The following transcript was recorded on July 7th, 2026. This transcription is believed to be an accurate summary of the live call, but may contain some minor differences from the speaker's exact language.

Hi, I'm John Goetz. I'm one of the portfolio managers here at Pzena Investment Management. And this second quarter of 2026, I'm going to talk about our global investment products. Wow. Second quarter. I think we should entitle it the return of optimism. I mean, despite the fact that here we are, you know, in July with kind of, I'll call it a sketchy ceasefire agreement in Iran and yet the markets are just, you know, flying up especially in the second quarter on what I call the return to optimism. What is driving the optimism shifted a little bit? You'll get our newsletter shortly and what we're featuring there is a whole discussion of semiconductors and supply chain of components into the AI optimism.

Clearly when you have something like Taiwan Semi which we've owned multiple times over our 30-year history being over half MSCI Taiwan index you know that you have a boom in the semiconductor supply chain. So so we're going to talk about that because that's really carrying the markets right now. It's actually quite a concentrated effect when you look at it globally back to AI optimism. So, I just want to give you all a heads up, you know, on the newsletter and look for some of the math behind why we think we're a little too extended there in terms of what we're expecting. So, let me talk about our global investment products.

One of the big contributions to our performance this quarter was actually in healthcare. It turns out that Humana, a managed healthcare company that focuses primarily on Medicare Advantage product here in the United States, really turned the corner in terms of reaching the depths of despair about profitability and that stock has really gone forward.

You've probably heard us talking now for probably two years about our increasing opportunity in healthcare. Baxter, CVS Health are two other stocks that are big contributors in this quarter. So I'll just say that our due diligence and research in the healthcare sector is really starting to pay off. That's heavily masked in the overall performance if you look at our global product performance a little bit less than the broad indices which had a great return this quarter. A little bit ahead of value in the case of our global value product. Those returns are all double digit and for a quarter to be talking about double digit return trailing the global index is clearly what I'll call a very positive and optimistic quarter when you think about it in terms of global returns.

So, so the driver on our side was some returns, some good returns in healthcare, also some good returns in the remaining technology that we did have exposed to semiconductor supply chain so we've been harvesting profits there, two examples that we took some additional profits in this quarter and are mostly out include Nokia which is a really a network company whether it's, you know, undersea cable that's going to serve data centers or even in the telecom networks that we have across the world is now viewed as part of this AI investment wave that has driven up the stock from our standpoint. It's reached fair value. So, we're on our way out and harvesting profits there.

The other area is TDK. This is probably one of the more interesting examples of the switching of psychology. What TDK does is it manufactures the equipment and the heads that manage high-speed disc drives. So if you think about your laptops of old used to have a disc that was spinning inside there. They make the heads that read the data which is of course the high technology part of that. Interestingly, for almost 10 years, I would say TDK stock was going down because we perceive solid state memory replacing disc drives. Now, that's back in vogue because we have such high demand for memory that we're thinking that data centers and servers in general will incorporate a higher volume of disc drives in the future. So that's driven up the valuation of TDK and we're harvesting some of those profits as well.

Where the new opportunities are is also where the biggest losers were in the quarter for us and that's in the AI loser bucket. There's a bunch of businesses out there today that the world has concluded will not do as well in the future as it has done in the past and actually outright shrink into the future. One of the things we bought this quarter was Accenture. And Accenture, if you just backed up two years ago, you would say in the IT outsourcing world globally, that Accenture is a leader in both the consulting side of that business as well as business process outsourcing where they actually take over functions from the companies that they serve. Why were they the leader is they were great at transforming how companies deal with information, how they connect to customers and really reorient the business to a digital world. Interestingly, what the world is concluding here with AI is we don't need them anymore.

The one driver behind that is there's a lot of coders that work for Accenture. It makes sense that coding is getting turned over to AI but we would say hey that coding getting turned over to AI is an advantage inside of Accenture in terms of improving their efficiency and helping clients. So we think the negativity in IT outsourcing is overdone and again look for our materials on that because I would say that IT outsourcing is an area we're doing a lot of research work in because actually if you looked at the gap between the IT winners in this case semiconductors in the quarter a company like TSMC or Samsung going up or more than doubling and watch the big drops in the losers like IT outsourcers this has added to the pain of the software apocalypse that we had earlier in the year.

So software that are deemed to be losers and IT outsourcing are things that are showing up in our first quintile and creating the opportunity for the future of research. So, healthcare started to work, harvesting some of the high-flyers and finding new opportunities in the bucket that I'm going to call for this call the AI losers from the market standpoint. We're sifting through that. We're going to do research and software and IT so look forward to exciting new buys in the future. Thank you.

Further Information

For Professional Investors only.

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.

In the United Kingdom, this marketing communication is issued by Pzena Investment Management, Limited ("PIM UK") only to professional clients and eligible counterparties, as defined by the Financial Conduct Authority ("FCA"). 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.

PIM UK is an appointed representative of Vittoria & Partners LLP (FRN 709710), which is authorized and regulated by the FCA.

This recording is for institutional investors, and in the UK for professional investors and eligible counterparties only. Any views and statements expressed in this recording are those of Pzena Investment Management, are based on internal research, and are subject to change. It does not constitute investment advice. Your capital is at risk and 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 valuation. 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.

The specific portfolio securities discussed in this document were selected for inclusion based on their ability to help you better understand our investment process. They do not represent all of the securities purchased or sold during the quarter, and it should not be assumed that investments in such securities were or will be profitable. PIM is a discretionary investment manager and does not make “recommendations” to buy or sell securities. Holdings 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 our portfolios at the time you receive this presentation or that securities sold have not been repurchased.

This recording 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, the speaker, or any other person 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.

<u>For UK Investors Only:</u> This marketing communication is issued by Pzena Investment Management, Limited ("PIM UK"). PIM UK is a limited company registered in England and Wales with registered number 09380422, and its registered office is at 34-37 Liverpool Street, London EC2M 7PP, United Kingdom. PIM UK is an appointed representative of Vittoria & Partners LLP (FRN 709710), which is authorised and regulated by the Financial Conduct Authority ("FCA"). The Pzena documents have been approved by Vittoria & Partners LLP and, in the UK, are only made available to professional clients and eligible counterparties as defined by the FCA.

<u>For EU Investors Only:</u> 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.

For Jersey Investors Only: Consent under the Control of Borrowing (Jersey) Order 1958 (the "COBO" Order) has not been obtained for the circulation of this document. Accordingly, the offer that is the subject of this document may only be made in Jersey where the offer is valid in the United Kingdom or Guernsey and is circulated in Jersey only to persons similar to those to whom, and in a manner similar to that in which, it is for the time being circulated in the United Kingdom, or Guernsey, as the case may be. The directors may, but are not obliged to, apply for such consent in the future. The services and/or products discussed herein are only suitable for sophisticated investors who understand the risks involved. Neither Pzena Investment Management, Ltd. nor Pzena Investment Management, LLC nor the activities of any functionary with regard to either Pzena Investment Management, Ltd. or Pzena Investment Management, LLC are subject to the provisions of the Financial Services (Jersey) Law 1998.