Services	0%	8%
Consumer Discretionary	11%	9%
Consumer Staples	12%	5%
Energy	4%	5%
Financials	25%	17%
Health Care	17%	9%
Industrials	10%	11%
Information Technology	10%	26%
Materials	8%	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 saw mixed results in the first quarter, as a spike in oil prices combined with AI disruption fears led to heightened uncertainty, and our portfolio outperformed its broad market benchmark but lagged the value series.

The energy, materials, and information technology sectors all gained, and the largest individual contributor was Equinor, a major natural gas supplier in Europe. Energy major Shell, the world's largest LNG trader, was similarly strong, while memory chip giant Samsung continues to benefit from rising demand for conventional DRAM along with increased likelihood of its high-bandwidth memory chips being used by leading AI companies.

The industrials, consumer discretionary, and financials sectors all declined. The largest individual detractor, IT services company Accenture, has been weak on cyclical IT spending headwinds, fueling market concerns—which we believe are overstated—about deflationary pressure from AI. Japanese medical device maker Olympus has been plagued by product quality issues and recently provided an earnings forecast below consensus expectations. Household products and personal care company Reckitt Benckiser was down after reporting disappointing results characterized by muted volumes and weakness in its European and U.S. consumer product businesses.

We initiated a position in LVMH, the world's leading luxury conglomerate, on weakness stemming from a decline in Chinese demand across categories, as well as a broader slowdown in overall volumes. Another addition, UK-based United Utilities is a regulated water and wastewater utility. We believe increased capital investment will ultimately drive multi-period rate base growth, boosting returns. We also added Magnum Ice Cream, whose earnings have been weak due to rising raw material costs and declining growth related to higher GLP-1 uptake.

The constantly shifting macro environment and uncertainty over AI's evolution have resulted in elevated dispersion among individual stocks. We expect to continue finding opportunities

in areas where these concerns are particularly acute and potentially overstated. ■

## PERFORMANCE SUMMARY periods greater than 1 year annualized in USD as of Mar 31, 2026

	1Q	YTD	One Year	Three Year	Five Year	Ten Year	Since Inception 11/1/08
Pzena International Value Composite - Gross	0.1%	0.1%	25.2%	17.1%	10.4%	10.4%	10.3%
Pzena International Value Composite - Net	0.0%	0.0%	24.5%	16.5%	9.8%	9.8%	9.7%
MSCI EAFE Index	-1.2%	-1.2%	21.3%	13.6%	7.9%	8.4%	7.8%
MSCI EAFE Value Index	2.0%	2.0%	30.1%	19.9%	12.2%	9.3%	7.8%

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## TOP 10 HOLDINGS

(See Portfolio Notes on page 30)

Equinor	4.1%
BASF	3.1%
Daimler Truck Holding	2.9%
Michelin	2.5%
Daikin Industries	2.4%
Suntory Beverage & Food	2.4%
Sanofi	2.4%
ING Groep	2.4%
HSBC Holdings	2.3%
Bank of Ireland Group	2.3%
Total	26.8%

## PORTFOLIO CHARACTERISTICS

	Strategy	Index
Price to Normal Earnings <sup>1</sup>	8.9x	15.8x*
Price / Earnings (1-Year Forecast)	11.6x	15.2x
Price / Book	1.4x	2.1x
Median Market Cap (\$B)	\$27.4	\$19.2
Weighted Average Market Cap (\$B)	\$62.1	\$105.2
Active Share	87.5%	-
Standard Deviation (5-Year)	16.0%	15.2%
Number of Stocks (model portfolio)	65	690

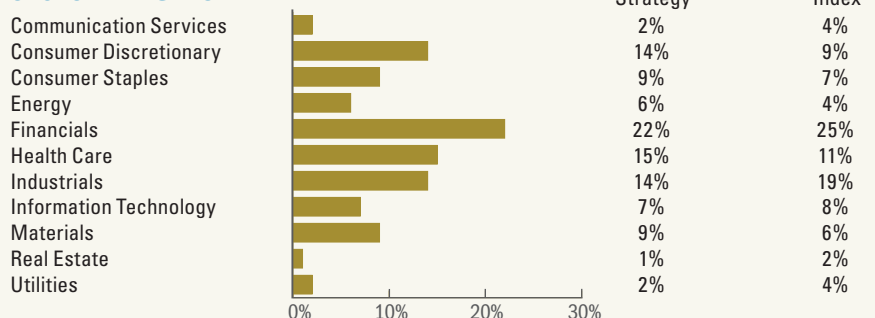
Source: MSCI EAFE Index, Pzena analysis  
\*Investment universe median; <sup>1</sup>Pzena's estimate of normal earnings.

## REGION CONCENTRATION



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

## SECTOR WEIGHTS



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

## PORTFOLIO STRATEGIES

# PZENA INTERNATIONAL FOCUSED VALUE

Non-U.S. equity markets saw mixed results in the first quarter, as a spike in oil prices combined with AI disruption fears led to heightened uncertainty, and our portfolio outperformed its broad market benchmark but lagged the value series.

The energy, materials, and information technology sectors all gained, and the largest individual contributor was Equinor, a major natural gas supplier in Europe. Energy major Shell, the world's largest LNG trader, was similarly strong, and memory chip giant Samsung continues to benefit from rising demand for conventional DRAM along with increased likelihood of its high-bandwidth memory chips being used by leading AI companies.

The industrials, consumer discretionary, and financials sectors all declined, and the largest individual detractor, global staffing company Randstad, is suffering from current labor market weakness, especially in Europe. Global ad agency Publicis has been similarly weak on AI disruption fears, while Chinese e-commerce and cloud giant Alibaba was lower on weak consumer spending in China, despite revenue from its cloud business growing by 36% year-over-year.

We initiated a position in leading global IT services provider Accenture. The stock has been weak on cyclical IT spending headwinds, fueling market concerns—which we believe are overstated—about deflationary pressure from AI. We also added Thai lender Bangkok Bank, which is suffering from domestic macroeconomic weakness but is competitively well-positioned and boasts a strong balance sheet. Another new position, Magnum Ice Cream, has had weak earnings due to rising raw material costs and declining growth related to higher GLP-1 uptake. We expect both margins and volumes to recover, as out-of-home consumption grows globally.

The constantly shifting macro environment and uncertainty over AI's evolution have resulted in elevated dispersion among individual stocks, and we expect to continue finding

opportunities in areas where these concerns are particularly acute and potentially overstated. ■

## PERFORMANCE SUMMARY periods greater than 1 year annualized in USD as of Mar 31, 2026

	1Q	YTD	One Year	Three Year	Five Year	Ten Year	Since Inception 1/1/04
Pzena International Focused Value Composite - Gross	0.3%	0.3%	26.1%	18.9%	11.1%	11.2%	8.0%
Pzena International Focused Value Composite - Net	0.2%	0.2%	25.2%	18.0%	10.2%	10.4%	7.0%
MSCI All Country World Ex-U.S. Index	-0.7%	-0.7%	24.9%	14.5%	7.0%	8.4%	6.7%
MSCI ACWI ex USA Value - Net Index	2.1%	2.1%	31.1%	19.0%	10.8%	9.0%	6.7%

See Calendar Year Returns, Portfolio Notes/Disclosures and important risk information beginning on pg. 29. Past performance does not predict future returns. Returns could be impacted, positively or negatively, by currency fluctuations, where applicable.

