

**FUND OBJECTIVE:** The fund seeks to achieve long-term capital appreciation.

**PORTFOLIO MANAGERS**



Rakesh Bordia  
With Pzena since 2007  
In Industry since 1998



Caroline Cai, CFA  
With Pzena since 2004  
In Industry since 1998



Allison Fisch  
With Pzena since 2001  
In Industry since 1999



Akhil Subramanian  
With Pzena since 2017  
In Industry since 2008

**OVERALL MORNINGSTAR RATING™ ★★★★★**

As of 3/31/24, Institutional Class shares rated 4 stars among 721 Diversified Emerging Markets funds, based upon risk-adjusted returns derived from a weighted average of the performance figures associated with 3-, 5- and 10-year (if applicable) Morningstar Ratings metrics.

The Morningstar rating is for The Pzena Emerging Markets Value Fund – Institutional Share Class; other classes may vary. For each fund with at least a three-year history, Morningstar calculates a Morningstar Rating™ based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance (including the effects of sales charges, loads, and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. (Each share class is counted as a fraction of one fund within this scale and rated separately, which may cause slight variations in the distribution percentages.) As of March 31, 2024 the Institutional Class shares of the Fund were rated 5-Stars and 4-Stars and 4-Stars against the following numbers of Diversified Emerging Markets funds over the following time periods: 721 funds in the last three- 657 funds in the last five- and 425 funds in the last ten-years. © 2024 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

**PERFORMANCE SUMMARY**

	QTD	YTD	One Year	ANNUALIZED			
				Three Year	Five Year	Ten Year	Since Inception 3/31/14
PZIEX - Institutional Class	2.95%	2.95%	16.54%	4.13%	7.05%	4.63%	4.63%
PZVEX - Investor Class	2.88%	2.88%	16.24%	3.79%	6.69%	4.30%	4.30%
MSCI Emerging Markets Index	2.37%	2.37%	8.15%	-5.05%	2.22%	2.95%	2.95%
MSCI Emerging Markets Value Index	1.31%	1.31%	11.36%	-0.91%	2.09%	2.15%	2.15%

PZIEX Expense Ratio: Gross: 1.16%, Net: 1.09%, Net (ex-AFFE): 1.08%\*\*

PZVEX Expense Ratio: Gross: 1.51%, Net: 1.44%, Net (ex-AFFE): 1.43%\*\*

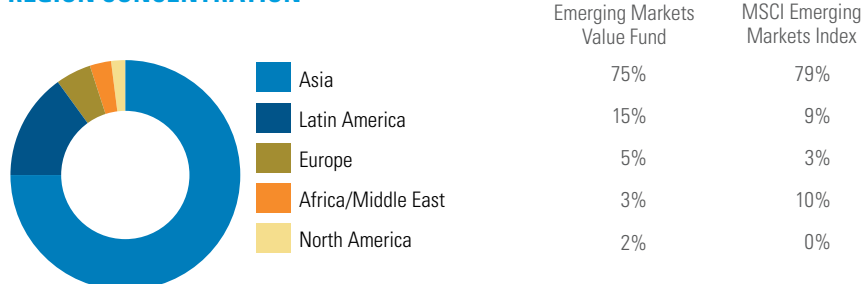
Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by calling 844.PZN.1996 (844.796.1996).

\*\*Expense ratios as presented in prospectus dated June 28, 2023; contractual fee waivers through at least 6/28/24

