Pzena Emerging Markets Value Fund*

PZIEX / PZVEX

As of December 31, 2016

PZENA FUNDS

Classic Value Investing

About Pzena

Pzena Investment Management, LLC, a New York-based, independent, registered investment manager, began managing assets in 1996.

From the beginning we have followed a classic value investment style built on a foundation of intensive fundamental research and a disciplined, repeatable investment process.

Pzena manages U.S. and global equities for a substantial and diversified client base that includes pension plans, endowments, foundations, financial intermediaries and high-net-worth individuals.

Portfolio Managers

Rakesh Bordia
Principal, Portfolio Manager
Tenure at Pzena: 9 years
Experience: 18 years

Education
Indian Inst. of Technology, BT

Caroline Cai, CFA
Principal, Portfolio Manager
Tenure at Pzena: 12 years
Experience: 18 years

Education
Bryn Mawr College, BA

Allison Fisch
Principal, Portfolio Manager
Tenure at Pzena: 15 years
Experience: 17 years

Education
Dartmouth College, BA

John P. Goetz
Managing Principal, Founding Partner, Co-Chief Investment Officer and Portfolio Manager
Tenure at Pzena: 20 years
Experience: 37 years

Education
Wheaton College, BS
Kellogg School at Northwestern University, MBA

Fund Facts

	PZIEX Institutional	PZVEX Investor
Ticker	PZIEX	PZVEX
Start	March 31, 2014	March 31, 2014
CUSIP	00770X675	00770X683
Objective	The fund seeks to achieve long-term capital appreciation.	

Performance Summary as of December 31, 2016

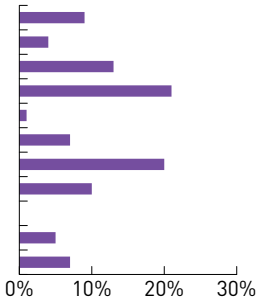
	QTD 2016	YTD 2016	Annualized One Year	Annualized Since Inception 3/31/14
PZIEX - Institutional Class	1.79%	22.17%	22.17%	-3.86%
PZVEX - Investor Class	1.64%	21.68%	21.68%	-4.16%
MSCI Emerging Markets Index	-4.16%	11.19%	11.19%	-2.63%

PZIEX Expense Ratio: Gross: 3.02%, Net: 1.25%**
PZVEX Expense Ratio: Gross: 3.37%, Net: 1.60%**

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). The fund imposes a 1.00% redemption fee on shares held 60 days or less. Performance does not reflect the redemption fee and, if it had, returns would have been lower.

**Contractual fee waivers through 6/27/17

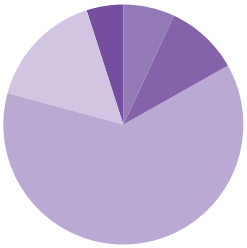
Sector Weights



Sector	Emerging Markets Value	MSCI Emerging Markets Index
Consumer Discretionary	9%	10%
Consumer Staples	4%	7%
Energy	13%	8%
Financials	21%	24%
Health Care	1%	3%
Industrials	7%	6%
Information Technology	20%	23%
Materials	10%	7%
Real Estate	0%	3%
Telecom Services	5%	6%
Utilities	7%	3%

Sector weights adjusted for cash - may appear higher than actual.

Region Concentration



	Emerging Markets Value	MSCI Emerging Markets Index
North America	5%	0%
Europe	16%	8%
Asia	63%	70%
Latin America	10%	13%
Africa/Middle East	6%	9%

Country weights adjusted for cash - may appear higher than actual.

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Approach

We are a simple firm to understand; we build portfolios of deeply undervalued businesses without a focus on benchmarks. We think of our positions as ownership interests in the underlying companies. We therefore invest with a long-term horizon.

Success in value investing requires two primary elements:

1. Superior, in-depth research into the businesses we own. These companies are undergoing real issues, which is why their prices relative to normalized earnings estimates appear low in the first place. Knowing what we are exposing ourselves and our clients to is a critical element of success. But it is not enough...
2. A disciplined, repeatable investment process. This is so necessary, yet so difficult to implement. Why? Because emotions play a large role in investing. The daily mark-to-market that the stock market reports, however, is not useful to us. Our process is designed to ensure that human emotions do not override good research.

We act like private equity investors in the public markets. We make investments as if there is no ready public market to enable us to sell. Thus, we must become satisfied that the earnings and cash flow generating ability of the businesses appear to attractively compensate us for the equity risk taken.

Portfolio Characteristics

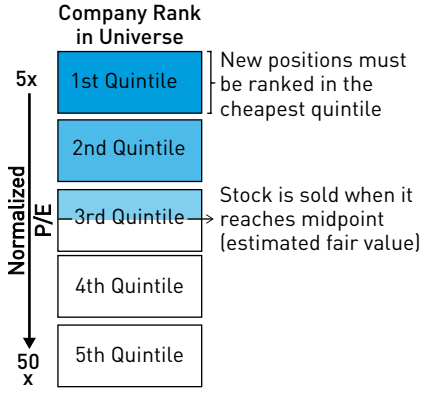
	Emerging Markets Value	MSCI Emerging Markets Index
Price / Earnings (1-Year Forecast)	10.9x	13.0x
Price / Book	0.9x	1.5x
Median Market Cap ($M)	$8,032	$4,553
Weighted Average Market Cap ($M)	$39,987	$48,389
Number of Stocks	61	832

Top 10 Holdings

Samsung Electronics Co., Ltd.	4.2%
Taiwan Semiconductor Manufacturing Co.	3.5%
Antofagasta PLC	3.3%
POSCO	3.0%
Lukoil PJSC	2.9%
Rosneft Oil Co.	2.8%
Cognizant Technology Solutions Corp.	2.8%
China Mobile, Ltd.	2.7%
Standard Chartered PLC	2.5%
Hyundai Heavy Industries Co., Inc.	2.5%
Total	**30.2%**

Investment Process

- Universe: 1500 largest companies from non-developed markets based on market capitalization
- Fundamental reseach 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



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

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 future free cash flow.

The MSCI Emerging Markets Index is a float-adjusted market capitalization index that consists of indices in 23 emerging economies: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Russia, South Africa, Taiwan, Thailand, Turkey, and UAE. You cannot invest directly in an index.

Mutual fund investing involves risk. Principal loss is possible. Investments in small- and mid-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 may invest in securities which are less liquid and more difficult to sell than more liquid securities. The fund may invest in p-notes which are a type of equity linked derivative and involve counterparty risk and risk that the performance of the security may not exactly match the performance of the issuer. Investments in REITs are subject to the risks associated with the direct ownership of real estate.

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, 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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