

SEMI-ANNUAL REPORT

SEPARATELY MANAGED ACCOUNT RESERVE TRUST

For the six months ended March 31, 2019

Beginning in January 2021, as permitted by regulations adopted by the U.S. Securities and Exchange Commission, paper copies of the Funds' annual and semi-annual shareholder reports will no longer be sent by mail, unless you specifically request paper copies of the reports. Instead, the reports will be made available on the Funds' website (<http://www.brandesfunds.com/literature.html>), and you will be notified by mail each time a report is posted and provided with a website link to access the report.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from the Funds electronically anytime by contacting your financial intermediary (such as a broker-dealer or a bank) or, if you are a direct investor, by calling 1-800-395-3807, sending an e-mail request to info@brandesfunds.com, or by enrolling at <http://www.brandesfunds.com/literature.html>.

You may elect to receive all future reports in paper free of charge. If you invest through a financial intermediary, you can contact your financial intermediary to request that you continue to receive paper copies of your shareholder reports. If you invest directly with the Funds, you can call 1-800-395-3807 or send an email request to info@brandesfunds.com to let the Funds know you wish to continue receiving paper copies of your shareholder reports. Your election to receive reports in paper will apply to all Funds held in your account with that intermediary if you invest through your financial intermediary or all Funds held with the fund complex if you invest directly with the Funds.



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Brandes Separately Managed Account Reserve Trust

Dear Fellow Investor,

The net asset value of the Brandes Separately Managed Account Reserve Trust Fund gained 2.26% in the six months ending March 31, 2019. For the same period, the Bloomberg Barclays Aggregate Bond Index increased 4.63%.

Portfolio holdings in select corporate bonds detracted from performance.

Within corporate bonds holdings in Metals & Mining (Cloud Peak Energy), Telecommunications (Frontier Communications Corp.) and Banks & Thrifts (USB Capital IX) detracted from performance.

An underweight to U.S. agency mortgage-backed securities (MBS) was a positive performance factor, while duration positioning detracted from returns.

At the close of the period, the Fund continues to favor short maturity corporate bonds and those that we believe exhibit strong, tangible asset coverage. The Fund is underweight agency MBS. The duration is positioned toward the shorter end of our duration-controlled range. The Fund has a high allocation, relative to the benchmark, to U.S. Treasuries that we will look to redeploy thoughtfully and efficiently — if and when market uncertainty and volatility cause credit fundamentals to become mispriced from our estimates of intrinsic value.

In the 45-plus years since Brandes Investment Partners was founded, our goal has remained the same: pursue above-market gains to help you move closer to your long-term investment objectives. We believe that our unwavering commitment to value investing will lead us to attractively priced, fundamentally sound companies worthy of inclusion in the fund.

Sincerely Yours,

The Brandes Fixed Income Investment Committee
Brandes Investment Trust

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. In addition, the performance of foreign securities depends on the political and economic environments and other overall economic conditions in the countries where the Fund invests. Emerging country markets involve greater risk and volatility than more developed markets. Some emerging markets countries may have fixed or managed currencies that are not free-floating against the U.S. dollar. Certain of these currencies have experienced, and may experience in the future, substantial fluctuations or a steady devaluation relative to the U.S. dollar. It is not possible to invest directly in an index.

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As with most fixed income funds, the income on and value of your shares in the Fund will fluctuate along with interest rates. When interest rates rise, the market prices of the debt securities the Fund owns usually decline. When interest rates fall, the prices of these securities usually increase. Generally, the longer the Fund's average portfolio maturity and the lower the average quality of its portfolio, the greater the price fluctuation. The price of any security owned by the Fund may also fall in response to events affecting the issuer of the security, such as its ability to continue to make principal and interest payments or its credit rating. Below investment grade debt securities are speculative and involve a greater risk of default and price change due to changes in the issuer's creditworthiness. The market prices of these debt securities may fluctuate more than the market prices of investment grade debt securities and may decline significantly in periods of general economic difficulty.

Asset coverage: Assets available to cover debt obligations after all other liabilities have been satisfied.

Duration: The weighted maturity of a fixed-income investment's cash flows, used in the estimation of the price sensitivity of fixed-income securities for a given change in interest rates.

