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**PZENA VALUE FUNDS PLC**

An open-ended investment company with variable capital incorporated in Ireland with registered number 412507 established as an umbrella fund with segregated liability between sub-funds.

**PZENA GLOBAL VALUE FUND  
PZENA U.S. LARGE CAP EXPANDED VALUE FUND  
PZENA EMERGING MARKETS VALUE FUND  
PZENA GLOBAL EXPANDED VALUE FUND**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

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**DIRECTORS' REPORT**

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The Directors have the pleasure of submitting their annual report together with the audited financial statements for Pzena Value Funds Plc (the "Company" and/or the "Fund") for the financial year ended 31 December 2017.

The Company is organised in the form of an open-ended umbrella fund with four sub-funds, the Pzena Global Value Fund, the Pzena U.S. Large Cap Expanded Value Fund, the Pzena Emerging Markets Value Fund and the Pzena Global Expanded Value Fund (the "Sub-funds") in existence at the year end.

The Pzena Global Value Fund is offering one class of Share - Class A. The Sub-fund commenced operations on 1 March 2006 when the first subscription was made. The Sub-fund's shares were listed on the Irish Stock Exchange. On 13 December 2016, the Directors of Pzena Value Funds Plc approved the delisting of the Share Classes from the MSM of the Irish Stock Exchange with effect on 5 January 2017. The Sub-fund was approved by the Central Bank of Ireland (the "Central Bank") on 23 December 2005.

The Pzena U.S. Large Cap Expanded Value Fund is offering one class of Share - Class A. The Sub-fund commenced operations on 21 June 2012 when the first subscription was made. The sub-fund's shares were listed on the Irish Stock Exchange. On 13 December 2016, the Directors of Pzena Value Funds Plc approved the delisting of the Share Classes from the MSM of the Irish Stock Exchange with effect on 5 January 2017. The Sub-fund was approved by the Central Bank on 23 December 2011.

The Pzena Emerging Markets Value Fund is offering two classes of Share - Class A and Class AEU. The Sub-fund commenced operations on 25 January 2013 when the first subscription was made. The Sub-fund's shares were listed on the Irish Stock Exchange. On the 13 December 2016, the Directors of Pzena Value Funds Plc approved the delisting of the Share Classes from the MSM of the Irish Stock Exchange with effect on 5 January 2017. The Sub-fund was approved by the Central Bank on 15 June 2011.

The Pzena Global Expanded Value Fund is offering two classes of Share - Class A and Class AEU. The Sub-fund commenced operations on 25 June 2014 when the first subscription was made. The Sub-fund's shares were listed on the Irish Stock Exchange. On the 13 December 2016, the Directors of Pzena Value Funds Plc approved the delisting of the Share Classes from the MSM of the Irish Stock Exchange with effect on 5 January 2017. The Sub-fund was approved by the Central Bank on 2 January 2014.

**Principal Activities, Business Review and Future Developments**

The Company was incorporated in Ireland on 14 December 2005 as an open-ended umbrella company with variable capital and is organised under the laws of Ireland as a public limited company pursuant to the Companies Act 2014, as amended. The Company is currently authorised by the Central Bank pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended) (the "UCITS Regulations") and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 (as amended) (the "Central Bank UCITS Regulations").

The Company has appointed DMS Investment Management Services (Europe) Limited ("Manager") as the UCITS management company in respect of the Company pursuant to a Management Agreement dated 29 June 2017 between the Company and the Manager. The Manager will also act as promoter of the Company. The Manager is authorised and regulated as a management company by the Central Bank under the UCITS Regulations and has the necessary permissions to manage an Irish domiciled UCITS, such as the Company.

The Directors may, in their absolute discretion, differentiate between the rights attached to the different classes of shares within a particular sub-fund including, without limitation, the dividend policy, the level of management fees, the subscription charge and/or the redemption charge payable in respect of each class.

Details of any future sub-funds to be established by the Company will be as set out in the applicable Supplement in accordance with the requirements of and with the prior approval of the Central Bank. The applicable Supplement of any future sub-funds will form part of, and should be read in conjunction with, the Prospectus.

There were subscriptions into the Pzena Global Value Fund during the financial year ended 31 December 2017 of US\$6,493,519 and redemptions of US\$61,132,189. The Net Asset Value per Share has increased by 25.22% from US\$114.92 to US\$143.90 during the year under review. Net assets under management decreased from US\$53,086,171 to US\$6,357,326 during the year under review.

**DIRECTORS' REPORT (Continued)**

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**Principal Activities, Business Review and Future Developments (Continued)**

There were subscriptions into the Pzena U.S. Large Cap Expanded Value Fund during the financial year ended 31 December 2017 of US\$1,662,495 and redemptions of US\$1,955,821. The Net Asset Value per Share has increased by 17.54% from US\$200.03 to US\$235.12 during the year under review. Net assets under management increased from US\$6,250,457 to US\$7,016,531 during the year under review.

There were subscriptions into the Pzena Emerging Markets Value Fund during the financial year ended 31 December 2017 of US\$90,170,939 and redemptions of US\$97,937,049. The Net Asset Value per Share for class A increased by 29.75% from US\$95.07 to US\$123.35 during the year under review. The Net Asset Value per Share for class AEU increased by 13.96% from EUR110.15 to EUR125.53 during the year under review. Net assets under management increased from US\$253,596,599 to US\$330,101,060 during the year under review.

There were subscriptions into the Pzena Global Expanded Value Fund during the financial year ended 31 December 2017 of GBP15,256,324 and redemptions of GBP10,909,680. The Net Asset Value per Share for class A has increased by 13.48% from GBP136.26 to GBP154.63 during the year under review. The Net Asset Value per Share for class AEU was EUR105.95. Net assets under management increased from GBP61,659,637 to GBP74,599,544 during the year under review.

The investment objective is the long-term growth of capital. Income is not a principal objective of the Company and it is not anticipated that it will issue dividends or other distributions. The business review and review of future developments have been included in the Investment Manager's Report.

**Directors**

The names of the persons who were Directors at any time during the year to 31 December 2017 are set out below.

Denise Kinsella (Chairman)\* (Irish)

Adrian J. Waters\* (Irish)

Joan Berger\*\* (United States)

Ulrik Ahrendt-Jensen\*\* (Denmark)

\*Independent Non-Executive Directors

\*\*Non-Executive Directors

**Results for the year and assets, liabilities and financial position at 31 December 2017**

Details of the assets, liabilities and financial position of the Company and results for the financial year ended 31 December 2017 are set out on the Statement of Financial Position and Statement of Comprehensive Income. The Net Assets Attributable to Holders of Redeemable Participating Shares as at 31 December 2017 was US\$444,378,260 (31 December 2016: US\$389,064,381).

**Dividends and Retention**

It is not the current intention of the Directors of the Company to declare a distribution for the Sub-funds. All of the Sub-funds' income and capital gains will be reinvested in accordance with the investment objectives and policy of the Sub-funds.

**Investment Strategy and Risk Management**

The Company will continue to pursue its investment strategies as set out in the prospectus. The strategy of individual Sub-funds is described in detail in the respective Investment Manager's Reports under Background to the Fund.

There can be no assurance that the Company will achieve its investment objective. The value of shares may rise or fall as the capital value of the securities in which the Company invests fluctuate.

The main risks arising from the Company's financial instruments are market price, liquidity, credit, interest rate and foreign currency risk.

A detailed explanation of the risks, to which the Company is exposed, is provided in Note 5 to the financial statements.

**DIRECTORS' REPORT (Continued)**

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**Directors' and Secretary's Interests**

The Directors of the Company, the Secretary and their families had no interests in the shares of the Company at 31 December 2017. Joan Berger and Ulrik Ahrendt-Jensen are Directors of the Investment Manager, Pzena Investment Management, LLC. No Director of the Company had at any time during the year a material interest in any contract of significance, subsisting during or at the end of the year in relation to the business of the Company. Related party transactions are described in Note 6 to the Financial Statements.

**Statement of Directors' Responsibilities**

Irish company law requires the Directors to prepare financial statements for each financial year. Under the law, the Directors have elected to prepare the financial statements in accordance with FRS 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland ("relevant financial reporting framework").

Under Irish law, the Directors shall not approve the financial statements unless they are satisfied that they give a true and fair view of the company's assets, liabilities and financial position as at the end of the financial year and the profit or loss of the company for the financial year.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards and identify the standards in question, subject to any material departures from those standards being disclosed and explained in the notes to the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to:

- correctly record and explain the transactions of the company;
- enable, at any time, the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy; and
- enable the Directors to ensure that the financial statements comply with Irish statute comprising the Companies Act 2014, as amended, the UCITS Regulations and the Central Bank UCITS Regulations and enable those financial statements to be audited.

The Directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Investment Manager's website. This information is included and maintained by the Investment Manager. Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Under the Central Bank UCITS Regulations, the Directors are required to entrust the assets of the Company to a depositary for safe-keeping. In carrying out this duty, the Company has appointed Brown Brothers Harriman Trustee Services (Ireland) Limited as depositary (the "Depositary").

**Basis of Presentation**

The format and certain wordings of the Financial Statements have been adapted from those contained in the Companies Act 2014, as amended, and FRS 102 so that, in the opinion of the Directors, they more appropriately reflect the nature of the Company's business as investment funds.

**Statement of Relevant Audit Information**

The Directors in office at the date of this report have each confirmed that:

- As far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- They have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The Board of Directors decided it was not necessary to constitute an audit committee given the frequency of the meetings of the Board of Directors throughout the year and given the size of the Board of Directors.

**DIRECTORS' REPORT (Continued)**

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**Directors' Compliance Statement**

It is the policy of the Company to comply with its relevant obligations (as defined in the Companies Act 2014, as amended). As required by Section 225(2) of the Companies Act 2014, as amended, the Directors acknowledge that they are responsible for securing the Company's compliance with the relevant obligations. The Directors have drawn up a compliance policy statement as defined in Section 225(3)(a) of the Companies Act 2014, as amended, and a compliance policy which refers to the arrangements and structures that are in place and which are, in the Directors' opinion, designed to secure material compliance with the Company's relevant obligations. In discharging their responsibilities under Section 225, the Directors relied upon, among other things, the services provided, advice and/or representations from third parties whom the Directors believe have the requisite knowledge and experience in order to secure material compliance with the Company's relevant obligations.

**Connected Persons Transactions**

The Central Bank UCITS Regulation 41(1) "Restrictions on transactions with connected persons" states that, inter alia, any transaction carried out with a UCITS by the management company or depositary; and the delegates or sub-delegates of such a management company or depositary (excluding any non-group company sub-custodians appointed by a depositary); and any associated or group company of these ("connected persons") must be carried out as if negotiated at arm's length. Transactions must be in the best interests of the shareholders.

The Directors of the Company are satisfied that: (i) there are arrangements (evidenced by written procedures) in place, to ensure that the obligations set out in the Central Bank UCITS Regulation 41(1) are applied to all transactions with connected persons; and (ii) transactions with connected persons entered into during the period complied with the obligations set out in the Central Bank UCITS Regulation 41(1).

During the year the Company entered into foreign exchange transactions and held cash on deposit with the Depositary. Transactions entered into with the Investment Manager are described in Note 6.

**Accounting Records**

The measures taken by the Directors to secure compliance with the Company's obligation to keep adequate accounting records are the use of appropriate systems and procedures and employment of competent persons. The accounting records are kept at 30 Herbert Street, Dublin 2, Ireland.

**Segregated Liability**

The Company is established as a segregated portfolio company. As a matter of Irish law, the assets of one sub-fund will not be available to satisfy the liabilities of another. However, the Company is a single legal entity which may operate or have assets held on its behalf or be subject to claims in other jurisdictions which may not necessarily recognise such segregation. There is no guarantee that the courts of any jurisdiction outside Ireland will respect the limitations on liability associated with segregated portfolio companies nor is there any guarantee that the creditors of the sub-funds will not seek to enforce such sub-funds' obligations against another sub-funds.

**Corporate Governance Statement**

The Company is subject to:

- (i) the Articles of Association of the Company;
- (ii) UCITS Regulations and the Central Bank UCITS Regulations;
- (iii) the Irish Companies Act 2014, as amended;
- (iv) the Listing Rules of the Irish Stock Exchange; and
- (v) the provisions of the Voluntary Corporate Governance Code published by Irish Funds.

The Company does not apply additional requirements in addition to those required by the above. Each of the service providers engaged by the Company is subject to their own corporate governance requirements.

*Financial Reporting Process - Description of Main Features*

The Board of Directors is responsible for establishing and maintaining adequate internal control and risk management systems of the Company in relation to the financial reporting process. Such systems are designed to manage rather than eliminate the risk of failure to achieve the Company's financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

**DIRECTORS' REPORT (Continued)**

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**Corporate Governance Statement (Continued)**

The Board has established processes regarding internal control and risk management systems to ensure its effective oversight of the financial reporting process. These include appointing the Brown Brothers Harriman Fund Administration Services (Ireland) Limited ("Administrator") to maintain the books and records. The Administrator is authorised and regulated by the Central Bank and must comply with the rules imposed by the Central Bank. The Administrator is also contractually obliged to prepare for review and approval by the Board the annual report including financial statements intended to give a true and fair view and the half yearly financial statements.

The Board evaluates and discusses significant accounting and reporting issues as the need arises. From time to time the Board receives reports on the Administrator's financial accounting and reporting routines and the external auditors' role, qualifications and independence. The Administrator has operating responsibility in respect of its internal controls in relation to the financial reporting process and the Administrator's reports to the Board.

*Risk Assessment*

The Board is responsible for assessing the risk of irregularities whether caused by fraud or error in financial reporting and ensuring the processes are in place for the timely identification of internal and external matters with a potential effect on financial reporting. The Board also periodically considers changes in accounting rules and recommendations to ensure that these changes are accurately reflected in the Company's financial statements.

*Control Activities*

The Administrator maintains control structures to manage the risks over financial reporting. These control structures include appropriate division of responsibilities and specific control activities aimed at detecting or preventing the risk of significant deficiencies in financial reporting for every significant account in the financial statements and the related notes in the Company's annual report. Examples of control activities exercised by the Administrator include analytical review procedures, reconciliations and automated controls over IT systems. Prices not available from external independent sources are typically subject to fair valuation pricing procedures and fair valued by the Investment Manager.

*Information and Communication*

The Company's policies and the Board's instructions with relevance for financial reporting are updated and communicated via appropriate channels, such as e-mail, correspondence and meetings to ensure that all financial reporting information requirements are met in a complete and accurate manner.

*Monitoring*

The Board receives regular presentations and reviews reports from the Depositary, Investment Manager and Administrator. The Board also has an annual process to ensure that appropriate measures are taken to consider and address any shortcomings identified and measures recommended by the external auditor.

*Capital Structure*

No Director (or person related to the Director) has a significant direct or indirect holding of securities in the Company. No Director (or person related to the Director) has any special rights of control over the Company's share capital. There are no restrictions on voting rights.

*Powers of the Directors*

With regard to the appointment and replacement of Directors, the Company is governed by its Articles of Association, Irish statute comprising the Companies Act 2014, as amended, the UCITS Regulations and the Central Bank UCITS Regulations as applicable to investment funds. The Articles of Association themselves may be amended by special resolution of the Shareholders.

The Board is responsible for managing the business affairs of the Company in accordance with the Articles of Association. The Directors may delegate certain functions to the Administrator and other parties, subject to the supervision and direction by the Directors. The Directors have delegated the day to day administration of the Company to the Administrator and the investment management and distribution functions to the Investment Manager. Consequently none of the Directors are an executive Director.

The Articles of Association provide that the Directors may exercise all the powers of the Company to borrow money, to mortgage or charge its undertaking, property or any part thereof and may delegate these powers to the Investment Manager.

**DIRECTORS' REPORT (Continued)**

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**Corporate Governance Statement (Continued)**

The Directors may, with the consent of the Depositary, at any time and from time to time temporarily suspend the calculation of the Net Asset Value of a particular sub-fund and the issue, repurchase and conversion of Shares in any of the following instances:

- (a) during any period (other than ordinary holiday or customary weekend closings) when any market or recognised exchange is closed and which is the main market or recognised exchange for a significant part of investments of the relevant sub-fund, or in which trading thereon is restricted or suspended;
- (b) during any period when an emergency exists as a result of which disposal by the Company of investments which constitute a substantial portion of the assets of the relevant class is not practically feasible; or it is not possible to transfer monies involved in the acquisition or disposition of investments at normal rates of exchange; or it is not practically feasible for the Directors or their delegate fairly to determine the value of any assets of the relevant sub-fund;
- (c) during any breakdown in the means of communication normally employed in determining the price of any of the investments of the relevant sub-fund or of current prices on any market or recognised exchange;
- (d) when for any reason the prices of any investments of the relevant class cannot be reasonably, promptly or accurately ascertained;
- (e) during any period when remittance of monies which will or may be involved in the realisation of or in the payment for any of the investments of the relevant class cannot, in the opinion of the Directors, be carried out at normal rates of exchange;
- (f) for the purpose of winding up the Company or terminating any sub-fund; or
- (g) if any other reason makes it impossible or impracticable to determine the value of a substantial portion of the investments of the Company or any sub-fund.

Notice of any such suspension and notice of the termination of any such suspension shall be given immediately to the Central Bank and shall be notified to applicants for Shares or to Shareholders requesting the repurchase of Shares at the time of application or filing of the written request for such repurchase. Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

Registered Shares may be transferred by instrument in writing. The instrument of transfer must be accompanied by a certificate from the transferee that it is not acquiring such Shares on behalf of or for the benefit of a US person. In the case of the death of one of the joint Shareholders, the survivor or survivors will be the only person or persons recognised by the Administrator as having any title to or interest in the Shares registered in the names of such joint Shareholders. The Directors may decline to register a transfer if they are aware or reasonably believe the transfer would result in the beneficial ownership of Shares by a person in contravention of any restrictions on ownership imposed by the Directors or might result in legal, regulatory, pecuniary, taxation or material administrative disadvantage to the relevant sub-fund or Shareholders generally.

*Shareholder Meetings*

The Annual General Meeting of the Company will usually be held in Ireland, normally within six months of the end of each financial year. Notice convening the Annual General Meeting in each year at which the audited financial statements of the Company will be presented (together with the Directors' and Auditor's Reports of the Company) will be sent to Shareholders at their registered addresses not less than 21 clear days before the date fixed for the meeting. Other general meetings may be convened from time to time by the Directors in such manner as provided by Irish law.

Each of the Shares entitles the holder to attend and vote at meetings of the Company and of the sub-fund represented by those Shares. Matters may be determined by a meeting of Shareholders on a show of hands unless a poll is requested by any Shareholder having the right to vote at the meeting or unless the chairman of the meeting requests a poll. Each Shareholder has one vote on a show of hands. Each Share gives the holder one vote in relation to any matters relating to the Company which are submitted to Shareholders for a vote by poll.

**DIRECTORS' REPORT (Continued)**

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**Corporate Governance Statement (Continued)**

No class of Shares confers on the holder thereof any preferential or pre-emptive rights or any rights to participate in the profits and dividends of any other Share class or any voting rights in relation to matters relating solely to any other Share class.

Any resolution to alter the class rights of the Shares requires the approval of three quarters of the holders of the Shares represented or present and voting at a general meeting of the class. The quorum for any general meeting of the class convened to consider any alteration to the class rights of the Shares shall be such number of Shareholders being two or more persons whose holdings comprise one third of the Shares.

Each of the Shares other than Subscriber Shares entitles the Shareholder to participate equally on a pro-rata basis in the dividends and net assets of the sub-funds in respect of which the Shares have been issued, save in the case of dividends declared prior to becoming a Shareholder.

Management Shares entitle the Shareholders holding them to attend and vote at all general meetings of the Company but do not entitle the holders to participate in the dividends or net assets of the Company.

*Composition and Operation of Board and Committees*

There were four Directors as at 31 December 2017, all of whom were non-executive Directors and two of whom were independent of the Investment Manager. The Directors may be removed by the Shareholders by ordinary resolution in accordance with the procedures established under the Irish Companies Act 2014, as amended. The Board meets at least quarterly.

**Independent Auditors**

The independent auditor PricewaterhouseCoopers have indicated their willingness to continue in office in accordance with Section 383(2) of the Companies Act 2014, as amended.

**Remuneration**

In accordance with its obligations pursuant to Directive 2014/91/EU of the European Parliament and of the Council ("the UCITS V Directive"), the Company is required to have remuneration policies and practices for those categories of staff, including senior management, risk takers, control functions, and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers whose professional activities have a material impact on the risk profiles of the Company ("Identified Staff"), that are consistent with and promote sound and effective risk management and do not encourage risk-taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the Company.

The Company has established this remuneration policy in accordance with the requirements of the UCITS V Directive to the extent that it is appropriate to its size, internal organisation and the nature, scope and complexities of its activities.

This remuneration policy has been adopted by the Board of Directors of the Company and any revisions to this remuneration policy requires approval of the Board of Directors.

**Significant Events during the Year**

On 13 December 2016, the Directors of Pzena Value Funds Plc approved the delisting of the Share Classes from the MSM of the Irish Stock Exchange. The Company delisted from the Irish Stock Exchange on 5 January 2017.

On 28 December 2016, the Board of Directors approved changes in the Company's Remuneration Policy. The Policy became effective on 11 January 2017.

For the Pzena Emerging Markets Value Fund a new Class CUS was launched on 13 January 2017 and liquidated on 20 October 2017.

A prospectus for the Company as well as supplements to the prospectus for Pzena Global Value Fund, Pzena U.S. Large Cap Expanded Value Fund, Pzena Emerging Markets Value Fund and Pzena Global Expanded Value Fund were released on 14 January 2017, to incorporate updates related to UCITS V.

A prospectus for the Company as well as supplements to the prospectus for Pzena Global Value Fund, Pzena U.S. Large Cap Expanded Value Fund, Pzena Emerging Markets Value Fund and Pzena Global Expanded Value Fund were released on 14 March 2017, to incorporate changes to Company Secretary, changes in risks associated with Umbrella Funds Cash Accounts, changes in regulatory risks and Remuneration Policy.

**DIRECTORS' REPORT (Continued)**

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**Significant Events during the Year (Continued)**

The Depositary's annual trustee fee increased from 0.02% to 0.025% on 5 April 2017.

For the Pzena Global Expanded Value Fund a new Class AEU was launched on 8 June 2017.

Effective 29 June 2017, DMS Investment Management Services (Europe) Limited was appointed by the Company as the UCITS management company in respect of the Company.

A new prospectus for the Company as well as supplements to the prospectus for Pzena Global Value Fund, Pzena U.S. Large Cap Expanded Value Fund, Pzena Emerging Markets Value Fund and Pzena Global Expanded Value Fund were released on 29 June 2017, to incorporate appointment of DMS Investment Management Services (Europe) Limited as the Manager.

Effective 30 June 2017, KB Associates ceased its activities as governance support provider for the Company.

Effective 15 September 2017, Castlewood Corporate Services Limited (trading as "Chartered Corporate Services"), acting as the Secretary to the Company, changed its name to Sanne Corporate Administration Services Ireland Limited (trading as "Sanne").

There were no other significant events affecting the Company during the year.

**Significant Events after the Year End**

There were no significant events affecting the Company since the year end.

**On behalf of the Board of Directors**

**Denise Kinsella**  
**Director**

**Adrian J. Waters**  
**Director**

**24 April 2018**

**INVESTMENT MANAGER'S REPORT – PZENA GLOBAL VALUE FUND**

*For the financial year ended 31 December 2017*

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**Background to the Sub-fund**

In managing the Sub-fund's assets, the Investment Manager conducts fundamental securities analysis and follows a classic value strategy. It seeks to identify companies with a market capitalisation of approximately US\$1 billion or more that it believes are undervalued on the basis of current price relative to an estimated normal level of earnings, and constructs a portfolio of 40 to 60 stocks that it believes represent the most undervalued portion of its universe. The Investment Manager does not employ financial leverage in the management of the Sub-fund's assets and does not purchase derivative instruments for the Sub-fund.

