

**STRATEGY FACTS**

Inception Date	January 1, 2019
AUM (\$M)	3.1
Investment Universe	2000 largest global companies
# of Positions	Generally 50-95
Available Vehicles	Separate Account

**ABOUT US**

Pzena Investment Management is a global deep value equity manager that uses a proprietary research process to buy companies we believe are priced significantly below their long-term earnings potential. A diverse team from a range of industry backgrounds, Pzena is dedicated to meeting client needs as thought leaders on value investing.

**PORTFOLIO MANAGERS**



**Caroline Cai**  
With Pzena since 2004  
In Industry since 1998



**John Goetz**  
With Pzena since 1996  
In Industry since 1979



**Ben Silver**  
With Pzena since 2001  
In Industry since 1988

**PORTFOLIO CHARACTERISTICS**

	Strategy	Index
Price to Normal Earnings <sup>^</sup>	8.0x	13.9x*
Price/Earnings (1-Year Forecast)	11.0x	19.7x
Price/Book	1.3x	3.4x
Dividend Yield	3.4	1.8
Median Market Cap (\$B)	32.8	18.9
Weighted Average Market Cap (\$B)	82.2	681.7
Active Share	95.7%	-
Number of Stocks (model portfolio)	60	1,430

Source: MSCI World Index, Pzena Analysis

<sup>^</sup>Pzena's estimate of normal earnings.

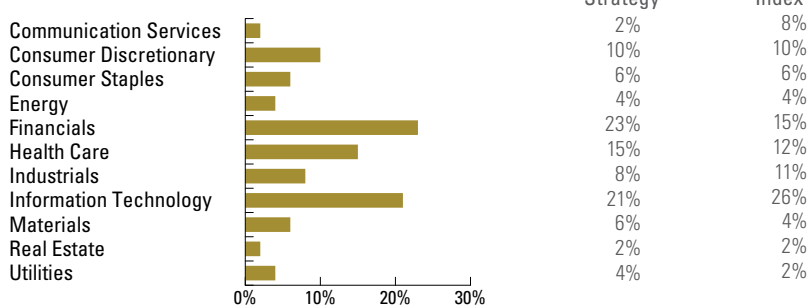
\*Global Universe Median

**TOP 10 HOLDINGS**

HON HAI PRECISION INDUSTRY CO.	2.9%
NOKIA OYJ SPON ADR	2.8%
AMDOCS LIMITED	2.6%
BAXTER INTERNATIONAL INC.	2.6%
TAIWAN SEMICONDUCTOR MFG.	2.6%
COGNIZANT TECHNOLOGY SOLUTIONS	2.5%
SANOFI SPON ADR	2.4%
DAIMLER TRUCK HOLDING AG SPON ADR	2.4%
BASF SE SPON ADR	2.3%
DOW INC.	2.3%
<b>Total</b>	<b>25.4%</b>

Numbers may not add due to rounding

**SECTOR WEIGHTS**

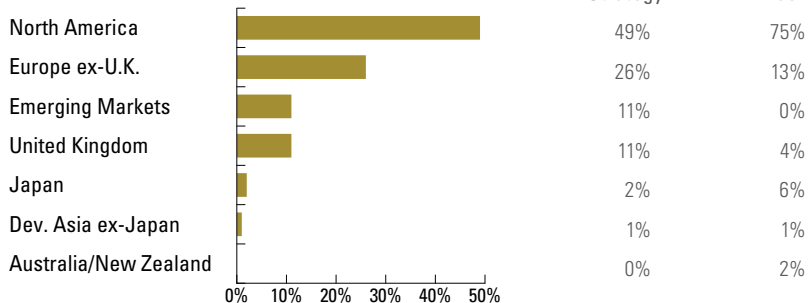


Sector weights adjusted for cash - may appear higher than actual.

Numbers may not add to 100% due to rounding.

Index is the MSCI World.

**REGION CONCENTRATION**



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

Numbers may not add to 100% due to rounding.

Index is the MSCI World.