Please refer to the Schedule of Investments in the report for complete holdings information. Fund holdings, geographic allocations and/or sector allocations are subject to change at any time and are not a recommendation to buy or sell any security.

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

Brandes Investment Partners® is a registered trademark of Brandes Investment Partners, L.P. in the United States and Canada.

Must be preceded or accompanied by a prospectus.

Index Guide

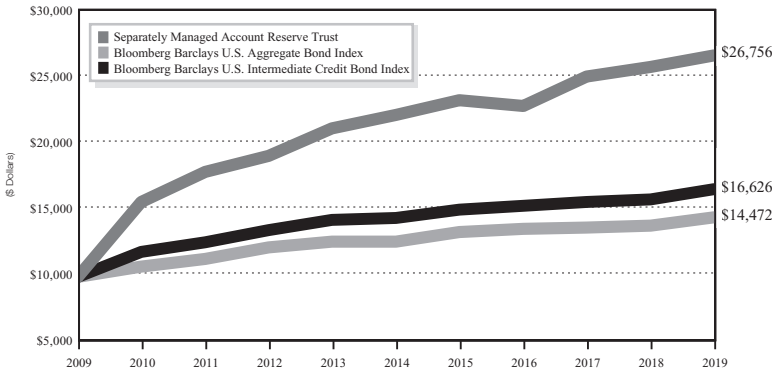
The Bloomberg Barclays U.S. Aggregate Bond Index is a broad-based benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market. This index is a total return index which reflects the price changes and interest of each bond in the index.

The Brandes Separately Managed Account Reserve Trust Fund is distributed by ALPS Distributors, Inc.

Brandes Separately Managed Account Reserve Trust

The following chart compares the value of a hypothetical \$10,000 investment in the Separately Managed Account Reserve Trust from March 31, 2009 to March 31, 2019 with the value of such an investment in the Bloomberg Barclays U.S. Aggregate Bond Index and Bloomberg Barclays U.S. Intermediate Credit Bond Index for the same period.

Value of \$10,000 Investment vs Bloomberg Barclays U.S. Aggregate Bond Index & Bloomberg Barclays U.S. Intermediate Credit Bond Index (Unaudited)



Average Annual Total Return Periods Ended March 31, 2019

	<u>One Year</u>	<u>Five Years</u>	<u>Ten Years</u>	<u>Since Inception⁽¹⁾</u>
Separately Managed Account Reserve Trust	3.52%	3.78%	10.34%	5.35%
Bloomberg Barclays U.S. Aggregate Bond Index	4.48%	2.74%	3.77%	4.08%
Bloomberg Barclays U.S. Intermediate Credit Bond Index	5.00%	2.85%	5.22%	4.42%

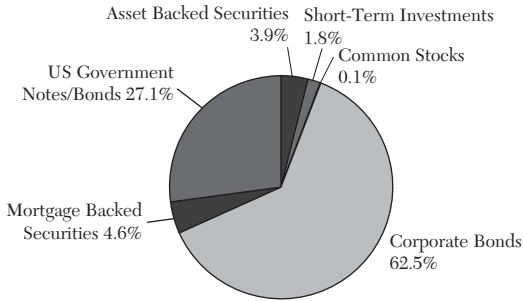
(1) The inception date is October 3, 2005.

Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the Fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by calling 800-331-2979.

Brandes Separately Managed Account Reserve Trust

The returns shown do not reflect the deduction of taxes that a shareholder would pay on fund distributions or the redemption of fund shares. The Advisor has a fee waiver arrangement in place to limit the Fund's annual operating expenses.

**Asset Allocation as a Percentage of Total Investments as of
March 31, 2019 (Unaudited)**



Brandes Separately Managed Account Reserve Trust

Expense Example (Unaudited)

As a shareholder of the Fund, you incur ongoing costs, including investment advisory and administrative fees and other Fund expenses. The example below is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds. Note that for this Fund, which is used in wrap-fee programs, fees and expenses are paid at the wrap account level rather than the Fund level.

The example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period from October 1, 2018 to March 31, 2019 (the “Period”).

Actual Expenses

This section provides information about actual account values and actual expenses. The “Ending Account Value” shown is derived from the Fund’s actual returns. You may use the information in this section, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number given for the Fund under the heading “Expenses Paid During Period” to estimate the expenses you paid on your account during this period.