**Performance Review**

Global equity markets were strong in 2017, with all developed markets generating mid-teens or higher stock market gains in U.S. dollars. With the Chinese economy on strong footing, economies across the region benefited from improvement in trade and continued to expand. In the Americas, the U.S. led performance as economic momentum remained strong and tax reform was expected to drive earnings in 2018. European equity markets were solid as the macro environment in Europe continues to strengthen despite renewed bouts of political uncertainty (i.e. Catalan crisis, German election).

Our Pzena Global Value Fund returned 25.2% (net of fees), outperforming the MSCI ACWI Index's return of 24.0%, despite strong value headwinds, on stock selection within materials, financials, and utilities. Detracting was our positioning in information technology.

Hana Financial Group (Korean financials), Antofagasta (U.K.-based copper miner), and Sony (Japanese multinational conglomerate) were the top contributors. Hana Financial Group posted strong net interest margin, low credit costs and good cost controls, as it reaps the benefits of restructuring and the integration of the Korean Exchange Bank. Antofagasta rallied on clearer future production growth and increased optimism on copper prices and reported solid growth and better cost realisations across the board. Sony did well as their restructuring gained momentum. Corporate governance improvements can unlock shareholder value and we have seen this in Japan lately. Sony is refocusing on its core strengths to improve shareholder returns, jettisoning marginal businesses, cutting headcount and exiting non-core activities. The company also recently reported earnings that significantly beat estimates and raised full-year guidance. We trimmed both Hana Financial Group and Sony and are in the process of exiting Antofagasta in the Sub-fund.

The top detractors were Avnet (U.S. semiconductor distributor), Omnicom Group (U.S. ad agency) and Vallourec (French seamless steel pipe manufacturer). Avnet came under pressure as the company reported disappointing earnings due to a combination of execution missteps and recent contract losses which led to significant operating deleveraging. Omnicom Group was down on industry fears about lower growth. While some of this decline in growth rate appears structural due to the advent of the digital age, it is also partially cyclical, driven by weaker spend from consumer-packaged goods companies. This is a low capital, high free cash flow business, and remains cheap even under very modest top line expectations. French seamless steel pipe manufacturer, Vallourec, continues to experience poor demand for its products from its major energy industry customers, some improvement in U.S. fracking demand notwithstanding.

**Investment Approach**

The most noticeable change in the Sub-fund during the year was our new exposure to the health care sector. As pharmaceutical drug pricing and overall health care spend garnered more attention in 2016's presidential election, we started to see health care names appear on our research screens. Our largest exposures are to financials, technology and consumer discretionary, while Sub-fund positioning remains focused on companies with substantial self-help opportunities, and where market concerns over earnings uncertainty and volatility have created attractive valuations.

**Pzena Investment Management, LLC**

**April 2018**

**INVESTMENT MANAGER'S REPORT – PZENA U.S. LARGE CAP EXPANDED VALUE FUND**  
*For the financial year ended 31 December 2017*

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**Background to the Sub-fund**

In managing the Sub-fund's assets, the Investment Manager conducts fundamental securities analysis and follows a classic value strategy. It seeks to identify companies in the United States among the 500 largest by market capitalisation, that it believes are undervalued on the basis of current price relative to an estimated normal level of earnings, and constructs a portfolio of generally 50 to 80 stocks that it believes represent the most undervalued portion of its universe. The Investment Manager does not employ financial leverage in the management of the Sub-fund's assets and does not purchase derivative instruments for the Sub-fund.

**Performance Review**

U.S. equity markets saw healthy appreciation over the past twelve months, supported by the strength of the economy. Growth significantly outperformed value and all sectors were higher for the year driven by financials, technology and health care. The Russell 1000 Value Index returned 13.66% for the year and our Pzena U.S. Large Cap Expanded Value Fund outperformed, up 17.5% (net of fees) return. Driving the outperformance were strong stock selection in producer durables, energy, and health care, as well as our lack of exposure to utilities.

Royal Dutch Shell was the largest contributor, as it benefitted from the rise in crude oil prices towards then end of the year, and saw improving demand and pricing, fitting with the theme of recovery in cyclical businesses around the world. Wal-Mart Stores also did well as it reported strong revenue and earnings as its investments in the store experience and in its online offering drove growth in same store sales, traffic and online sales. Bank of America contributed as it continues to control costs and return capital to shareholders increasing their buyback plan by US\$5 billion.

The Sub-fund's largest detractor was Cenovus Energy, Canadian integrated oil company with a 20+ year reserve life from oil sands. The stock was negatively affected by the weak oil markets, and a consensus view that oil prices would be "lower for longer" due to the effect of increased U.S. shale production on global supply. Shares were further impacted as investors were concerned over the company's buyout of ConocoPhillips' 50% stake in their JV. While the acquisition makes long-term strategic sense, it increased leverage risk for Cenovus. At the time the company announced planned asset sales to help reduce leverage over time, and late in 2017 Cenovus indeed announced the first of several planned divestitures, relieving investor concerns about the company's ability to dispose of assets to reduce debt on its balance sheet. Reinsurer Axis Capital was also a notable detractor due to catastrophe losses from storms as well as pricing and tax reform that proved to be less beneficial to the property and casualty insurers than initially hoped.

**Investment Approach**

The most noticeable change in the Sub-fund during the year was the increased weighting to the health care sector. As pharmaceutical drug pricing and overall health care spend garnered more attention in 2016's U.S. Presidential Election, we started to see health care names appear on our research screens. Our Sub-fund remains tilted towards cyclicals with our largest position in financials which we believe will see strong earnings growth from a better environment coupled with large expense reductions and increasing capital returns to shareholders. We also have exposure to energy, consumer discretionary, and technology. We continue to have an underweight position to both consumer staples and utilities.

**Pzena Investment Management, LLC**

**April 2018**

**INVESTMENT MANAGER'S REPORT – PZENA EMERGING MARKETS VALUE FUND**

*For the financial year ended 31 December 2017*

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**Background to the Sub-fund**

In managing the Sub-fund's assets, the Investment Manager conducts fundamental securities analysis and follows a classic value strategy. It seeks to identify companies from non-developed countries among the 1500 largest by market capitalisation, that it believes are undervalued on the basis of current price relative to an estimated normal level of earnings, and constructs a portfolio of generally 40 to 80 stocks that it believes are in the most undervalued portion of its universe. The Investment Manager does not employ financial leverage in the management of the Sub-fund's assets and does not purchase derivative instruments for the Sub-fund.

**Performance Review**

The MSCI Emerging Markets Index was nearly perfect in 2017, displaying positive performance 11 out of the 12 months (down 0.4% in September). Robust economic growth and low inflation formed a solid backdrop which, combined with strong corporate results, allowed emerging market equities to finish 2017 with an impressive 37.3% annual return. Geopolitical tensions such as with North Korea's nuclear program and controversies surrounding U.S. President Trump failed to meaningfully impact risk sentiment, as investors took opportunities to buy on the dip. Information technology, real estate, and consumer discretionary performed best, while bond-proxies, utilities and telecommunications, lagged. Geographically, the strongest returns came from Poland, China, and Korea, while the weakest were Pakistan and Qatar. Growth trounced value during 2017, as the MSCI EM Value Index trailed its growth counterpart by nearly 19%.

The Pzena Emerging Markets Value Fund underperformed the MSCI Emerging Markets Index in 2017, returning 29.8% (net of fees). Positioning in Chinese technology materially detracted from our relative performance (approximately 5%), as our holdings lagged high-growth tech darlings such as Alibaba and Tencent. On an individual basis, Russian energy major Rosneft detracted most, down over 20% on concerns around working capital and the company's involvement in Venezuela. Volatile oil prices in 2017 hampered Russian equities such as Rosneft, and imposed sanctions by the U.S. in June did not help. We added to our position in Rosneft on weakness.

The largest contributor to performance was Samsung Electronics, which gained 61% in 2017, beating earnings expectations thorough out the year. In Samsung's most recent 2017 third quarter earnings, they reported strong performance with memory and display continuing to do well. The company also outlined an impressive shareholder return policy, significantly increasing dividend payouts. And for the first time, the company is cancelling treasury shares, an earnings enhancing move. We trimmed our position throughout the year, but the stock remains a meaningful position in the Sub-fund. India's Reliance Industries also performed well gaining 82%, as its burgeoning telecom business is driving optimism. We also trimmed our position.

**Investment Approach**

We have remained underweight the Latin countries, largely on valuation in the case of Mexico and in Brazil (5% v 10%). Over the year, our sector weights have tilted slightly away from more cyclical energy and industrials into utilities. Our biggest exposure in the Sub-fund is to North Asia, though this year we added incrementally to our emerging European exposure.

After many years of pain in Emerging Markets ("EM") following their Return On Equity peak in 2011, felt largely in the highly cyclical sectors, especially materials, earnings appeared to bottom out roughly two years ago and are still on a recovery trajectory. This has broadened the opportunity set we see in EM today, as we are finding new ideas across multiple geographies and sectors. Looking ahead, we see EM as attractively valued on a global perspective with the added opportunity of earnings improvement to come. Furthermore, valuation spreads remain wide after a year of substantial underperformance in value stocks.

**Pzena Investment Management, LLC**

**April 2018**

**INVESTMENT MANAGER'S REPORT – PZENA GLOBAL EXPANDED VALUE FUND**

*For the financial year ended 31 December 2017*

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**Background to the Sub-fund**

In managing the Sub-fund's assets, the Investment Manager conducts fundamental securities analysis and follows a classic value strategy. It seeks to identify companies with a market capitalisation of approximately US\$1 billion or more that it believes are undervalued on the basis of current price relative to an estimated normal level of earnings, and constructs a portfolio of 60 to 95 stocks that it believes represent the most undervalued portion of its universe. The Investment Manager does not employ financial leverage in the management of the Sub-fund's assets and does not purchase derivative instruments for the Sub-fund.

**Performance Review**

Global equity markets were strong in 2017, with all developed markets generating mid-teens or higher stock market gains in U.S. dollars. With the Chinese economy on strong footing, economies across the region benefited from improvement in trade and continued to expand. In the Americas, the U.S. led performance as economic momentum remained strong and tax reform was expected to drive earnings in 2018. European equity markets were solid as the macro environment in Europe continues to strengthen despite renewed bouts of political uncertainty (i.e. Catalan crisis, German election). However, due to the strength of the sterling, the MSCI World Index was only up 11.8% in 2017 in GBP.

Our Pzena Global Expanded Value Fund returned 12.5% (net of fees), outperforming the MSCI World Index's return of 11.8%, despite strong value headwinds, on stock selection within financials, materials, and utilities. Detracting were our holdings in information technology.

Hana Financial Group (Korean financials), Antofagasta (U.K.-based copper miner), and Fujitsu (Japanese IT) were the top contributors. Hana Financial Group posted strong net interest margin, low credit costs and good cost controls, as it reaps the benefits of restructuring and the integration of the Korean Exchange Bank. Antofagasta rallied on clearer future production growth and increased optimism on copper prices and reported solid growth and better cost realisations across the board. Fujitsu did well as the company reported good earnings and further progress on its restructuring effort. We trimmed both Hana Financial Group and Fujitsu and are in the process of exiting Antofagasta in the Sub-fund.

The top detractors were Avnet (U.S. semiconductor distributor), Omnicom Group (U.S. ad agency) and Vallourec (French seamless steel pipe manufacturer). Avnet came under pressure as the company reported disappointing earnings due to a combination of execution missteps and recent contract losses which led to significant operating deleveraging. Omnicom Group was down on industry fears about lower growth. While some of this decline in growth rate appears structural due to the advent of the digital age, it is also partially cyclical, driven by weaker spend from consumer-packaged goods companies. This is a low capital, high free cash flow business, and remains cheap even under very modest top line expectations. French seamless steel pipe manufacturer, Vallourec, continues to experience poor demand for its products from its major energy industry customers, some improvement in U.S. fracking demand notwithstanding.

**INVESTMENT MANAGER'S REPORT – PZENA GLOBAL EXPANDED VALUE FUND (Continued)**  
*For the financial year ended 31 December 2017*

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**Investment Approach**

The most noticeable change in the Sub-fund during the year was our increased exposure to the health care sector. As pharmaceutical drug pricing and overall health care spend garnered more attention in 2016's presidential election, we started to see health care names appear on our research screens. Our largest exposures are to financials, technology and consumer discretionary, while Sub-fund positioning remains focused on companies with substantial self-help opportunities, and where market concerns over earnings uncertainty and volatility have created attractive valuations.

**Pzena Investment Management, LLC**

**April 2018**

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**REPORT OF THE DEPOSITARY TO THE SHAREHOLDERS**

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**Depositary's Report**

We have enquired into the conduct of Pzena Value Funds Plc (the "Company") for the financial year ended 31 December 2017, in our capacity as Depositary to the Company.

This report including the opinion has been prepared for and solely for the shareholders in the Company as a body, in accordance with Part 5 of the European Communities (Undertakings for Collective Investment in Transferable Securities) regulations 2011, as amended, ('the UCITS Regulations'), and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

**Responsibilities of the Depositary**

Our duties and responsibilities are outlined in Part 5 of the UCITS Regulations. One of those duties is to enquire into the conduct of the Company in each annual accounting period and report thereon to the shareholders.

Our report shall state whether, in our opinion, the Company has been managed in that period in accordance with the provisions of the Company's Memorandum and Articles of Association and the UCITS Regulations. It is the overall responsibility of the Company to comply with these provisions. If the Company has not so complied, we as Depositary must state why this is the case and outline the steps which we have taken to rectify the situation.

**Basis of Depositary Opinion**

The Depositary conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties as outlined in Part 5 of the UCITS Regulations and to ensure that, in all material respects, the Company has been managed (i) in accordance with the limitations imposed on its investment and borrowing powers by the provisions of the constitutional documentation and the appropriate regulations and (ii) otherwise in accordance with the Company's constitutional documentation and the appropriate regulations.

**Opinion**

In our opinion, the Company has been managed during the year, in all material respects:

(i) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the Memorandum & Articles of Association, the UCITS Regulations and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 ('the Central Bank UCITS Regulations'); and

(ii) otherwise in accordance with the provisions of the Memorandum & Articles of Association, the UCITS Regulations and the Central Bank UCITS Regulations.

**Brown Brothers Harriman Trustee Services (Ireland) Limited**  
**30 Herbert Street**  
**Dublin 2**  
**Ireland**

**24 April 2018**

# ***Independent auditors' report to the members of Pzena Value Funds plc***

## **Report on the audit of the financial statements**

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### **Opinion**

In our opinion, Pzena Value Funds plc's financial statements:

- give a true and fair view of the Company's and sub-funds' assets, liabilities and financial position as at 31 December 2017 and of their results for the year then ended;
- have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland (accounting standards issued by the Financial Reporting Council of the UK, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and promulgated by the Institute of Chartered Accountants in Ireland and Irish law); and
- have been properly prepared in accordance with the requirements of the Companies Act 2014 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended).

We have audited the financial statements, included within the Annual Report and Audited Financial Statements, which comprise:

- the Statement of Financial Position as at 31 December 2017;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Net Assets Attributable to Redeemable Participating Shareholders for the year then ended;
- the Schedule of Investments for each of the sub-funds as at 31 December 2017; and
- the notes to the financial statements for the Company and for each of its sub-funds, which include a description of the significant accounting policies.

Certain required disclosures have been presented elsewhere in the Annual Report and Audited Financial Statements, rather than in the notes to the financial statements. These are cross-referenced from the financial statements and are identified as audited.

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### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)") and applicable law.

Our responsibilities under ISAs (Ireland) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, which includes IAASA's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's and sub-funds' ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's and sub-funds' ability to continue as going concerns.

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## **Reporting on other information**

The other information comprises all of the information in the Annual Report and Audited Financial Statements other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the Companies Act 2014 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (Ireland) and the Companies Act 2014 require us to also report certain opinions and matters as described below:

- In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements
- Based on our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

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## **Responsibilities for the financial statements and the audit**

### *Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of Directors' Responsibilities set out on page 2, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view.

The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's and sub-funds' ability to continue as going concerns, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### *Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA website at:

[https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf)

This description forms part of our auditors' report.

### *Use of this report*

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with section 391 of the Companies Act 2014 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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## **Other required reporting**

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### **Companies Act 2014 opinions on other matters**

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
  - In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited.
  - The financial statements are in agreement with the accounting records.
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### **Companies Act 2014 exception reporting**

#### *Directors' remuneration and transactions*

Under the Companies Act 2014 we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of that Act have not been made. We have no exceptions to report arising from this responsibility.

Sarah Murphy

for and on behalf of PricewaterhouseCoopers  
Chartered Accountants and Statutory Audit Firm  
Dublin  
24 April 2018

**SCHEDULE OF INVESTMENTS - PZENA GLOBAL VALUE FUND**

*As at 31 December 2017*

	Currency	Nominal Holding	Fair Value US\$	% of Net Assets
<b>Financial Assets at Fair Value through Profit or Loss (31 December 2016: 99.24%)</b>				
<b>Common Stock (31 December 2016: 99.24%)</b>				
<b>Bermuda (31 December 2016: 1.98%)</b>				
XL Group	USD	2,656	93,385	1.47%
			<b>93,385</b>	<b>1.47%</b>
<b>China (31 December 2016: 0.00%)</b>				
Lenovo Group	HKD	210,000	118,468	1.86%
			<b>118,468</b>	<b>1.86%</b>
<b>France (31 December 2016: 7.71%)</b>				
Credit Agricole	EUR	3,554	58,893	0.93%
Schneider Electric	EUR	1,768	150,437	2.36%
Total	EUR	2,141	118,378	1.86%
Vallourec	EUR	9,967	60,261	0.95%
			<b>387,969</b>	<b>6.10%</b>
<b>Germany (31 December 2016: 1.77%)</b>				
Volkswagen Preference Shares	EUR	646	129,118	2.03%
			<b>129,118</b>	<b>2.03%</b>
<b>Hong Kong (31 December 2016: 1.79%)</b>				
China Mobile	HKD	11,950	121,146	1.91%
			<b>121,146</b>	<b>1.91%</b>
<b>Italy (31 December 2016: 4.16%)</b>				
Enel	EUR	19,399	119,500	1.88%
Eni	EUR	7,110	117,820	1.85%
UniCredit	EUR	3,224	60,316	0.95%
			<b>297,636</b>	<b>4.68%</b>
<b>Japan (31 December 2016: 11.59%)</b>				
Fujitsu	JPY	16,000	114,010	1.79%
Honda Motor	JPY	4,489	153,897	2.42%
Inpex	JPY	10,500	131,331	2.07%
Isuzu Motors	JPY	7,800	130,658	2.06%
Sony	JPY	1,300	58,659	0.92%
			<b>588,555</b>	<b>9.26%</b>
<b>Netherlands (31 December 2016: 1.46%)</b>				
ING Groep	EUR	3,328	61,243	0.96%
			<b>61,243</b>	<b>0.96%</b>
<b>Russia (31 December 2016: 1.82%)</b>				
Gazprom	USD	13,675	60,307	0.95%
			<b>60,307</b>	<b>0.95%</b>
<b>Singapore (31 December 2016: 2.10%)</b>				
Wilmar International	SGD	37,100	85,782	1.35%
			<b>85,782</b>	<b>1.35%</b>
<b>South Korea (31 December 2016: 6.10%)</b>				
Hana Financial Group	KRW	2,181	101,456	1.60%
POSCO	KRW	520	161,506	2.54%
			<b>262,962</b>	<b>4.14%</b>

**SCHEDULE OF INVESTMENTS - PZENA GLOBAL VALUE FUND (Continued)**

*As at 31 December 2017*

	Currency	Nominal Holding	Fair Value US\$	% of Net Assets
<b>Financial Assets at Fair Value through Profit or Loss (31 December 2016: 99.24%) (Continued)</b>				
<b>Common Stock (31 December 2016: 99.24%) (Continued)</b>				
<b>Switzerland (31 December 2016: 3.13%)</b>				
Credit Suisse Group	CHF	5,617	100,293	1.58%
Roche Holding	CHF	768	194,266	3.06%
UBS Group	CHF	5,716	105,228	1.65%
			<b>399,787</b>	<b>6.29%</b>
<b>Taiwan (31 December 2016: 1.86%)</b>				
Hon Hai Precision Industry	TWD	24,407	78,080	1.23%
			<b>78,080</b>	<b>1.23%</b>
<b>United Kingdom (31 December 2016: 15.31%)</b>				
Antofagasta	GBP	1,372	18,652	0.29%
Barclays	GBP	31,779	87,311	1.37%
HSBC Holdings	GBP	9,436	97,891	1.54%
J Sainsbury	GBP	29,938	97,764	1.54%
Micro Focus International	USD	1,051	35,303	0.56%
Royal Bank of Scotland Group	GBP	25,021	94,095	1.48%
Royal Dutch Shell	EUR	3,809	127,084	2.00%
Standard Chartered	GBP	11,161	117,780	1.85%
Tesco	GBP	39,294	111,227	1.75%
Travis Perkins	GBP	8,799	186,518	2.94%
Vodafone Group	GBP	53,202	169,127	2.66%
			<b>1,142,752</b>	<b>17.98%</b>
<b>United States (31 December 2016: 38.46%)</b>				
American International Group	USD	2,123	126,488	1.99%
Avnet	USD	3,986	157,925	2.48%
Bank of America	USD	3,343	98,685	1.55%
Capital One Financial	USD	1,008	100,377	1.58%
Citigroup	USD	1,875	139,519	2.20%
Cognizant Technology Solutions	USD	1,217	86,431	1.36%
Dover	USD	1,260	127,247	2.00%
Franklin Resources	USD	2,900	125,657	1.98%
Hewlett Packard Enterprise	USD	11,607	166,677	2.62%
McKesson	USD	1,106	172,481	2.71%
Morgan Stanley	USD	2,453	128,709	2.02%
Mylan	USD	4,956	209,688	3.30%
News Corp Class A	USD	8,562	138,790	2.18%
Omnicom Group	USD	2,250	163,868	2.58%
Oracle	USD	3,000	141,840	2.23%
Voya Financial	USD	2,881	142,523	2.24%
Wal-Mart Stores	USD	1,362	134,498	2.12%
Wells Fargo	USD	1,100	66,737	1.05%
			<b>2,428,140</b>	<b>38.19%</b>
<b>Total Common Stock</b>			<b>6,255,330</b>	<b>98.40%</b>
<b>Total Financial Assets at Fair Value through Profit or Loss</b>			<b>6,255,330</b>	<b>98.40%</b>
Cash at bank (31 December 2016: 0.97%)			144,682	2.28%
Other net current liabilities (31 December 2016: (0.21%))			(42,686)	(0.68%)
<b>Net Assets Attributable to Redeemable Participating Shareholders</b>			<b>6,357,326</b>	<b>100.00%</b>

**SCHEDULE OF INVESTMENTS - PZENA GLOBAL VALUE FUND (Continued)**

*As at 31 December 2017*

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<b>Portfolio Analysis</b>	<b>% of total assets</b>
Transferable securities and money market instruments admitted to an official stock exchange	90.51
Transferable securities and money market instruments traded on another regulated market	6.76
	<hr/> <b>97.27</b> <hr/>

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*All investments are transferable securities admitted to an official stock exchange listing or traded on a recognised market.*