## TOP 10 HOLDINGS

(See Portfolio Notes on page 30)

Equinor	4.1%
BASF	3.2%
Daimler Truck Holding	2.8%
Shell	2.7%
Michelin	2.6%
Ambev	2.5%
Magna International	2.4%
Suntory Beverage & Food	2.4%
J Sainsbury	2.4%
Daikin Industries	2.4%
Total	27.5%

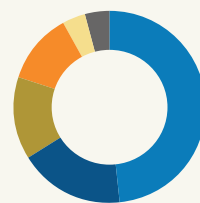
## PORTFOLIO CHARACTERISTICS

	Strategy	Index
Price to Normal Earnings <sup>1</sup>	8.4x	15.8x*
Price / Earnings (1-Year Forecast)	11.0x	14.0x
Price / Book	1.4x	2.2x
Median Market Cap (\$B)	\$24.0	\$12.9
Weighted Average Market Cap (\$B)	\$58.7	\$162.9
Active Share	92.8%	-
Standard Deviation (5-Year)	16.5%	14.9%
Number of Stocks (model portfolio)	49	1,976

Source: MSCI ACWI (ex USA) Index, Pzena analysis

\*Investment universe median; <sup>1</sup>Pzena's estimate of normal earnings.

## REGION CONCENTRATION



	Strategy	Index
Europe ex-U.K.	49%	30%
Emerging Markets	18%	31%
Japan	14%	14%
United Kingdom	12%	9%
North America	4%	9%
Dev. Asia ex-Japan	4%	2%
Australia/New Zealand	0%	4%
Dev. Africa/Middle East	0%	1%

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

## SECTOR WEIGHTS

	Strategy	Index
Communication Services	2%	5%
Consumer Discretionary	12%	9%
Consumer Staples	12%	6%
Energy	7%	6%
Financials	22%	25%
Health Care	13%	8%
Industrials	14%	15%
Information Technology	7%	16%
Materials	7%	7%
Real Estate	2%	1%
Utilities	2%	3%

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

## PORTFOLIO STRATEGIES

# PZENA INTERNATIONAL SMALL CAP FOCUSED VALUE

International equity markets declined during the quarter, as the war in Iran and the resulting energy shock weighed on growth expectations and investor sentiment. Small-cap stocks outside the U.S. underperformed, with fading risk appetite pressuring returns. Our portfolio also declined and trailed its benchmark.

Industrials, consumer discretionary, and materials were the largest detractors. Samsonite, a luggage manufacturer, declined as travel-related concerns and input cost uncertainty weighed on the shares, despite solid earnings and pricing power. Ibstock, a UK brick manufacturer, and Fletcher Building, a New Zealand building products company, were impacted by weak housing and construction activity in their respective markets.

The financials sector was the primary contributor, supported by our insurance and bank holdings. Senior, a UK engineering company, was the largest individual contributor on acquisition interest, reinforcing our view that the company's assets are undervalued. Sabre, a UK motor insurer, delivered an inflection in pricing and volumes while maintaining underwriting discipline. Origin Enterprises, an Irish agri-services company, reported resilient results, with strength in its landscaping business offsetting softer agricultural conditions.

During the quarter, we initiated positions in B&M European Value Retail and Tate & Lyle. B&M is a UK discount retailer executing a credible operational turnaround under new management, while food ingredient specialist Tate & Lyle faces cyclical headwinds from weaker demand at its core customers and an unpopular acquisition. We expect demand to improve as customers begin to focus on reinvigorating their core product offering using Tate's products. We also added to Nexity, Signify, and Solar A/S, where we see recovery potential. To fund these positions, we exited Rexel and KH Neochem on strength and trimmed Senior following its re-rating.

The portfolio remains concentrated in businesses we believe are near cyclical earnings troughs. While the macro backdrop remains uncertain, we continue to

focus on companies with durable competitive positions and a clear path to earnings normalization, where valuations reflect excessive pessimism. ■

### PERFORMANCE SUMMARY periods greater than 1 year annualized in USD as of Mar 31, 2026

	1Q	YTD	One Year	Three Year	Five Year	Since Inception 10/1/16
Pzena International Small Cap Focused Value Composite - Gross	-5.2%	-5.2%	20.4%	13.5%	11.1%	9.6%
Pzena International Small Cap Focused Value Composite - Net	-5.5%	-5.5%	19.2%	12.4%	10.0%	8.6%
MSCI World ex USA Small Cap Index	-0.4%	-0.4%	29.2%	13.8%	5.4%	7.7%
MSCI World ex USA Small Cap Value Index	-0.1%	-0.1%	30.8%	16.0%	8.1%	8.1%

See Calendar Year Returns, Portfolio Notes/Disclosures and important risk information beginning on pg. 29. Past performance does not predict future returns. Returns could be impacted, positively or negatively, by currency fluctuations, where applicable.

### TOP 10 HOLDINGS

(See Portfolio Notes on page 30)

Origin Enterprises	4.8%
Permanentsb	3.5%
Arkema	3.5%
Sabre Insurance Group	3.5%
Elders	3.2%
Fukuoka Financial Group ADR	3.1%
Signify	3.1%
Unicaja Banco	3.1%
Nexity A	3.0%
Solar B	2.8%
Total	33.6%

### PORTFOLIO CHARACTERISTICS

	Strategy	Index
Price to Normal Earnings <sup>1</sup>	6.9x	12.5x*
Price / Earnings (1-Year Forecast)	12.0x	14.2x
Price / Book	0.9x	1.5x
Median Market Cap (\$B)	\$1.5	\$1.7
Weighted Average Market Cap (\$B)	\$2.2	\$4.1
Active Share	98.4%	-
Standard Deviation (5-Year)	16.6%	16.8%
Number of Stocks (model portfolio)	42	2,218

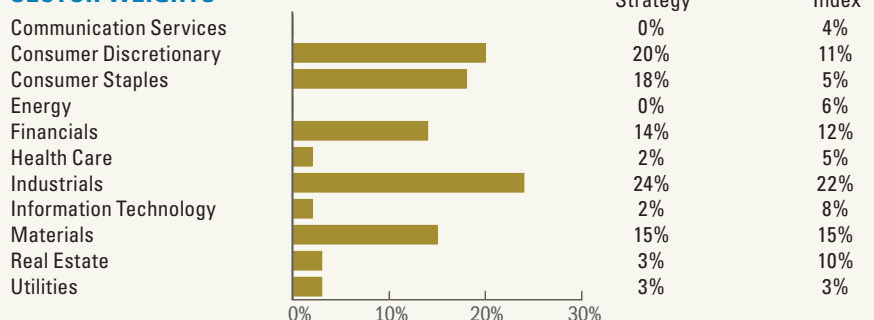
Source: MSCI World ex USA Small Cap Index, Pzena analysis  
\*Investment universe median; <sup>1</sup>Pzena's estimate of normal earnings.

### REGION CONCENTRATION



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

### SECTOR WEIGHTS



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

After a strong 2025, emerging markets equities were broadly flat during the quarter, as a sharp pullback in March amid escalating tensions in the Middle East offset a promising start to the year. Our portfolio outperformed both the broad MSCI EM benchmark and the value series.