Fund	Beginning Account Value	Ending Account Value	Annual Expense Ratio	Expenses Paid During the Period [°]
Separately Managed Account Reserve Trust ^{°*}	\$1,000.00	\$1,022.60	0.00%	\$0.00

[°] The Fund’s expenses are equal to the Fund’s expense ratio for the period, multiplied by the average account value over the period, multiplied by 182/365 (to reflect the one half-year period).

^{°*} No expenses have been charged to the Brandes Separately Managed Account Reserve Trust (“SMART Fund”) over the period, as the SMART Fund participates in a wrap-fee program sponsored by investment advisors unaffiliated with the SMART Fund. See Note 3 to the Financial Statements. Fees and expenses are charged at the wrap account level.

Hypothetical Example for Comparison Purposes

This section provides information about hypothetical account values and hypothetical expenses based on the Fund’s actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund’s actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other mutual funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other mutual funds.

Brandes Separately Managed Account Reserve Trust

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transaction costs, such as brokerage commissions on purchase and sales of Fund shares. Therefore, the last column of the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

Fund	Beginning Account Value	Ending Account Value	Annual Expense Ratio	Expenses Paid During the Period [°]
Separately Managed Account Reserve Trust ^{°*}	\$1,000.00	\$1,024.93	0.00%	\$0.00

[°] The Fund's expenses are equal to the Fund's expense ratio for the period, multiplied by the average account value over the period, multiplied by 182/365 (to reflect the one half-year period).

^{°*} No expenses have been charged to the Brandes Separately Managed Account Reserve Trust ("SMART Fund") over the period, as the SMART Fund participates in a wrap-fee program sponsored by investment advisors unaffiliated with the SMART Fund. See Note 3 to the Financial Statements. Fees and expenses are charged at the wrap account level.

Brandes Separately Managed Account Reserve Trust

SCHEDULE OF INVESTMENTS — March 31, 2019 (Unaudited)

	Shares	Value
COMMON STOCKS – 0.01%		
<i>Household Durables – 0.01%</i>		
Urbi Desarrollos Urbanos SA de CV ^(a)	176,124	\$ 12,340
TOTAL COMMON STOCKS		<u>\$ 12,340</u>
(Cost \$1,887,387)		\$ 12,340
	Principal Amount	Value
FEDERAL AND FEDERALLY SPONSORED CREDITS – 4.62%		
<i>Federal Home Loan Mortgage Corporation – 1.19%</i>		
Pool G1-8578, 3.000%, 12/1/2030	\$ 2,064,319	\$ 2,084,665
<i>Federal National Mortgage Association – 3.43%</i>		
Pool CA1624, 3.000%, 4/1/2033	2,727,658	2,755,769
Pool AS6201, 3.500%, 11/1/2045	1,499,443	1,525,324
Pool AL9865, 3.000%, 2/1/2047	1,735,024	1,729,737
		<u>6,010,830</u>
TOTAL FEDERAL AND FEDERALLY SPONSORED CREDITS		<u>\$ 8,095,495</u>
(Cost \$8,030,047)		\$ 8,095,495
OTHER MORTGAGE RELATED SECURITIES – 0.00%		
<i>Collateralized Mortgage Obligations – 0.00%</i>		
Wells Fargo Mortgage Backed Securities Trust		
Series 2006-AR14, 4.669%, 10/25/2036 ^(c)	\$ 4,357	\$ 4,224
TOTAL OTHER MORTGAGE RELATED SECURITIES		<u>\$ 4,224</u>
(Cost \$2,796)		\$ 4,224
US GOVERNMENTS – 26.97%		
<i>Sovereign – 26.97%</i>		
United States Treasury Bond		
4.750%, 2/15/2037	\$ 27,035,000	\$ 35,476,045
United States Treasury Note		
2.000%, 2/15/2023	1,000,000	991,211
2.250%, 2/15/2027	10,825,000	10,741,698
TOTAL US GOVERNMENTS		<u>\$ 47,208,954</u>
(Cost \$46,210,508)		\$ 47,208,954
ASSET BACKED SECURITIES – 3.84%		
<i>Student Loan – 3.84%</i>		
SLM Private Credit Student Loan Trust 2004-B		
Series 2004-B, 3.041% (3M LIBOR + 0.430%), 9/15/2033 ^(d)	\$ 1,500,000	\$ 1,438,987
SLM Private Credit Student Loan Trust 2005-A		
Series 2005-A, 2.921% (3M LIBOR + 0.310%), 12/15/2038 ^(d)	1,865,000	1,804,375
SLM Private Credit Student Loan Trust 2006-A		
Series 2006-A, 2.901% (3M LIBOR + 0.290%), 6/15/2039 ^(d)	3,576,317	3,475,780
TOTAL ASSET BACKED SECURITIES		<u>\$ 6,719,142</u>
(Cost \$6,365,645)		\$ 6,719,142