**SCHEDULE OF INVESTMENTS - PZENA U.S. LARGE CAP EXPANDED VALUE FUND**

*As at 31 December 2017*

	Currency	Nominal Holding	Fair Value US\$	% of Net Assets
<b>Financial Assets at Fair Value through Profit or Loss (31 December 2016: 99.29%)</b>				
<b>Common Stock (31 December 2016: 99.29%)</b>				
<b>Bermuda (31 December 2016: 2.56%)</b>				
Axis Capital	USD	1,438	72,274	1.03%
XL Group	USD	2,194	77,141	1.10%
			<b>149,415</b>	<b>2.13%</b>
<b>Canada (31 December 2016: 1.04%)</b>				
Cenovus Energy	USD	7,670	70,027	1.00%
			<b>70,027</b>	<b>1.00%</b>
<b>Switzerland (31 December 2016: 2.28%)</b>				
TE Connectivity	USD	738	70,139	1.00%
UBS Group	USD	5,825	107,122	1.53%
			<b>177,261</b>	<b>2.53%</b>
<b>United Kingdom (31 December 2016: 7.06%)</b>				
BP	USD	3,163	132,941	1.89%
Micro Focus International	USD	1,703	57,204	0.81%
Royal Dutch Shell	USD	4,046	269,909	3.85%
Willis	USD	209	31,494	0.45%
			<b>491,548</b>	<b>7.00%</b>
<b>United States (31 December 2016: 86.35%)</b>				
Allstate	USD	738	77,276	1.10%
American International Group	USD	2,708	161,343	2.30%
AT&T	USD	675	26,244	0.37%
Avangrid	USD	1,414	71,520	1.02%
Baker Hughes	USD	500	15,820	0.23%
Bank of America	USD	7,516	221,872	3.16%
Brighthouse Financial	USD	220	12,901	0.18%
Capital One Financial	USD	1,555	154,847	2.21%
Cardinal Health	USD	1,137	69,664	0.99%
Cigna	USD	652	132,415	1.89%
Cisco Systems	USD	1,700	65,110	0.93%
Citigroup	USD	3,011	224,049	3.19%
Citizens Financial Group	USD	825	34,633	0.49%
Cognizant Technology Solutions	USD	1,785	126,771	1.81%
ConocoPhillips	USD	715	39,246	0.56%
CVS Health	USD	787	57,057	0.81%
Dover	USD	1,710	172,693	2.46%
Edison International	USD	1,181	74,686	1.06%
Entergy	USD	436	35,486	0.51%
Express Scripts Holding	USD	1,557	116,214	1.66%
Exxon Mobil	USD	1,978	165,440	2.36%
Fifth Third Bancorp	USD	2,350	71,299	1.02%
Ford Motor	USD	11,136	139,089	1.98%
Franklin Resources	USD	2,995	129,773	1.85%
Goldman Sachs	USD	544	138,589	1.98%
Halliburton	USD	1,685	82,346	1.17%
Hewlett Packard Enterprise	USD	12,088	173,584	2.47%
Hilton Worldwide Holdings	USD	1,315	105,016	1.50%
Interpublic Group	USD	6,382	128,661	1.83%

**SCHEDULE OF INVESTMENTS - PZENA U.S. LARGE CAP EXPANDED VALUE FUND (Continued)**

*As at 31 December 2017*

	Currency	Nominal Holding	Fair Value US\$	% of Net Assets
<b>Financial Assets at Fair Value through Profit or Loss (31 December 2016: 99.29%) (Continued)</b>				
<b>Common Stock (31 December 2016: 99.29%) (Continued)</b>				
<b>United States (31 December 2016: 86.35%) (Continued)</b>				
Invesco	USD	925	33,800	0.48%
JPMorgan Chase	USD	1,598	170,890	2.44%
Kellogg	USD	677	46,022	0.66%
KeyCorp	USD	3,475	70,091	1.00%
Kohl's	USD	350	18,980	0.27%
L3 Technologies	USD	225	44,516	0.64%
McKesson	USD	590	92,011	1.31%
Merck	USD	1,522	85,643	1.22%
MetLife	USD	2,430	122,861	1.75%
Microsoft	USD	1,160	99,226	1.41%
Morgan Stanley	USD	2,573	135,005	1.92%
Murphy Oil	USD	1,975	61,324	0.87%
Mylan	USD	4,406	186,418	2.66%
News Corp Class A	USD	4,181	67,774	0.97%
Omnicom Group	USD	1,913	139,324	1.99%
Oracle	USD	3,918	185,243	2.64%
Parker Hannifin	USD	528	105,378	1.50%
Pfizer	USD	3,825	138,542	1.98%
PG&E	USD	1,576	70,652	1.01%
Qualcomm	USD	825	52,817	0.75%
Regions Financial	USD	5,743	99,239	1.41%
Seagate Technology	USD	1,279	53,513	0.76%
Stanley Black & Decker	USD	597	101,305	1.44%
State Street	USD	1,091	106,493	1.52%
Voya Financial	USD	3,204	158,502	2.26%
Wal-Mart Stores	USD	1,727	170,541	2.43%
Wells Fargo	USD	2,484	150,704	2.15%
			<b>5,790,458</b>	<b>82.53%</b>
<b>Total Common Stock</b>			<b>6,678,709</b>	<b>95.19%</b>
<b>Total Financial Assets at Fair Value through Profit or Loss</b>			<b>6,678,709</b>	<b>95.19%</b>
Cash at bank (31 December 2016: 0.91%)			197,926	2.82%
Other net current assets (31 December 2016: (0.20%))			139,896	1.99%
<b>Net Assets Attributable to Redeemable Participating Shareholders</b>			<b>7,016,531</b>	<b>100.00%</b>

Portfolio Analysis	% of total assets
Transferable securities and money market instruments admitted to an official stock exchange	79.75
Transferable securities and money market instruments traded on another regulated market	12.16
	<u>91.91</u>

*All investments are transferable securities admitted to an official stock exchange listing or traded on a recognised market.*

SCHEDULE OF INVESTMENTS - PZENA EMERGING MARKETS VALUE FUND

As at 31 December 2017

	Currency	Nominal Holding	Fair Value US\$	% of Net Assets
<b>Financial Assets at Fair Value through Profit or Loss (31 December 2016: 98.46%)</b>				
<b>Common Stock (31 December 2016: 92.34%)</b>				
<b>Brazil (31 December 2016: 6.36%)</b>				
Cia de Saneamento Basico do Estado de Sao Paulo	BRL	656,986	6,799,412	2.06%
Petroleo Brasileiro	BRL	412,700	2,003,096	0.61%
Randon Participacoes	BRL	856,244	1,850,794	0.56%
Telefonica Brasil	USD	321,677	4,770,470	1.44%
Usinas Siderurgicas de Minas Gerais	BRL	719,725	1,974,465	0.60%
			<b>17,398,237</b>	<b>5.27%</b>
<b>China (31 December 2016: 9.52%)</b>				
Baidu	USD	27,496	6,439,838	1.95%
China Construction Bank	HKD	3,431,000	3,160,068	0.96%
China Dongxiang Group	HKD	18,327,000	3,399,403	1.03%
China Shenhua Energy	HKD	1,198,500	3,104,605	0.94%
China Shineway Pharmaceutical Group	HKD	1,547,250	1,442,883	0.44%
Dongfeng Motor Group	HKD	5,210,000	6,304,811	1.91%
Grand Baoxin Auto Group	HKD	9,010,000	4,506,556	1.36%
Lenovo Group	HKD	14,322,000	8,079,518	2.45%
			<b>36,437,682</b>	<b>11.04%</b>
<b>Czech Republic (31 December 2016: 0.00%)</b>				
CEZ	CZK	164,735	3,847,174	1.17%
			<b>3,847,174</b>	<b>1.17%</b>
<b>Greece (31 December 2016: 0.00%)</b>				
Alpha Bank	EUR	717,871	1,540,429	0.47%
National Bank of Greece	EUR	3,988,463	1,527,801	0.46%
			<b>3,068,230</b>	<b>0.93%</b>
<b>Hong Kong (31 December 2016: 10.51%)</b>				
China Agri-Industries Holdings	HKD	14,032,000	6,138,877	1.86%
China Mobile	HKD	1,244,000	12,611,387	3.82%
China Resources Power Holdings	HKD	4,424,000	8,239,858	2.50%
Dah Chong Hong Holdings	HKD	3,731,159	1,727,808	0.52%
Pacific Basin Shipping	HKD	33,959,775	7,341,668	2.23%
Stella International Holdings	HKD	985,500	1,487,585	0.45%
Texwinca Holdings	HKD	3,854,000	2,119,939	0.64%
			<b>39,667,122</b>	<b>12.02%</b>
<b>Hungary (31 December 2016: 3.22%)</b>				
Magyar Telekom Telecommunications	HUF	751,138	1,331,702	0.40%
OTP Bank	HUF	113,232	4,698,788	1.43%
			<b>6,030,490</b>	<b>1.83%</b>
<b>India (31 December 2016: 2.19%)</b>				
Reliance Industries	USD	288,378	8,233,192	2.49%
			<b>8,233,192</b>	<b>2.49%</b>
<b>Indonesia (31 December 2016: 0.00%)</b>				
Bank Danamon Indonesia Tbk	IDR	6,349,800	3,252,708	0.98%
			<b>3,252,708</b>	<b>0.98%</b>

**SCHEDULE OF INVESTMENTS - PZENA EMERGING MARKETS VALUE FUND (Continued)**

As at 31 December 2017

	Currency	Nominal Holding	Fair Value US\$	% of Net Assets
<b>Financial Assets at Fair Value through Profit or Loss (31 December 2016: 98.46%) (Continued)</b>				
<b>Common Stock (31 December 2016: 92.34%) (Continued)</b>				
<b>Malaysia (31 December 2016: 1.50%)</b>				
Genting Malaysia Bhd	MYR	3,477,800	4,838,155	1.47%
			<b>4,838,155</b>	<b>1.47%</b>
<b>Poland (31 December 2016: 1.31%)</b>				
Cyfrowy Polsat	PLN	601,152	4,300,863	1.30%
			<b>4,300,863</b>	<b>1.30%</b>
<b>Russia (31 December 2016: 9.04%)</b>				
Gazprom	USD	765,152	3,374,320	1.02%
Lukoil	USD	165,600	9,478,814	2.87%
MMC Norilsk Nickel PJSC	USD	405,984	7,608,140	2.31%
Rosneft	USD	1,672,050	8,343,530	2.53%
			<b>28,804,804</b>	<b>8.73%</b>
<b>Singapore (31 December 2016: 1.81%)</b>				
Wilmar International	SGD	2,876,900	6,651,916	2.01%
			<b>6,651,916</b>	<b>2.01%</b>
<b>South Africa (31 December 2016: 3.64%)</b>				
Reunert	ZAR	862,148	5,021,072	1.52%
Sasol	ZAR	159,505	5,516,709	1.67%
			<b>10,537,781</b>	<b>3.19%</b>
<b>South Korea (31 December 2016: 18.24%)</b>				
Dongbu Insurance	KRW	103,650	6,893,541	2.09%
Hana Financial Group	KRW	147,470	6,860,031	2.08%
Hyundai Heavy Industries	KRW	62,572	5,874,070	1.78%
Hyundai Motor	KRW	47,005	6,849,545	2.07%
KB Financial Group	KRW	98,440	5,829,803	1.77%
POSCO	KRW	39,690	12,327,238	3.73%
Samsung Electronic	KRW	4,176	9,939,235	3.01%
Shinhan Financial Group	KRW	104,510	4,822,562	1.46%
			<b>59,396,025</b>	<b>17.99%</b>
<b>Taiwan (31 December 2016: 8.18%)</b>				
Compal Electronics	TWD	13,309,000	9,526,075	2.89%
Hon Hai Precision Industry	TWD	1,974,332	6,316,058	1.91%
Taiwan Semiconductor Manufacturing	TWD	1,493,000	11,514,139	3.49%
			<b>27,356,272</b>	<b>8.29%</b>
<b>Thailand (31 December 2016: 1.81%)</b>				
Bangkok Bank	THB	1,374,300	8,518,214	2.58%
			<b>8,518,214</b>	<b>2.58%</b>
<b>Turkey (31 December 2016: 2.07%)</b>				
Akbank TAS	TRY	2,492,398	6,474,871	1.96%
			<b>6,474,871</b>	<b>1.96%</b>
<b>United Arab Emirates (31 December 2016: 2.12%)</b>				
Union National Bank PJSC	AED	4,347,243	4,497,801	1.36%
			<b>4,497,801</b>	<b>1.36%</b>

**SCHEDULE OF INVESTMENTS - PZENA EMERGING MARKETS VALUE FUND (Continued)**

*As at 31 December 2017*

	Currency	Nominal Holding	Fair Value US\$	% of Net Assets
<b>Financial Assets at Fair Value through Profit or Loss (31 December 2016: 98.46%) (Continued)</b>				
<b>Common Stock (31 December 2016: 92.34%) (Continued)</b>				
<b>United Kingdom (31 December 2016: 5.86%)</b>				
Antofagasta	GBP	244,336	3,321,782	1.01%
Standard Chartered	GBP	821,350	8,667,544	2.62%
			<b>11,989,326</b>	<b>3.63%</b>
<b>United States (31 December 2016: 4.96%)</b>				
Cognizant Technology Solutions	USD	114,085	8,102,317	2.45%
Flextronics International	USD	177,254	3,188,799	0.97%
Genpact	USD	100,665	3,195,107	0.97%
			<b>14,486,223</b>	<b>4.39%</b>
<b>Total Common Stock</b>			<b>305,787,086</b>	<b>92.63%</b>
<b>Participatory Notes (31 December 2016: 6.12%)</b>				
<b>India (31 December 2016: 6.12%)</b>				
Bank of Baroda (Participatory Notes, 08/02/2018)*	USD	1,205,477	3,033,519	0.92%
NHPC (Participatory Notes, 08/02/2018)*	USD	6,702,146	3,427,712	1.04%
NTPC (Participatory Notes, 08/02/2018)*	USD	1,846,189	5,118,663	1.55%
Punjab National Bank (Participatory Notes, 08/02/2018)*	USD	612,990	1,645,778	0.50%
State Bank of India (Participatory Notes, 08/02/2018)*	USD	821,625	3,988,433	1.21%
			<b>17,214,105</b>	<b>5.22%</b>
<b>Total Participatory Notes</b>			<b>17,214,105</b>	<b>5.22%</b>
<b>Total Financial Assets at Fair Value through Profit or Loss</b>			<b>323,001,191</b>	<b>97.85%</b>
Cash at bank (31 December 2016: 1.89%)			7,901,311	2.39%
Other net current liabilities (31 December 2016: (0.35%))			(801,442)	(0.24%)
<b>Net Assets Attributable to Redeemable Participating Shareholders</b>			<b>330,101,060</b>	<b>100.00%</b>

<b>Portfolio Analysis</b>	<b>% of total assets</b>
Transferable securities and money market instruments admitted to an official stock exchange	91.85
Transferable securities and money market instruments traded on another regulated market	5.47
	<b>97.32</b>

\* Participatory notes are transferable financial instruments that are not listed but acquired as a means of gaining an exposure to securities listed on certain markets.

*All investments are transferable securities admitted to an official stock exchange listing or traded on a recognised market.*

**SCHEDULE OF INVESTMENTS - PZENA GLOBAL EXPANDED VALUE FUND**

*As at 31 December 2017*

	Currency	Nominal Holding	Fair Value GBP	% of Net Assets
<b>Financial Assets at Fair Value through Profit or Loss (31 December 2016: 99.22%)</b>				
<b>Common Stock (31 December 2016: 99.22%)</b>				
<b>Bermuda (31 December 2016: 0.48%)</b>				
XL Group	USD	9,875	258,082	0.35%
			<b>258,082</b>	<b>0.35%</b>
<b>China (31 December 2016: 0.48%)</b>				
Lenovo Group	HKD	1,684,000	702,644	0.94%
			<b>702,644</b>	<b>0.94%</b>
<b>France (31 December 2016: 6.76%)</b>				
Credit Agricole	EUR	35,277	431,744	0.58%
Schneider Electric	EUR	28,908	1,826,366	2.45%
Total	EUR	35,902	1,472,015	1.97%
Vallourec	EUR	168,239	752,938	1.01%
			<b>4,483,063</b>	<b>6.01%</b>
<b>Germany (31 December 2016: 2.65%)</b>				
Continental	EUR	2,040	406,865	0.55%
Siemens	EUR	2,978	306,539	0.41%
Volkswagen Preference Shares	EUR	11,750	1,733,256	2.32%
			<b>2,446,660</b>	<b>3.28%</b>
<b>Hong Kong (31 December 2016: 1.29%)</b>				
China Mobile	HKD	129,536	971,279	1.30%
			<b>971,279</b>	<b>1.30%</b>
<b>Italy (31 December 2016: 4.04%)</b>				
Enel	EUR	213,344	977,489	1.31%
Eni	EUR	116,743	1,434,989	1.92%
UniCredit	EUR	36,254	503,461	0.68%
			<b>2,915,939</b>	<b>3.91%</b>
<b>Japan (31 December 2016: 11.83%)</b>				
Fujitsu	JPY	236,000	1,244,206	1.67%
Honda Motor	JPY	68,510	1,737,775	2.33%
Inpex	JPY	190,600	1,763,848	2.36%
Isuzu Motors	JPY	104,700	1,297,615	1.74%
Sony	JPY	33,400	1,115,049	1.50%
Sumitomo Mitsui Financial Group	JPY	24,104	770,667	1.03%
Toyota Motor	JPY	8,802	416,989	0.56%
			<b>8,346,149</b>	<b>11.19%</b>
<b>Netherlands (31 December 2016: 3.20%)</b>				
ING Groep	EUR	46,851	638,789	0.86%
Koninklijke KPN	EUR	232,127	599,043	0.80%
Koninklijke Philips Electronics	EUR	23,027	646,085	0.86%
			<b>1,883,917</b>	<b>2.52%</b>
<b>Russia (31 December 2016: 1.17%)</b>				
Gazprom	USD	177,726	579,455	0.78%
			<b>579,455</b>	<b>0.78%</b>
<b>Singapore (31 December 2016: 0.99%)</b>				
Wilmar International	SGD	371,600	635,107	0.85%
			<b>635,107</b>	<b>0.85%</b>

**SCHEDULE OF INVESTMENTS - PZENA GLOBAL EXPANDED VALUE FUND (Continued)**

*As at 31 December 2017*

	Currency	Nominal Holding	Fair Value GBP	% of Net Assets
<b>Financial Assets at Fair Value through Profit or Loss (31 December 2016: 99.22%) (Continued)</b>				
<b>Common Stock (31 December 2016: 99.22%) (Continued)</b>				
<b>South Korea (31 December 2016: 4.08%)</b>				
Hana Financial Group	KRW	24,365	840,173	1.13%
POSCO	KRW	6,373	1,467,266	1.97%
Samsung Electronic	KRW	429	756,885	1.01%
			<b>3,064,324</b>	<b>4.11%</b>
<b>Switzerland (31 December 2016: 4.52%)</b>				
Credit Suisse Group	CHF	77,293	1,017,064	1.36%
Roche Holding	CHF	11,833	2,206,570	2.96%
UBS Group	CHF	66,501	903,252	1.21%
			<b>4,126,886</b>	<b>5.53%</b>
<b>Taiwan (31 December 2016: 0.90%)</b>				
Hon Hai Precision Industry	TWD	229,900	545,468	0.73%
			<b>545,468</b>	<b>0.73%</b>
<b>United Kingdom (31 December 2016: 15.08%)</b>				
Antofagasta	GBP	37,368	375,548	0.50%
Barclays	GBP	490,024	995,239	1.33%
HSBC Holdings	GBP	117,010	897,350	1.20%
Imperial Brands	GBP	16,880	534,421	0.72%
J Sainsbury	GBP	448,607	1,082,937	1.45%
Micro Focus International	USD	17,580	440,605	0.59%
Royal Bank of Scotland Group	GBP	313,010	870,168	1.17%
Royal Dutch Shell	EUR	61,249	1,508,713	2.02%
Standard Chartered	GBP	135,328	1,055,694	1.42%
Tesco	GBP	582,692	1,219,283	1.64%
Travis Perkins	GBP	118,683	1,859,763	2.49%
Vodafone Group	GBP	640,347	1,504,815	2.02%
			<b>12,344,536</b>	<b>16.55%</b>
<b>United States (31 December 2016: 41.31%)</b>				
American International Group	USD	15,756	698,921	0.94%
Avnet	USD	60,889	1,788,046	2.40%
Bank of America	USD	61,831	1,358,124	1.82%
Capital One Financial	USD	16,128	1,194,516	1.60%
Cigna	USD	4,795	726,269	0.97%
Cisco Systems	USD	23,401	666,944	0.89%
Citigroup	USD	27,733	1,538,786	2.06%
Cognizant Technology Solutions	USD	20,016	1,056,441	1.42%
Dover	USD	20,205	1,511,865	2.03%
Express Scripts Holding	USD	7,437	412,482	0.55%
Exxon Mobil	USD	12,853	798,205	1.07%
Franklin Resources	USD	20,950	675,926	0.91%
Hewlett Packard Enterprise	USD	171,565	1,851,877	2.48%
Interpublic Group	USD	50,656	758,379	1.02%
JPMorgan Chase	USD	8,879	708,495	0.95%
McKesson	USD	11,475	1,336,516	1.79%
Merck	USD	7,243	304,853	0.41%
MetLife	USD	18,795	709,711	0.95%
Morgan Stanley	USD	19,588	760,581	1.02%

**SCHEDULE OF INVESTMENTS - PZENA GLOBAL EXPANDED VALUE FUND (Continued)**

*As at 31 December 2017*

	Currency	Nominal Holding	Fair Value GBP	% of Net Assets
<b>Financial Assets at Fair Value through Profit or Loss (31 December 2016: 99.22%) (Continued)</b>				
<b>Common Stock (31 December 2016: 99.22%) (Continued)</b>				
<b>United States (31 December 2016: 41.31%) (Continued)</b>				
Mylan	USD	73,945	2,300,463	3.08%
News Corp Class A	USD	102,028	1,228,771	1.65%
Omnicom Group	USD	27,279	1,477,898	1.98%
Oracle	USD	47,895	1,691,339	2.27%
Pfizer	USD	15,850	427,538	0.57%
Voya Financial	USD	23,757	877,671	1.18%
Wal-Mart Stores	USD	18,575	1,365,728	1.83%
Wells Fargo	USD	17,029	772,512	1.03%
			<b>28,998,857</b>	<b>38.87%</b>
<b>Total Common Stock</b>			<b>72,302,366</b>	<b>96.92%</b>
<b>Total Financial Assets at Fair Value through Profit or Loss</b>			<b>72,302,366</b>	<b>96.92%</b>
Cash at bank (31 December 2016: 2.45%)			1,966,065	2.64%
Other net current assets (31 December 2016: (1.67%))			331,113	0.44%
<b>Net Assets Attributable to Redeemable Participating Shareholders</b>			<b>74,599,544</b>	<b>100.00%</b>

<b>Portfolio Analysis</b>	<b>% of total assets</b>
Transferable securities and money market instruments admitted to an official stock exchange	89.08
Transferable securities and money market instruments traded on another regulated market	7.57
	<b>96.65</b>

*All investments are transferable securities admitted to an official stock exchange listing or traded on a recognised market.*

PZENA VALUE FUNDS PLC

STATEMENT OF FINANCIAL POSITION

		Pzena Global Value Fund As at 31 December 2017 US\$	Pzena Global Value Fund As at 31 December 2016 US\$	Pzena U.S. Large Cap Expanded Value Fund As at 31 December 2017 US\$	Pzena U.S. Large Cap Expanded Value Fund As at 31 December 2016 US\$	Pzena Emerging Markets Value Fund As at 31 December 2017 US\$
	<b>Notes</b>					
<b>Current Assets</b>						
Financial assets at fair value through profit or loss	1	6,255,330	52,681,925	6,678,709	6,205,967	323,001,191
Cash at bank	2	144,682	515,905	197,926	56,765	7,901,311
Dividends receivable		12,704	89,492	7,645	7,434	981,301
Securities sales receivable		3,306	–	–	–	–
Subscriptions receivable		–	–	360,000	–	–
Other receivables		14,384	236	22,270	26,486	–
<b>Total Current Assets</b>		<b>6,430,406</b>	<b>53,287,558</b>	<b>7,266,550</b>	<b>6,296,652</b>	<b>331,883,803</b>
<b>Current Liabilities - Amounts falling due within one year</b>						
Management fees payable	4	(32,602)	(131,842)	(9,373)	(14,790)	(851,868)
Administration fees payable	4	(9,842)	(10,733)	(10,307)	(10,313)	(39,534)
Depositary fees payable	4	(3,540)	(4,752)	(3,284)	(3,211)	(42,436)
Audit fees payable	4	(12,936)	(12,529)	(13,338)	(12,529)	(12,882)
Organisational fees payable to Investment Manager		–	–	–	(3,687)	(1,866)
Legal fees payable		(732)	–	(893)	(876)	(18,910)
Miscellaneous fees payable		(8,733)	(12,041)	(3,056)	(2,268)	(797,906)
Transaction costs payable		(4,115)	(2,851)	(586)	(654)	(5,964)
Securities purchases payable		–	(24,453)	(92,627)	–	–
Directors' fees payable	4	(580)	(1,610)	(260)	(188)	(11,870)
Redemptions payable		–	(576)	(116,295)	–	–
<b>Total Current Liabilities</b>		<b>(73,080)</b>	<b>(201,387)</b>	<b>(250,019)</b>	<b>(48,516)</b>	<b>(1,783,236)</b>
<b>Net Assets Attributable to Holders of Redeemable Participating Shares (for financial reporting purposes)</b>		<b>6,357,326</b>	<b>53,086,171</b>	<b>7,016,531</b>	<b>6,248,136</b>	<b>330,100,567</b>
Adjustment in relation to unamortised preliminary expenses	14	–	–	–	2,321	493
Swing Price adjustment	8	–	–	–	–	–
<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>		<b>6,357,326</b>	<b>53,086,171</b>	<b>7,016,531</b>	<b>6,250,457</b>	<b>330,101,060</b>

The accompanying notes form an integral part of the financial statements.

