

Pzena Long/Short Value Fund

PZILX / PZVLX
As of December 31, 2016



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



TVR Murti

Principal, Portfolio Manager
Tenure at Pzena: 11 years
Experience: 17 years

Education

Indian Institute of Technology, B.Tech
Indian Institute of Management, MBA



Eli Rabinowich

Principal, Portfolio Manager
Tenure at Pzena: 12 years
Experience: 14 years

Education

Yeshiva University, BS
Columbia Business School, MBA



Manoj Tandon, PhD

Principal, Co-Director of Research and
Portfolio Manager
Tenure at Pzena: 14 years
Experience: 24 years

Education

Indian Institute of Technology, B.Tech
University of Virginia, PhD
New York University, MBA

Fund Facts

	PZILX Institutional	PZVLX Investor
Ticker	PZILX	PZVLX
Start	March 31, 2014	March 31, 2014
CUSIP	00770X634	00770X642
Objective	The fund seeks to achieve long-term capital appreciation.	

Performance Summary as of December 31, 2016

	QTD 2016	YTD 2016	Annualized	
			One Year	Since Inception 3/31/14
PZILX - Institutional Class	12.24%	15.81%	15.81%	3.95%
PZVLX - Investor Class	12.00%	15.33%	15.33%	3.63%
Russell 1000® Index	3.83%	12.05%	12.05%	8.59%

PZILX Expense Ratio: Gross: 10.39%, Net: 2.81%*, Cap: 1.75%

PZVLX Expense Ratio: Gross: 10.74%, Net: 3.16%*, Cap: 2.10%

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 (excluding acquired fund fees and expenses ("AFFE"), interest expense, taxes, dividends on securities sold short and extraordinary expenses) through 6/27/17.

Sector Weights (Net)

Sector	Long/Short Value	Russell 1000® Index
Consumer Discretionary	8%	12%
Consumer Staples	5%	9%
Energy	2%	7%
Financials	37%	15%
Health Care	11%	13%
Industrials	-1%	11%
Information Technology	1%	20%
Materials	-3%	3%
Real Estate	1%	4%
Telecom Services	-2%	3%
Utilities	0%	3%

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

Portfolio Characteristics

	Long/Short Value
Long Exposure	109%
Short Exposure	52%
Number of Stocks - Long	70
Number of Stocks - Short	78

Pzena Long/Short Value Fund

PZILX / PZVLX
As of December 31, 2016



Approach

We build high-conviction portfolios, unconstrained by benchmarks, and fundamentally driven.

The basis of our decision making is our estimate of the long-term "normalized" earnings power of all of the companies in our universe. The calculation of normalized earnings is based on the principle of mean reversion. We calculate the ratio of price to normalized earnings, and rank stocks from low to high on that metric.

Our long positions are typically in companies that are experiencing difficulties that our research suggests are likely to be temporary. We believe that very poor profitability tends not to persist. Over time, cycles turn, management takes actions, costs are cut, and excess industry capacity diminishes. For our shorts, we focus on stocks that are expensive on a price/normalized earnings basis, generally because the market has gotten too optimistic about future earnings. More specifically, we believe that very high levels of profitability or earnings growth usually are not sustainable due to the laws of supply and demand.

For risk management purposes we target the Fund's beta, limit position sizes and systematically avoid shorting high momentum companies.

Success in value investing requires two primary elements:

1. Superior, in-depth research. 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 market-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.

Top 5 Holdings – Long

Lamar Advertising Co.	3.6%
Axis Capital Holdings, Ltd.	3.6%
Wal-Mart Stores, Inc.	3.3%
Omnicom Group, Inc.	3.2%
Voya Financial, Inc.	2.7%
Total	16.4%

Top 5 Holdings – Short

ACADIA Pharmaceuticals, Inc.	-0.9%
HD Supply Holdings, Inc.	-0.8%
Square, Inc. - Class A	-0.8%
Core Laboratories N.V.	-0.8%
PDC Energy, Inc.	-0.8%
Total	-4.1%

Investment Process

- Universe: Largest 1000 U.S. companies based on market capitalization
- No. of longs: 70-90*
- No. of shorts: 70-90*
- Position constraints:
 - Longs: 5% max*
 - Shorts: 0.50%-0.75%*

*generally



Normalized P/E is a ratio that measures a company's share price relative to Pzena's estimate of future free cash flow. **Beta** is a statistic that measures the volatility of the fund, as compared to that of the overall market. **Long and short exposure** reflects the Fund's percentage of net assets invested in long positions (securities purchased) and short positions (securities sold short). This Fund enters into a short sale by selling a security it has borrowed. If the market price of a security increases after the Fund borrows the security, the Fund will suffer a potentially unlimited loss when it replaces the borrowed security at the higher price. Short sales also involve transaction and other costs that will reduce potential Fund gains and increase potential Fund losses.

The Russell 1000[®] Index is an unmanaged index and is a subset of the Russell 3000[®] Index; it measures the performance of approximately 1000 of the largest securities based on a combination of their market cap and current index membership. The Index cannot be invested in directly.

The blended index represents a 50% weighting of the Russell 1000[®] Index, described above, and a 50% weighting of the Bank of America Merrill Lynch 3-month U.S. Treasury Bill Index. The Bank of America Merrill Lynch 3-month U.S. Treasury Bill Index measures the performance of short-term U.S. Government securities with a remaining term to final maturity of less than three months. The Index cannot be invested in directly.

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. The fund may make short sales of securities, which involves the risk that losses may exceed the original amount invested. 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. 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, 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.

The Pzena Funds are distributed by Quasar Distributors, LLC.