

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

PORTFOLIO MANAGERS



John Flynn
With Pzena since 2005
In Industry since 2000



Evan Fox
With Pzena since 2007
In Industry since 2007



Benjamin Silver
With Pzena since 2001
In Industry since 1988

OVERALL MORNINGSTAR RATING™ ★★★

As of 12/31/23, Institutional Class shares rated 3 stars among 456 Small Value 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 Small Cap 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 December 31, 2023 the Institutional Class shares of the Fund were rated 4-Stars and 2-Stars against the following numbers of Small Value funds over the following time periods: 456 funds in the last three years and 427 funds in the last five 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	Since Inception 4/27/16
PZISX - Institutional Class	16.62%	26.04%	26.04%	15.38%	13.98%	9.65%
PZVSX - Investor Class	16.45%	25.61%	25.61%	15.06%	13.69%	9.34%
Russell 2000® Value Index	15.26%	14.65%	14.65%	7.94%	10.00%	8.65%

PZISX Expense Ratio: Gross: 1.18%, Net: 1.00% PZVSX Expense Ratio: Gross: 1.53%, Net: 1.35%*

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

	Small Cap Value Fund	Russell 2000® Value Index
Price / Earnings (1-Year Forecast)	11.6x	12.4x
Price / Book	1.3x	1.3x
Median Market Cap (\$B)	\$2.0	\$0.8
Weighted Average Market Cap (\$B)	\$3.2	\$2.7
Number of Stocks	46	1,431

TOP 10 HOLDINGS

CNO Financial Group, Inc.	3.9%
Steelcase, Inc.	3.3%
Orion Engineered Carbons S.A.	3.3%
Olin Corp.	3.3%
ScanSource, Inc.	3.0%
Resideo Technologies, Inc.	3.0%
MRC Global, Inc.	3.0%
Universal Corp.	2.9%
TriMas Corp.	2.8%
JELD-WEN Holding, Inc.	2.8%
Total	31.3%

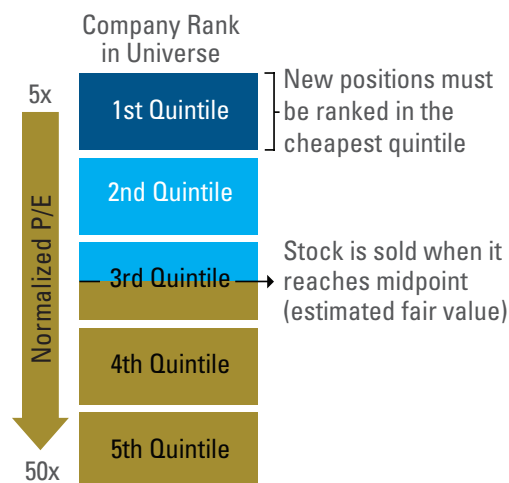
SECTOR WEIGHTS

SECTOR	Small Cap Value Fund	Russell 2000® Value Index
Basic Materials	8%	4%
Consumer Discretionary	20%	14%
Consumer Staples	7%	2%
Energy	6%	9%
Financials	22%	26%
Health Care	2%	9%
Industrials	28%	14%
Real Estate	2%	11%
Technology	5%	6%
Telecommunications	0%	1%
Utilities	0%	4%

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

INVESTMENT PROCESS

- Universe: 2000 U.S. companies (ranked 1001-3000 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

Markets traded up sharply to end 2023, as the Fed's reaction to slowing inflation led to a decline in yields and investor optimism going into 2024. Small caps outperformed large caps in the quarter, but still lagged for the full year, while value outperformed growth. The Pzena Small Cap Value Fund outperformed the benchmark for both the quarter and the full year.

The top contributing sectors for the quarter were consumer discretionary, financials, and industrials. Shares of Gap, Inc., owner of Old Navy, Athleta, Banana Republic, and Gap doubled as Old Navy comparable sales turned positive for the first time in over two years, while margins expanded on lower commodity costs and less promotional activity, giving credence to management's actions to turn around the business and focus on its core areas of strength. Tobacco leaf merchant Universal Corp. was also strong after reporting earnings that benefited from tight tobacco supply, as well as improving profitability in the company's ingredients business. PVH, which owns Calvin Klein and Tommy Hilfiger, rose on improved profitability and also better positioned itself for the future by working down its inventory levels.

The only sector that detracted for the quarter was health care. The biggest individual detractor was Belden (signal transmission equipment), which reported disappointing earnings and guidance, as macro weakness and destocking at its end customers led to a revenue decline. Despite these near-term challenges, we remain confident in the company's long-term secular drivers. Another underperformer was nutritional supplement direct seller USANA Health Sciences, which reported weaker-than-expected sales, driven by challenging economic conditions in various Asian geographies,

as well as lower promotional activity. Despite the weakness, USANA maintains a very strong cash position and is well-positioned for an expected rebound in Chinese rebound. Finally, door manufacturer Masonite International traded down despite improving fundamentals after management announced the acquisition of a premium window manufacturer. While the target company is a high-quality business, the price is expensive and Masonite is taking on substantial leverage to complete the transaction, which prompted us to trim the position.

We initiated a position in Korn Ferry, a leading executive search firm with a strong consulting business. The company uses its strong C-suite and board relationships to cross-sell services and maintain tight relationships with companies. The stock has traded down on concerns that parts of the business were performing above-trend, but the company has a strong net-cash balance sheet to work through any weakness, and the stock more than discounts these concerns, in our view. We also initiated a position in commercial real estate broker Marcus & Millichap. The company is the leader in small private market transactions but faced a sharp decline in revenues and earnings as commercial real estate volumes softened. The stock subsequently rebounded as interest rates declined, so we were not able to build a full position.

We funded these positions through sales of American Equity Investment Life (indexed annuity underwriter) and Terex (aerial work platforms and material handling equipment), both on valuation.

The Fund remains positioned towards more economically sensitive and cyclical names, as valuations remain quite attractive.

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. **EBITDA**, or earnings before interest, taxes, depreciation, and amortization, is a measure of profitability. **Dividend Yield**: ratio that indicates how much a company pays out in dividends each year relative to its share price. **RBC Ratio** means the risk-based capital ratio. **SG&A**: selling, general & administrative costs—also sometimes referred to as operating expenses.

The Russell 2000® Value Index is an unmanaged index that measures the performance of those Russell 2000® companies with lower price-to-book ratios and lower forecasted growth rates. The index is reconstituted annually so that stocks that have outgrown the index can be removed and new entries can be added. One cannot invest directly in an index.

Mutual fund investing involves risk. Principal loss is possible. Investments in small-cap companies involve additional risks such as limited liquidity and greater volatility than larger companies. 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 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. Read it carefully before investing.

Fund holdings, Sector exposure 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, Sector exposure 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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