PZENA VALUE FUNDS PLC

STATEMENT OF FINANCIAL POSITION (Continued)

		Pzena Emerging Markets Value Fund As at 31 December 2016 US\$	Pzena Global Expanded Value Fund As at 31 December 2017 GBP	Pzena Global Expanded Value Fund As at 31 December 2016 GBP	Total* As at 31 December 2017 US\$	Total* As at 31 December 2016 US\$
	Notes					
<b>Current Assets</b>						
Financial assets at fair value through profit or loss	1	249,678,987	72,302,366	61,178,794	433,731,410	384,104,336
Cash at bank	2	4,795,571	1,966,065	1,511,701	10,903,219	7,227,769
Dividends receivable		459,198	127,176	86,729	1,173,668	663,208
Securities sales receivable		4,271	66,607	1,347,500	93,399	1,668,029
Subscriptions receivable		–	283,293	18,758	743,182	23,161
Other receivables		47	63,788	36,392	122,933	78,671
<b>Total Current Assets</b>		<b>254,938,074</b>	<b>74,809,295</b>	<b>64,179,874</b>	<b>446,767,811</b>	<b>393,765,174</b>
<b>Current Liabilities - Amounts falling due within one year</b>						
Management fees payable	4	(634,323)	(138,814)	(84,842)	(1,081,603)	(885,709)
Administration fees payable	4	(30,932)	(11,900)	(9,795)	(75,779)	(64,072)
Depository fees payable	4	(31,220)	(5,341)	(4,435)	(56,484)	(44,659)
Audit fees payable	4	(12,529)	(9,905)	(10,039)	(52,553)	(49,982)
Organisational fees payable to Investment Manager		(8,538)	(8,294)	(12,864)	(13,084)	(28,108)
Legal fees payable		(19,600)	(4,392)	(2,547)	(26,476)	(23,621)
Miscellaneous fees payable		(39,218)	(7,377)	(3,071)	(819,673)	(57,319)
Transaction costs payable		(5,643)	(2,546)	(3,296)	(14,109)	(13,217)
Securities purchases payable		(559,041)	–	(135,824)	(92,627)	(751,196)
Directors' fees payable	4	(7,596)	(3,196)	(1,769)	(17,033)	(11,578)
Redemptions payable		–	(180,853)	(2,103,407)	(360,917)	(2,597,653)
<b>Total Current Liabilities</b>		<b>(1,348,640)</b>	<b>(372,618)</b>	<b>(2,371,889)</b>	<b>(2,610,338)</b>	<b>(4,527,114)</b>
<b>Net Assets Attributable to Holders of Redeemable Participating Shares (for financial reporting purposes)</b>		<b>253,589,434</b>	<b>74,436,677</b>	<b>61,807,985</b>	<b>444,157,473</b>	<b>389,238,060</b>
Adjustment in relation to unamortised preliminary expenses	14	7,165	6,763	11,333	9,641	23,479
Swing Price adjustment	8	–	156,104	(159,681)	211,146	(197,158)
<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>		<b>253,596,599</b>	<b>74,599,544</b>	<b>61,659,637</b>	<b>444,378,260</b>	<b>389,064,381</b>

\*The Company Total at 31 December 2016 has been adjusted to account for balances in the name of the Company. There were no such balances at 31 December 2017.

The accompanying notes form an integral part of the financial statements.

**PZENA VALUE FUNDS PLC**

**STATEMENT OF FINANCIAL POSITION (Continued)**

<b>PZENA GLOBAL VALUE FUND</b>	<b>31 December 2017</b>	<b>31 December 2016</b>	<b>31 December 2015</b>
	<b>Class A</b>	<b>Class A</b>	<b>Class A</b>
Net Assets Attributable to Holders of Redeemable Participating Shares	US\$6,357,326	US\$53,086,171	US\$101,161,630
Redeemable Participating Shares issued and outstanding	44,180	461,937	984,111
Net Asset Value per Redeemable Participating Share	US\$143.90	US\$114.92	US\$102.80
<b>PZENA U.S. LARGE CAP EXPANDED VALUE FUND</b>	<b>31 December 2017</b>	<b>31 December 2016</b>	<b>31 December 2015</b>
	<b>Class A</b>	<b>Class A</b>	<b>Class A</b>
Net Assets Attributable to Holders of Redeemable Participating Shares	US\$7,016,531	US\$6,250,457	US\$5,112,161
Redeemable Participating Shares issued and outstanding	29,843	31,248	30,487
Net Asset Value per Redeemable Participating Share	US\$235.12	US\$200.03	US\$167.68
<b>PZENA EMERGING MARKETS VALUE FUND</b>	<b>31 December 2017</b>	<b>31 December 2016</b>	<b>31 December 2015</b>
	<b>Class A</b>	<b>Class A</b>	<b>Class A</b>
Net Assets Attributable to Holders of Redeemable Participating Shares	US\$243,415,099	US\$188,735,261	US\$148,100,911
Redeemable Participating Shares issued and outstanding	1,973,415	1,985,276	1,908,672
Net Asset Value per Redeemable Participating Share	US\$123.35	US\$95.07	US\$77.59
	<b>Class AEU</b>	<b>Class AEU</b>	<b>Class AEU</b>
Net Assets Attributable to Holders of Redeemable Participating Shares	EUR72,190,175	EUR61,494,515	EUR47,433,922
Redeemable Participating Shares issued and outstanding	575,082	558,294	543,402
Net Asset Value per Redeemable Participating Share	EUR125.53	EUR110.15	EUR87.29
<b>PZENA GLOBAL EXPANDED VALUE FUND</b>	<b>31 December 2017</b>	<b>31 December 2016</b>	<b>31 December 2015</b>
	<b>Class A</b>	<b>Class A</b>	<b>Class A</b>
Net Assets Attributable to Holders of Redeemable Participating Shares	GBP68,680,105	GBP61,659,637	GBP18,178,090
Redeemable Participating Shares issued and outstanding	444,168	452,531	172,787
Net Asset Value per Redeemable Participating Share	GBP154.63	GBP136.26	GBP105.21
	<b>Class AEU*</b>		
Net Assets Attributable to Holders of Redeemable Participating Shares	EUR6,679,431		
Redeemable Participating Shares issued and outstanding	63,046		
Net Asset Value per Redeemable Participating Share	EUR105.95		

\* Class AEU was launched on 8 June 2017.

**Denise Kinsella**  
**Director**

**Adrian J. Waters**  
**Director**

**24 April 2018**

*The accompanying notes form an integral part of the financial statements.*

PZENA VALUE FUNDS PLC

STATEMENT OF COMPREHENSIVE INCOME

		Pzena Global Value Fund Financial Year ended 31 December 2017 US\$	Pzena Global Value Fund Financial Year ended 31 December 2016 US\$	Pzena U.S. Large Cap Expanded Value Fund Financial Year ended 31 December 2017 US\$	Pzena U.S. Large Cap Expanded Value Fund Financial Year ended 31 December 2016 US\$	Pzena Emerging Markets Value Fund Financial Year ended 31 December 2017 US\$
	Notes					
<b>Investment income</b>						
Net gain on financial assets and liabilities at fair value through profit or loss	1	7,406,240	2,801,698	996,946	992,888	77,685,197
Dividend income	1	1,247,265	2,174,403	165,712	155,734	12,416,898
Interest income	1	3,247	534	879	213	43,790
Other income		113	712	187	23	430
<b>Total Investment Income</b>		<b>8,656,865</b>	<b>4,977,347</b>	<b>1,163,724</b>	<b>1,148,858</b>	<b>90,146,315</b>
<b>Operating expenses</b>						
Management fees	4	(426,730)	(675,631)	(32,866)	(27,630)	(3,373,189)
Transaction fees	1	(121,572)	(124,374)	(6,287)	(5,498)	(470,766)
Administration fees	4	(62,495)	(70,968)	(62,062)	(62,436)	(238,575)
Depository fees	4	(27,880)	(31,966)	(19,524)	(20,547)	(251,519)
Legal and professional fees	4	(25,329)	(38,462)	(4,219)	(2,250)	(131,766)
Other expenses	4	(12,243)	(17,084)	(2,700)	(1,929)	(152,172)
Audit fees	4	(14,020)	(7,483)	(14,422)	(11,199)	(13,965)
Directors' fees	4	(3,934)	(6,458)	(762)	(673)	(37,927)
<b>Total Operating Expenses</b>		<b>(694,203)</b>	<b>(972,426)</b>	<b>(142,842)</b>	<b>(132,162)</b>	<b>(4,669,879)</b>
Operating Expenses - general reimbursement	4	14,386	–	78,617	78,863	–
<b>Net Profit for the Year before Tax</b>		<b>7,977,048</b>	<b>4,004,921</b>	<b>1,099,499</b>	<b>1,095,559</b>	<b>85,476,436</b>
Withholding taxes on dividends		(151,100)	(280,690)	(37,778)	(29,905)	(1,428,631)
<b>Net Profit for the Year after Tax</b>		<b>7,825,948</b>	<b>3,724,231</b>	<b>1,061,721</b>	<b>1,065,654</b>	<b>84,047,805</b>
Adjustment in relation to unamortised preliminary expenses	14	–	–	(2,321)	(5,046)	(6,672)
Swing Price adjustment	8	–	–	–	–	–
<b>Increase in Net Assets Attributable to Redeemable Participating Shareholders from Operations</b>		<b>7,825,948</b>	<b>3,724,231</b>	<b>1,059,400</b>	<b>1,060,608</b>	<b>84,041,133</b>

The accompanying notes form an integral part of the financial statements.

PZENA VALUE FUNDS PLC

STATEMENT OF COMPREHENSIVE INCOME (Continued)

	Notes	Pzena Emerging Markets Value Fund Financial Year ended 31 December 2016 US\$	Pzena Global Expanded Value Fund Financial Year ended 31 December 2017 GBP	Pzena Global Expanded Value Fund Financial Year ended 31 December 2016 GBP	Total Financial Year ended 31 December 2017 US\$	Total Financial Year ended 31 December 2016 US\$
<b>Investment income</b>						
Net gain on financial assets and liabilities at fair value through profit or loss	1	43,873,223	7,250,785	13,364,996	95,435,370	65,782,725
Dividend income	1	6,939,651	1,874,441	1,328,998	16,246,217	11,071,112
Interest income	1	8,003	1,544	834	49,906	9,880
Other income		116	170	159	949	1,066
<b>Total Investment Income</b>		<b>50,820,993</b>	<b>9,126,940</b>	<b>14,694,987</b>	<b>111,732,442</b>	<b>76,864,783</b>
<b>Operating expenses</b>						
Management fees	4	(2,290,899)	(385,016)	(244,313)	(4,329,109)	(3,325,302)
Transaction fees	1	(327,275)	(71,090)	(110,220)	(690,267)	(606,539)
Administration fees	4	(172,903)	(69,200)	(61,502)	(452,338)	(389,667)
Depository fees	4	(149,244)	(30,226)	(23,121)	(337,887)	(233,095)
Legal and professional fees	4	(151,217)	(31,093)	(25,860)	(201,396)	(226,980)
Other expenses	4	(110,337)	(12,154)	(9,302)	(182,783)	(141,958)
Audit fees	4	(11,956)	(10,505)	(9,496)	(55,949)	(43,509)
Directors' fees	4	(27,020)	(8,523)	(6,766)	(53,610)	(43,321)
<b>Total Operating Expenses</b>		<b>(3,240,851)</b>	<b>(617,807)</b>	<b>(490,580)</b>	<b>(6,303,339)</b>	<b>(5,010,371)</b>
Operating Expenses - general reimbursement	4	–	47,350	65,666	154,042	167,867
<b>Net Profit for the Year before Tax</b>		<b>47,580,142</b>	<b>8,556,483</b>	<b>14,270,073</b>	<b>105,583,145</b>	<b>72,022,279</b>
Withholding taxes on dividends		(796,684)	(274,435)	(202,946)	(1,971,283)	(1,382,352)
<b>Net Profit for the Year after Tax</b>		<b>46,783,458</b>	<b>8,282,048</b>	<b>14,067,127</b>	<b>103,611,862</b>	<b>70,639,927</b>
Adjustment in relation to unamortised preliminary expenses	14	(6,691)	(4,570)	(4,583)	(13,838)	(21,331)
Swing Price adjustment	8	–	315,785	(197,268)	408,304	(252,860)
<b>Increase in Net Assets Attributable to Redeemable Participating Shareholders from Operations</b>		<b>46,776,767</b>	<b>8,593,263</b>	<b>13,865,276</b>	<b>104,006,328</b>	<b>70,365,736</b>

There are no gains or losses other than those included in the Statement of Comprehensive Income. In arriving at the results for the financial period all amounts relate to continuing operations.

The accompanying notes form an integral part of the financial statements.

PZENA VALUE FUNDS PLC

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

		Pzena Global Value Fund Financial Year ended 31 December 2017 US\$	Pzena Global Value Fund Financial Year ended 31 December 2016 US\$	Pzena U.S. Large Cap Expanded Value Fund Financial Year ended 31 December 2017 US\$	Pzena U.S. Large Cap Expanded Value Fund Financial Year ended 31 December 2016 US\$	Pzena Emerging Markets Value Fund Financial Year ended 31 December 2017 US\$
<b>Net Assets Attributable to Holders of Redeemable Participating Shares at the beginning of the year</b>	Notes	53,086,171	101,161,630	6,250,457	5,112,161	253,596,599
Proceeds from redeemable participating shares issued	3	6,493,519	998,281	1,662,495	1,392,618	90,170,939
Redemption of redeemable participating shares	3	(61,132,189)	(52,797,971)	(1,955,821)	(1,314,930)	(97,937,049)
Net (decrease)/increase from share transactions		(54,638,670)	(51,799,690)	(293,326)	77,688	(7,766,110)
Subscription charges and redemption charges	8	83,877	–	–	–	229,438
Movement in currency translation	1	–	–	–	–	–
<b>Increase in Net Assets Attributable to Redeemable Participating Shareholders</b>		7,825,948	3,724,231	1,059,400	1,060,608	84,041,133
<b>Net assets Attributable to Holders of Redeemable Participating Shares at the end of the year</b>		6,357,326	53,086,171	7,016,531	6,250,457	330,101,060

The accompanying notes form an integral part of the financial statements.

PZENA VALUE FUNDS PLC

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS (Continued)

	Notes	Pzena Emerging Markets Value Fund Financial Year ended 31 December 2016 US\$	Pzena Global Expanded Value Fund Financial Year ended 31 December 2017 GBP	Pzena Global Expanded Value Fund Financial Year ended 31 December 2016 GBP	Total Financial Year ended 31 December 2017 US\$	Total Financial Year ended 31 December 2016 US\$
<b>Net Assets Attributable to Holders of Redeemable Participating Shares at the beginning of the year</b>		199,628,381	61,659,637	18,178,090	389,064,381	332,841,192
Proceeds from redeemable participating shares issued	3	8,475,952	15,256,324	37,821,046	117,993,880	62,129,497
Redemption of redeemable participating shares	3	(1,284,501)	(10,909,680)	(8,204,775)	(175,088,727)	(66,518,154)
Net increase/(decrease) from share transactions		7,191,451	4,346,644	29,616,271	(57,094,847)	(4,388,657)
Subscription charges and redemption charges	8	–	–	–	313,315	–
Movement in currency translation	1	–	–	–	8,089,083	(9,753,890)
<b>Increase in Net Assets Attributable to Redeemable Participating Shareholders</b>		46,776,767	8,593,263	13,865,276	104,006,328	70,365,736
<b>Net assets Attributable to Holders of Redeemable Participating Shares at the end of the year</b>		253,596,599	74,599,544	61,659,637	444,378,260	389,064,381

The accompanying notes form an integral part of the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2017*

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**1 Significant Accounting Policies**

The following accounting policies have been applied to Pzena Value Funds Plc (the “Company”) consistently in dealing with the Company’s financial statements.

**Basis of Preparation of Financial Statements**

The Financial Statements for the financial year ended 31 December 2017 have been prepared in accordance with accounting standards generally accepted in Ireland, including FRS 102 “The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland” (“FRS 102”), Irish statute comprising the Companies Act 2014, as amended, the European Communities (undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 (the “Central Bank UCITS Regulations”). Accounting standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those published by Chartered Accountants Ireland and issued by the Financial Reporting Council (“FRC”).

The format and certain wordings of the Financial Statements have been adapted from those contained in the Companies Act 2014, as amended, and FRS 102 so that, in the opinion of the Directors, they more appropriately reflect the nature of the Company’s business as investment funds.

The Company has availed of the exemption available to open-ended investment funds under section 7 of FRS 102 not to prepare a Cash Flow Statement.

The preparation of the financial statements requires management to make certain estimates and assumptions that may affect the amount reported in the financial statements and related notes. Actual results may differ from these estimates and the differences could be material. The financial statements are prepared under the historical cost convention as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss. The valuation point for financial reporting is Close of Business 5.00pm (GMT) on the last business day of the year, 29 December 2017.

The increase/(decrease) in Net Assets Attributable to Redeemable Participating Shareholders arose solely from continuing operations.

**Investments at Fair Value**

Under FRS 102, in accounting for all of its financial instruments, an entity is required to apply either (a) the full requirements of Section 11 “Basic Financial Instruments” and Section 12 “Other Financial Instruments Issues” of FRS 102, (b) the recognition and measurement provisions of International Accounting Standards 39 “Financial Instruments: Recognition and Measurement” (“IAS 39”) as adopted for use in the European Union and the disclosure requirements of Sections 11 and 12, or (c) the recognition and measurement provisions of International Financial Reporting Standards (“IFRS”) 9 “Financial Instruments” (“IFRS 9”) and the disclosure requirements of Sections 11 and 12. The Company has elected to apply the recognition and measurement provisions of IAS 39 and the disclosure requirements of Sections 11 and 12.

*Classification*

In accordance with FRS 102: “Measurement at Initial Recognition” and “Subsequent Measurement”, all of the Company’s investments are classified at fair value through profit or loss. While positions within the portfolio will often be held with a view to long term capital gains, the Company also undertakes short term trading and, accordingly, for the purpose of FRS 102, the Directors have classified the Company’s portfolio as financial assets and liabilities at fair value through profit or loss.

*Recognition and Initial Measurement*

Purchases and sales of financial instruments are accounted for at trade date. Investments are initially recognised at fair value, and transaction costs for all financial assets carried at fair value through profit or loss are expensed as incurred. Investments are derecognised when the rights to receive cash flows from investments have expired or the Company has transferred substantially all risks and rewards of ownership. Fair value gains and losses on disposals of financial instruments are calculated using the net proceeds on disposal, net of transaction costs, and the average cost attributable to those investments, and are included in the Statement of Comprehensive Income.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

*For the financial year ended 31 December 2017*

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**1 Significant Accounting Policies (Continued)**

**Investments at Fair Value (Continued)**

*Subsequent Measurement*

After initial measurement, the Company measures financial instruments classified as financial assets at fair value through profit or loss at their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Securities which are quoted, listed or traded on a recognised exchange will be valued at last traded price. The value of any security which is not quoted, listed or dealt in on a recognised exchange or which is so quoted, listed or dealt but for which no such quotation or value is available or the available quotation or value is not representative of the fair market value shall be the probable realisation value as estimated with care and good faith by the Directors or by a competent person, firm or corporation appointed for such purpose by the Depository.

**Income**

Dividends are recognised as income on the date that the related investment is first quoted 'ex-dividend' to the extent information thereon is reasonably available. Dividend income is shown gross of any withholding taxes which are disclosed separately in the Statement of Comprehensive Income, and net of any tax credits. Interest income and interest expense are recognised using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or financial liability.

**Transaction Costs**

Transaction costs are the costs incurred in the acquisition, issue or disposal of financial assets and liabilities. Transaction costs include fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Transaction costs do not include debt premiums or discount, financing costs or internal administrative or holdings costs. Transaction costs are recognised in the Statement of Comprehensive Income in "Transaction Fees".

**Cash and Other Liquid Assets**

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term investments in an active market with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown in current liabilities in the Statement of Financial Position. There were no bank overdrafts as at 31 December 2017 (31 December 2016: US\$Nil). Cash and other liquid assets will be valued at their face value together with accrued interest, where applicable, to the valuation point on the relevant dealing day.

**Fair Value Gains/(Losses) on Investments**

Realised fair value gains or losses on disposal of investments during the year and unrealised fair value gains and losses on valuation of investments held at the year end are dealt with in the Statement of Comprehensive Income.

**Fees and Charges**

All expenses, including management fees, are recognised in the Statement of Comprehensive Income.

**Redeemable Participating Shares**

Redeemable Participating Shares are redeemable at the Shareholders' option and are classified as financial liabilities.

The Participating Shares can be put back to the Company on any dealing day for cash equal to a proportionate share of the Company's Net Asset Value. The Participating Share is carried at the redemption amount that is payable at the statement of financial position date if the Shareholder exercised its right to put the share back to the Company.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
*For the financial year ended 31 December 2017*

**1 Significant Accounting Policies (Continued)**

**Foreign Currency**

*(a) Functional and Presentation Currency*

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which it operates ("the functional currency"). The functional currency of the Company is US Dollars ("US\$"). The functional currencies of the Sub-funds are set out in the applicable Supplement, and are as follows: for the Pzena Global Value Fund, Pzena U.S. Large Cap Expanded Value Fund, Pzena Emerging Markets Value Fund – US\$, for the Pzena Global Expanded Value Fund – British Sterling Pound ("GBP").