Consumer staples, energy, and information technology were the largest contributing sectors. Samsung Electronics was the largest contributor, supported by a strengthening memory cycle driving improved pricing and margins. Brazilian oil producer Petrobras also performed well, benefiting from higher oil prices and a more established domestic fuel pricing framework. Chinese engine manufacturer Weichai Power contributed on strong demand tied to data center and infrastructure buildout.

Consumer discretionary and communication services were the largest detracting sectors. Indian lender HDFC Bank declined following leadership changes that raised governance concerns. UPL, an Indian agricultural chemicals company, was weak after announcing a restructuring, compounded by softness in global agrichemical demand. Shenzhou International, a Chinese apparel manufacturer, declined after reporting weak results, reflecting tariff-related cost pressures and softer demand.

During the quarter, we initiated positions in Globant, Kia, KT Corp and REC Ltd. Globant, a digital engineering services provider, faces near-term pressure from weaker discretionary spending and AI-related disruption, though we believe its capabilities and client relationships position it well for long-term growth. Automaker Kia appears mispriced relative to normalized earnings, with the market overly focused on near-term risks. KT Corp., a Korean telecom company, operates in a rational market structure supporting strong cash flow and shareholder returns. REC Ltd is an Indian non-bank power sector lender that is well positioned to benefit from India's power capex cycle, supported by low funding costs, and improving asset quality. We added to Shenzhou International, Tencent, and

Ambev on weakness, trimmed Hyundai Mobis, Weichai Power, and Samsung Electronics on strength, and exited Neoenergia and Abu Dhabi Commercial Bank on valuation.

geopolitical risks drive volatility, we continue to find opportunities where near-term concerns obscure normalized earnings power, and valuations remain compelling. ■

While macro uncertainty and

### PERFORMANCE SUMMARY periods greater than 1 year annualized in USD as of Mar 31, 2026

	1Q	YTD	One Year	Three Year	Five Year	Ten Year	Since Inception 1/1/08
Pzena Emerging Markets Focused Value Composite - Gross	4.3%	4.3%	34.4%	20.5%	11.2%	12.3%	6.6%
Pzena Emerging Markets Focused Value Composite - Net	4.1%	4.1%	33.1%	19.3%	10.1%	11.2%	5.4%
MSCI Emerging Markets Index	-0.2%	-0.2%	29.6%	14.8%	3.7%	7.8%	3.1%
MSCI Emerging Markets Value Index	1.1%	1.1%	28.6%	15.5%	6.1%	7.3%	2.7%

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### TOP 10 HOLDINGS

(See Portfolio Notes on page 30)

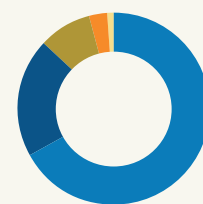
Taiwan Semiconductor Mfg.	4.6%
Samsung Electr Pfd	3.4%
Petroleo Brasileiro	2.9%
Ambev	2.8%
Tencent Holdings	2.7%
Galaxy Entertainment	2.5%
WH Group	2.5%
CEMIG Pfd	2.3%
Credicorp	2.3%
Alibaba Group Holding	2.3%
Total	28.3%

### PORTFOLIO CHARACTERISTICS

	Strategy	Index
Price to Normal Earnings <sup>1</sup>	8.8x	18.5x*
Price / Earnings (1-Year Forecast)	9.5x	11.7x
Price / Book	1.3x	2.2x
Median Market Cap (\$B)	\$14.5	\$10.0
Weighted Average Market Cap (\$B)	\$149.2	\$298.9
Active Share	80.0%	-
Standard Deviation (5-Year)	16.2%	16.9%
Number of Stocks (model portfolio)	55	1,203

Source: MSCI Emerging Markets Index, Pzena analysis  
\*Investment universe median; <sup>1</sup>Pzena's estimate of normal earnings

### REGION CONCENTRATION



Region	Strategy	Index
Asia	67%	80%
Latin America	20%	8%
Europe	9%	3%
North America	3%	0%
Africa/Middle East	1%	9%

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

### SECTOR WEIGHTS

Sector	Strategy	Index
Communication Services	5%	8%
Consumer Discretionary	17%	10%
Consumer Staples	12%	4%
Energy	5%	4%
Financials	27%	21%
Health Care	1%	3%
Industrials	8%	7%
Information Technology	14%	32%
Materials	6%	7%
Real Estate	2%	1%
Utilities	2%	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 down during the quarter as a sharp rise in energy prices and escalating geopolitical tensions weighed on growth expectations. Value outperformed growth, with our portfolio outperforming its style-neutral benchmark but slightly lagging the value series.

Energy, materials, and information technology were the largest contributing sectors. Equinor and Shell, both energy majors, benefited from higher energy prices driven by the conflict in Iran. Glencore, a mining company, was higher following strong earnings and M&A speculation.

Industrials, financials, and consumer discretionary were the largest detracting sectors. Advertising agency Publicis declined despite solid earnings, as shares fell on concerns around AI disruption. Reckitt Benckiser, a consumer goods company, was also down after disappointing results. Specialty staffing company Hays detracted, as macroeconomic softness continued to pressure hiring demand.

During the quarter, we initiated positions in Tate & Lyle, B&M European Value Retail, United Utilities, and Pennon Group. Food ingredient specialist Tate & Lyle has underperformed following the poorly received CP Kelco acquisition and weaker customer profitability, though we expect a recovery driven by improving demand and growth in its health-focused ingredients. B&M European Value Retail, a UK discounter, has been weighed down by leadership changes and operational challenges, and we anticipate a margin recovery as these issues stabilize. UK water utilities Pennon Group and United Utilities face inflation and regulatory pressure, but asset base growth and higher allowed returns should restore profitability. To fund these purchases, we exited Aurubis and Balfour Beatty on valuation, as well as SEB SA due to competitive concerns. We also trimmed

ArcelorMittal, Umicore, and Equinor on strength.

Even after a strong 2025, we continue to see value in European equities, which trade at a notable discount to the

rest of the world. We believe the current macroeconomic uncertainty provides an opportunity to invest in strong businesses at depressed valuations. ■

### PERFORMANCE SUMMARY periods greater than 1 year annualized in USD as of Mar 31, 2026

	1Q	YTD	One Year	Three Year	Five Year	Ten Year	Since Inception 8/1/08
Pzena European Focused Value Composite - Gross	-0.2%	-0.2%	27.9%	17.1%	12.1%	10.2%	7.4%
Pzena European Focused Value Composite - Net	-0.3%	-0.3%	27.1%	16.4%	11.3%	9.5%	6.7%
MSCI Europe Index	-2.8%	-2.8%	19.1%	13.2%	8.8%	8.5%	5.0%
MSCI Europe Value Index	0.1%	0.1%	27.6%	19.7%	12.7%	9.2%	4.5%

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### TOP 10 HOLDINGS

(See Portfolio Notes on page 30)

Equinor	4.2%
Daimler Truck Holding	3.7%
BASF	3.5%
Bayer	3.4%
HSBC Holdings	3.1%
Rexel SA	3.1%
Sanofi	3.1%
Bank of Ireland Group	3.1%
Michelin	3.0%
Signify	2.8%
Total	33.0%

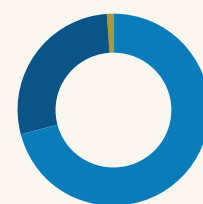
### PORTFOLIO CHARACTERISTICS

	Strategy	Index
Price to Normal Earnings <sup>1</sup>	8.5x	12.8x *
Price / Earnings (1-Year Forecast)	11.6x	14.6x
Price / Book	1.3x	2.3x
Median Market Cap (\$B)	\$18.9	\$20.9
Weighted Average Market Cap (\$B)	\$52.9	\$122.1
Active Share	85.0%	-
Standard Deviation (5-Year)	18.4%	16.2%
Number of Stocks (model portfolio)	44	404

Source: MSCI Europe Index, Pzena analysis

\*Investment universe median; <sup>1</sup>Pzena's estimate of normal earnings.

