

Brandes Small Cap Value Fund

FUND INFORMATION

Class I:	BSCMX
Class A:	BSCAX
Class R6:	BSCRX

STRATEGY

The Brandes Small Cap Value Fund seeks long term capital appreciation.

Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the fund may be lower or higher than the performance quoted. All performance is historical and includes reinvestment of dividends and capital gains. Performance data current to the most recent month end may be obtained by calling 1.800.395.3807.

TOP TEN HOLDINGS

(% of assets as of 3/31/2025)

Innovex International Inc	5.13
Edgewell Personal Care Co	4.93
Park Aerospace Corp	4.91
Kennametal Inc	4.80
Graham Corp	4.54
Ingles Markets Inc	4.11
Hexcel Corp	3.97
Moog Inc	3.92
Elanco Animal Health Inc	3.65
Arlo Technologies Inc	3.40

Fund holdings are subject to change at any time at the discretion of the investment manager.

The Brandes Small Cap Value Fund fell 6.48% (Class I Shares), outperforming its benchmark, the Russell 2000 Index, which was down 9.48% in the quarter. The Russell 2000 Value Index declined 7.74%.

Positive Contributors

Leading contributors included energy and services business Innovex, regional jet manufacturer Embraer, medical device company LENSAR, software company SolarWinds, and building materials company Buzzi.

Both LENSAR and SolarWinds benefited from buyout announcements. In February, Turn/River Capital announced that it would buy SolarWinds for \$18.5/share, approximately a 35% premium to the average 90-day trading price of \$13.70. In March, Alcon announced that it would acquire LENSAR for \$14.00 per share in cash with an additional non-tradeable contingent value right offering of up to \$2.75 per share in cash. The total potential consideration of \$16.75 represents a 47% premium to the average 90-day trading price.

Embraer has maintained its impressive streak, announcing several new wins against competitors in its defense business. This, coupled with an expanding order backlog for regional jets, has further boosted market confidence in the company's prospects.

On a relative basis, the Fund's underweight to information technology sector, the worst performing sector in the benchmark, helped relative returns.

Performance Detractors

Notable detractors included select industrial holdings, specifically machinery companies Graham and L.B. Foster, and construction and engineering business Orion Group. Consumer discretionary companies Hanesbrands and American Outdoor Brands weighed on returns as well.

Both Graham holdings and Orion Group declined after announcing via their quarterly earnings reports that their revenue and full-year guidance had missed analyst expectations. Similarly, Hanesbrands' share price fell after it declared disappointing quarterly results and the departure of its CEO. We added to the Fund's positions in all three companies based on the share-price weakness, viewing their recent issues as temporary setbacks.

Select Activity in the Quarter

The small-cap investment committee initiated positions in pizza company Papa John's and forest products company Canfor.

Papa John's, which began operating in 1984, is one of the largest players in the global quick-service restaurant (QSR) pizza market, boasting more than 6,000 restaurants across 50 countries. The company operates a primarily franchise-based system, owning ~9% of its restaurants. It generates revenue from franchise royalties, sales of pizza and related products at its company-owned stores, and sales from its supply chain, which supplies its franchises with consistent quality pizza dough and sauce. Papa John's is the fourth-largest limited-service pizza chain both in the U.S. and globally, with the significant majority of its products contributed from North America.

Papa John's share price declined almost 50% over the past year, largely due to concerns about its weak same-store sales performance, a challenging operating environment for consumption and the impact from third-party aggregators for food delivery, as well as the departure of its CEO in March 2024. In August 2024, the company announced Todd Penegor, former CEO of Wendy's, as its new CEO. We view Penegor's appointment as a positive step, but it will take time for his vision to materialize. Under his leadership, Papa John's is working to improve its value perception with customers, better leverage its information technology, and improve the performance of its international business.

We find the risk/reward tradeoff of the investment opportunity compelling at current levels. The company is trading at an undemanding valuation that does not seem to reflect credit for restoring fundamental performance and margin improvement.