Movement in currency translation of US\$8,089,083 (31 December 2016: US\$(9,753,890)) arises from the translation of the Statement of Comprehensive Income and the Statement of Changes Attributable to Holders of Redeemable Participating Shares using the average rate for the financial year ended 31 December 2017. The method of translation has no effect on the value of the net assets of the Fund. The average exchange rate used for this purpose was: GBP1 = US\$1.2891 (31 December 2016: GBP1 = US\$1.3554).

*(b) Transactions and Balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

**Taxation**

Under current law and practice, the Company qualifies as an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997, as amended. On that basis, it is not chargeable to Irish tax on its income or capital gains. However, Irish tax can arise on the happening of a "chargeable event". A chargeable event includes any distribution payments to Shareholders or any encashment, redemption, cancellation or transfer of shares and the holding of shares at the end of each eight year period beginning with the acquisition of such shares. Any tax arising on a chargeable event is a liability of the Shareholder, albeit it is paid by the Company (although if the Company fails to deduct the tax or the correct amount of tax it becomes ultimately a liability of the Shareholder).

No tax will arise on the Company in respect of chargeable events in respect of a Shareholder who is:

- (i) a Shareholder who is neither Irish resident nor ordinarily resident in Ireland for tax purposes, at the time of the chargeable event, provided appropriate valid declarations in accordance with the provisions of the Taxes Consolidation Act, 1997, as amended, are held by the Company and the Company has been authorised by the Irish Revenue to make gross payments in the absence of appropriate declarations; and
- (ii) certain exempted Irish tax resident Shareholders who have provided the Company with the necessary signed statutory declarations.

Dividends, interest and capital gains (if any) received on investments made by the Company may be subject to withholding taxes imposed by the country from which the investment income/gains are received and such taxes may not be recoverable by the Company or its Shareholders.

**2 Cash at Bank**

<b>Pzena Global Value Fund</b>	<b>As at 31 December 2017 US\$</b>	<b>As at 31 December 2016 US\$</b>
Banco Santander, Frankfurt*	135,739	362,032
Brown Brothers Harriman & Co.	8,943	153,873
	<u>144,682</u>	<u>515,905</u>

\* At 31 December 2017, overnight deposits were held with Banco Santander, Frankfurt.

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
For the financial year ended 31 December 2017

2 Cash at Bank (Continued)

<b>Pzena U.S. Large Cap Expanded Value Fund</b>	<b>As at 31 December 2017</b>	<b>As at 31 December 2016</b>
	<b>US\$</b>	<b>US\$</b>
Banco Santander, Frankfurt*	197,815	–
Brown Brothers Harriman & Co.	111	15
Deutsche Bank, Grand Cayman	–	56,750
	<u>197,926</u>	<u>56,765</u>

\* At 31 December 2017, overnight deposits were held with Banco Santander, Frankfurt.

<b>Pzena Emerging Markets Value Fund</b>	<b>As at 31 December 2017</b>	<b>As at 31 December 2016</b>
	<b>US\$</b>	<b>US\$</b>
Banco Santander, Frankfurt*	7,427,483	4,490,302
Deutsche Bank, Grand Cayman*	267,447	222,272
Brown Brothers Harriman & Co.	206,381	57,393
HSBC Bank Plc, London	–	25,604
	<u>7,901,311</u>	<u>4,795,571</u>

\* At 31 December 2017, overnight deposits were held with Banco Santander, Frankfurt and Deutsche Bank, Grand Cayman.

<b>Pzena Global Expanded Value Fund</b>	<b>As at 31 December 2017</b>	<b>As at 31 December 2016</b>
	<b>GBP</b>	<b>GBP</b>
Banco Santander, Frankfurt*	1,959,079	202,825
Brown Brothers Harriman & Co.	6,986	5,715
Credit Suisse AG, Zurich	–	37,431
Deutsche Bank, Grand Cayman	–	1,265,730
	<u>1,966,065</u>	<u>1,511,701</u>

\* At 31 December 2017, overnight deposits were held with Banco Santander, Frankfurt.

All cash at bank balances are held with Brown Brothers Harriman & Co., or with third party institutions approved by the Investment Manager on overnight deposit, or directly with a sub-custodian. All deposits held on call with banks are returned to the Depositary the following day.

In line with the Central Bank Guidance paper entitled Umbrella Funds – Cash Accounts Holding Subscription, Redemption and Dividend Monies published in March 2016, one or more Company cash accounts are being operated by the Administrator, on behalf of the Company, in accordance with the requirements of the Central Bank. Such Company cash accounts are designed to hold unprocessed subscription monies received from investors, redemption monies payable to investors and/or other amounts due to investors. As at 31 December 2017, the amount held in these cash accounts was US\$Nil (31 December 2016: US\$6,969).

3 Share Capital

The authorised Share Capital of the Company is 100,000,400,000 divided into 400,000 Subscriber Shares of US\$1.00 each and 100,000,000,000 Redeemable Participating Shares of no par value. As at 31 December 2017 the Investment Manager and Michael D. Peterson each held 1 Subscriber Share. The Subscriber Shares do not form part of the Net Asset Value of the Company and are thus disclosed in the financial statements by way of this note only, which in the opinion of the Directors reflects the nature of the Company's business as an investment fund.

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
For the financial year ended 31 December 2017

3 Share Capital (Continued)

The following tables represent the change in Redeemable Participating Shares during the year:

Pzena Global Value Fund	31 December 2017		31 December 2016	
	Number of Shares	Proceeds US\$	Number of Shares	Proceeds US\$
	A Class	A Class	A Class	A Class
Shares in issue at the start of the year	461,937	103,396,302	984,111	155,195,992
Shares issued during the year	53,129	6,493,519	10,377	998,281
Shares redeemed during the year	(470,886)	(61,132,189)	(532,551)	(52,797,971)
<b>Shares in issue at the end of the year</b>	<b>44,180</b>	<b>48,757,632</b>	<b>461,937</b>	<b>103,396,302</b>

Pzena U.S. Large Cap Expanded Value Fund

Pzena U.S. Large Cap Expanded Value Fund	31 December 2017		31 December 2016	
	Number of Shares	Proceeds US\$	Number of Shares	Proceeds US\$
	A Class	A Class	A Class	A Class
Shares in issue at the start of the year	31,248	(38,561,033)	30,487	(38,638,720)
Shares issued during the year	7,699	1,662,495	8,163	1,392,617
Shares redeemed during the year	(9,104)	(1,955,821)	(7,402)	(1,314,930)
<b>Shares in issue at the end of the year</b>	<b>29,843</b>	<b>(38,854,359)</b>	<b>31,248</b>	<b>(38,561,033)</b>

Pzena Emerging Markets Value Fund

Pzena Emerging Markets Value Fund	31 December 2017		31 December 2016	
	Number of Shares	Proceeds US\$	Number of Shares	Proceeds US\$
	A Class	A Class	A Class	A Class
Shares in issue at the start of the year	1,985,276	195,408,206	1,908,672	189,867,699
Shares issued during the year	746,563	79,845,329	91,422	6,825,009
Shares redeemed during the year	(758,424)	(90,006,582)	(14,818)	(1,284,502)
<b>Shares in issue at the end of the year</b>	<b>1,973,415</b>	<b>185,246,953</b>	<b>1,985,276</b>	<b>195,408,206</b>

Pzena Emerging Markets Value Fund	31 December 2017		31 December 2016	
	Number of Shares	Proceeds US\$	Number of Shares	Proceeds US\$
	AEU Class	AEU Class	AEU Class	AEU Class
Shares in issue at the start of the year	558,294	69,107,284	543,402	67,456,340
Shares issued during the year	74,192	10,075,610	14,892	1,650,944
Shares redeemed during the year	(57,404)	(7,622,650)	–	–
<b>Shares in issue at the end of the year</b>	<b>575,082</b>	<b>71,560,244</b>	<b>558,294</b>	<b>69,107,284</b>

Pzena Emerging Markets Value Fund	31 December 2017		31 December 2016	
	Number of Shares	Proceeds US\$	Number of Shares	Proceeds US\$
	CUS Class*	CUS Class*	CUS Class*	CUS Class*
Shares in issue at the start of the year	–	–	–	–
Shares issued during the year	2,500	250,000	–	–
Shares redeemed during the year	(2,500)	(307,817)	–	–
<b>Shares in issue at the end of the year</b>	<b>–</b>	<b>(57,817)</b>	<b>–</b>	<b>–</b>

\* Class CUS was launched on 13 January 2017 and liquidated on 20 October 2017.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
*For the financial year ended 31 December 2017*

**3 Share Capital (Continued)**

Pzena Global Expanded Value Fund	31 December 2017		31 December 2016	
	Number of Shares	Proceeds GBP	Number of Shares	Proceeds GBP
	<b>A Class</b>	<b>A Class</b>	<b>A Class</b>	<b>A Class</b>
Shares in issue at the start of the year	452,531	47,480,070	172,787	17,863,799
Shares issued during the year	63,462	9,199,761	348,578	37,821,046
Shares redeemed during the year	(71,825)	(10,459,342)	(68,834)	(8,204,775)
<b>Shares in issue at the end of the year</b>	<b>444,168</b>	<b>46,220,489</b>	<b>452,531</b>	<b>47,480,070</b>
	<b>AEU Class*</b>	<b>AEU Class*</b>		
Shares in issue at the start of the year	–	–		
Shares issued during the year	68,100	6,056,563		
Shares redeemed during the year	(5,054)	(450,338)		
<b>Shares in issue at the end of the year</b>	<b>63,046</b>	<b>5,606,225</b>		

\* Class AEU was launched on 8 June 2017.

**4 Fees**

**Management Fees**

The Investment Manager is entitled to an annual fee of 1.00% (Class A) of the Net Asset Value of the Pzena Global Value Fund as calculated on each valuation date.

The Investment Manager is entitled to an annual fee of 0.50% (Class A) of the Net Asset Value of the Pzena U.S. Large Cap Expanded Value Fund as calculated on each valuation date.

The Investment Manager is entitled to an annual fee of 1.00% (Class A and Class AEU) and was entitled to an annual fee of 1.75% (Class CUS) of the Net Asset Value of the Pzena Emerging Markets Value Fund as calculated on each valuation date.

The Investment Manager is entitled to an annual fee of 0.55% (Class A and Class AEU) of the Net Asset Value of the Pzena Global Expanded Value Fund as calculated on each valuation date.

Investment management fees are accrued on each valuation date and are payable on a quarterly basis in arrears. The Investment Manager earned a fee of US\$4,259,971 for the financial year ended 31 December 2017 (31 December 2016: US\$3,325,302). Investment management fees of US\$1,011,781 (31 December 2016: US\$885,709) were payable at the year end.

The Manager is paid an annual management fee out of the assets of the Company of 3 basis points of the Net Asset Value of the Company. Such management fee are accrued at each valuation date and are payable on a quarterly basis in arrears. The Manager earned a fee of US\$69,138 for the financial year ended 31 December 2017 (31 December 2016: US\$Nil). Manager fees of US\$69,822 (31 December 2016: US\$Nil) were payable at the year end.

**Administration and Transfer Agent Fees**

The Administrator is entitled to an annual fee equal to 0.06% on the first US\$500 million of the Net Asset Value of each Fund, subject to a minimum fee of US\$3,000 per Sub-fund per month (plus VAT, if any), an annual fee equal to 0.05% per annum on the Net Asset Value between US\$500 million and US\$2 billion and an annual fee of 0.04% on the Net Asset Value over US\$2 billion. These fees are calculated on each valuation date.

The Administrator is also entitled to receive a fee for acting as Registrar and Transfer Agent and transaction charges, subject to a minimum annual fee of US\$5,000 per Sub-fund.

The Administrator is entitled to a minimum annual reporting fee of US\$1,500 and a minimum annual facility fee of US\$10,000.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
*For the financial year ended 31 December 2017*

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**4 Fees (Continued)**

**Administration and Transfer Agent Fees (Continued)**

Administration fees accrue on each valuation date and are payable monthly in arrears. The Administrator is also entitled to be paid out of the assets of each Sub-fund all of its reasonable out-of-pocket expenses incurred on behalf of the Fund in the performance of its duties.

The Administrator earned a fee of US\$452,338 for the financial year ended 31 December 2017 (31 December 2016: US\$389,667), of which US\$75,779 (31 December 2016: US\$64,072) was payable at the year end.

**Depositary and Trustee Fees**

Until 4 April 2017, the Depositary was entitled to an annual trustee fee of 0.02% of the Net Asset Value of each Fund each valuation date. Since 5 April 2017, the Depositary is entitled to an annual trustee fee of 0.025% of the Net Asset Value of each Fund each valuation date, subject to minimum trustee fee of US\$10,000.

The fees are accrued at each valuation date and are payable monthly in arrears. The Depositary shall also receive reimbursement for all out-of-pocket expenses reasonably and properly incurred by the Depositary.

The Depositary is also entitled to safekeeping and transactional services fee ranging from 0.0075% to 0.6% of the value of the relevant securities, depending on the relevant recognised market.

The Depositary earned a fee of US\$337,887 for the financial year ended 31 December 2017 (31 December 2016: US\$233,095), of which US\$56,484 (31 December 2016: US\$44,659) was payable at the year end.

**Directors' Fees**

The Directors are entitled to a fee in remuneration for their services at a rate to be determined from time to time by the Directors, but so that the aggregate amount of Directors' remuneration in any one year will not exceed €50,000 (plus VAT, if any).

The aggregate emoluments of the Directors for the financial year ended 31 December 2017 was US\$53,610 (31 December 2016: US\$43,321) of which US\$17,033 (31 December 2016: US\$11,578) was outstanding at the year end.

**Audit Fees**

The statutory audit firm earned fees of US\$40,000 (31 December 2016: US\$47,711) (including expenses), of which US\$20,000 (31 December 2016: US\$41,135) related to the statutory audit of entity financial statements and US\$20,000 (31 December 2016: US\$6,576) related to tax advisory services (including VAT).

Differences to the figures noted above are in relation to under and over accruals.

**Other Fees**

The Company also pays out of the assets of each Sub-fund, fees in respect of the publication and circulation of details of Net Asset Value per Share, stamp duties, taxes, brokerage, tax, legal and other professional advisers.

The Company pays fees in respect of the Global Automatic Exchange of Taxpayer Information Services (Foreign Account Tax Compliance Act & Reporting Standard). There is an annual fee of US\$10,000 and further fees based on the volume of reports filed with local tax authorities as well as one time fees.

**Operating Expenses – General Reimbursement**

A fee cap of 1.35% of total operating expenses is applied to the Pzena Global Value Fund (Class A). If the total expenses exceed this percentage the Investment Manager has agreed to reimburse the Sub-fund by this amount. The Investment Manager may terminate this agreement upon the giving of notice.

During the financial year ended 31 December 2017 US\$14,386 (31 December 2016: US\$Nil) was reimbursed to the Pzena Global Value Fund.

A fee cap of 1.00% of total operating expenses is applied to the Pzena U.S. Large Cap Expanded Value Fund (Class A). If the total expenses exceed this percentage the Investment Manager has agreed to reimburse the Sub-fund by this amount. The Investment Manager may terminate this agreement upon the giving of notice.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
*For the financial year ended 31 December 2017*

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**4 Fees (Continued)**

**Operating Expenses – General Reimbursement (Continued)**

During the financial year ended 31 December 2017 US\$78,617 (31 December 2016: US\$78,863) was reimbursed to the Pzena U.S. Large Cap Expanded Value Fund.

A fee cap of 1.55% of total operating expenses is applied to the Pzena Emerging Markets Value Fund (Class A and Class AEU). If the total expenses exceed this percentage the Investment Manager has agreed to reimburse the Sub-fund by this amount. The Investment Manager may terminate this agreement upon the giving of notice.

During the financial year ended 31 December 2017 US\$Nil (31 December 2016: US\$Nil) was reimbursed to the Pzena Emerging Markets Value Fund.

A fee cap of 0.75% of total operating expenses is applied to the Pzena Global Expanded Value Fund (Class A and Class AEU). If the total expenses exceed this percentage the Investment Manager has agreed to reimburse the Sub-fund by this amount. The Investment Manager may terminate this agreement upon the giving of notice.

During the financial year ended 31 December 2017 GBP47,350 (31 December 2016: GBP65,666) was reimbursed to the Pzena Global Expanded Value Fund.

**5 Financial Instruments – Risk**

In pursuing its investment objectives the Company may hold the following instruments:

- Equities and bonds;
- Participatory Notes;
- Other Funds;
- Cash, liquid resources and short-term debtors and creditors that arise directly from its operations.

The main risks arising from the Company's financial instruments are market price, credit, liquidity, interest rate and foreign currency risk.

The Investment Manager assists the Company in risk management and periodically reviews the relevant procedures in place within the Administrator, Depositary and the Investment Manager to ensure that all significant risks of the Company can be identified, monitored and managed at all times.

***Market Price Risk***

The Investment Manager regularly considers the asset allocation of the portfolio in order to maximise the investment return for the Company while seeking to minimise the risk associated with particular industry sectors and continuing to follow the investment objective. There is, however, no assurance that this objective will be achieved as the value of investments may fall as well as rise and investors may not recoup the original amount invested.

At 31 December 2017 and 31 December 2016, the overall market exposures were as presented in the Sub-funds' Schedule of Investments.

The Investment Manager monitors market price risk on a monthly basis by estimating risk decomposition by market, asset class, sector and market capitalisation.

The benchmark used by the Investment Manager to monitor the performance of the Pzena Global Value Fund is the MSCI ACWI Index (Net of Withholding Tax). The Sub-fund is not managed to the benchmark.

If the MSCI ACWI Index (Net of Withholding Tax) at 31 December 2017 had increased or decreased by 1% (31 December 2016: 1%) with all other variables held constant, this would have increased or reduced net assets attributable to holders of redeemable Shares for Shareholders dealing purposes by approximately US\$72,263 (31 December 2016: US\$728,014).

The benchmark used by the Investment Manager to monitor the performance of the Pzena U.S. Large Cap Expanded Value Fund is the Russell 1000 Value Index. The Sub-fund is not managed to the benchmark.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
*For the financial year ended 31 December 2017*

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**5 Financial Instruments – Risk (Continued)**

***Market Price Risk (Continued)***

If the Russell 1000 Value Index at 31 December 2017 had increased or decreased by 1% (31 December 2016: 1%) with all other variables held constant, this would have increased or reduced net assets attributable to holders of redeemable Shares for Shareholders dealing purposes by approximately US\$80,030 (31 December 2016: US\$80,870).

The benchmark used by the Investment Manager to monitor the performance of the Pzena Emerging Markets Value Fund is the MSCI Emerging Markets Index (Net of Withholding Tax). The Sub-fund is not managed to the benchmark.

If the MSCI Emerging Markets Index at 31 December 2017 had increased or decreased by 1% (31 December 2016: 1%) with all other variables held constant, this would have increased or reduced net assets attributable to holders of redeemable Shares for Shareholders dealing purposes by approximately US\$1,910,652 (31 December 2016: US\$2,161,006).

The benchmark used by the Investment Manager to monitor the performance of the Pzena Global Expanded Value Fund is the MSCI World Index (Net of Withholding Tax). The Sub-fund is not managed to the benchmark.

If the MSCI World Index at 31 December 2017 had increased or decreased by 1% (31 December 2016: 1%) with all other variables held constant, this would have increased or reduced net assets attributable to holders of redeemable Shares for Shareholders dealing purposes by approximately GBP789,178 (31 December 2016: GBP813,807).

Some limitations of sensitivity analysis are:

- (i) the models are based on historical data and cannot take account of the fact that future market price movements, correlations between markets and levels of market liquidity in conditions of market stress may bear no relation to historical patterns;
- (ii) the market price risk information is a relative estimate of risk rather than a precise and accurate number;
- (iii) the market price information represents a hypothetical outcome and is not intended to be predictive; and
- (iv) future market conditions could vary significantly from those experienced in the past.

***Credit Risk***

The Company may be exposed to credit risk with the counterparties with which it executes transactions to purchase and sell securities, and may bear the risk of settlement default.

The Company minimises concentration of credit risk by undertaking transactions with a large number of customers and counterparties on recognised and reputable exchanges. The Company only buys and sells investments through brokers which have been approved by the Investment Manager as an acceptable counterparty.

The Investment Manager monitors the credit risk exposure of the Company on a quarterly basis by reviewing the transaction records to assess deal-pricing, transaction fees and the effectiveness of settlement and reports to the Board on a quarterly basis.

Credit risk also includes the risk of counterparty default. Credit risk is generally higher when a non-exchange traded financial instrument is involved because the counterparty for non-exchange traded financial instruments is not backed by an exchange or clearing house.

Cash held via accounts opened on the books of Brown Brothers Harriman & Co. (“BBH”) are obligations of BBH while cash held in accounts opened directly on the books of a third party cash correspondent bank, sub-custodian or a broker (collectively, “agency accounts”) are obligations of the third party. Cash held via agency cash accounts are liabilities of the third party, creating a debtor/creditor relationship directly between the agent and the Company. Accordingly, while BBH is responsible for exercising reasonable care in the administration of such agency cash accounts where it has appointed the agent (i.e., in the case of cash correspondent banks and sub-custodians), it is not liable for their repayment in the event the agent, by reason of its bankruptcy, insolvency or otherwise, fails to make repayment. Cash is held in unsegregated accounts.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

*For the financial year ended 31 December 2017*

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**5 Financial Instruments – Risk (Continued)**

***Credit Risk (Continued)***

BBH as global sub-custodian for Brown Brothers Harriman Trustee Services (Ireland) Limited (the “Depositary”) performs both the initial and ongoing due diligence on the sub-custodians in its global custody network. Such reviews include an assessment of the sub-custodian’s financial strength and general reputation and standing and, at a minimum, meet the due diligence requirements established by applicable law. The financial analysis is focused on the sub-custodian bank’s capital adequacy, asset quality, financial flexibility and strength, management expertise, earnings, and liquidity as key indicators of its financial standing in the market. These reviews are not audits.

As at 31 December 2017 all of the Company’s investments and overnight deposits were held by the Depositary either directly with BBH (as global sub-custodian), or through its network of sub-custodians and or cash correspondent banks.

The short-term credit rating for BBH is F1; this indicates the strongest intrinsic capacity for timely payment of financial commitments, as rated by Fitch.

The short-term credit rating for all other institutions with which cash was held at 31 December 2017 is F1+ or F2; this indicates the strongest or strong intrinsic capacity for timely payment of financial commitments, as rated by Fitch.

The Investment Manager regularly reviews relationships with brokers including the competitiveness of commissions paid and the quality of reporting/settlement. The Investment Manager reports this to the Board periodically.

In the normal course of business, the Company may utilise Participatory Notes (“P Notes”) to gain access to markets that otherwise might not be accessible to it as a foreign investor. P Notes are issued by banks or broker-dealers and allow the Company to gain exposure to local shares of issuers in foreign markets. P Notes are not used for the purposes of hedging any risks in the Company. They are valued with reference to their underlying securities.

Investments in P Notes involve similar risks associated with a direct investment in the underlying foreign companies or foreign markets that they seek to replicate. Although each P Note is structured with a defined maturity date, early redemption may be possible. Other risks associated with P Notes include the possible failure of a counterparty to perform in accordance with the terms of the agreement and potential delays or an inability to redeem before maturity under certain market conditions. The Company minimises this risk by entering into agreements only with the counterparties that the Investment Manager deems credit worthy. Due to liquidity and transfer restrictions, the secondary markets on which the P Notes are traded may be less liquid than the markets for other securities, or may be completely liquid.