The accompanying notes to financial statements are an integral part of this Schedule of Investments.

Brandes Separately Managed Account Reserve Trust

SCHEDULE OF INVESTMENTS — March 31, 2019 (Unaudited) (continued)

	Principal Amount	Value
CORPORATE BONDS – 62.22%		
<i>Automobiles – 3.99%</i>		
Ford Motor Credit Co. LLC		
8.125%, 1/15/2020	\$ 3,405,000	\$ 3,529,022
General Motors Financial Co., Inc.		
2.650%, 4/13/2020	3,460,000	3,446,121
		<u>6,975,143</u>
<i>Banks – 11.11%</i>		
Citibank, N.A.		
2.100%, 6/12/2020	5,592,000	5,551,818
Goldman Sachs Group, Inc.		
3.000%, 4/26/2022	3,405,000	3,397,615
JPMorgan Chase & Co.		
6.221% (3M LIBOR + 3.470%), Perpetual ^(d)	4,523,000	4,545,615
USB Capital IX		
3.807% (3M LIBOR + 1.020%, minimum of 3.500%), Perpetual ^(d)	3,250,000	2,551,250
Wells Fargo & Co.		
6.381% (3M LIBOR + 3.770%), Perpetual ^(d)	3,380,000	3,401,125
		<u>19,447,423</u>
<i>Commercial Services & Supplies – 4.90%</i>		
ADT Corp.		
3.500%, 7/15/2022	7,270,000	7,006,462
Iron Mountain, Inc.		
4.875%, 9/15/2027 ^(b)	1,640,000	1,574,400
		<u>8,580,862</u>
<i>Consumer Products – 3.33%</i>		
Avon International Operations, Inc.		
7.875%, 8/15/2022 ^(b)	3,695,000	3,828,944
Wyndham Destinations, Inc.		
3.900%, 3/1/2023	2,035,000	1,994,300
		<u>5,823,244</u>
<i>Food, Beverage & Tobacco – 3.19%</i>		
Mead Johnson Nutrition Co.		
4.900%, 11/1/2019	2,850,000	2,883,552
Pilgrim's Pride Corp.		
5.750%, 3/15/2025 ^(b)	2,665,000	2,691,650
		<u>5,575,202</u>
<i>Health Care Providers & Services – 3.13%</i>		
Tenet Healthcare Corp.		
6.000%, 10/1/2020	5,290,000	5,481,763

The accompanying notes to financial statements are an integral part of this Schedule of Investments.

Brandes Separately Managed Account Reserve Trust

SCHEDULE OF INVESTMENTS — March 31, 2019 (Unaudited) (continued)