### REGION CONCENTRATION



	Strategy	Index
Europe ex-U.K.	71%	77%
United Kingdom	28%	23%
North America	1%	0%

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

### SECTOR WEIGHTS

	Strategy	Index
Communication Services	2%	4%
Consumer Discretionary	13%	7%
Consumer Staples	12%	9%
Energy	7%	6%
Financials	22%	23%
Health Care	13%	14%
Industrials	16%	19%
Information Technology	1%	8%
Materials	10%	6%
Real Estate	0%	1%
Utilities	4%	5%

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

## PORTFOLIO STRATEGIES

# PZENA JAPAN FOCUSED VALUE

Japanese equities began the year strongly, supported by expectations for solid corporate earnings and foreign investor buying. Sentiment weakened later in the quarter as the Iran conflict weighed on markets, and Japanese equities finished the period with only a modest gain. Our portfolio generated a positive return but underperformed both the TOPIX and TOPIX Value indices.

At the sector level, industrials, consumer discretionary, and communication services were the largest detractors. Japanese medical device maker Olympus was the largest individual detractor after weaker-than-expected results and renewed quality control concerns. MinebeaMitsumi, a manufacturer of precision components, also detracted following strong share price performance in the prior period. PERSOL, a human resources services provider, declined amid concerns that AI could disrupt human-based service models across multiple industries globally.

Conversely, the materials, financials, and energy sectors were the largest contributors. Chemical company Resonac benefited from strong demand for its back-end semiconductor materials. Takeda Pharmaceutical advanced as investors reassessed the value of its development pipeline. Fukuoka Financial Group, a regional bank, also contributed to performance following better-than-expected earnings and expectations for further Bank of Japan rate hikes.

We initiated positions in Nakanishi and OMRON during the quarter. Nakanishi, a global leader in dental handpieces, operates in a niche market with high barriers to entry, stringent quality requirements, and recurring replacement demand. We believe recent weakness reflects temporary pressures in the U.S. dental market and tariff-related issues in its dental chair business, rather than structural demand deterioration. OMRON, a provider of factory automation

equipment, has faced a prolonged downturn driven by weaker conditions in China and inventory adjustments across its distribution channels. We believe self-help measures and long-term demand for factory automation should support a recovery in profitability over time. We also added to Daikin, Olympus, and Pilot following share price weakness, while exiting Resonac, INPEX, and Sumitomo Electric and reducing NSK and Daihen, all on valuation.

The portfolio maintains meaningful exposure to cyclical industries. We continue to focus on selectively investing in undervalued Japanese companies pursuing structural reform, improving capital efficiency, and maintaining resilient balance sheets over the long term. ■

### PERFORMANCE SUMMARY periods greater than 1 year annualized in USD as of Mar 31, 2026

	1Q	YTD	One Year	Three Year	Five Year	Ten Year	Since Inception 7/1/15
Pzena Japan Focused Value Composite - Gross	1.1%	1.1%	27.7%	16.8%	9.7%	10.2%	7.8%
Pzena Japan Focused Value Composite - NET	0.9%	0.9%	26.7%	15.9%	8.9%	9.3%	7.0%
TOPIX Index	2.0%	2.0%	26.1%	15.7%	6.6%	8.4%	6.9%
TOPIX Value Index	5.0%	5.0%	34.9%	23.4%	12.8%	10.8%	8.6%

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Returns could be impacted, positively or negatively, by currency fluctuations, where applicable.

### TOP 10 HOLDINGS

(See Portfolio Notes on page 30)

Daikin Industries	4.6%
Suntory Beverage & Food	3.9%
Takeda Pharmaceutical	3.7%
Coca-Cola Jp H	3.5%
Fukuoka Financial Group Inc.	3.4%
Olympus	3.4%
SUMCO	3.3%
TDK Corp	3.2%
Toray Industries	3.2%
Yamaha	3.2%
Total	35.4%

### PORTFOLIO CHARACTERISTICS

	Strategy	Index
Price to Normal Earnings <sup>1</sup>	9.6x	14.0x *
Price / Earnings (1-Year Forecast)	15.6x	16.2x
Price / Book	1.2x	1.6x
Median Market Cap (\$B)	\$4.5	\$0.7
Weighted Average Market Cap (\$B)	\$15.3	\$60.8
Active Share	91.9%	-
Standard Deviation (5-Year)	15.2%	14.9%
Number of Stocks (model portfolio)	37	1,654

Source: TOPIX Index, Pzena Analysis

\*Investment universe median; <sup>1</sup>Pzena's estimate of normal earnings.

### SECTOR WEIGHTS

	Strategy	Index
Communication Services	1%	6%
Consumer Discretionary	11%	15%
Consumer Staples	10%	5%
Energy	0%	1%
Financials	10%	17%
Health Care	14%	6%
Industrials	28%	28%
Information Technology	14%	12%
Materials	13%	6%
Real Estate	0%	2%
Utilities	0%	2%

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.)

Broad U.S. market indices declined during the quarter and dispersion was elevated across sectors. Investors grappled with the conflict in Iran and a related spike in energy prices in addition to continued AI-related uncertainty. Against this volatile backdrop, energy stocks led the value index higher, while our portfolio declined and underperformed its value benchmark.

The financials, technology, and health care sectors were the largest detractors from performance during the quarter. Medicare Advantage (MA) insurer Humana was the largest individual detractor after the Center for Medicare and Medicaid Services proposed a disappointing preliminary MA rate update for 2027. Additionally, management projected rapid growth in its MA membership in 2026, which investors fear may reflect overly rich plan benefit design relative to peers. Despite reporting results that reflected a stable credit environment, credit card issuer Capital One declined, driven by fears surrounding the conflict in Iran and the possibility of AI impacting future employment. While IT services provider Cognizant reported robust 4Q earnings with peer-leading organic growth, investor focus shifted to the sharing of AI-driven productivity gains with clients, which weighed on the stock.

The energy and consumer staples sectors contributed positively to performance. Commodity chemicals producer Dow rallied as oil prices spiked, which is expected to tighten global polyethylene markets and benefit Dow due to its cost-advantaged footprint in North America. Energy major Shell and oilfield service provider Halliburton also benefited from rising oil prices.