The short-term credit rating for CitiGroup Global Market Holdings Inc. with whom the Company holds P Notes is F1+, this indicates the strongest intrinsic capacity for timely payment of financial commitments, as rated by Fitch.

***Liquidity Risk***

The Company’s assets comprise of readily realisable securities. The main liability of the Company is the redemption of any Shares that investors wish to sell. Shareholder demand for redemption may cause the Company to dispose of securities at a time when it is not convenient or in the Company’s best interest to do so.

The Company is exposed to daily cash redemptions of redeemable Participating Shares. It therefore invests the majority of its assets in investments that are traded in an active market and can be readily disposed of.

The Investment Manager monitors the liquidity risk of the Company on a monthly basis and reports it to the Board on a quarterly basis.

The following tables analyse the Company’s financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of the discounting is not considered to be significant.

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
For the financial year ended 31 December 2017

5 Financial Instruments – Risk (Continued)

*Liquidity Risk (Continued)*

**Pzena Global Value Fund**

	Up to 1 month US\$	1-12 months US\$	Over 12 months US\$	Total US\$
<b>As at 31 December 2017</b>				
Accrued expenses	50,099	22,981	–	73,080
Redeemable Participating Shares	6,357,326	–	–	6,357,326
<b>Total Financial Liabilities</b>	<b>6,407,425</b>	<b>22,981</b>		<b>6,430,406</b>

**Pzena Global Value Fund**

	Up to 1 month US\$	1-12 months US\$	Over 12 months US\$	Total US\$
<b>As at 31 December 2016</b>				
Securities purchases payable	24,453	–	–	24,453
Redemptions payable	–	576	–	576
Accrued expenses	150,178	26,180	–	176,358
Redeemable Participating Shares	53,086,171	–	–	53,086,171
<b>Total Financial Liabilities</b>	<b>53,260,802</b>	<b>26,756</b>	<b>–</b>	<b>53,287,558</b>

**Pzena U.S. Large Cap Expanded Value Fund**

	Up to 1 month US\$	1-12 months US\$	Over 12 months US\$	Total US\$
<b>As at 31 December 2017</b>				
Securities purchases payable	92,627	–	–	92,627
Redemptions payable	–	116,295	–	116,295
Accrued expenses	23,550	17,547	–	41,097
Redeemable Participating Shares	7,016,531	–	–	7,016,531
<b>Total Financial Liabilities</b>	<b>7,132,708</b>	<b>133,842</b>	<b>–</b>	<b>7,266,550</b>

**Pzena U.S. Large Cap Expanded Value Fund**

	Up to 1 month US\$	1-12 months US\$	Over 12 months US\$	Total US\$
<b>As at 31 December 2016</b>				
Organisational fees payable to Investment Manager	–	3,687	–	3,687
Accrued expenses	28,968	15,861	–	44,829
Redeemable Participating Shares	6,250,457	–	–	6,250,457
<b>Total Financial Liabilities</b>	<b>6,279,425</b>	<b>19,548</b>	<b>–</b>	<b>6,298,973</b>

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
For the financial year ended 31 December 2017

5 Financial Instruments – Risk (Continued)

*Liquidity Risk (Continued)*

**Pzena Emerging Markets Value Fund**

	Up to 1 month US\$	1-12 months US\$	Over 12 months US\$	Total US\$
<b>As at 31 December 2017</b>				
Organisational fees payable to Investment Manager	–	1,866	–	1,866
Accrued expenses	939,802	841,568	–	1,781,370
Redeemable Participating Shares	330,101,060	–	–	330,101,060
<b>Total Financial Liabilities</b>	<b>331,040,862</b>	<b>843,434</b>	<b>–</b>	<b>331,884,296</b>

**Pzena Emerging Markets Value Fund**

	Up to 1 month US\$	1-12 months US\$	Over 12 months US\$	Total US\$
<b>As at 31 December 2016</b>				
Securities purchases payable	559,041	–	–	559,041
Organisational fees payable to Investment Manager	–	6,691	1,847	8,538
Accrued expenses	702,118	78,943	–	781,061
Redeemable Participating Shares	253,596,599	–	–	253,596,599
<b>Total Financial Liabilities</b>	<b>254,857,758</b>	<b>85,634</b>	<b>1,847</b>	<b>254,945,239</b>

**Pzena Global Expanded Value Fund**

	Up to 1 month GBP	1-12 months GBP	Over 12 months GBP	Total GBP
<b>As at 31 December 2017</b>				
Redemptions payable	–	180,853	–	180,853
Organisational fees payable to Investment Manager	–	4,570	3,724	8,294
Accrued expenses	158,601	24,870	–	183,471
Redeemable Participating Shares	74,599,544	–	–	74,599,544
<b>Total Financial Liabilities</b>	<b>74,758,145</b>	<b>210,293</b>	<b>3,724</b>	<b>74,972,162</b>

**Pzena Global Expanded Value Fund**

	Up to 1 month GBP	1-12 months GBP	Over 12 months GBP	Total GBP
<b>As at 31 December 2016</b>				
Securities purchases payable	135,824	–	–	135,824
Redemptions payable	–	2,103,407	–	2,103,407
Organisational fees payable to Investment Manager	–	4,583	8,281	12,864
Accrued expenses	102,368	17,426	–	119,794
Redeemable Participating Shares	61,659,637	–	–	61,659,637
<b>Total Financial Liabilities</b>	<b>61,897,829</b>	<b>2,125,416</b>	<b>8,281</b>	<b>64,031,526</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
*For the financial year ended 31 December 2017*

**5 Financial Instruments – Risk (Continued)**

***Interest Rate Risk***

The majority of the Company’s financial assets and liabilities are non-interest bearing; as a result, the Company is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. Any excess cash and cash equivalents are invested at short-term market interest rates.

The Company is exposed to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows.

***Currency Risk***

Changes in exchange rates between currencies or the conversion from one currency to another may also cause the value of the investments to diminish or increase. The Net Asset Value per Share of each Sub-fund is computed in its functional currency, whereas some of the investments may be acquired in other currencies, some of which may be affected by currency movements of a more volatile nature than those of developed countries and some of which may not be freely convertible. In such cases performance may be strongly influenced by movements in foreign exchange rates because currency positions held by a Company may not correspond with the securities positions held by it.

**Pzena Global Value Fund**

**Total Net Assets**

<b>Year</b>	<b>CHF</b>	<b>EUR</b>	<b>GBP</b>	<b>HKD</b>	<b>JPY</b>	<b>KRW</b>	<b>SGD</b>	<b>TWD</b>
	<b>US\$000s</b>	<b>US\$000s</b>	<b>US\$000s</b>	<b>US\$000s</b>	<b>US\$000s</b>	<b>US\$000s</b>	<b>US\$000s</b>	<b>US\$000s</b>
<b>31 December 2017</b>	400	1,004	997	239	589	266	86	78
<b>31 December 2016</b>	1,663	9,305	6,851	948	6,163	3,237	1,117	1,125

<b>Year</b>	<b>USD</b>	<b>TOTAL</b>
	<b>US\$000s</b>	<b>US\$000s</b>
<b>31 December 2017</b>	2,698	6,357
<b>31 December 2016</b>	22,677	53,086

**Pzena U.S. Large Cap Expanded Value Fund**

The majority of the financial assets and liabilities of Pzena U.S. Large Cap Expanded Value Fund are denominated in US Dollars and consequently the Fund has no significant exposure to foreign currency risk.

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
For the financial year ended 31 December 2017

5 Financial Instruments – Risk (Continued)

*Currency Risk (Continued)*

**Pzena Emerging Markets Value Fund**

**Total Net Assets**

<b>Year</b>	<b>AED</b>	<b>BRL</b>	<b>CZK</b>	<b>EUR</b>	<b>GBP</b>	<b>HKD</b>	<b>HUF</b>	<b>IDR</b>
	<b>US\$000s</b>	<b>US\$000s</b>	<b>US\$000s</b>	<b>US\$000s</b>	<b>US\$000s</b>	<b>US\$000s</b>	<b>US\$000s</b>	<b>US\$000s</b>
<b>31 December 2017</b>	4,498	12,828	3,847	3,068	11,989	70,031	6,031	3,253
<b>31 December 2016</b>	5,374	11,478	14,859	–	–	51,094	8,167	–

<b>Year</b>	<b>KRW</b>	<b>MYR</b>	<b>PLN</b>	<b>SGD</b>	<b>THB</b>	<b>TRY</b>	<b>TWD</b>	<b>USD</b>
	<b>US\$000s</b>	<b>US\$000s</b>	<b>US\$000s</b>	<b>US\$000s</b>	<b>US\$000s</b>	<b>US\$000s</b>	<b>US\$000s</b>	<b>US\$000s</b>
<b>31 December 2017</b>	59,970	4,838	4,301	6,652	8,518	6,475	27,356	85,908
<b>31 December 2016</b>	46,266	3,803	3,325	4,596	4,593	5,242	20,760	64,779

<b>Year</b>	<b>ZAR</b>	<b>TOTAL</b>
	<b>US\$000s</b>	<b>US\$000s</b>
<b>31 December 2017</b>	10,538	330,101
<b>31 December 2016</b>	9,253	253,589

**Pzena Global Expanded Value Fund**

**Total Net Assets**

<b>Year</b>	<b>CHF</b>	<b>DKK</b>	<b>EUR</b>	<b>GBP</b>	<b>HKD</b>	<b>JPY</b>	<b>KRW</b>	<b>SGD</b>
	<b>GBP000s</b>	<b>GBP000s</b>	<b>GBP000s</b>	<b>GBP000s</b>	<b>GBP000s</b>	<b>GBP000s</b>	<b>GBP000s</b>	<b>GBP000s</b>
<b>31 December 2017</b>	4,127	–	13,258	12,437	1,674	8,355	3,093	635
<b>31 December 2016</b>	2,822	274	11,932	8,091	1,091	7,306	2,512	612

<b>Year</b>	<b>TWD</b>	<b>USD</b>	<b>TOTAL</b>
	<b>GBP000s</b>	<b>GBP000s</b>	<b>GBP000s</b>
<b>31 December 2017</b>	546	30,312	74,437
<b>31 December 2016</b>	489	26,679	61,808

The following tables show the estimated change in the market value of investments given a 5% movement in the underlying currency against the base currency of each Sub-fund. The market value of each currency is made up of its investments, cash, receivables and payables.

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
For the financial year ended 31 December 2017

5 Financial Instruments – Risk (Continued)

*Currency Risk (Continued)*

An average of 5% is deemed an appropriate sensitivity for movement in foreign exchange in a year by the Investment Manager as currencies will have different correlations and generally will not all move in the same direction by the same amount but 5% is deemed a significant movement. Movements above 5% are deemed to be longer term and less likely to reverse in the shorter term.

**Pzena Global Value Fund**

**Total Net Assets**

Year	CHF US\$	EUR US\$	GBP US\$	HKD US\$	JPY US\$	KRW US\$	SGD US\$	TWD US\$
31 December 2017	19,989	50,232	49,844	11,981	29,468	13,278	4,289	3,904
31 December 2016	83,144	465,239	342,552	47,418	308,153	161,827	55,849	56,253

Year	TOTAL US\$
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31 December 2017	182,985
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31 December 2016	1,520,435
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**Pzena Emerging Markets Value Fund**

**Total Net Assets**

Year	AED US\$	BRL US\$	CZK US\$	EUR US\$	GBP US\$	HKD US\$	HUF US\$	IDR US\$
31 December 2017	224,890	641,386	192,359	153,412	599,466	3,501,552	301,525	162,635
31 December 2016	268,677	573,900	742,931	–	–	2,554,698	408,349	–

Year	KRW US\$	MYR US\$	PLN US\$	SGD US\$	THB US\$	TRY US\$	TWD US\$	ZAR US\$
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31 December 2017	2,998,506	241,908	215,043	332,596	425,911	323,744	1,367,814	526,892
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31 December 2016	2,313,322	190,168	166,255	229,820	229,648	262,098	1,038,009	462,502
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Year	TOTAL US\$
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31 December 2017	12,209,639
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31 December 2016	9,440,377
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NOTES TO THE FINANCIAL STATEMENTS (Continued)  
For the financial year ended 31 December 2017

5 Financial Instruments – Risk (Continued)

*Currency Risk (Continued)*

**Pzena Global Expanded Value Fund**

**Total Net Assets**

Year	CHF	DKK	EUR	HKD	JPY	KRW	SGD	TWD
	GBP	GBP	GBP	GBP	GBP	GBP	GBP	GBP
<b>31 December 2017</b>	206,344	–	662,901	83,696	417,766	154,664	31,755	27,273
<b>31 December 2016</b>	141,106	13,681	569,590	54,549	365,302	125,598	30,587	24,452

Year	USD	TOTAL
	GBP	GBP
<b>31 December 2017</b>	1,515,582	3,099,981
<b>31 December 2016</b>	1,333,961	2,658,826

**Fair Value Estimation**

FRS 102 Section 11.27 on “Fair Value: Disclosure” requires disclosure relating to the fair value hierarchy in which fair value measurements are categorised for assets and liabilities. The disclosures are based on a three level fair value hierarchy for the inputs used in valuation techniques to measure fair value. In March 2016 amendments were made to paragraphs 34.22 and 34.42 of this FRS, revising the disclosure requirements for financial institutions. An entity shall apply these amendments for accounting periods beginning on or after 1 January 2017. This amendment has been adopted in the preparation of these financial statements.

The fair value hierarchy has the following levels:

*Level 1:*

Investments whose values are based on quoted market prices in active markets, and therefore classified within Level 1, include active listed equities. Quoted prices for these instruments are not adjusted.

*Level 2:*

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These include investment-grade corporate bonds and certain non-US sovereign obligations and over-the-counter derivatives. As Level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

*Level 3:*

Investments classified within Level 3 have significant unobservable inputs, as they trade infrequently. Level 3 instruments include certain corporate debt securities. Pricing inputs are unobservable for the investments and include situations where there is little, if any, market activity for the instrument. As observable prices are not available for these securities, each Sub-fund would have used valuation techniques to derive the fair value if applicable.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety, is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the financial asset or liability.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
*For the financial year ended 31 December 2017*

**5 Financial Instruments – Risk (Continued)**

***Fair Value Estimation (Continued)***

The determination of what constitutes ‘observable’ requires significant judgement by the Directors in consultation with the Investment Manager. The Directors consider observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following tables analyse within the fair value hierarchy the Sub-funds’ financial assets and liabilities measured at fair value at 31 December 2017 and as at 31 December 2016:

**Pzena Global Value Fund**

<b>31 December 2017</b>	<b>Level 1 US\$</b>	<b>Level 2 US\$</b>	<b>Level 3 US\$</b>	<b>Total US\$</b>
Financial Assets at fair value through profit or loss:				
Common Stock	6,255,330	–	–	6,255,330
<b>Total Assets</b>	<b>6,255,330</b>	<b>–</b>	<b>–</b>	<b>6,255,330</b>

Transfers into and out of levels are recognised at the end of the reporting period. There were no material transfers into or out of Level 3 during the financial year ended 31 December 2017.

**Pzena Global Value Fund**

<b>31 December 2016</b>	<b>Level 1 US\$</b>	<b>Level 2 US\$</b>	<b>Level 3 US\$</b>	<b>Total US\$</b>
Financial Assets at fair value through profit or loss:				
Common Stock	52,681,925	–	–	52,681,925
<b>Total Assets</b>	<b>52,681,925</b>	<b>–</b>	<b>–</b>	<b>52,681,925</b>

Transfers into and out of levels are recognised at the end of the reporting period. There were no material transfers into or out of Level 3 during the financial year ended 31 December 2016.

**Pzena U.S. Large Cap Expanded Value Fund**

<b>31 December 2017</b>	<b>Level 1 US\$</b>	<b>Level 2 US\$</b>	<b>Level 3 US\$</b>	<b>Total US\$</b>
Financial Assets at fair value through profit or loss:				
Common Stock	6,678,709	–	–	6,678,709
<b>Total Assets</b>	<b>6,678,709</b>	<b>–</b>	<b>–</b>	<b>6,678,709</b>

Transfers into and out of levels are recognised at the end of the reporting period. There were no material transfers into or out of Level 3 during the financial year ended 31 December 2017.

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
For the financial year ended 31 December 2017

5 Financial Instruments – Risk (Continued)

*Fair Value Estimation (Continued)*

**Pzena U.S. Large Cap Expanded Value Fund**

<b>31 December 2016</b>	<b>Level 1 US\$</b>	<b>Level 2 US\$</b>	<b>Level 3 US\$</b>	<b>Total US\$</b>
Financial Assets at fair value through profit or loss:				
Common Stock	6,205,967	–	–	6,205,967
<b>Total Assets</b>	<b>6,205,967</b>	<b>–</b>	<b>–</b>	<b>6,205,967</b>

Transfers into and out of levels are recognised at the end of the reporting period. There were no material transfers into or out of Level 3 during the financial year ended 31 December 2016.

**Pzena Emerging Markets Value Fund**

<b>31 December 2017</b>	<b>Level 1 US\$</b>	<b>Level 2 US\$</b>	<b>Level 3 US\$</b>	<b>Total US\$</b>
Financial Assets at fair value through profit or loss:				
Common Stock	305,787,086	–	–	305,787,086
Participatory Notes	–	17,214,105	–	17,214,105
<b>Total Assets</b>	<b>305,787,086</b>	<b>17,214,105</b>	<b>–</b>	<b>323,001,191</b>

Transfers into and out of levels are recognised at the end of the reporting period. There were no material transfers into or out of Level 3 during the financial year ended 31 December 2017.

**Pzena Emerging Markets Value Fund**

<b>31 December 2016</b>	<b>Level 1 US\$</b>	<b>Level 2 US\$</b>	<b>Level 3 US\$</b>	<b>Total US\$</b>
Financial Assets at fair value through profit or loss:				
Common Stock	234,177,331	–	–	234,177,331
Participatory Notes	–	15,501,656	–	15,501,656
<b>Total Assets</b>	<b>234,177,331</b>	<b>15,501,656</b>	<b>–</b>	<b>249,678,987</b>

Transfers into and out of levels are recognised at the end of the reporting period. There were no material transfers into or out of Level 3 during the financial year ended 31 December 2016.

**Pzena Global Expanded Value Fund**

<b>31 December 2017</b>	<b>Level 1 GBP</b>	<b>Level 2 GBP</b>	<b>Level 3 GBP</b>	<b>Total GBP</b>
Financial Assets at fair value through profit or loss:				
Common Stock	72,302,366	–	–	72,302,366
<b>Total Assets</b>	<b>72,302,366</b>	<b>–</b>	<b>–</b>	<b>72,302,366</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
*For the financial year ended 31 December 2017*

**5 Financial Instruments – Risk (Continued)**

*Fair Value Estimation (Continued)*

Transfers into and out of levels are recognised at the end of the reporting period. There were no material transfers into or out of Level 3 during the financial year ended 31 December 2017.

**Pzena Global Expanded Value Fund**

<b>31 December 2016</b>	<b>Level 1 GBP</b>	<b>Level 2 GBP</b>	<b>Level 3 GBP</b>	<b>Total GBP</b>
Financial Assets at fair value through profit or loss:				
Common Stock	61,178,794	–	–	61,178,794
<b>Total Assets</b>	<b>61,178,794</b>	<b>–</b>	<b>–</b>	<b>61,178,794</b>

Transfers into and out of levels are recognised at the end of the reporting period. There were no material transfers into or out of Level 3 during the financial year ended 31 December 2016.

**6 Related Party Transactions**

*Related Party Transactions*

The Company considers that the Investment Manager, Manager, and the Directors are related parties. The following transactions were entered into with related parties:

Pzena Investment Management LLC as “Investment Manager” earned a management fee of US\$4,259,971 (31 December 2016: US\$3,325,302) of which US\$154,042 (31 December 2016: US\$ US\$167,867) was reimbursed during the year. Investment management fees of US\$1,011,781 (31 December 2016: US\$885,709) were payable at the year end. Details of the reimbursement amounts are included in Note 4.

DMS Investment Management Services (Europe) Limited as “Manager” earned a Manager fee of US\$69,138 for the financial year ended 31 December 2017 (31 December 2016: US\$Nil). Manager fees of 69,822 (31 December 2016: US\$Nil) were payable at the year end.

During the financial year ended 31 December 2017, Adrian Waters and Denise Kinsella received US\$53,610 (31 December 2016: US\$43,321) in Directorship fees. Directorship fees of US\$17,033 (31 December 2016: US\$11,578) were payable to Adrian Waters and Denise Kinsella at the year end.

In 2012 the Investment Manager paid US\$25,236 in preliminary expenses on behalf of the Pzena U.S. Large Cap Expanded Value Fund of which US\$Nil (31 December 2016: US\$3,687) was due to the Investment Manager from the Company at the year end.

In 2013 the Investment Manager paid US\$33,361 in preliminary expenses on behalf of the Pzena Emerging Markets Value Fund of which US\$1,866 (31 December 2016: US\$8,538) was due to the Investment Manager from the Company at the year end.

In 2014 the Investment Manager paid GBP22,852 in preliminary expenses on behalf of the Pzena Global Expanded Value Fund of which GBP8,294 (31 December 2016: GBP12,864) was due to the Investment Manager from the Company at year end.

**7 Soft Commission Arrangements**

When purchasing and selling securities for the Company, the Investment Manager will obtain the best execution available to the Company. When selecting broker-dealers to execute portfolio transactions for the Company, consideration is given to such factors as the price of the security, the rate of any commission, the size and difficulty of the order, the reliability, integrity, financial condition, general execution and operational capabilities for competing broker-dealers, and brokerage or research services that they provide.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

*For the financial year ended 31 December 2017*

**7 Soft Commission Arrangements (Continued)**

The Investment Manager trades soft dollar commission in conjunction with best execution policy. As a result, the Company is deemed to be paying for research products and services with “soft” or commission dollars. These services include: advice, either directly or through publications or writing, as to the value of securities, the advisability of investing in, purchasing or selling securities, and the availability of securities or purchasers or sellers of securities; furnishing of analyses and reports concerning issuers, securities or industries; providing information on economic factors and trends; and other products or services (e.g., quotation equipment and certain computer-related costs and expenses).

The products and services available from brokers include both internally generated items (such as research reports prepared by employees of the broker) as well as items acquired by the broker from third parties (such as quotation equipment). Such services are used by the Investment Manager in connection with its investment decision-making process with respect to one or more accounts managed by the Investment Manager and may not be used exclusively with respect to the Company.

The Investment Manager, in accordance with the Investment Manager counterparty selection policy selects the executing brokers used by the Company. Neither the Investment Manager nor any of its affiliates share directly in any of the revenues generated by the Company’s brokerage or over-the-counter transactions.

The Investment Manager utilises a minimum number of soft dollar brokers to administer soft dollar payments to third party vendors. As trades are executed with the Investment Manager’s soft dollar brokers, the commissions are not allocated to any specific expense, but aggregated in an account that can be used to pay any number of vendors. Commissions from any one client are not allocated to any individual expense.

During the financial year ended 31 December 2017, the brokers received US\$495,804 in commissions (31 December 2016: US\$328,097) all of which relates to third party commissions paid by the Company.

**8 Subscription charges, Redemption charges and Swing Pricing**

Shares are issued on each Subscription Date at a price equal to the Net Asset Value per Share as at the Valuation Point on the Valuation Date immediately preceding the Subscription Date. Shares are redeemed on each Redemption Date at a price equal to the Net Asset Value per Share as at the Valuation Point on the Valuation Date immediately preceding the Redemption Date.

