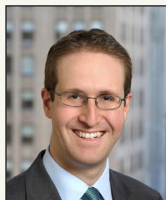


**FUND OBJECTIVE:** The fund seeks to achieve long-term capital appreciation.

**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 12/31/2024, Institutional Class shares rated 2 stars among 392 Mid-Cap 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 Mid 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 12/31/2024 the Institutional Class shares of the Fund were rated 2-Stars and 1-Stars and 2-Stars against the following numbers of Mid-Cap Value funds over the following time periods: 392 funds in the last three- 372 funds in the last five- and 289 funds in the last ten-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	Ten Year	Since Inception 3/31/14
PZIMX- Institutional Class	-4.92%	1.12%	1.12%	5.06%	10.16%	8.60%	8.47%
PZVMX- Investor Class	-5.01%	0.72%	0.72%	4.67%	9.76%	8.24%	8.11%
Russell Midcap® Value Index	-1.75%	13.07%	13.07%	3.88%	8.59%	8.10%	8.39%

PZIMX Expense Ratio: Gross: 0.99%, Net: 0.90%\*\*

PZVMX Expense Ratio: Gross: 1.34%, Net: 1.25%\*\*

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 PZN 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 June 28, 2025.

**PORTFOLIO CHARACTERISTICS**

	Mid Cap Value Fund	Russell Mid Cap® Value Index
Price/Earnings (1-Year Forecast)	11.8x	17.1x
Price/Book	1.5x	2.3x
Median Market Cap (\$B)	\$12.2	\$10.3
Weighted Average Market Cap (\$B)	\$18.3	\$25.0
Number of Stocks	39	711

**TOP 10 HOLDINGS**

Humana, Inc.	3.8%
Baxter International Inc.	3.7%
Charter Communications, Inc. - Class A	3.6%
Delta Air Lines, Inc.	3.6%
Dollar General Corp.	3.4%
Dow, Inc.	3.4%
CH Robinson Worldwide, Inc.	3.3%
Magna International, Inc.	3.3%
Robert Half, Inc.	3.3%
Lear Corp.	3.2%
Total	34.6%

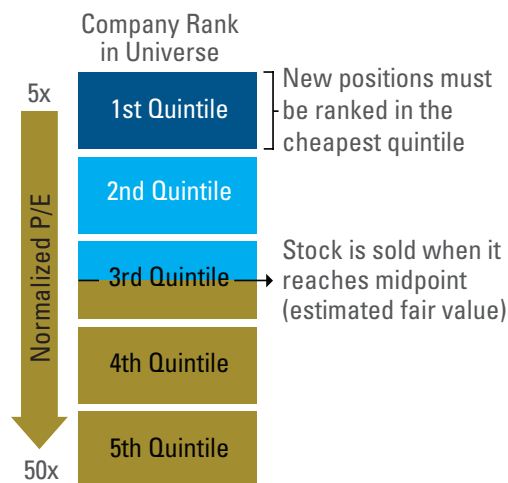
**SECTOR WEIGHTS**

SECTOR	Mid Cap Value Fund	Russell Mid Cap® Value Index
Basic Materials	5%	3%
Consumer Discretionary	20%	14%
Consumer Staples	2%	6%
Energy	2%	6%
Financials	19%	16%
Health Care	16%	8%
Industrials	18%	21%
Real Estate	0%	10%
Technology	14%	8%
Telecommunications	4%	1%
Utilities	0%	7%

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

## INVESTMENT PROCESS

- Universe: 201st-1200th largest U.S. companies 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

The U.S. midcap market was essentially flat for the quarter, trailing large caps, which have been increasingly driven by a few mega-cap growth stocks. Value continued to lag growth due to tariff threats and inflation concerns. The Fund significantly underperformed the value benchmark, as is typical in a heavy growth-centric market. The largest sector detractors were health care, industrials, and basic materials, while consumer discretionary, financials, and telecommunications all gained.

Window and door manufacturer JELD-WEN reported a large earnings miss due to weak end markets in North America and Europe, as well as the loss of a major customer to a non-domestic manufacturer. Later in the quarter, the company was forced to sell a plant at a very low price. While we are disappointed in the outcome, we are pleased that the legal saga, which had been an overhang on the stock, has been put to bed. In addition, the company continues to consolidate its facilities, which should support cost take-outs of about \$100m in 2025. Another underperformer, chemical producer Dow moved lower on weak end demand in Europe, while China continues to add capacity, pressuring pricing. Roughly 40% of Dow's capacity is tied to construction in some way, which continues to struggle amid the higher interest rate environment, while tariff uncertainty also hasn't helped sentiment. Management announced a strategic review of its European polyurethane assets, as well as a sale of the company's infrastructure assets to shore up the balance sheet. Universal Health Services, a leading hospital group, declined after reporting weaker-than-expected patient admission volumes.

Delta Air Lines was the strongest contributor in the quarter, with shares advancing on the bankruptcy of Spirit Airlines, as well as on planned capacity reductions by competing airlines. Advance Auto Parts also contributed after announcing the sale of its Worldpac business for \$1.5

billion. The company is also in the process of consolidating distribution facilities from 38 down to 13, while increasing its large market hub locations to 60, with the goal of bringing products closer to its end customers. Longer term, we believe an aging car fleet and increased vehicle complexity should prove to be natural tailwinds for the business. Lastly, Capital One powered ahead on the results of the U.S. election, which yielded a GOP sweep, effectively decreasing the likelihood of CFPB restrictions being enacted, and raising the likelihood of its merger with Discover being approved.

We increased a position in Humana Inc., making it the largest holding in the strategy. Humana's stock faced heavy selling pressure after a financial article claimed that the Medicare Advantage industry – particularly Humana – profits excessively from low-utilizing veterans with duplicative coverage from the Veterans Health Administration. Our analysis found that the article omitted key context, such as the competitive nature of the industry and the fact that the Centers for Medicare & Medicaid Services (CMS) reviews and approves the margin profile of every MA plan. We remain confident in Medicare Advantage's role in improving senior care while managing Medicare costs, and believe Humana is well-positioned to benefit from plan repricing to account for a more normalized post-COVID utilization environment. We also continued to build the position in materials producer Huntsman, and added to auto supplier Magna International, on weakness. To fund these purchases, we sold title insurer Fidelity National, Gap, Inc., and California utility Edison International. We also trimmed multi-line insurer CNO Financial, and life insurer Equitable Holdings, on appreciation.

Market reactions to short-term events have been particularly severe in recent quarters, resulting in higher dispersion. Despite this observation, we believe that the Fund remains well-positioned in companies with attractive valuations and businesses poised for long-term earnings normalization.

\*Prior to February 12, 2016, the Fund was named Pzena Mid Cap 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 what a company earns across a typical business cycle.

The Russell Midcap® Value Index measures the performance of the midcap value segment of the US equity universe. It includes those Russell Midcap® Index companies with lower price-to-book ratios and lower forecasted growth values. One cannot invest directly in an index.

**Mutual fund investing involves risk. Principal loss is possible. Investments in 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. 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](http://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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