During the quarter, we added technology reseller CDW Corporation. Two factors have weighed on the shares: AI-related fears and recent margin pressure from investments to

broaden the product portfolio, which we view as strategically sound. We added to Humana, Cognizant, and Skyworks, a leading RF component supplier to smartphone manufacturers, on recent weakness. We funded these purchases by trimming auto supplier Magna International, discount retailer Dollar General, and aerospace and defense company General Dynamics, on strength.

Recent performance has been challenged by macroeconomic concerns, uncertainty about AI's

impact across industries, and idiosyncratic developments weighing on the near-term fundamentals of a few large, high-conviction holdings. However, we believe the current environment represents an exceptional long-term opportunity, given the portfolio's starting valuation and the quality of the opportunity set. ■

#### PERFORMANCE SUMMARY periods greater than 1 year annualized in USD as of Mar 31, 2026

	1Q	YTD	One Year	Three Year	Five Year	Ten Year	Since Inception 7/1/12
Pzena Large Cap Value Composite - Gross	-4.6%	-4.6%	6.9%	9.9%	8.0%	10.2%	11.1%
Pzena Large Cap Value Composite - Net	-4.7%	-4.7%	6.5%	9.5%	7.6%	9.8%	10.7%
Russell 1000 Value Index	2.1%	2.1%	15.9%	14.3%	9.4%	10.6%	11.3%

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#### TOP 10 HOLDINGS

(See Portfolio Notes on page 30)

Citigroup	3.7%
Magna International	3.5%
Tyson Foods A	3.4%
Shell ADR	3.3%
CVS Health	3.3%
Wells Fargo	3.1%
Bristol-Myers Squibb	3.0%
Humana	2.9%
Bank of America	2.9%
Skyworks Solutions	2.9%
Total	32.0%

#### PORTFOLIO CHARACTERISTICS

	Strategy	Index
Price to Normal Earnings <sup>1</sup>	8.0x	13.7x *
Price / Earnings (1-Year Forecast)	10.4x	17.1x
Price / Book	1.5x	2.9x
Median Market Cap (\$B)	\$40.0	\$14.0
Weighted Average Market Cap (\$B)	\$96.5	\$292.4
Active Share	88.0%	-
Standard Deviation (5-Year)	17.2%	14.5%
Number of Stocks (model portfolio)	50	867

Source: Russell 1000® Value, Pzena analysis

\*Investment universe median; <sup>1</sup>Pzena's estimate of normal earnings.

#### SECTOR WEIGHTS

	Strategy	Index
Basic Materials	0%	3%
Consumer Discretionary	14%	11%
Consumer Staples	8%	6%
Energy	8%	8%
Financials	23%	19%
Health Care	18%	11%
Industrials	15%	16%
Real Estate	1%	4%
Technology	12%	14%
Telecommunications	1%	4%
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.)

Broad U.S. market indices declined during the quarter and dispersion was elevated across sectors. Investors grappled with the conflict in Iran and a related spike in energy prices in addition to continued AI-related uncertainty. Against this volatile backdrop, energy stocks led the value index higher, while our portfolio declined and underperformed its value benchmark.

The financials, technology, and health care sectors were the largest detractors from performance. Medicare Advantage (MA) insurer Humana was the largest individual detractor after the Center for Medicare and Medicaid Services proposed a disappointing preliminary MA rate update for 2027. Additionally, management projected rapid growth in its MA membership in 2026, which investors fear may reflect overly rich plan benefit design relative to peers. Despite reporting results that reflected a stable credit environment, credit card issuer Capital One declined, driven by fears surrounding the conflict in Iran and the possibility of AI impacting future employment. While IT services provider Cognizant reported robust 4Q earnings with peer-leading organic growth, investor focus shifted to the sharing of AI-driven productivity gains with clients, which weighed on the stock.

The energy and industrials sectors contributed positively to performance in the quarter. Commodity chemicals producer Dow rallied as oil prices spiked, which is expected to tighten global polyethylene markets and benefit Dow due to its cost-advantaged footprint in North America. Energy major Shell also benefited from rising oil prices. Shares of biopharma company Bristol-Myers Squibb rose after reporting strong earnings and guidance driven by momentum in newer product launches.

We initiated a position in IT services provider Accenture. A cyclical slowdown in IT services spending combined with fear of AI disruption has pushed Accenture's valuation

to its lowest point in over a decade. Ultimately, we believe Accenture could benefit from rising demand for process automation enabled by AI. We also added technology reseller CDW Corporation. Two factors have weighed on the shares: AI-related fears and recent margin pressure from investments to broaden the product portfolio, which we view as strategically sound. We added to Humana, Cognizant, and RF component supplier Skyworks, on recent weakness. We funded these purchases by trimming Citigroup, auto supplier Magna

International, discount retailer Dollar General, and Dow, all on strength.

Recent performance has been challenged by macroeconomic concerns, uncertainty about AI's impact across industries, and idiosyncratic developments weighing on the near-term fundamentals of a few large, high-conviction holdings. However, we believe the current environment represents an exceptional long-term opportunity, given the portfolio's starting valuation and the quality of the opportunity set. ■

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	1Q	YTD	One Year	Three Year	Five Year	Ten Year	Since Inception 10/1/00
Pzena Large Cap Focused Value Composite - Gross	-5.7%	-5.7%	4.0%	8.5%	7.1%	9.8%	7.6%
Pzena Large Cap Focused Value Composite - Net	-5.8%	-5.8%	3.3%	7.7%	6.4%	9.0%	6.9%
Russell 1000 Value Index	2.1%	2.1%	15.9%	14.3%	9.4%	10.6%	7.8%

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#### TOP 10 HOLDINGS

(See Portfolio Notes on page 30)

CVS Health	5.0%
Baxter Intl	4.9%
Citigroup	4.3%
Fresenius ADR	4.2%
Humana	4.2%
Wells Fargo	3.7%
Lear	3.6%
Bristol-Myers Squibb	3.5%
Skyworks Solutions	3.5%
MetLife	3.5%
Total	40.4%

#### PORTFOLIO CHARACTERISTICS

	Strategy	Index
Price to Normal Earnings <sup>1</sup>	7.2x	13.7x*
Price / Earnings (1-Year Forecast)	9.9x	17.1x
Price / Book	1.4x	2.9x
Median Market Cap (\$B)	\$23.9	\$14.0
Weighted Average Market Cap (\$B)	\$73.7	\$292.4
Active Share	94.3%	-
Standard Deviation (5-Year)	18.4%	14.5%
Number of Stocks (model portfolio)	33	867

Source: Russell 1000® Value, Pzena analysis

\*Investment universe median; <sup>1</sup>Pzena's estimate of normal earnings.

#### SECTOR WEIGHTS

	Strategy	Index
Basic Materials	0%	3%
Consumer Discretionary	14%	11%
Consumer Staples	8%	6%
Energy	6%	8%
Financials	23%	19%
Health Care	22%	11%
Industrials	14%	16%
Real Estate	0%	4%
Technology	13%	14%
Telecommunications	0%	4%
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 FOCUSED VALUE (U.S.)

Broad U.S. market indices declined during the quarter, and dispersion was elevated across sectors. Investors grappled with the conflict in Iran and a related spike in energy prices in addition to continued AI-related uncertainty. Against this volatile backdrop, energy stocks led the value index higher, while our portfolio declined and underperformed its value benchmark.

