

## Pzena

Global Equity: MSCI ACWI Benchmark

For the month of: **January** **2025**

### Manager Performance Calculations

\* Annualized returns

	Last <u>Month</u>	Last <u>3 Months</u>	Last <u>1 Year</u>	Last <u>3 Years*</u>	Last <u>5 Years*</u>
Pzena	5.39%	3.22%	N/A	N/A	N/A
MSCI ACWI	3.36%	4.68%	N/A	N/A	N/A

### Performance Attribution & Strategy Comments

Global markets rebounded to start the year, with strong returns across much of the globe. US markets rose, with market breadth widening in January. US corporate earnings season began with over half of reporting companies posting earnings beats. In a reversal of recent trends, European equities outperformed their US counterparts. Sentiment was buoyed as the Trump administration did not immediately roll out new tariffs. Additionally, investors rotated from US to European equities amid concerns about US equity valuations, and potential inflationary policies in the US. Emerging markets were mixed, with Korean equities regaining ground after the failed coup attempt. Chinese equities were up slightly, as the extent of potential US trade tariffs remained unknown. Within the MSCI All Country World Index, communication services, health care, and financials were particularly strong. Only the information technology sector posted a negative return this month.

The Pzena Global Focused Value portfolio rose and outperformed the MSCI All Country World Index. Relative underperformance was driven by stock selection in the information technology, communication services, and health care sectors.

The top contributors included CVS Health Corporation (the largest retail pharmacy chain in the US, the top pharmacy benefit manager in Caremark, and a significant health maintenance organization in Aetna), Daimler Truck Holding (German commercial truck maker), and Capital One Financial (financial services company). CVS rose on a positive 2026 Medicare Advantage payment proposal. Daimler Truck jumped on a competitor's positive 2025 new truck order outlook. Capital One posted solid quarterly results. Additionally, credit card delinquencies came down, which supports a positive view of the state of the US consumer.

The largest detractors were Edison International (California-based utility), PVH Corp. (apparel retailer), and Dollar General Corporation (discount retailer). Shares of Edison International experienced a pronounced drop in the wake of the Los Angeles wildfires amid potential liability concerns. PVH Corp. declined as the Chinese Ministry of Commerce announced the company was subject to investigation for what has been described as improper behaviors in Xinjiang, which could curb PVH's Chinese business. The uncertainty weighed on shares as China represents approximately 15% of PVH's earnings. Tariff concerns and cost-of-living pressure on the low-end consumer weighed on shares of Dollar General.

### Manager Style Summary

*Pzena will manage a global, focused deep value fund. The firm seeks investments with skewed potential outcomes via a concentrated portfolio of deeply undervalued businesses. A quantitative screen filters for low price-to-normal earnings level and current earnings depressed to historical norms. Fundamental research is performed to determine if the problem is temporary and not permanent, if the company's business is good and assesses the downside risks. It's a bottom-up process that focuses on the cheapest quintile. After an initial review a full research project will be performed. Initial position size is based on valuation, risk, and diversification. The number of holdings is expected to be between 40 - 60.*

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**Portfolio Guideline Compliance**

Portfolio Guideline:	Index	Pzena	Calc	Min	Max	Compliance
B3. No more than 5% of the account shall be invested in any one security @ purchase						Yes
B4. Number of issues		52		40	60	ok
B5. Normal Regional Exposures (* benchmark +/- min/max):						
Emerging Markets	10%	9%		0%	25%	ok
Europe ex UK	11%	29%		0%	41%	ok
Japan	5%	1%		0%	35%	ok
North America	69%	50%		30%	99%	ok
United Kingdom	3%	11%		0%	33%	ok
Other	3%	1%		0%	33%	ok
Total		100%				
B6. Normal Global Portfolio Characteristics						
Capitalization	667964	67499	10%	10%	80%	ok
Price/Book Value	3.3	1.3	37%	20%	100%	ok
Price/Earnings	21.5	12.6	59%	20%	120%	ok
Dividend Yield	1.8	3.4	190%	75%	200%	ok
B7. Price/Normalized Earnings in Q1		90%		60%	100%	ok
C2. Max value of forwards w/single counterpart		0%			30%	ok
C3. Cash/cash equiv in non-USD currencies		1%			10%	ok
F2. Brokerage commissions not to exceed \$0.035/share for U.S. equities						Yes
F3. Annual turnover		-		20%	40%	check
The portfolio is in compliance with all other aspects of the Portfolio Guidelines						<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

**Manager Explanations for Deviations from Portfolio Guidelines**

F3. Annual Turnover: As the account was incepted on April 22, 2024, there is no annual turnover data available yet.

**Total Firm Assets Under Management (\$m) as of:**

Qtr 4 \$ 66,822

**Organizational/Personnel Changes**

None.

**Account Turnover**

Gained: Number of Accounts: 0 Total Market Value (\$m): \$ -  
 Lost: Number of Accounts: 0 Total Market Value (\$m): \$ -

Reason(s): Please note that Account Turnover displayed is for the Pzena Global Focused Value strategy in the month of December 2024. Data for January 2025 is not yet available.