Annualized as of June 30, 2024

**PERFORMANCE SUMMARY (USD)**

	2Q	YTD	One Year	Three Year	Five Year	Since Inception
Pzena Global Value ADR Composite - Gross	-1.3%	4.1%	12.2%	6.0%	10.1%	11.1%
Pzena Global Value ADR Composite - Net	-1.5%	3.8%	11.6%	5.4%	9.5%	10.5%
MSCI World Index	2.6%	11.7%	20.2%	6.9%	11.8%	13.9%
MSCI World Value Index	-1.2%	6.2%	13.9%	5.6%	7.6%	9.2%

Past performance is not indicative of future results. Returns could be reduced, or losses incurred, due to currency fluctuations. See Disclosures Section.

**CALENDAR YEAR RETURNS (USD)**

	2019	2020	2021	2022	2023
Pzena Global Value ADR Composite - Gross	22.6%	4.4%	19.5%	-7.2%	20.8%
Pzena Global Value ADR Composite - Net	21.9%	3.8%	18.9%	-7.7%	20.2%
MSCI World Index	27.7%	15.9%	21.8%	-18.1%	23.8%
MSCI World Value Index	21.7%	-1.2%	21.9%	-6.5%	11.5%

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## PORTFOLIO COMMENTARY AS OF JUNE 30, 2024

Global equity markets were mixed in the second quarter as AI-exposed stocks provided the only real bright spot. As a consequence, Taiwan was a standout country given the predominance of tech in its economy, along with the information technology sector in the United States. Notably, China turned in a decent gain for the quarter after a long period of underperformance. Brazil was a notable laggard, as Lula-driven reforms continue to fuel investor fears. Other than tech, the only materially positive sector was communication services while cyclical sectors lagged. Our strategy trailed its broad market benchmark, as our health care and cyclical investments underperformed.

The top detractors were Daimler Truck, Bristol-Myers Squibb, and Baxter International. Truck manufacturer Daimler Truck is contending with lower new truck orders and macro-related headwinds. US biopharma company Bristol-Myers Squibb was weak on continued concerns over sales contributions from new drug launches. We believe BMY's current valuation reflects an overly pessimistic view of the drugmaker's new product pipeline. Medical products giant Baxter has been hit by inflating costs that aren't automatically covered by its contracts with health care customers.

The technology and financials sectors outperformed, and both electronics assembler Hon Hai and chip giant TSMC benefited from the AI hype, while the relaxation of real estate policies in China contributed to a rebound in Chinese stocks, especially benefiting developers like China Overseas Land & Investment.

During the quarter, we created new positions in Humana Inc., Reckitt Benckiser and Global Payments. Humana's earnings are being pressured in the near-term by an unanticipated rise in medical expenses, but we expect improvement over time as plan benefits adjust to better match utilization rates. Reckitt Benckiser is a leading consumer products company in the UK that has suffered the misfortune of litigation around its Enfamil infant formula business. We believe the recent \$60 million judgement linking infant formula to necrotizing enterocolitis in premature babies is questionable, and the stock reflected a worst-case outcome. Global Payments is a leading credit card payments company facing disruption fears from fintech competitors. We funded the buys with trims of Hon Hai, Shell, and Equitable Holdings, all on appreciation.

Our portfolio is still overweighted in financials, but the overall cyclical tilt has been reduced as we continue to add to our healthcare holdings.

**DISCLOSURES**

Pzena Investment Management, LLC ("PIM") is a U.S.-registered investment adviser with the United States Securities and Exchange Commission. PIM follows a deep value investment approach.

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

Composite returns are benchmarked to the MSCI World Index and the MSCI World Value Index (the "Index"). The benchmarks are used for comparative purposes only. The MSCI World Index captures large and mid-cap representation across 23 Developed Markets countries. The index covers approximately 85% of the free float-adjusted market capitalization in each country. The MSCI World Value Index captures large and mid-cap securities exhibiting overall value style characteristics across 23 Developed Markets countries. 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. The Indices cannot be invested in directly.

The performance of the Indices reflects the reinvestment of dividends net of withholding tax rates. The Pzena Global Value ADR strategy is significantly more concentrated in its holdings and has different sector and regional weights than the Indices. Accordingly, the performance of the Composite will be different from, and at times more volatile, than that of the Indices.

The specific portfolio securities discussed in this presentation 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 by PIM during the period, and it should not be assumed that investments in such securities were or will be profitable. Holdings 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.

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