

JANUARY 2022

Cheapest Stocks	5.9x
Universe	15.1x

Price-to-Normal Earnings<sup>1</sup>

Value stocks outperformed in 2021, yet we believe the current value cycle has more room to run. Valuations remain extremely compelling.

## Emerging Markets

The cheapest stocks<sup>2</sup> remain deeply discounted at just 39% of fair value<sup>2</sup>.



## China

An uncertain macro environment (e.g., regulatory crackdowns, troubled property sector, COVID/ travel sensitivity) has led to value opportunities. We remain underweight to China, but believe some companies have been unduly punished by macro concerns. Examples that we own include Alibaba, Baidu, China Overseas Land & Investment, Galaxy Entertainment, and Trip.com. We expand on this in our [4Q21 Commentary](#).



## Latin America

Latin America continues to struggle; our exposure is entirely to Brazil, through beverage, utilities, and bank holdings.



## Turkey

Turbulence in Turkey continues to create interesting opportunities. Our allocation is small but overweight, with bank and auto exposure.

Our portfolio remains positioned in companies across geographies and industries that can capture significant upside during the recovery.

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Emerging Markets Value Fund Factsheet

**US Equity Funds**

	MID CAP VALUE FUND		SMALL CAP VALUE FUND	
	Institutional	Investor	Institutional	Investor
<b>Ticker</b>	PZIMX	PZVMX	PZISX	PZVSX
<b>Expense Ratio Gross% / Net%*</b>	1.06 / 0.90	1.41 / 1.25	1.42 / 1.11	1.77 / 1.46
<b>Morningstar Category</b>	Mid-Cap Value		Small-Cap Value	

**Non-US Equity Funds**

	EMERGING MARKETS VALUE FUND		INTERNATIONAL SMALL CAP VALUE FUND		INTERNATIONAL VALUE FUND	
	Institutional	Investor	Institutional	Investor	Institutional	Investor
<b>Ticker</b>	PZIEX	PZVEX	PZIIIX	PZVIX	PZINX	PZVNX
<b>Expense Ratio Gross% / Net%*</b>	1.21 / 1.08	1.56 / 1.43	7.94 / 1.18	8.29 / 1.53	4.98 / 0.75	5.33 / 1.10
<b>Morningstar Category</b>	Diversified Emerging Mkts		Foreign Small/Mid Value		Foreign Large Value	

\* Contractual fee waivers through at least 6/28/22.

**FURTHER INFORMATION**

<sup>1</sup>Pzena's estimates of price relative to normal earnings (normalized earnings are what we expect a company to earn across a business cycle). <sup>2</sup>The cheapest stocks are measured as the median stock in the cheapest quintile of our universe; fair value is measured as the median stock among the universe's ~1500 stocks.

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As of December 31, 2021, the securities mentioned comprised the following percentages of the Pzena Emerging Markets Value Fund: Alibaba Group Holdings 2.71%; Baidu Inc. 2.12%, China Overseas Land & Investment 2.17%, Trip.com 2.73%, Galaxy Entertainment 2.47%, Ambev 2.78%; Pzena International Value Fund held Alibaba Group Holdings 2.05%, Ambev 2.06%, Galaxy Entertainment 1.47%.

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 funds may have emphasis on a specific sector which could adversely affect a fund to a greater extent than if its emphasis was less. The funds may invest in securities that 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 funds' 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.*

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