

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 03/31/23, Institutional Class shares rated 3 stars among 451 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 March 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: 451 funds in the last three years and 428 funds in the last five years. © 2023 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	2.47%	2.47%	-0.85%	29.65%	6.06%	7.49%
PZVSX - Investor Class	2.39%	2.39%	-1.03%	29.31%	5.79%	7.19%
Russell 2000® Value Index - Total Return	-0.66%	-0.66%	-12.96%	21.01%	4.55%	7.39%

PZISX Expense Ratio: Gross: 1.17%, Net: 1.00% PZVSX Expense Ratio: Gross: 1.52%, 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).

*Contractual fee waivers through 6/28/23

PORTFOLIO CHARACTERISTICS

	Small Cap Value	Russell 2000® Value Index
Price / Earnings (1-Year Forecast)	9.5x	11.1x
Price / Book	1.3x	1.3x
Median Market Cap (\$B)	\$2.0	\$0.8
Weighted Average Market Cap (\$B)	\$2.6	\$2.3
Number of Stocks	48	1,363

TOP 10 HOLDINGS

CNO Financial Group, Inc.	4.0%
Orion Engineered Carbons S.A.	3.5%
Dana, Inc.	3.5%
Celestica, Inc.	3.5%
Steelcase, Inc.	3.4%
Masonite International Corp.	3.3%
Olin Corp.	3.2%
TriMas Corp.	3.0%
Terex Corp.	2.8%
Axis Capital Holdings, Ltd.	2.8%
Total	33.0%

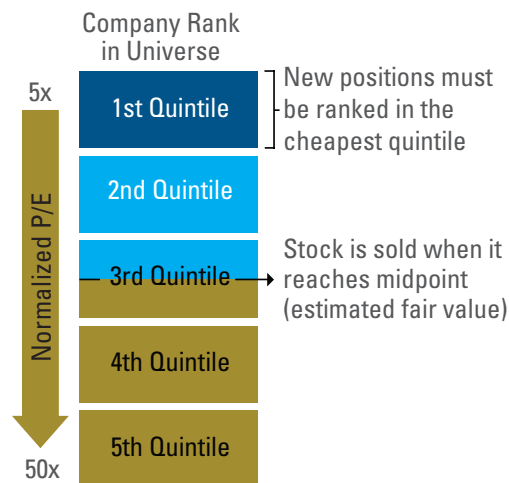
SECTOR WEIGHTS

SECTOR	Small Cap Value	Russell 2000® Value Index
Basic Materials	8%	4%
Consumer Discretionary	15%	14%
Consumer Staples	6%	3%
Energy	5%	6%
Financials	25%	26%
Health Care	2%	10%
Industrials	29%	15%
Real Estate	1%	11%
Technology	9%	5%
Telecommunications	0%	1%
Utilities	0%	5%

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

Starting the year strong, domestic small caps lost most of their gains in February and March, driven initially by regional banks liquidity concerns, then expanding to broader economic growth fears stemming from a slowdown in lending. Small cap stocks underperformed large cap stocks for the quarter, and value underperformed growth across market caps. The Fund outperformed the Russell 2000 Value Index with the top contributing sectors being industrials, basic materials, and consumer discretionary.

The top individual contributor was carbon black producer Orion Engineered Carbons, which reported sales and earnings ahead of expectations, as the industry supply/demand dynamics improves. Management also provided encouraging free cash flow guidance as the company is finally past most of its environmental expenditures and will have more capital flexibility going forward. Signal transmission company Belden reported results well ahead of guidance with a solid 2023 outlook, as the company's end markets continue to exhibit structural growth. Office furniture manufacturer Steelcase reported better than expected earnings, as price increases offset cost inflation, leading to gross margin expansion. Management expects modest growth across their customer base this year even without a major recovery in large corporate accounts.

Unsurprisingly, financials was the top detracting sector, followed by energy. Columbia Banking System, Associated Banc-Corp, and Old National Bancorp were the top individual detractors, each trading down following the collapse of Silicon Valley Bank (SVB) and concerns around the stability of US regional banks. SVB had specific

issues in terms of customer concentration and an asset-liability duration mismatch that drove it to insolvency; and the Fund's banks have very different exposures. We continue to have confidence in our holdings but are making some valuation-based tactical shifts.

We initiated three new positions during the quarter. We initiated a position in Masterbrand, the largest residential cabinet manufacturer in North America, which recently spun out from Fortune Brands. Selling pressures related to the spin and concerns over a demand slowdown have weighed on the share price which presented an attractive entry point. We also initiated a position in Resideo Technologies, the leading manufacturer and distributor of thermal, water, security, and energy products for residential end markets. After having spun out from Honeywell in 2018, Resideo remains the leading manufacturer of thermostats, along with other products, and has deep relationships with the contractors who control much of the market. Finally, we added Georgia-based regional bank Synovus Financial opportunistically on weakness.

We funded these purchases by exiting oil services equipment company TechnipFMC on strong performance, as well as infrastructure construction company MasTec on valuation.

After both small cap stocks and value stocks underperformed throughout the start of the year, the opportunity set remains wide, and we continue to diligently research companies that are underappreciated by the market. We are currently seeing a range of opportunities, especially from companies being unduly punished by persistent recession fears.

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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