The health care, financials, and technology sectors were the largest detractors from performance. Health insurer Humana was the largest individual detractor after the Center for Medicare and Medicaid Services proposed a disappointing preliminary Medicare Advantage (MA) rate update for 2027. Additionally, management projected rapid growth in its MA membership in 2026, which investors fear may reflect overly rich plan benefit design relative to peers. Despite reporting results that reflected a stable credit environment, credit card issuer Capital One declined, driven by fears surrounding the conflict in Iran and the possibility of AI impacting future employment. While IT services provider Cognizant reported robust 4Q earnings with peer-leading organic growth, investor focus shifted to the sharing of AI-driven productivity gains with clients, which weighed on the stock.

The industrials and energy sectors contributed positively to performance. Commodity chemicals producer Dow rallied as oil prices spiked, which is expected to tighten global polyethylene markets and benefit Dow due to its cost-advantaged footprint in North America. Semiconductor distributor Avnet gained after reporting strong earnings and guidance driven by robust data center demand. Shares of machinery producer Oshkosh also rose on optimism that the AI-related data center buildout could drive demand for its core aerial work platform products.

We initiated a position in IT services provider Accenture. A cyclical slowdown in IT services spending, combined with fear of AI disruption, has pushed Accenture's valuation to its lowest point in over a decade. Ultimately, we

believe Accenture could benefit from rising demand for process automation enabled by AI. We also added technology reseller CDW Corporation. Two factors have weighed on the shares: AI-related fears and recent margin pressure from investments to broaden the product portfolio, which we view as strategically sound. We added to Humana, Cognizant, RF component supplier Skyworks, and CRM software provider Amdocs, on recent weakness. We funded these purchases by trimming Delta Air Lines, Citigroup, and Avnet, all on strength.

We also exited our position in agricultural chemical company FMC, as the range of outcomes widened.

Recent performance has been challenged by macroeconomic concerns, uncertainty about AI's impact across industries, and idiosyncratic developments weighing on the near-term fundamentals of a few large, high-conviction holdings. However, we believe the current environment represents an exceptional long-term opportunity, given the portfolio's starting valuation and the quality of the opportunity set. ■

#### PERFORMANCE SUMMARY periods greater than 1 year annualized in USD as of Mar 31, 2026

	1Q	YTD	One Year	Three Year	Five Year	Ten Year	Since Inception 1/1/96
Pzena Focused Value Composite - Gross	-4.4%	-4.4%	2.3%	9.9%	7.6%	9.6%	10.1%
Pzena Focused Value Composite - Net	-4.7%	-4.7%	1.3%	8.8%	6.5%	8.5%	9.0%
Russell 1000 Value Index	2.1%	2.1%	15.9%	14.3%	9.4%	10.6%	9.2%

See Calendar Year Returns, Portfolio Notes/Disclosures and important risk information beginning on pg. 29. Past performance does not predict future returns. Returns could be impacted, positively or negatively, by currency fluctuations, where applicable.

#### TOP 10 HOLDINGS

(See Portfolio Notes on page 30)

Baxter Intl	4.5%
Lear	4.0%
CVS Health	3.9%
Humana	3.7%
Citigroup	3.6%
Wells Fargo	3.6%
Dollar General	3.4%
Capital One Financial	3.4%
Bristol-Myers Squibb	3.1%
Skyworks Solutions	3.0%
Total	36.2%

#### PORTFOLIO CHARACTERISTICS

	Strategy	Index
Price to Normal Earnings <sup>1</sup>	7.1x	12.9x*
Price / Earnings (1-Year Forecast)	10.1x	17.1x
Price / Book	1.4x	2.9x
Median Market Cap (\$B)	\$16.0	\$14.0
Weighted Average Market Cap (\$B)	\$54.0	\$292.4
Active Share	94.5%	-
Standard Deviation (5-Year)	19.5%	14.5%
Number of Stocks (model portfolio)	38	867

Source: Russell 1000® Value, Pzena analysis

\*Investment universe median; <sup>1</sup>Pzena's estimate of normal earnings.

#### SECTOR WEIGHTS

	Strategy	Index
Basic Materials	0%	3%
Consumer Discretionary	16%	11%
Consumer Staples	7%	6%
Energy	4%	8%
Financials	20%	19%
Health Care	21%	11%
Industrials	20%	16%
Real Estate	0%	4%
Technology	13%	14%
Telecommunications	0%	4%
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 MID CAP FOCUSED VALUE (U.S.)

U.S. mid-cap equities advanced in a volatile quarter, with sharp swings driven by tariff headlines and shifting expectations for domestic growth. Mid-cap stocks outperformed large-cap stocks and value outperformed growth during the period. Against this backdrop, the portfolio underperformed its value benchmark.

The health care, technology, and financials sectors were the largest detractors from performance. Health insurer Humana was the largest individual detractor after a preliminary Medicare Advantage rate update came in below expectations, and the company continued to add members more quickly than peers, raising concerns about near-term profitability. Concentrix, a provider of customer experience solutions, also detracted, as investors focused on the potential impact of generative AI and short-term margin pressure from capacity investments ahead of new contract wins. Despite reporting results that reflected a stable credit environment, credit card issuer Capital One declined, driven by fears surrounding the conflict in Iran and the possibility of AI impacting future employment.

The strongest contributing sectors were basic materials, consumer discretionary, and industrials. Commodity chemicals producer Dow was the largest individual contributor, as the conflict in Iran led to a widening feedstock advantage of natural gas versus oil, prompting the company to implement price increases. Similarly, chemical producer Olin benefited from stronger fundamentals tied to higher oil prices at the end of the quarter, which supported profitability through its natural gas feedstock exposure. Advance Auto Parts also contributed meaningfully as the company's turnaround continued to gain traction.

We initiated a position in technology reseller CDW Corporation. Two factors have weighed on the shares: AI-related fears and recent margin pressure from investments to broaden the product portfolio, which we view

as strategically sound. We also added to Humana and IT services provider Cognizant on weakness, where recent pressure appears tied more to cyclical and sentiment-driven concerns than to permanent impairment in franchise quality. We exited agricultural chemical company FMC, as destocking and loss of product exclusivity were mismanaged and stretched the balance sheet to a point where the risk of permanent impairment has expanded substantially. We also trimmed discount retailer Dollar General and semiconductor distributor

Avnet, both on strength, to fund the purchases.

While the quarter was challenging from a relative performance standpoint, the portfolio remains positioned in businesses where we believe current expectations are low and the viability of earnings normalization is underappreciated. We continue to see a broad opportunity set across sectors, with valuations that compare favorably to underlying cash generation and long-term fundamentals. ■

#### PERFORMANCE SUMMARY periods greater than 1 year annualized in USD as of Mar 31, 2026

	1Q	YTD	One Year	Three Year	Five Year	Ten Year	Since Inception 9/1/98
Pzena Mid Cap Focused Value Composite - Gross	-1.2%	-1.2%	2.2%	6.3%	5.3%	9.5%	11.5%
Pzena Mid Cap Focused Value Composite - Net	-1.4%	-1.4%	1.2%	5.2%	4.3%	8.4%	10.4%
Russell Midcap Value Index	3.7%	3.7%	17.6%	13.1%	7.9%	9.8%	10.0%

See Calendar Year Returns, Portfolio Notes/Disclosures and important risk information beginning on pg. 29. Past performance does not predict future returns. Returns could be impacted, positively or negatively, by currency fluctuations, where applicable.