**PORTFOLIO CHARACTERISTICS**

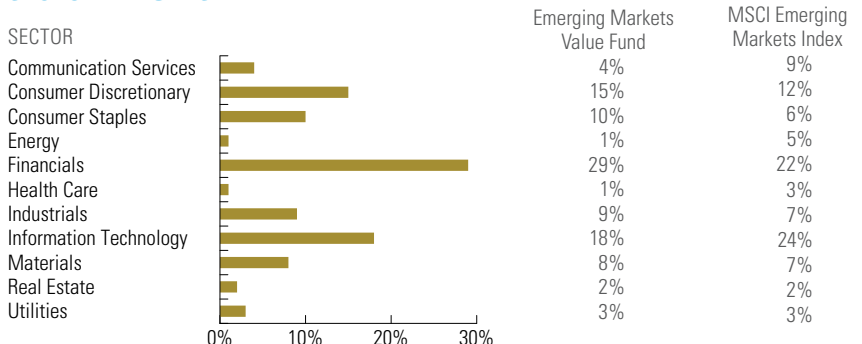
	Emerging Markets Value Fund	MSCI Emerging Markets Index
Price / Earnings (1-Year Forecast)	8.3x	12.6x
Price / Book	1.1x	1.7x
Median Market Cap (\$B)	\$11.8	\$6.5
Weighted Average Market Cap (\$B)	\$69.7	\$119.8
Number of Stocks	61	1,376

**REGION CONCENTRATION**



Country weights adjusted for cash - may appear higher than actual. Number may not add to 100% due to rounding.

**SECTOR WEIGHTS**



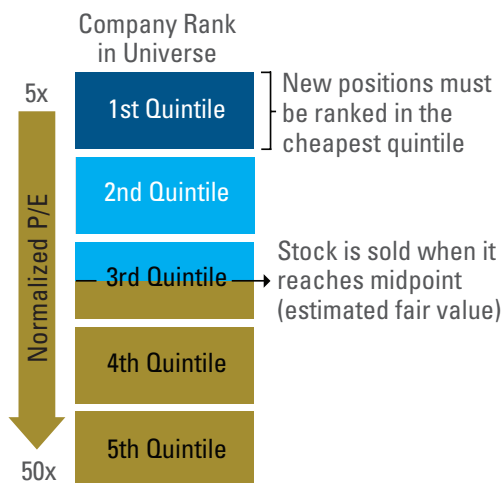
Sector weights adjusted for cash - may appear higher than actual. Number may not add to 100% due to rounding.

## TOP 10 HOLDINGS

Hon Hai Precision Industry Co.	4.8%
Taiwan Semiconductor MFG.	3.7%
Samsung Electronics Co., Ltd.	3.4%
Ambev S.A.	2.7%
Alibaba Group Holding, Ltd.	2.7%
Hankook Tire & Technology Co.	2.6%
Weichai Power Co. Ltd.	2.3%
Haier Smart Home Co., Ltd.	2.3%
WH Group, Ltd.	2.2%
Shiriam Finance, Ltd.	2.2%
Total	28.9%

## INVESTMENT PROCESS

- Universe: 1500 largest companies from non-developed markets based on market capitalization
- Fundamental research conducted on companies considered the most undervalued based on price relative to normalized earnings
- Co-Portfolio Managers construct a portfolio of deeply undervalued businesses requiring unanimous consent



## PORTFOLIO COMMENTARY

After a weak start to the year, emerging markets rose modestly in the quarter, rebounding on the back of a partial China relief rally. While most countries were up modestly, there was wide variation across countries with Peru, Turkey, and Colombia up double digits while Egypt and Thailand were down 29% and 8% respectively. Within the sectors, information technology was the strongest while real estate and materials were down the most. The Pzena Emerging Markets Value Fund, led by information technology names, outperformed both the broad MSCI Emerging Markets Index, as well as the MSCI Emerging Markets Value Index.

The top contributors for the quarter were all Taiwanese technology names, mostly benefiting from optimism from AI-driven growth in this sector. The strongest individual contributors were electronics assembler Hon Hai Precision Industry, semiconductor giant Taiwan Semiconductor Manufacturing (TSMC), and engineering services company United Integrated Services (UIS). Hon Hai benefitted from increased share in module and rack level assembly on NVIDIA's next generation GPU platform. TSMC was strong on expectations of increased volumes and higher pricing power for its AI chips. UIS also rallied on higher capital expenditures, from its key customer, TSMC.

