

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 06/30/2024, Institutional Class shares rated 3 stars among 450 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 06/30/2024 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: 450 funds in the last three years and 424 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

	ANNUALIZED					
	QTD	YTD	One Year	Three Year	Five Year	Since Inception 4/27/16
PZISX- Institutional Class	-6.75%	-1.69%	15.83%	7.03%	10.74%	8.81%
PZVSX- Investor Class	-6.87%	-1.85%	15.49%	6.75%	10.45%	8.50%
Russell 2000® Value Index	-3.64%	-0.85%	10.90%	-0.53%	7.07%	7.99%

PZISX Expense Ratio: Gross: 1.46%, Net: 1.00%*
PZVSX Expense Ratio: Gross: 1.81%, 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, 2024; contractual fee waivers through at least 6/28/25*

PORTFOLIO CHARACTERISTICS

	Small Cap Value Fund	Russell 2000® Value Index
Price/Earnings (1-Year Forecast)	11.7x	12.6x
Price/Book	1.2x	1.3x
Median Market Cap (\$B)	\$2.2	\$741.7
Weighted Average Market Cap (\$B)	\$2.9	\$3.0
Number of Stocks	50	1,402

TOP 10 HOLDINGS

Steelcase, Inc.	3.9%
CNO Financial Group, Inc.	3.7%
MRC Global, Inc.	3.3%
Korn Ferry	3.1%
Belden, inc.	3.0%
Spectrum Brands Holdings, Inc.	2.8%
JELD-WEN Holding, Inc.	2.8%
Olin Corp.	2.7%
TriMas Corp.	2.7%
Resideo Technologies, Inc.	2.7%
Total	30.7%

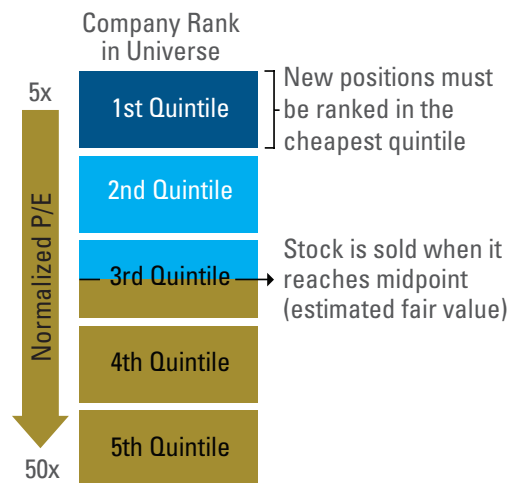
SECTOR WEIGHTS

SECTOR	Small Cap Value Fund	Russell 2000® Value Index
Basic Materials	7%	5%
Consumer Discretionary	20%	13%
Consumer Staples	7%	2%
Energy	6%	10%
Financials	22%	25%
Health Care	3%	9%
Industrials	26%	15%
Real Estate	2%	10%
Technology	7%	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 were mixed during the second quarter, as mega-cap growth names drove cap-weighted large cap indices higher, while small cap stocks were broadly negative. Within the small cap cohort, value stocks marginally lagged their growth peers, and the Fund underperformed its benchmark, as investors were particularly punitive towards companies that lowered guidance.

Consumer discretionary, industrials, and basic materials were the biggest detractors during the quarter. Window and door manufacturer JELD-WEN traded down after reporting weak volume trends and reducing guidance on macro headwinds in the housing market. Given the steep stock correction and current management's actions to restructure the business, we took the opportunity to increase our position. Adient was weak, as the auto seat supplier struggles with lower production volumes and near-term customer mix issues, as EV vehicle launches have been inconsistent. Chemical producer Olin Corporation dropped, as the chlor-alkali market's recovery remains delayed which drove concerns that the company will not meet its 2024 guidance.

Financials and technology contributed the most during the quarter. Bermuda-based insurer Axis Capital was strong, benefiting from a hardening insurance market, as well as from the CEO's actions to improve the portfolio. Phibro Animal Health traded up after completing a large acquisition at a discounted valuation. As a leader in the medicated feed additive business, Phibro was the natural buyer of Zoetis's business, and capitalized on it. Private label credit card company Bread Financial also performed well on investor optimism that regulatory burdens may be less onerous than feared. Bread has also strengthened its reserves, liquidity position, and capital levels in recent quarters.

Portfolio activity was elevated in the quarter, as four new names

were added across a range of industries. We added Malibu Boats, a recreational powerboat manufacturer with a leading position in performance sports boats that traded down on destocking concerns. Douglas Dynamics, the top manufacturer of snowplows, has been underearning due to lower snowfall levels over the past several years. Life insurer Globe Life boasts a strong earnings track record and captive distribution; shares fell precipitously due to a sensational and exaggerated short seller report. Finally, ABM Industries is a leading provider of outsourced facilities management services, that traded down on concerns around office occupancy. We believe ABM's volumes are very sticky and its scale is a major competitive advantage. We funded these new positions by trimming GMS (wallboard distribution), and exiting REV Group (specialty vehicles), both on strength.

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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