At the discretion of the Directors, charges on subscriptions and redemptions may be levied up to the amounts as per the table below.

<b>Fund</b>	<b>Subscription charge</b>	<b>Redemption charge</b>
<b>Pzena Global Value Fund</b>	up to 0.40%	up to 0.35%
<b>Pzena U.S. Large Cap Expanded Value Fund</b>	up to 0.20%	up to 0.20%
<b>Pzena Emerging Markets Value Fund</b>	up to 0.50%	up to 0.50%
<b>Pzena Global Expanded Value Fund</b>	N/A	N/A

***Subscription Charge***

The total value of subscriptions for the year was US\$117,993,880 (31 December 2016: US\$62,129,497). The subscription charge for the period is US\$229,438 (31 December 2016: US\$Nil).

***Redemption Charge***

The total value of redemptions for the year was US\$175,088,727 (31 December 2016: US\$66,518,154). The redemption charge for the period is US\$83,877 (31 December 2016: US\$Nil).

***Swing Pricing***

Since 30 June 2014, the Sub-fund Pzena Global Expanded Value Fund applied a swing-pricing mechanism to counter the dilution of the Sub-fund’s assets and protect Shareholders from the impact of transaction costs arising from subscription and redemption activity. The Sub-fund will adopt a ‘full swing’ approach and adjust the Net Asset Value on every Subscription Date or Redemption Date where there is net capital activity, using a swing factor.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

*For the financial year ended 31 December 2017*

**8 Subscription charges, Redemption charges and Swing Pricing (Continued)**

*Swing Pricing (Continued)*

The direction of the swing will be determined by the net capital flows and may be adjusted upwards or downwards. If the net capital activity on any Subscription Date leads to a net inflow of assets, the Net Asset Value will be adjusted upwards by the swing factor to reflect the costs incurred in purchasing investments to satisfy subscriptions. If the net capital activity on any Redemption Date leads to a net outflow of assets, the Net Asset Value will be adjusted downwards by the swing factor to reflect the costs incurred in liquidating investments to satisfy redemptions.

**9 Distribution Policy**

The Company will seek long-term capital appreciation rather than a significant income return and the Directors of the Company do not recommend that any dividends will be paid.

**10 Efficient Portfolio Management**

Each Sub-fund may employ techniques and instruments relating to transferable securities and/or other financial instruments in which they invest for investment purposes or hedging.

Where the Sub-funds invest in financial derivative instruments for such purposes, a risk management process will be submitted to the Central Bank by the Company, prior to the Sub-funds engaging in such transactions in accordance with the Central Bank's requirements. The Company on behalf of each Sub-fund, will on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

The Investment Manager did not use any derivative instruments during the year (31 December 2016: Nil).

**11 Exchange Rates**

The following exchange rates to US Dollars were used as at 31 December 2017 and 31 December 2016:

<b>Currency</b>	<b>31 December 2017</b>	<b>31 December 2016</b>
Brazilian Real	3.31710	3.25470
British Sterling Pound	0.73923	0.80929
Czech Koruna	21.26000	N/A
Euro	0.83278	0.94809
Hong Kong Dollar	7.81730	7.75315
Hungarian Forint	258.33195	292.83250
Indonesian Rupiah	13,567.50000	N/A
Japanese Yen	112.65000	116.63500
Malaysian Ringgit	4.04700	4.48600
Polish Zloty	3.47480	4.17430
Singapore Dollar	1.33640	1.44470
South African Rand	12.38000	13.67500
South Korean Won	1,070.55000	1,207.80000
Swiss Franc	0.97450	1.01635
Taiwan Dollar	29.75850	32.22900
Thailand Baht	32.59000	35.81050
Turkish Lira	3.79160	3.51760
United Arab Emirates Dirham	3.67280	3.67290

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
*For the financial year ended 31 December 2017*

**11 Exchange Rates (Continued)**

The following exchange rates to GBP were used as at 31 December 2017 and 31 December 2016:

<b>Currency</b>	<b>31 December 2017</b>	<b>31 December 2016</b>
Danish Krone	N/A	8.70834
Euro	1.12839	1.17144
Hong Kong Dollar	10.56928	9.57510
Japanese Yen	152.25542	144.36730
Singapore Dollar	1.80795	1.78519
South Korean Won	1,444.19821	1486.57890
Swiss Franc	1.32081	1.25649
Taiwan Dollar	40.12421	40.05120
US Dollar	1.35260	1.23470

**12 Segregated Liability**

The Company is established as a segregated portfolio company. As a matter of Irish law, the assets of one of the sub-funds will not be available to satisfy the liabilities of another. However, the Company is a single legal entity which may operate or have assets held on its behalf or be subject to claims in other jurisdictions which may not necessarily recognise such segregation. There is no guarantee that the courts of any jurisdiction outside Ireland will respect the limitations on liability associated with segregated portfolio companies nor is there any guarantee that the creditors of one sub-fund will not seek to enforce such sub-fund's obligations against another sub-fund.

**13 Significant Shareholders**

As at 31 December 2017, a Shareholder of Pzena Global Value Fund had interests in excess of 20% of the issued Share Capital (31 December 2016: two Shareholders had interests in excess of 20% of the issued Share Capital). The number of Shares held were 36,250 which amounted to 82.05% of the Share Capital.

As at 31 December 2017, together with comparative figures for 31 December 2016, two Shareholders of Pzena U.S. Large Cap Expanded Value Fund had interests in excess of 20% of the issued Share Capital. The number of Shares held were 22,269 and 7,574 which amounted to 74.62% and 25.38% of the Share Capital respectively (31 December 2016: 23,561 and 7,687 Shares held which amounted to 75.40% and 24.60% of the Share Capital respectively).

As at 31 December 2017, together with comparative figures for 31 December 2016, two Shareholders of Pzena Emerging Markets Value Fund Class A had interests in excess of 20% of the issued Share Capital. The numbers of Shares held were 1,235,205 and 524,862 which amounted to 62.59% and 26.60% of the Share Capital respectively (31 December 2016: 1,418,033 and 492,963 Shares held which amounted to 71.43% and 24.83% of the Share Capital respectively). As at 31 December 2017, a Shareholder of Pzena Emerging Markets Value Fund Class AEU had interests in excess of 20% of the issued Share Capital. The numbers of Shares held were 517,598 which amounted to 90.00% of the Share Capital (31 December 2016: 558,294 Shares held which amounted to 100.00% of the Share Capital).

As at 31 December 2017, together with comparative figures for 31 December 2016, two Shareholders of Pzena Global Expanded Value Fund Class A had interests in excess of 20% of the issued Share Capital. The number of Shares held were 230,904 and 146,546 which amounted to 51.99% and 32.99% of the Share Capital respectively (31 December 2016: 211,704 and 140,483 Shares held which amounted to 46.78% and 31.04% of the Share Capital respectively). As at 31 December 2017, a Shareholder of Pzena Global Expanded Value Fund Class AEU had interests in excess of 20% of the issued Share Capital. The number of Shares held were 55,159 which amounted to 87.49% of the Share Capital.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
*For the financial year ended 31 December 2017*

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**14 Adjustment in Relation to Unamortised Preliminary Expenses**

Preliminary expenses of the Pzena Global Value Fund were fully amortised during the financial year ended 31 December 2012, therefore there have been no further adjustments for financial reporting purposes since then.

As at 31 December 2012, US\$25,236 preliminary expenses were written off in full in the Statement of Comprehensive Income of the Pzena U.S. Large Cap Expanded Value Fund in accordance with FRS 102. However, in accordance with the Prospectus dated 29 June 2017 and applicable Supplement, the Net Asset Value reported each month reflects these preliminary expenses written off over a period of sixty months. Consequently in the current year US\$Nil (31 December 2016: US\$2,321) adjusts the carrying amount of Net Assets attributed to Redeemable Participating Shareholders to the redemption amount and the change in the adjustment for the amount of US\$(2,321) (31 December 2016: US\$(5,046)) is recognised in the Statement of Comprehensive Income.

As at 31 December 2013, US\$33,361 preliminary expenses were written off in full in the Statement of Comprehensive Income of the Pzena Emerging Markets Value Fund in accordance with FRS 102. However, in accordance with the Prospectus dated 29 June 2017 and applicable Supplement, the Net Asset Value reported each month reflects these preliminary expenses written off over a period of sixty months. Consequently in the current year US\$493 (31 December 2016: US\$7,165) adjusts the carrying amount of Net Assets attributed to Redeemable Participating Shareholders to the redemption amount and the change in the adjustment for the amount of US\$(6,672) (31 December 2016: US\$(6,691)) is recognised in the Statement of Comprehensive Income.

As at 31 December 2014, GBP22,852 preliminary expenses were written off in full in the Statement of Comprehensive Income of the Pzena Global Expanded Value Fund, in accordance with FRS 102. However, in accordance with the Prospectus dated 29 June 2017 and applicable Supplement, the Net Asset Value reported each month reflects these preliminary expenses written off over a period of sixty months. Consequently in the current year GBP6,763 (31 December 2016: GBP11,333) adjusts the carrying amount of Net Assets attributed to Redeemable Participating Shareholders to the redemption amount and the change in the adjustment for the amount of GBP(4,570) (31 December 2016: GBP(4,583)) is recognised in the Statement of Comprehensive Income.

**15 Significant Events during the Year**

On 13 December 2016, the Directors of Pzena Value Funds Plc approved the delisting of the Share Classes from the MSM of the Irish Stock Exchange. The Company delisted from the Irish Stock Exchange on 5 January 2017.

On 28 December 2016, the Board of Directors approved changes in the Company's Remuneration Policy. The Policy became effective on 11 January 2017.

For the Pzena Emerging Markets Value Fund a new Class CUS was launched on 13 January 2017 and liquidated on 20 October 2017.

A prospectus for the Company as well as supplements to the prospectus for Pzena Global Value Fund, Pzena U.S. Large Cap Expanded Value Fund, Pzena Emerging Markets Value Fund and Pzena Global Expanded Value Fund were released on 14 January 2017, to incorporate updates related to UCITS V.

A prospectus for the Company as well as supplements to the prospectus for Pzena Global Value Fund, Pzena U.S. Large Cap Expanded Value Fund, Pzena Emerging Markets Value Fund and Pzena Global Expanded Value Fund were released on 14 March 2017, to incorporate changes to Company Secretary, changes in risks associated with Umbrella Funds Cash Accounts, changes in regulatory risks and Remuneration Policy.

The Depositary's annual trustee fee increased from 0.02% to 0.025% on 5 April 2017.

For the Pzena Global Expanded Value Fund a new Class AEU was launched on 8 June 2017.

Effective 29 June 2017, DMS Investment Management Services (Europe) Limited was appointed by the Company as the UCITS management company in respect of the Company.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

*For the financial year ended 31 December 2017*

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**15 Significant Events during the Year (Continued)**

A new prospectus for the Company as well as supplements to the prospectus for Pzena Global Value Fund, Pzena U.S. Large Cap Expanded Value Fund, Pzena Emerging Markets Value Fund and Pzena Global Expanded Value Fund were released on 29 June 2017, to incorporate appointment of DMS Investment Management Services (Europe) Limited as the Manager.

Effective 30 June 2017, KB Associates ceased its activities as governance support provider for the Company.

Effective 15 September 2017, Castlewood Corporate Services Limited (trading as “Chartered Corporate Services”), acting as the Secretary to the Company, changed its name to Sanne Corporate Administration Services Ireland Limited (trading as “Sanne”).

There were no other significant events affecting the Company during the year.

**16 Significant Events after the Year End**

There were no significant events affecting the Company since the year end.

**17 Comparative Figures**

The comparative figures stated in the financial statements are those for the financial year ended 31 December 2016.

**18 Approval of Financial Statements**

The Board of Directors approved the annual report and audited financial statements on 24 April 2018.

**STATEMENT OF CHANGES IN THE PORTFOLIO – PZENA GLOBAL VALUE FUND (UNAUDITED)**  
*For the financial year ended 31 December 2017*

In accordance with the Central Bank (Supervision and Enforcement) Act 2013 (section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 (S.I. No. 420 of 2015), a statement of changes in the composition of the Schedule of Investments during the reporting period is provided to ensure that Shareholders can identify changes in the investments held by the Company. These statements present the aggregate purchases and sales of transferable securities exceeding 1% of the total value of purchases and sales for the period. At a minimum the largest 20 purchases and 20 sales must be given.

**Aggregate largest purchases**

<b>Security Description</b>	<b>Acquisitions Nominal</b>	<b>Cost US\$</b>
Mylan	46,942	1,743,518
Roche Holding	5,719	1,436,513
Lenovo Group	1,880,000	1,200,432
McKesson	8,050	1,147,127
Tesco	472,804	1,126,304
Capital One Financial	10,357	854,642
Cognizant Technology Solutions	12,544	758,151
Avnet	15,167	646,879
UniCredit	41,999	576,740
Hewlett Packard Enterprise	29,389	490,886
Inpex	36,000	350,204
Travis Perkins	16,425	285,502
J Sainsbury	79,520	240,755
China Mobile	19,500	209,619
Wells Fargo	2,921	159,676
HSBC Holdings	17,950	146,524
Standard Chartered	12,868	125,890
Omnicom Group	1,402	111,046
Sony	3,100	95,920
Oracle	787	39,403

**STATEMENT OF CHANGES IN THE PORTFOLIO – PZENA GLOBAL VALUE FUND (UNAUDITED)**  
**(Continued)**  
*For the financial year ended 31 December 2017*

**Aggregate sales greater than one percent of the total value of sales**

<b>Security Description</b>	<b>Disposals Nominal</b>	<b>Proceeds US\$</b>
Fujitsu	260,000	1,886,149
Antofagasta	149,950	1,794,908
Honda Motor	57,800	1,735,648
Samsung Electronic	875	1,706,224
Travis Perkins	84,434	1,650,678
Hewlett Packard Enterprise	110,341	1,587,488
Bank of America	60,921	1,486,795
Mylan	41,986	1,426,251
Schneider Electric	16,788	1,409,020
Morgan Stanley	29,699	1,383,927
Wal-Mart Stores	16,788	1,351,062
Citigroup	19,575	1,346,486
Avnet	34,425	1,340,429
Enel	220,150	1,334,128
POSCO	4,705	1,329,301
Royal Dutch Shell	45,110	1,304,902
Staples	129,080	1,294,187
Hon Hai Precision Industry	351,000	1,274,259
Sony	30,700	1,235,206
Roche Holding	4,951	1,233,371
Seagate Technology	27,275	1,223,097
Hana Financial Group	29,400	1,210,699
Dover	13,990	1,205,133
Oracle	23,221	1,158,424
Franklin Resources	26,850	1,141,390
Inpex	111,000	1,139,482
Isuzu Motors	80,600	1,109,487
Vodafone Group	382,433	1,091,640
Standard Chartered	108,007	1,055,140
Tesco	433,510	1,051,111
Total	19,299	1,045,377
McKesson	6,944	1,043,143
Eni	63,429	1,039,455
Wilmar International	412,400	1,023,426
China Mobile	97,000	1,018,046
XL Group	25,505	1,016,229
Volkswagen Preference Shares	6,023	1,013,145
Credit Agricole	58,923	991,279
News Corp Class A	71,733	967,287
Voya Financial	24,419	961,422
Lenovo Group	1,670,000	931,902
ING Groep	51,665	929,101
American International Group	14,812	899,931
Credit Suisse Group	56,706	865,562
HSBC Holdings	89,064	862,202
UBS Group	50,897	854,130
Royal Bank of Scotland Group	252,294	840,180
Omnicom Group	11,483	819,201
Cognizant Technology Solutions	11,327	815,083
UniCredit	38,775	795,712
Intel	22,397	786,880
Interpublic Group	32,417	786,070
Capital One Financial	9,349	778,327

**STATEMENT OF CHANGES IN THE PORTFOLIO – PZENA GLOBAL VALUE FUND (UNAUDITED)**  
**(Continued)**  
*For the financial year ended 31 December 2017*

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**Aggregate sales greater than one percent of the total value of sales (Continued)**

<b>Security Description</b>	<b>Disposals Nominal</b>	<b>Proceeds US\$</b>
Gazprom	177,425	734,810
Vallourec	126,841	709,463
Barclays	271,325	675,460

**STATEMENT OF CHANGES IN THE PORTFOLIO – PZENA U.S. LARGE CAP EXPANDED VALUE FUND (UNAUDITED)**

*For the financial year ended 31 December 2017*

**Aggregate purchases greater than one percent of the total cost of purchases**

<b>Security Description</b>	<b>Acquisitions Nominal</b>	<b>Cost US\$</b>
Mylan	5,119	190,230
Hewlett Packard Enterprise	6,869	115,522
Express Scripts Holding	1,557	94,659
Wells Fargo	1,559	84,567
PG&E Corp.	1,576	81,759
Interpublic Group	3,907	79,830
Cardinal Health	1,137	78,223
Pfizer	1,925	64,085
Avangrid	1,414	59,053
McKesson	365	57,111
Halliburton	1,135	50,050
Wal-Mart Stores	583	48,580
Cognizant Technology Solutions	708	45,835
Omnicom Group	522	43,163
Bank of America	1,652	41,618
Capital One Financial	441	38,120
American International Group	608	37,684
Cenovus Energy	4,323	37,075
Oracle	723	34,827
Merck	547	34,548
Citigroup	459	29,376
Edison International	331	26,086
CVS Health	243	19,052
Ford Motor	1,702	18,459
Royal Dutch Shell	283	14,784

**STATEMENT OF CHANGES IN THE PORTFOLIO – PZENA U.S. LARGE CAP EXPANDED VALUE  
FUND (UNAUDITED) (Continued)**  
*For the financial year ended 31 December 2017*

**Aggregate sales greater than one percent of the total value of sales**

<b>Security Description</b>	<b>Disposals Nominal</b>	<b>Proceeds US\$</b>
Johnson & Johnson	978	135,132
Parker Hannifin	822	129,836
Intel	3,225	112,547
Abbott Laboratories	2,100	101,320
Comerica	1,100	84,994
Royal Dutch Shell	1,439	83,556
Morgan Stanley	1,427	67,438
ConocoPhillips	1,435	64,876
Bank of America	2,586	64,132
Stanley Black & Decker	378	56,284
Seagate Technology	1,325	55,263
Wal-Mart Stores	542	50,113
JPMorgan Chase	502	46,970
Cigna	273	46,852
Oracle	930	42,561
Citigroup	648	41,827
Citizens Financial Group	1,016	40,657
DXC Technology	466	35,417
News Corp Class A	2,623	34,660
Progressive	775	33,790
BP	819	33,320
Exxon Mobil	393	32,929
Goldman Sachs	131	31,949
Aetna	228	30,249
Park Hotels & Resorts	1,136	29,731
Hilton Worldwide Holdings	435	29,692
Voya Financial	669	28,159
Mylan	713	26,779
MetLife	470	25,192
Genworth Financial	6,600	24,508
Merck	375	24,025
Entergy	332	23,740
Regions Financial	1,472	22,742
Microsoft	265	22,044

**STATEMENT OF CHANGES IN THE PORTFOLIO – PZENA EMERGING MARKETS VALUE FUND  
(UNAUDITED)**

*For the financial year ended 31 December 2017*

**Aggregate purchases greater than one percent of the total cost of purchases**

<b>Security Description</b>	<b>Acquisitions Nominal</b>	<b>Cost US\$</b>
China Mobile	904,000	9,810,201
Baidu	40,904	7,223,098
Hyundai Motor	47,005	6,153,606
Hyundai Heavy Industries	42,057	5,129,922
Bangkok Bank	977,900	5,103,613
Grand Baoxin Auto Group	10,037,000	4,858,642
Rosneft Oil PJSC	738,000	3,875,510
CEZ	164,735	3,672,146
Akbank TAS	1,580,059	3,615,731
POSCO	13,853	3,473,397
Compal Electronics	5,241,000	3,289,442
Lenovo Group	4,964,000	3,263,847
Lukoil	63,500	3,103,994
MMC Norilsk Nickel PJSC	193,519	3,040,820
Dongbu Insurance	52,380	2,857,614
Wilmar International	1,027,200	2,518,688
Bank Danamon Indonesia Tbk	6,349,800	2,511,768
Standard Chartered	232,762	2,177,459
Cia de Saneamento Basico do Estado de Sao Paulo	222,986	2,134,565
China Resources Power Holdings	1,120,000	1,960,321
China Shenhua Energy	889,500	1,880,502
National Bank of Greece	4,929,979	1,841,252
China Dongxiang Group	10,017,000	1,832,640
Reliance Industries	51,500	1,770,732
Alpha Bank	717,871	1,723,049
Flextronics International	104,600	1,592,347
Pacific Basin Shipping	7,598,000	1,570,035
Telefonica Brasil	102,970	1,517,649
Cognizant Technology Solutions	24,481	1,428,597
Dongfeng Motor Group	1,180,000	1,298,300
Sasol	42,986	1,204,925
LG Electronics	22,650	1,055,466
Texwinca Holdings	1,630,000	1,049,937

**STATEMENT OF CHANGES IN THE PORTFOLIO – PZENA EMERGING MARKETS VALUE FUND  
(UNAUDITED) (Continued)  
For the financial year ended 31 December 2017**

**Aggregate sales greater than one percent of the total value of sales**

<b>Security Description</b>	<b>Disposals Nominal</b>	<b>Proceeds US\$</b>
Antofagasta	772,546	9,324,073
Samsung Electronic	3,674	7,941,181
LG Electronics	99,075	7,140,377
China ZhengTong Auto Services Holdings	6,444,500	5,055,079
China Shenhua Energy	2,020,000	4,691,282
Hyundai Robotics	12,174	4,389,024
Reliance Industries	97,901	4,266,568
Akbank TAS	1,445,605	3,950,905
Hana Financial Group	83,450	3,717,860
China Mobile	296,000	3,245,141
OTP Bank	86,538	3,136,631
Randon Participacoes	1,437,873	3,057,039
Baidu	13,408	3,044,148
POSCO	10,203	3,044,132
Bangkok Bank	533,800	2,980,508
Cognizant Technology Solutions	35,646	2,506,717
Usinas Siderurgicas de Minas Gerais	1,252,500	2,466,817
Hon Hai Precision Industry	638,000	2,447,087
Flextronics International	130,846	2,126,745
Standard Chartered	189,137	1,968,868
Telefonica Brasil	131,795	1,940,135
Hyundai Heavy Industries	11,954	1,632,229
Lukoil	30,200	1,478,394
Dongbu Insurance	19,240	1,397,930
Magyar Telekom Telecommunications	681,575	1,196,224
Dongfeng Motor Group	886,000	1,152,382
Taiwan Semiconductor Manufacturing	159,000	1,132,354
Cia de Saneamento Basico do Estado de Sao Paulo	110,200	1,125,041
China Dongxiang Group	5,285,000	1,115,548
Hyundai Construction Equipment	3,623	1,103,382

**STATEMENT OF CHANGES IN THE PORTFOLIO – PZENA GLOBAL EXPANDED VALUE FUND  
(UNAUDITED)**

*For the financial year ended 31 December 2017*

**Aggregate purchases greater than one percent of the total cost of purchases**

<b>Security Description</b>	<b>Acquisitions Nominal</b>	<b>Cost GBP</b>
Mylan	73,945	2,110,646
Hewlett Packard Enterprise	114,023	1,392,962
McKesson	11,475	1,309,624
Roche Holding	6,408	1,225,948
J Sainsbury	448,607	1,070,263
Capital One Financial	16,128	1,037,247
Cognizant Technology Solutions	20,016	975,988
Tesco	479,068	885,374
Avnet	29,006	874,632
Lenovo Group	1,684,000	856,458
Inpex	109,400	831,047
Wells Fargo	17,029	717,631
Schneider Electric	10,129	575,443
Omnicom Group	9,024	531,772
UniCredit	45,053	490,218
Dover	5,630	401,717
Express Scripts Holding	7,437	382,772
Oracle	9,810	371,642
Vodafone Group	164,541	362,190
Merck	7,243	346,068
Continental	2,040	338,902
Standard Chartered	43,653	324,927
China Mobile	37,000	316,376
Barclays	159,677	312,434
Eni	22,455	260,196
Interpublic Group	17,520	245,817
Isuzu Motors	24,400	241,192
HSBC Holdings	33,516	228,817
UBS Group	18,159	220,694
POSCO	948	218,378

**STATEMENT OF CHANGES IN THE PORTFOLIO – PZENA GLOBAL EXPANDED VALUE FUND  
(UNAUDITED) (Continued)  
For the financial year ended 31 December 2017**

**Aggregate sales greater than one percent of the total value of sales**

<b>Security Description</b>	<b>Disposals Nominal</b>	<b>Proceeds GBP</b>
Antofagasta	140,378	1,251,451
Staples	141,471	1,122,960
Seagate Technology	28,750	1,044,043
Parker Hannifin	8,153	1,008,606
Fujitsu	158,000	891,779
Intel	29,736	810,475
Hewlett Packard Enterprise	63,842	767,760
Microsoft	12,135	625,911
Johnson & Johnson	5,777	566,698
Samsung Electronic	355	559,476
Abbott Laboratories	15,256	516,311
Credit Agricole	37,471	461,275
Cisco Systems	15,033	420,285
Procter & Gamble	5,603	414,444
Bank of America	21,820	410,986
ING Groep	28,869	397,498
Novartis	6,478	395,899
Cigna	2,559	393,526
Tesco	210,951	388,669
China Shenhua Energy	194,500	362,331
Interpublic Group	17,082	336,887
Faurecia	9,250	333,619
PNC Financial Services Group	3,276	328,496
Danske Bank	11,129	317,967
Enel	67,945	313,373
Mitsubishi UFJ Financial Group	63,300	305,512
Baxter International	7,800	294,232
DXC Technology	4,943	291,760
Telecom Italia	354,157	243,052
Royal Bank of Scotland Group	89,656	235,858
GlaxoSmithKline	13,331	208,895
Honda Motor	8,900	199,015
Hana Financial Group	5,220	178,070

**UCITS MANAGER'S REPORT – PZENA GLOBAL VALUE FUND (UNAUDITED)**

*For the financial year ended 31 December 2017*

DMS Investment Management Services (Europe) Limited (the “Manager”) is authorised and regulated as an UCITS Manager by the Central Bank under the European Union (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 as amended from time to time (“UCITS Regulations”). The Manager has appointed Pzena Investment Management, LLC (the “Investment Manager”) to carry out discretionary investment management in relation to the Pzena Global Value Fund (the “Fund”), a sub-fund of Pzena Value Funds Plc.