#### TOP 10 HOLDINGS

(See Portfolio Notes on page 30)

Advance Auto Parts	5.1%
Baxter Intl	4.4%
Humana	4.4%
Magna International	3.5%
Robert Half	3.4%
Oshkosh	3.2%
Globe Life	3.2%
Dow	3.1%
Fresenius ADR	3.1%
Tyson Foods A	3.1%
Total	36.5%

#### PORTFOLIO CHARACTERISTICS

	Strategy	Index
Price to Normal Earnings <sup>1</sup>	6.9x	12.0x*
Price / Earnings (1-Year Forecast)	9.7x	16.2x
Price / Book	1.3x	2.4x
Median Market Cap (\$B)	\$9.4	\$11.2
Weighted Average Market Cap (\$B)	\$14.9	\$30.7
Active Share	96.4%	-
Standard Deviation (5-Year)	20.5%	16.9%
Number of Stocks (model portfolio)	37	713

Source: Russell Midcap® Value, Pzena analysis

\*Investment universe median; <sup>1</sup>Pzena's estimate of normal earnings.

#### SECTOR WEIGHTS

	Strategy	Index
Basic Materials	5%	4%
Consumer Discretionary	20%	12%
Consumer Staples	3%	5%
Energy	2%	9%
Financials	19%	14%
Health Care	19%	7%
Industrials	20%	21%
Real Estate	0%	8%
Technology	11%	10%
Telecommunications	0%	2%
Utilities	0%	8%

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

## PORTFOLIO STRATEGIES

### PZENA SMALL CAP FOCUSED VALUE (U.S.)

Markets were mixed throughout the quarter with small-cap stocks advancing to start the year before retreating in March as the conflict in Iran unfolded. Small caps outperformed large caps during the period, and value broadly outperformed growth. Our portfolio posted positive returns but underperformed the value benchmark.

The industrials, technology, and consumer discretionary sectors weighed on performance. Concentrix, a provider of customer experience solutions, was the largest detractor, as investors focused on the potential impact of generative AI and short-term margin pressure from capacity investments ahead of new contract wins. Cabinetmaker American Woodmark also detracted, as tariff headwinds and softer end-market demand weighed on sentiment. Specialty vehicle manufacturer Aebi Schmidt declined due to weaker demand for walk-in vans in North America pressuring earnings.

The strongest contributions came from the basic materials, financials, and consumer staples sectors. Advance Auto Parts was the top individual contributor, as the company's turnaround continued to gain traction. Consumer products company Spectrum Brands contributed as strength in its Global Pet Care business along with encouraging signs for its Home & Garden business offset ongoing weakness in Home Appliances and Personal Care. Chemical producer Olin benefited from stronger fundamentals tied to higher oil prices at the end of the quarter, which supported profitability through its natural gas feedstock exposure.

We initiated a position in office and residential furniture manufacturer MillerKnoll, which has been pressured by a weak office market and integration issues following its merger. We believe the shares discount these challenges too heavily relative to the company's normalized earnings power and

the potential for a broader return-to-office recovery. We also increased our positions in real estate broker Marcus & Millichap and medical equipment company Teleflex to take advantage of attractive valuations. We funded these purchases by selling out of regional bank Webster Financial, as it is being acquired, and packaging company TriMas, which appreciated after announcing plans to sell its aerospace business.

Recent performance has been shaped by market volatility and policy-related uncertainty, which have weighed most heavily on cyclical businesses across small-cap equities. Even so, we remain constructive on the portfolio. Many holdings continue to trade at depressed valuations despite stable or improving fundamentals, and we believe the current opportunity set remains favorable for patient, long-term investors. ■

#### PERFORMANCE SUMMARY periods greater than 1 year annualized in USD as of Mar 31, 2026

	1Q	YTD	One Year	Three Year	Five Year	Ten Year	Since Inception 1/1/96
Pzena Small Cap Focused Value Composite - Gross	3.4%	3.4%	11.6%	7.9%	5.4%	9.1%	12.2%
Pzena Small Cap Focused Value Composite - Net	3.2%	3.2%	10.5%	6.8%	4.4%	8.0%	11.0%
Russell 2000 Value Index	5.0%	5.0%	28.1%	13.8%	5.8%	9.6%	9.4%

See Calendar Year Returns, Portfolio Notes/Disclosures and important risk information beginning on pg. 29. Past performance does not predict future returns. Returns could be impacted, positively or negatively, by currency fluctuations, where applicable.

#### TOP 10 HOLDINGS

(See Portfolio Notes on page 30)

Spectrum Brands Holdings	4.9%
Advance Auto Parts	4.8%
Teleflex	3.7%
Adient	3.2%
Douglas Dynamics	3.1%
Columbia Banking System	3.0%
WSFS Financial	3.0%
Robert Half	2.9%
Old National	2.8%
Sensata Technologies Hldg	2.8%
Total	34.2%

#### PORTFOLIO CHARACTERISTICS

	Strategy	Index
Price to Normal Earnings <sup>1</sup>	6.6x	11.4x *
Price / Earnings (1-Year Forecast)	10.9x	12.9x
Price / Book	1.1x	1.4x
Median Market Cap (\$B)	\$1.7	\$0.8
Weighted Average Market Cap (\$B)	\$2.9	\$3.7
Active Share	96.5%	-
Standard Deviation (5-Year)	23.6%	19.9%
Number of Stocks (model portfolio)	47	1,410

Source: Russell 2000® Value, Pzena analysis

\*Investment universe median; <sup>1</sup>Pzena's estimate of normal earnings.

#### SECTOR WEIGHTS

	Strategy	Index
Basic Materials	9%	5%
Consumer Discretionary	21%	12%
Consumer Staples	7%	1%
Energy	4%	10%
Financials	19%	25%
Health Care	8%	11%
Industrials	24%	12%
Real Estate	3%	9%
Technology	6%	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.

## PORTFOLIO STRATEGIES

# PZENA FOCUSED CREDIT OPPORTUNITIES

Credit bifurcation deepened in 1Q26 amid a confluence of negative developments. The conflict in Iran sharply increased oil price volatility; AI fears triggered a software sell-off; CLOs accelerated the sale of lower-rated debt; and private credit funds faced scrutiny as redemption requests surged. While broad high-yield and loan indices<sup>1</sup> declined modestly, CCC loans and software-related debt significantly underperformed, returning -4.9%<sup>2</sup> and -5.0%<sup>3</sup>, respectively. At quarter end, approximately 82% of the market was trading below 100<sup>4</sup>, and the share of loans trading at distressed levels (S+1000 or higher) climbed to over 10%<sup>5</sup>. Despite broad weakness in lower-rated debt, the portfolio generated a positive return.