Other portfolio activity included full sales of natural gas utility Spire and over-the-counter pharmaceutical manufacturer Prestige Consumer Healthcare as both companies appreciated to our estimates of their respective intrinsic values. We also fully divested SolarWinds after it agreed to be acquired at a share price above our estimate of its intrinsic value.

Current Positioning

Allocation to companies in the industrials sector continues to be the largest weighting and relative overweight from a sector standpoint. The Fund also maintains key weights in health care, consumer discretionary, materials, and energy. The Fund's most notable underweights are in financials, information technology, and real estate. Compared to the Russell 2000 Value Index, we have significantly less exposure to financials and real estate.

In our opinion, the differences between the Brandes Small Cap Value Fund and the broader U.S. small-cap market continue to make it an attractive complement to other small-cap offerings. The Fund exhibits lower valuations than the Russell 2000 Index, while offering exposure to companies that we believe have strong balance sheets, compelling growth prospects and a history of durable free-cash-flow generation.

We are optimistic about the potential of value stocks in general and believe the Brandes Small Cap Value Fund remains well positioned from a long-term risk/reward perspective.

Average Annual Total Returns (%) as of March 31, 2025

Without Load	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception 10/1/1997
Class I	-6.48	-6.48	3.57	9.67	21.44	10.64	8.17
Class A	-6.58	-6.58	3.28	9.41	21.12	10.33	7.89
Class R6	-6.47	-6.47	3.74	9.84	21.77	10.05	7.96
With Load	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception 10/1/1997 ¹
Class A	-11.95	-11.95	-2.65	7.28	19.70	9.68	7.66
Russell 2000 Index	-9.48	-9.48	-4.01	0.52	13.26	6.29	6.96
Russell 2000 Value Index	-7.74	-7.74	-3.12	0.05	15.30	6.07	7.55

Operating Expenses: Class I: 1.19% (gross), 0.91% (net) Class A: 1.39% (gross), 1.16% (net) Class R6: 1.28% (gross), 0.73% (net)

¹The performance information shown for periods before January 2, 2018 is that of a private investment fund managed by the Advisor (the "Predecessor Fund") prior to the commencement of the Small Cap Fund's operations with policies, guidelines and restrictions that were, in all material respects, equivalent to those of the Small Cap Fund. The Small Cap Fund acquired the assets and assumed the liabilities of the Predecessor Fund on January 2, 2018, and investors in the Predecessor Fund received Class I shares of the Small Cap Fund as part of the reorganization. With respect to Class I and Class R6 shares, the performance information shown reflects the gross expenses of the Predecessor Fund. Class A shares reflect the gross expenses of the Predecessor Fund restated to reflect the Class A sales load and Rule 12b 1 fees.

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The Advisor has contractually agreed to limit the operating expenses through July 15, 2026. The Expense Caps may be terminated at any time by the Board of Trustees upon 60 days notice to the Advisor, or by the Advisor with the consent of the Board.

Term definitions: <https://www.brandes.com/termdefinitions>

The Russell 2000 Index with gross dividends measures the performance of the small-cap segment of the U.S. equity universe.

The Russell 2000 Value Index with gross dividends measures performance of the small cap segment of the U.S. equity universe. Securities are categorized as growth or value based on their relative book-to-price ratios, historical sales growth, and expected earnings growth.

It is not possible to invest directly in an index.

Because the values of the Fund's investments will fluctuate with market conditions, so will the value of your investment in the Fund. You could lose money on your investment in the Fund, or the Fund could underperform other investments. The values of the Fund's investments fluctuate in response to the activities of individual companies and general stock market and economic conditions. Stocks of small-sized and mid-sized companies tend to have limited liquidity and usually experience greater price volatility than stocks of larger companies.

A mutual fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The statutory and summary prospectuses contain this and other important information about the investment company, and may be obtained by calling 1.800.395.3807 or visiting www.brandes.com/funds. Read carefully before investing.

The foregoing reflects the thoughts and opinions of Brandes Investment Partners® exclusively and is subject to change without notice.

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