**Investment Objective of the Fund**

The assets of the Fund must be invested in accordance with the restrictions on investments set out in the UCITS Regulations and such additional investment restrictions in accordance with Central Bank requirements. The investment objective of the Fund is to achieve long-term growth of capital through investing in a portfolio of both U.S. and non-U.S. equities. These securities will consist of companies listed or traded in the United States, on foreign stock exchanges or over the counter and in developed and emerging markets which have securities listed or traded on the Recognised Markets as set forth in the Prospectus.

**Remuneration Policy**

The Manager has implemented a Remuneration Policy which is in line with the provisions of the UCITS Regulations and in accordance with the European Securities Market Authority Guidelines on Sound Remuneration Policies under the UCITS Directive (ESMA/2016/575). It is consistent with the business strategy, objectives, values and interests of the Manager, the Plc and the Shareholders of the Plc and includes measures to avoid conflicts of interest. The objective of this Policy is to ensure that the Manager maintains and applies a sound and prudent remuneration process, which identifies and manages any conflicts of interest, promotes sound and effective risk management and does not encourage risk taking which is inconsistent with the risk profile of the Manager or the risk profiles and rules of the managed UCITS.

The Manager has established a Remuneration Policy to ensure that the requirements of the Remuneration Code are met proportionately for all relevant staff. This policy applies to the Manager and the Funds it manages. In accordance with the proportionality provisions of the ESMA Guidelines on Remuneration and taking into account its size, nature and the scope of its activities, the Board has dis-applied the requirements of the ESMA Guidelines in relation to the following: variable remuneration in instruments, retention, deferral, ex post incorporation of risk for variable remuneration (together, with the immediately foregoing bullets points, the Pay-out Process Rules); and the requirement to establish a remuneration committee.

**Employee remuneration disclosure**

The table below provides an overview of Aggregate total remuneration paid by the Manager to all staff; and Aggregate total remuneration paid by the Manager to Manager Remuneration Code Staff. The total remuneration in relation to the Fund has been calculated by apportioning the total remuneration costs based on the AUM of the Fund as a percentage of the total AUM of Funds managed by the Manager.

	<i>Headcount</i>	<i>Total Remuneration (\$'000s)</i>
<b><i>Manager staff (apportioned to Fund)</i></b>	<b>18</b>	<b>2</b>
<i>of which</i>		
<i>Fixed remuneration</i>	18	2
<i>Variable remuneration</i>	N/A	N/A
<i>Carried interest</i>	N/A	N/A
<b><i>Manager Remuneration Code Staff</i></b>	<b>18</b>	<b>2,718</b>
<i>of which</i>		
<i>Senior Management</i>	18	2,718
<i>Other Code Staff</i>	0	0

Further information is available in the Remuneration Policy which can be read at: <https://dmsgovernance.com/wp-content/uploads/2017/02/DMS-Investment-Management-Services-Europe-Remuneration-Policy-Dec-2016....pdf> .

**UCITS MANAGER'S REPORT – PZENA GLOBAL VALUE FUND (UNAUDITED) (Continued)**  
*For the financial year ended 31 December 2017*

**Manager activities**

The following table provides an overview of the size and composition of the fund managed by the Manager. This shows the total number of funds managed as at 31 December 2017.

	<i>Number of Sub-Funds</i>	<i>AUM (\$ (millions)</i>	<i>% of AUM</i>
<i>DMS Investment Management Services (Europe) Limited</i>	85	8,302	100%
<i>of which UCITS Funds</i>	17	880	11%
<i>Pzena Global Value Fund</i>	1	6	0.08%

**Risk Management & Risk Profile**

The risk management function has effective policies and procedures in order to identify, measure, manage and monitor, on an on-going basis, all risks relevant to the Fund's investment strategy, and to ensure that the risk profile is consistent with the risk limits. The risk management function monitors compliance with these risk limits and the Manager's Chief Risk Officer manages situations when the Fund's risk profile is inconsistent with these limits. There were no significant changes to systems during the year.

**Operational Risk**

The Manager has operational risk management policies and procedures in order to identify, measure, manage and monitor appropriately operational risks including professional liability risks to which the Fund is or could be reasonably exposed. As a result of this ongoing review, the Manager is satisfied that the control framework in place is adequate for the services being provided to the Fund. There have been no material changes to the above process since the Manager was appointed. There were no areas of concern identified by the Manager.

**UCITS MANAGER'S REPORT – PZENA U.S. LARGE CAP EXPANDED VALUE FUND (UNAUDITED)**  
*For the financial year ended 31 December 2017*

DMS Investment Management Services (Europe) Limited (the “Manager”) is authorised and regulated as an UCITS Manager by the Central Bank under the European Union (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 as amended from time to time (“UCITS Regulations”). The Manager has appointed Pzena Investment Management, LLC (the “Investment Manager”) to carry out discretionary investment management in relation to the Pzena US Large Cap Expanded Value Fund (the “Fund”), a sub-fund of Pzena Value Funds plc.

**Investment Objective of the Fund**

The assets of the Fund must be invested in accordance with the restrictions on investments set out in the UCITS Regulations and such additional investment restrictions in accordance with Central Bank requirements. The investment objective of the Fund is to achieve long-term growth of capital through investing in a portfolio of U.S. equities. These securities will consist of companies listed or traded in the United States, but may include companies listed or traded on other Recognised Markets as set forth in the Prospectus.

**Remuneration Policy**

The Manager has implemented a Remuneration Policy which is in line with the provisions of the UCITS Regulations and in accordance with the European Securities Market Authority Guidelines on Sound Remuneration Policies under the UCITS Directive (ESMA/2016/575). It is consistent with the business strategy, objectives, values and interests of the Manager, the Plc and the Shareholders of the Plc and includes measures to avoid conflicts of interest. The objective of this Policy is to ensure that the Manager maintains and applies a sound and prudent remuneration process, which identifies and manages any conflicts of interest, promotes sound and effective risk management and does not encourage risk taking which is inconsistent with the risk profile of the Manager or the risk profiles and rules of the managed UCITS.

The Manager has established a Remuneration Policy to ensure that the requirements of the Remuneration Code are met proportionately for all relevant staff. This policy applies to the Manager and the Funds it manages. In accordance with the proportionality provisions of the ESMA Guidelines on Remuneration and taking into account its size, nature and the scope of its activities, the Board has dis-applied the requirements of the ESMA Guidelines in relation to the following: variable remuneration in instruments, retention, deferral, ex post incorporation of risk for variable remuneration (together, with the immediately foregoing bullets points, the Pay-out Process Rules); and the requirement to establish a remuneration committee.

**Employee remuneration disclosure**

The table below provides an overview of Aggregate total remuneration paid by the Manager to all staff; and Aggregate total remuneration paid by the Manager to Manager Remuneration Code Staff. The total remuneration in relation to the Fund has been calculated by apportioning the total remuneration costs based on the AUM of the Fund as a percentage of the total AUM of Funds managed by the Manager.

	<i>Headcount</i>	<i>Total Remuneration (\$'000s)</i>
<b><i>Manager staff (apportioned to Fund)</i></b>	<b><i>18</i></b>	<b><i>2</i></b>
<i>of which</i>		
<i>Fixed remuneration</i>	<i>18</i>	<i>2</i>
<i>Variable remuneration</i>	<i>N/A</i>	<i>0</i>
<i>Carried interest</i>	<i>N/A</i>	<i>N/A</i>
<b><i>Manager Remuneration Code Staff</i></b>	<b><i>18</i></b>	<b><i>2,718</i></b>
<i>of which</i>		
<i>Senior Management</i>	<i>18</i>	<i>2,718</i>
<i>Other Code Staff</i>	<i>0</i>	<i>0</i>

Further information is available in the Remuneration Policy which can be read at: <https://dmsgovernance.com/wp-content/uploads/2017/02/DMS-Investment-Management-Services-Europe-Remuneration-Policy-Dec-2016....pdf> .

**UCITS MANAGER'S REPORT – PZENA U.S. LARGE CAP EXPANDED VALUE FUND (UNAUDITED)**  
**(Continued)**

*For the financial year ended 31 December 2017*

**Manager activities**

The following table provides an overview of the size and composition of the fund managed by the Manager. This shows the total number of funds managed as at 31 December 2017.

	<i>Number of Sub-Funds</i>	<i>AUM (\$ (millions)</i>	<i>% of AUM</i>
<i>DMS Investment Management Services (Europe) Limited</i>	85	8,302	100%
<i>of which UCITS Funds</i>	17	880	11%
<i>Pzena US Large Cap Expanded Value Fund</i>	1	7	0.08%

**Risk Management & Risk Profile**

The risk management function has effective policies and procedures in order to identify, measure, manage and monitor, on an on-going basis, all risks relevant to the Fund's investment strategy, and to ensure that the risk profile is consistent with the risk limits. The risk management function monitors compliance with these risk limits and the Manager's Chief Risk Officer manages situations when the Fund's risk profile is inconsistent with these limits. There were no significant changes to systems during the year.

**Operational Risk**

The Manager has operational risk management policies and procedures in order to identify, measure, manage and monitor appropriately operational risks including professional liability risks to which the Fund is or could be reasonably exposed. As a result of this ongoing review, the Manager is satisfied that the control framework in place is adequate for the services being provided to the Fund. There have been no material changes to the above process since the Manager was appointed. There were no areas of concern identified by the Manager.

**UCITS MANAGER'S REPORT – PZENA EMERGING MARKETS VALUE FUND (UNAUDITED)**  
*For the financial year ended 31 December 2017*

DMS Investment Management Services (Europe) Limited (the “Manager”) is authorised and regulated as an UCITS Manager by the Central Bank under the European Union (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 as amended from time to time (“UCITS Regulations”). The Manager has appointed Pzena Investment Management, LLC (the “Investment Manager”) to carry out discretionary investment management in relation to the Pzena Emerging Markets Value Fund (the “Fund”), a sub-fund of Pzena Value Funds plc.

**Investment Objective of the Fund**

The assets of the Fund must be invested in accordance with the restrictions on investments set out in the UCITS Regulations and such additional investment restrictions in accordance with Central Bank requirements. The investment objective of the Fund is to achieve long-term growth of capital through investments in equity securities of companies in emerging markets. These securities will consist of companies listed or traded on foreign stock exchanges or over the counter and in developed and Emerging Markets which have securities listed or traded on the Recognised Markets as set forth in the Prospectus.

**Remuneration Policy**

The Manager has implemented a Remuneration Policy which is in line with the provisions of the UCITS Regulations and in accordance with the European Securities Market Authority Guidelines on Sound Remuneration Policies under the UCITS Directive (ESMA/2016/575). It is consistent with the business strategy, objectives, values and interests of the Manager, the Plc and the Shareholders of the Plc and includes measures to avoid conflicts of interest. The objective of this Policy is to ensure that the Manager maintains and applies a sound and prudent remuneration process, which identifies and manages any conflicts of interest, promotes sound and effective risk management and does not encourage risk taking which is inconsistent with the risk profile of the Manager or the risk profiles and rules of the managed UCITS.

The Manager has established a Remuneration Policy to ensure that the requirements of the Remuneration Code are met proportionately for all relevant staff. This policy applies to the Manager and the Funds it manages. In accordance with the proportionality provisions of the ESMA Guidelines on Remuneration and taking into account its size, nature and the scope of its activities, the Board has dis-applied the requirements of the ESMA Guidelines in relation to the following: variable remuneration in instruments, retention, deferral, ex post incorporation of risk for variable remuneration (together, with the immediately foregoing bullets points, the Pay-out Process Rules); and the requirement to establish a remuneration committee.

**Employee remuneration disclosure**

The table below provides an overview of Aggregate total remuneration paid by the Manager to all staff; and Aggregate total remuneration paid by the Manager to Manager Remuneration Code Staff. The total remuneration in relation to the Fund has been calculated by apportioning the total remuneration costs based on the AUM of the Fund as a percentage of the total AUM of Funds managed by the Manager.

	<i>Headcount</i>	<i>Total Remuneration (\$'000s)</i>
<b><i>Manager staff (apportioned to Fund)</i></b>	<b><i>18</i></b>	<b><i>108</i></b>
<i>of which</i>		
<i>Fixed remuneration</i>	<i>18</i>	<i>108</i>
<i>Variable remuneration</i>	<i>N/A</i>	<i>N/A</i>
<i>Carried interest</i>	<i>N/A</i>	<i>N/A</i>
<b><i>Manager Remuneration Code Staff</i></b>	<b><i>18</i></b>	<b><i>2,718</i></b>
<i>of which</i>		
<i>Senior Management</i>	<i>18</i>	<i>2,718</i>
<i>Other Code Staff</i>	<i>0</i>	<i>0</i>

Further information is available in the Remuneration Policy which can be read at: <https://dmsgovernance.com/wp-content/uploads/2017/02/DMS-Investment-Management-Services-Europe-Remuneration-Policy-Dec-2016....pdf> .

**UCITS MANAGER'S REPORT – PZENA EMERGING MARKETS VALUE FUND (UNAUDITED)**  
**(Continued)**

*For the financial year ended 31 December 2017*

**Manager activities**

The following table provides an overview of the size and composition of the fund managed by the Manager. This shows the total number of funds managed as at 31 December 2017.

	<i>Number of Sub-Funds</i>	<i>AUM (\$ (millions)</i>	<i>% of AUM</i>
<i>DMS Investment Management Services (Europe) Limited</i>	85	8,302	100%
<i>of which UCITS Funds</i>	17	880	11%
<i>Pzena Emerging Markets Value Fund</i>	1	330	3.98%

**Risk Management & Risk Profile**

The risk management function has effective policies and procedures in order to identify, measure, manage and monitor, on an on-going basis, all risks relevant to the Fund's investment strategy, and to ensure that the risk profile is consistent with the risk limits. The risk management function monitors compliance with these risk limits and the Manager's Chief Risk Officer manages situations when the Fund's risk profile is inconsistent with these limits. There were no significant changes to systems during the year.

**Operational Risk**

The Manager has operational risk management policies and procedures in order to identify, measure, manage and monitor appropriately operational risks including professional liability risks to which the Fund is or could be reasonably exposed. As a result of this ongoing review, the Manager is satisfied that the control framework in place is adequate for the services being provided to the Fund. There have been no material changes to the above process since the Manager was appointed. There were no areas of concern identified by the Manager.

**UCITS MANAGER'S REPORT – PZENA GLOBAL EXPANDED VALUE FUND (UNAUDITED)**  
*For the financial year ended 31 December 2017*

DMS Investment Management Services (Europe) Limited (the “Manager”) is authorised and regulated as an UCITS Manager by the Central Bank under the European Union (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 as amended from time to time (“UCITS Regulations”). The Manager has appointed Pzena Investment Management, LLC (the “Investment Manager”) to carry out discretionary investment management in relation to the Pzena Global Expanded Value Fund (the “Fund”), a sub-fund of Pzena Value Funds plc.

**Investment Objective of the Fund**

The assets of the Fund must be invested in accordance with the restrictions on investments set out in the UCITS Regulations and such additional investment restrictions in accordance with Central Bank requirements. The investment objective of the Fund is to achieve long-term growth of capital through investing in a portfolio of international equities. This will consist of equity securities of issuers located in countries throughout the world including the United States and will consist of companies listed or traded in on Recognised Markets as set forth in the Prospectus.

**Remuneration Policy**

The Manager has implemented a Remuneration Policy which is in line with the provisions of the UCITS Regulations and in accordance with the European Securities Market Authority Guidelines on Sound Remuneration Policies under the UCITS Directive (ESMA/2016/575). It is consistent with the business strategy, objectives, values and interests of the Manager, the Plc and the Shareholders of the Plc and includes measures to avoid conflicts of interest. The objective of this Policy is to ensure that the Manager maintains and applies a sound and prudent remuneration process, which identifies and manages any conflicts of interest, promotes sound and effective risk management and does not encourage risk taking which is inconsistent with the risk profile of the Manager or the risk profiles and rules of the managed UCITS.

The Manager has established a Remuneration Policy to ensure that the requirements of the Remuneration Code are met proportionately for all relevant staff. This policy applies to the Manager and the Funds it manages. In accordance with the proportionality provisions of the ESMA Guidelines on Remuneration and taking into account its size, nature and the scope of its activities, the Board has dis-applied the requirements of the ESMA Guidelines in relation to the following: variable remuneration in instruments, retention, deferral, ex post incorporation of risk for variable remuneration (together, with the immediately foregoing bullets points, the Pay-out Process Rules); and the requirement to establish a remuneration committee.

**Employee remuneration disclosure**

The table below provides an overview of Aggregate total remuneration paid by the Manager to all staff; and Aggregate total remuneration paid by the Manager to Manager Remuneration Code Staff. The total remuneration in relation to the Fund has been calculated by apportioning the total remuneration costs based on the AUM of the Fund as a percentage of the total AUM of Funds managed by the Manager.

	<i>Headcount</i>	<i>Total Remuneration (£'000s)</i>
<b><i>Manager staff (apportioned to Fund)</i></b>	<b><i>18</i></b>	<b><i>24</i></b>
<i>of which</i>		
<i>Fixed remuneration</i>	<i>18</i>	<i>33</i>
<i>Variable remuneration</i>	<i>N/A</i>	<i>N/A</i>
<i>Carried interest</i>	<i>N/A</i>	<i>N/A</i>
<b><i>Manager Remuneration Code Staff</i></b>	<b><i>18</i></b>	<b><i>2,010</i></b>
<i>of which</i>		
<i>Senior Management</i>	<i>18</i>	<i>2,010</i>
<i>Other Code Staff</i>	<i>0</i>	<i>0</i>

Further information is available in the Remuneration Policy which can be read at: <https://dmsgovernance.com/wp-content/uploads/2017/02/DMS-Investment-Management-Services-Europe-Remuneration-Policy-Dec-2016....pdf> .

**UCITS MANAGER'S REPORT – PZENA GLOBAL EXPANDED VALUE FUND (UNAUDITED) (Continued)**  
*For the financial year ended 31 December 2017*

**Manager activities**

The following table provides an overview of the size and composition of the fund managed by the Manager. This shows the total number of funds managed as at 31 December 2017.

	<i>Number of Sub-Funds</i>	<i>AUM (£) (millions)</i>	<i>% of AUM</i>
<i>DMS Investment Management Services (Europe) Limited</i>	85	6,142	100%
<i>of which UCITS Funds</i>	17	651	11%
<i>Pzena Global Expanded Value Fund</i>	1	74	1.21%

**Risk Management & Risk Profile**

The risk management function has effective policies and procedures in order to identify, measure, manage and monitor, on an on-going basis, all risks relevant to the Fund's investment strategy, and to ensure that the risk profile is consistent with the risk limits. The risk management function monitors compliance with these risk limits and the Manager's Chief Risk Officer manages situations when the Fund's risk profile is inconsistent with these limits. There were no significant changes to systems during the year.

**Operational Risk**

The Manager has operational risk management policies and procedures in order to identify, measure, manage and monitor appropriately operational risks including professional liability risks to which the Fund is or could be reasonably exposed. As a result of this ongoing review, the Manager is satisfied that the control framework in place is adequate for the services being provided to the Fund. There have been no material changes to the above process since the Manager was appointed. There were no areas of concern identified by the Manager.

MANAGEMENT AND OTHER INFORMATION

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**Directors**

Denise Kinsella (Chairman)\* (Irish)  
Adrian J. Waters\* (Irish)  
Joan Berger\*\* (United States)  
Ulrik Ahrendt-Jensen\*\* (Denmark)

\*Independent Non-Executive Directors

\*\*Non-Executive Directors

**Manager**

DMS Investment Management Services (Europe) Limited  
3<sup>rd</sup> Floor  
76 Lower Baggot Street  
Dublin 2, Ireland

**Administrator, Registrar and Transfer Agent**

Brown Brothers Harriman Fund Administration  
Services (Ireland) Limited  
30 Herbert Street  
Dublin 2, Ireland

**Company Secretary**

SANNE  
Fourth Floor  
76 Lower Baggot Street  
Dublin 2, Ireland

**Legal Advisers in the United States**

Akin Gump Strauss Hauer & Feld LLP  
One Bryant Park  
New York,  
New York 10036  
United States

**Registered Office**

c/o SANNE  
Fourth Floor  
76 Lower Baggot Street  
Dublin 2, Ireland

**Investment Manager**

Pzena Investment Management, LLC  
320 Park Avenue, 8<sup>th</sup> Floor  
New York, New York 10022  
United States

**Depository**

Brown Brothers Harriman Trustee  
Services (Ireland) Limited  
30 Herbert Street  
Dublin 2, Ireland

**Legal Advisers in Ireland**

McCann FitzGerald  
Riverside One  
Sir John Rogerson's Quay  
Dublin 2, Ireland

**Independent Auditors**

PricewaterhouseCoopers  
One Spencer Dock  
North Wall Quay  
Dublin 1, Ireland