

OUR APPROACH TO DEFENSE AS A VALUE MANAGER

Pzena Investment Management applies a classic value approach to investing. We approach defense-related investments the same way we consider any investment issue: through an integrated bottom-up assessment of the risk/reward trade-offs for the specific company and the path to earnings recovery. Company risks and opportunities are considered as part of our integrated research process and are factored into the decision of whether to invest, as well as position sizing. We also actively engage on material issues as part of ongoing research and portfolio monitoring. For the defense sector specifically, this includes the development, governance, and deployment of products and technologies, alongside human rights considerations.

Philosophically, we believe the defense industry plays an essential role in maintaining peace, national security, and stability, on which economies and societies depend. In many ways, it is a precondition for the freedoms and institutions that responsible investment is designed to protect. Defense and related industries are therefore part of our investable universe across all strategies, with controversial weapons (as defined below) excluded from our Article 8 UCITS funds and Australian Trusts, through our pre-trade compliance process.

For clients with specific values-based requirements, we accommodate custom screens at the mandate level, including exclusions related to defense, weapons, or dual-use activities.

DUAL-USE ACTIVITIES

Dual-use activities are an increasingly complex aspect of defense-related investments. “Dual-use” refers to the blurred line between civilian and military uses of technology, materials, and services. The development of artificial intelligence, quantum computing, advanced materials, and similar technologies has made this line harder to draw. We research and analyze these activities in line with our general investment approach, case-by-case and bottom-up. For clients that wish to exclude certain dual-use activities, we work with them to define scope, in the absence of a clear industry standard.

CONTROVERSIAL WEAPONS

Consistent with market convention, we exclude controversial weapons in several of our funds.

For our Article 8 UCITS funds, as classified under the EU Sustainable Finance Disclosure Regulation (SFDR), we exclude controversial weapons, as defined below. These exclusions seek to promote specific social values as part of the definition of an Article 8 fund, independent of our integrated research process. We define controversial weapons for this purpose as companies involved in the production of any of the following:

- i. Cluster munitions, components, and delivery platforms
- ii. Landmines (personnel and vehicle)
- iii. Biological and chemical weapons and components
- iv. Nuclear weapons (more than 2% of revenues from such activities)
- v. Depleted uranium weapons, ammunition, and armor

For our two Australian Trusts, we specifically exclude cluster munitions in accordance with local regulation. The Emerging Markets Fund in Australia also excludes additional weapons manufacturers, in line with the exclusions for our Article 8 UCITS funds, as described above.

SANCTIONS

As a U.S. registered investment adviser, we comply with all applicable sanction laws. We also monitor sanctions lists where applicable. We use third-party screening software to screen all firm holdings for inclusion on international sanctions lists. If a portfolio company is added to a sanctions list that we monitor, we receive notification from our compliance systems and take appropriate action.

CONCLUSION

We remain committed to our bottom-up fundamental research process, while accommodating client-specific exclusions. Defense-related companies remain part of our investable universe, and we evaluate each investment opportunity on its individual merits. We also apply specific defense-related exclusions to certain products to meet regulatory requirements and/or client objectives.

FURTHER INFORMATION

These materials are intended solely for informational purposes. The views expressed reflect the current views of Pzena Investment Management, LLC ("PIM") as of the date hereof and are subject to change. PIM is a registered investment adviser registered with the United States Securities and Exchange Commission. PIM does not undertake to advise you of any changes in the views expressed herein. There is no guarantee that any projection, forecast, or opinion in this material will be realized. Past performance does not predict future returns.

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

This document does not constitute a current or past recommendation, an offer, or solicitation of an offer to purchase any securities or provide investment advisory services and should not be construed as such. The information contained herein is general in nature and does not constitute legal, tax, or investment advice. PIM does not make any warranty, express or implied, as to the information's accuracy or completeness. Prospective investors are encouraged to consult their own professional advisers as to the implications of making an investment in any securities or investment advisory services.

For EU Investors Only:

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

For Australia and New Zealand Investors Only:

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

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