

PZENA FUNDS – Semi-Annual Shareholder Letter

August 31, 2024

Dear Shareholder:

For the six-month period ended August 31st, 2024, equities across most developed and emerging markets were up. Europe benefited from heightened expectations of a soft landing, while Japan rallied on strong earnings growth, helped by a weaker yen earlier in the year. Taiwan performed well, as AI enthusiasm sent shares of the largest tech names higher. Chinese equities showed signs of life amid hopes of supportive fiscal and monetary policies.

In the US, positive economic data boosted confidence that the economy could avoid a hard landing. For much of the period, gains were overwhelmingly driven by large, AI-exposed companies in a continuation of the prevailing trend.

After an intense period of US large-cap growth outperformance during the first half of 2024, value stocks rebounded strongly, as investors anticipated interest rate cuts by the Federal Reserve. It is easy to lose long-term perspective following a prolonged period of market performance concentrated in just a few stocks and forget that market leadership often eventually turns over.

Investors remain cognizant of US political uncertainty, geopolitical tensions, and conflicts abroad, along with the possibility of a hard economic landing. While we do not know how markets will behave in the near term, achieving long-term investment success requires patience, discipline, and a focus on fundamentals rather than short-term market fluctuations.

If you have questions about your Pzena Fund's portfolio, please get in touch with your advisor or a member of our team of registered representatives. We thank you for investing with us. As always, we are committed to our philosophy of value investing with a long-term outlook.

Best regards,

Pzena Investment Management, LLC