Our biggest absolute detractors in the quarter were Chinese real estate player China Overseas Land & Investment (COLI), Brazilian brewer Ambev, and Indian lender HDFC Bank. COLI underperformed due to continued weakness in the Chinese property market despite government easing measures. Ambev fell on earnings that were heavily impacted by a devaluation of the Argentine peso, despite posting a 4th consecutive quarter of gross margin expansion. We believe most of these issues are short-term in nature and continue to believe in the long-term potential of these stocks. HDFC Bank declined after posting a strong earnings report as the market reconsidered

net interest margin expectations in the short-term.

In the quarter, we added three new names to the portfolio. We added Korean auto supplier Hyundai Mobis, Chinese delivery company ZTO Express, and Beijing Oriental. Hyundai Mobis's After-sales Services segment provides stable and predictable strong cash generation for the company. Meanwhile, the Auto Parts segment, which generated negative profit in 2023, shows potential for improvement as research & development costs climbed over the past few years due to new wins which should go into production in the coming years. ZTO is the number-one player by market share in the Chinese express delivery industry, which has been consolidating during the past 10 years. ZTO's competitive advantage is derived from (i) its cost structure advantage due to scale and (ii) its superior service quality due its stable franchisee network. We think ZTO will continue to gain market share, and maintain its cost structure advantage. Beijing Oriental is China's largest waterproof building materials company. While the industry is going through a downturn, notably in the residential property sector, Yuhong is poised to take market share as weaker players exit. The company should also stand to benefit from a change in building codes that favors its superior, high-quality products.

We financed these buys by exiting our position in electronics assembly company Flex, on strength.

We believe controversy and fear can create opportunities for value investors, and we continue to be very excited by the cheap company valuations against their fundamentals in emerging markets. Our largest sector exposures remain in information technology and financials. Asia constitutes the bulk of the portfolio with the largest exposures to China and Korea.

\*Prior to February 12, 2016, the Fund was named Pzena Emerging Markets Focused Value Fund.

**Capital expenditures** are payments with either cash or credit to purchase long-term physical or fixed assets, i.e., property equipment, supplies, used in a business's operations. **Net interest margin** is the difference between a firm's interest income from interest earning assets, such as loans, and investment securities, and a firm's interest expenses, often the interest paid to depositors. **Price / Earnings (1-Year Forecast)** is a measure of the price-to-earnings ratio (P/E) using forecasted earnings for the P/E calculation. **Price / Book** is a valuation ratio of a company's current share price compared to its book value. **Median Market Cap** is the point at which half of the market value of a portfolio is invested in stocks with a greater market cap, and consequently the other half is invested in stocks with a lower market cap. **Weighted Average Market Cap** is the average firm market capitalization weighted by security weight. **Normalized P/E** is a ratio that measures a company's share price relative to Pzena's estimate of what a company earns across a typical business cycle. **Return on Equity** is the amount of net income returned as a percentage of shareholder's equity.

The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets, and provides equity returns including dividends net of withholding tax rates as calculated by MSCI. The MSCI Emerging Markets Value Index captures large and mid-cap emerging markets securities exhibiting overall value style characteristics. 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. You cannot invest directly in an index.

**Mutual fund investing involves risk. Principal loss is possible. 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. The fund may have emphasis on a specific sector which could adversely affect a fund to a greater extent than if its emphasis was less. The fund may invest in securities which are less liquid and more difficult to sell than more liquid securities. Investments in REITs are subject to the risks associated with the direct ownership of real estate. The Fund emphasizes 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 the returns on "value" securities may not move in tandem with the returns on other styles of investing or the stock market in general.**

*The fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The summary and statutory prospectus contain this and other important information about the investment company, and may be obtained by calling 1.844.PZN.1996 (1.844.796.1996), or visiting [www.pzenafunds.com](http://www.pzenafunds.com). Read it carefully before investing.*

Fund holdings, Regional and Sector exposures and characteristics are as of the date shown and are subject to change at any time. As a result, the Fund's current and future holdings, Regional and Sector exposures and characteristics may vary substantially from the information shown. No recommendation is made regarding the advisability of buying or selling any security.

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