We initiated positions in CDK first-lien term loans and Physician Partners first-lien, second-out term loan, yielding 20% and 30%, respectively. CDK is an entrenched enterprise resource planning software provider for auto dealerships, with over 50% of the top 100 U.S. dealers relying on its platform. AI fears drove the sector lower, creating an attractive entry point. Physician Partners is a primary care physician group that suffered in 2024-2025 due to lower Medicare Advantage base rates and rising utilization. The company undertook a liability management exercise (LME) in 2025, which weighed heavily on its loans, as certain holders could not retain the post-LME debt, mainly due to the lack of credit ratings and small tranche sizes.

We added to Employbridge first-lien, first-out loans yielding ~18%, supported by early signs of recovery in light industrial staffing as evidenced by our equity research on TrueBlue and Randstad. We also added to Verifone first-lien loans yielding ~13% following strong 2025 results and raised 2026 guidance amid a positive replacement cycle.

Azul Airlines' DIP facility was repaid upon Chapter 11 exit. We trimmed P.F. Chang's, as food costs and tariff inflation compressed margins, and GOL Airlines, given higher

1. High-Yield Bond: Morningstar US High Yield Bond Index -0.54%, Leveraged Loan: Morningstar LSTA Leveraged Loan Index -0.55%
2. Morningstar LSTA Leveraged Loan Index
3. Morningstar LSTA Leveraged Loan Index Software & Services
4. Source: Pitchbook
5. Source: Bloomberg

relative leverage. We also exited First Brands, as fraud proved far more extensive than initial findings indicated, asset sales fell well below expectations, and the case devolved into multi-year litigation against the founders.

We expect high-yield and loan spreads to widen amid the macroeconomic uncertainties and deteriorating credit quality. Headline leveraged loan default rates understate risk: when adjusted for distressed exchanges,

coercive LMEs, and economically impairing amend-and-extend transactions, the effective rate is estimated at approximately 5%–7%. Within the CCC cohort, implied default rates are even higher, often cited in a range of 10%–15%+ on a forward-looking basis. The rising distressed ratio suggests defaults have yet to peak.

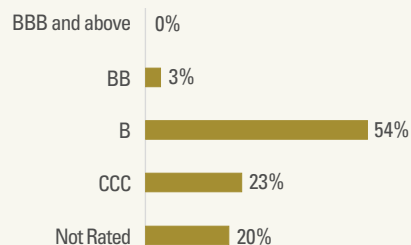
The portfolio is well positioned to capitalize on dislocations, with ample dry powder to deploy selectively. ■

### PERFORMANCE SUMMARY periods greater than 1 year annualized in USD as of Feb 28, 2026

	YTD	One Year	Three Year	Since Inception 7/1/22
Focused Credit Opportunities Composite – Gross	0.95%	0.87%	7.49%	7.60%
Focused Credit Opportunities Composite – Net	0.82%	0.12%	5.98%	6.22%

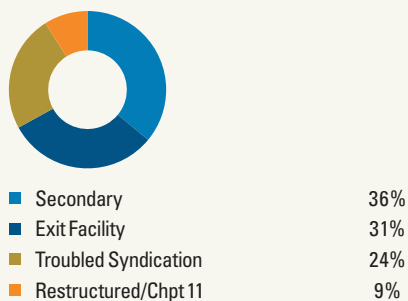
See Calendar Year Returns, Portfolio Notes/Disclosures and important risk information beginning on pg. 29. Returns in USD through February 28, 2026. Past performance does not predict future returns. Gross rates of return are presented gross of management fees and incentive allocation, and net of the deduction of transaction costs and borrowing costs. Net rates of return are derived using a model management fee and an incentive fee, reflected when crystalized, applied monthly to Gross returns. Pzena uses the highest tier fee and incentive rate schedule to illustrate the impact of fees on performance returns. As product fees change, the current highest tier schedule will be in effect. The current "standard" fee rates are 0.75% management fee and a 10% incentive allocation on net profits over a high watermark and subject to an annual 6% hurdle with a catch-up. All performance numbers are preliminary and subject to change.

### CREDIT RATING DISTRIBUTION



Weights adjusted for cash – may appear higher than actual. Numbers may not add to 100% due to rounding. Data as of Mar 31, 2026. Source: PitchBook Data, Inc.

### CREDIT TYPE DISTRIBUTION



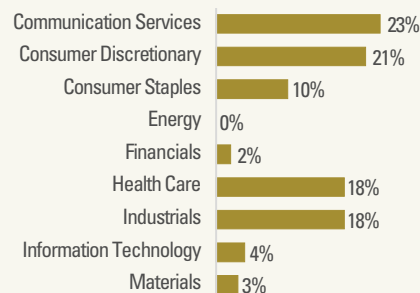
Weights adjusted for cash – may appear higher than actual. Numbers may not add to 100% due to rounding. Data as of Mar 31, 2026. Source: PitchBook Data, Inc.

### PORTFOLIO CHARACTERISTICS

Number of Issuers	36
Median Tranche Size	\$575M
Average Coupon	S+660
Yield to Maturity*	14.0%
Average Maturity	2.9 yrs
Average Net Leverage**	3.0x
% with Covenants	80%

\* Portfolio weighted average yield to maturity  
 \*\* Issue-level leverage ratio calculated as: Issue size at par/EBITDA. Data as of Mar 31, 2026. Past performance does not predict future returns.

### SECTOR WEIGHTS



Sector weights adjusted for cash – may appear higher than actual. Numbers may not add to 100% due to rounding. Data as of Mar 31, 2026. Source: PitchBook Data, Inc.

## Calendar Year Returns *FIGURES IN USD*

### GLOBAL VALUE

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

### 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 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%

### 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%

### 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%

### 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%

### 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%

### 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 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%

### 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%

### 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 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%

### 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%

### FOCUSED CREDIT OPPORTUNITY

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

See Portfolio Notes/Disclosures and important risk information beginning on the following page.

Past performance does not predict future returns.

Returns could be impacted, positively or negatively, by currency fluctuations, where applicable.

Gross rates of return are presented gross of investment management fees and net of the deduction of transaction costs. An investor's actual return will be reduced by investment management fees. Net Returns are derived using a model fee applied monthly to Gross returns. Pzena uses the highest tier fee schedule, to illustrate the impact of fees on performance returns. As product fees change, the current highest tier schedule will be in effect.

## PORTFOLIO NOTES

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

The specific portfolio securities discussed in the Commentary, Global Research Review, and Stewardship Insights 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 securities discussed in the Highlighted Holding section of this report (MasterBrand and American Woodmark) were held in our Small Cap Focused Value and other strategies during the first quarter of 2026. These securities were selected to illustrate our research process and not based on performance. Top 10 holdings for our strategies have been derived from the strategy's composite. Holdings will vary among client accounts as a result of different product strategies having been selected thereby. Holdings also may vary among client accounts as a result of opening dates, cash flows, tax strategies, etc. There is no assurance that any securities discussed herein remain in your portfolio at the time you receive this report or that securities sold have not been repurchased. The securities discussed do not represent an account's entire portfolio and, in the aggregate, may represent only a small percentage of an account's portfolio holdings.

Gross rates of return are presented gross of investment management fees and net of the deduction of transaction costs. An investor's actual return will be reduced by investment management fees. Net Returns are derived using a model fee applied monthly to Gross returns. Pzena uses the highest tier fee schedule, to illustrate the impact of fees on performance returns. As product fees change, the current highest tier schedule will be in effect.

## RISK INFORMATION

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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.

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