	Principal Amount	Value
Homebuilders – 3.29%		
PulteGroup, Inc.		
5.500%, 3/1/2026	\$ 3,920,000	\$ 4,037,600
Toll Brothers Finance Corp.		
4.875%, 11/15/2025	1,710,000	<u>1,720,687</u>
		<u>5,758,287</u>
Insurance – 2.43%		
American International Group, Inc.		
6.400%, 12/15/2020	2,785,000	2,945,123
CNA Financial Corp.		
5.875%, 8/15/2020	1,250,000	<u>1,299,841</u>
		<u>4,244,964</u>
Media – 1.08%		
Netflix, Inc.		
5.375%, 2/1/2021	1,815,000	<u>1,884,764</u>
Metals & Mining – 0.21%		
Cloud Peak Energy Resources, LLC/Cloud Peak Energy Finance Corp.		
12.000%, 11/1/2021 ^(e)	2,055,000	<u>369,900</u>
Oil, Gas & Consumable Fuels – 12.52%		
BP Capital Markets Plc		
3.506%, 3/17/2025	3,375,000	3,440,624
Chesapeake Energy Corp.		
8.000%, 1/15/2025	5,105,000	5,207,100
Chevron Corp.		
2.100%, 5/16/2021	3,460,000	3,435,179
Kinder Morgan, Inc.		
4.300%, 6/1/2025	1,921,000	2,003,577
Occidental Petroleum Corp.		
3.500%, 6/15/2025	1,705,000	1,751,728
Range Resources Corp.		
5.000%, 3/15/2023	6,195,000	<u>6,071,100</u>
		<u>21,909,308</u>
Retail – 2.44%		
JC Penney Corp, Inc.		
5.875%, 7/1/2023 ^(b)	5,075,000	<u>4,275,687</u>
Technology – 4.27%		
Microsoft Corp.		
2.400%, 2/6/2022	3,460,000	3,455,050
VMware, Inc.		
3.900%, 8/21/2027	4,176,000	<u>4,014,511</u>
		<u>7,469,561</u>

The accompanying notes to financial statements are an integral part of this Schedule of Investments.

Brandes Separately Managed Account Reserve Trust

SCHEDULE OF INVESTMENTS — March 31, 2019 (Unaudited) (continued)

	Principal Amount	Value
Telecommunications – 6.33%		
AT&T, Inc. 3.000%, 6/30/2022	\$ 5,235,000	\$ 5,258,077
Frontier Communications Corp. 6.250%, 9/15/2021	5,640,000	4,371,000
Telefonica Emisiones SA 5.462%, 2/16/2021	1,390,000	<u>1,452,552</u>
		<u>11,081,629</u>
TOTAL CORPORATE BONDS		
(Cost \$109,613,090)		<u>\$ 108,877,737</u>
REPURCHASE AGREEMENTS – 1.84%		
State Street Bank and Trust Repurchase Agreement, (Dated 03/29/19), due 04/01/19, 1.20% [Collateralized by \$2,980,000 US Treasury Notes TIPS, 0.125%, 01/15/22, (Market Value \$3,285,209)] (proceeds \$3,216,163)	\$ 3,215,842	<u>\$ 3,215,842</u>
TOTAL REPURCHASE AGREEMENTS		
(Cost \$3,215,842)		<u>\$ 3,215,842</u>
Total Investments (Cost \$175,325,315) – 99.50%		\$174,133,734
Other Assets in Excess of Liabilities – 0.50%		877,900
TOTAL NET ASSETS – 100.00%		<u>\$175,011,634</u>

Percentages are stated as a percent of net assets.

TIPS Treasury Inflation-Protected Security

LIBOR London Inter-bank Offered Rate

(a) Non-income producing security.

(b) Acquired in a transaction exempt from registration under Rule 144A or Section 4(a)(2) of the Securities Act of 1933. May be resold in the U.S. in transactions exempt from registration, normally to qualified institutional buyers. The total value of all such securities was \$12,370,681, which represented 7.07% of the net assets of the Fund.

(c) Variable rate security. The coupon is based on an underlying pool of loans.

(d) Variable rate security. The coupon is based on a reference index and spread index.

(e) Issuer is in default of interest payments.

The industry classifications represented in the Schedule of Investments are comprised in accordance with Global Industry Classification Standards (GICS®), which was developed by and/or is the exclusive property of MSCI, Inc. and Standard & Poor Financial Services LLC or were otherwise determined by the Adviser to be appropriate. This information is unaudited.

The accompanying notes to financial statements are an integral part of this Schedule of Investments.

Brandes Separately Managed Account Reserve Trust

STATEMENT OF ASSETS AND LIABILITIES — March 31, 2019 (Unaudited)

ASSETS

Investments in securities, at cost	\$175,325,315
Investment in securities, at value	174,133,734
Cash	3,448,448
Receivables:	
Fund shares sold	11,869
Interest	1,361,897
Total Assets	<u>178,955,948</u>

LIABILITIES

Payables:	
Securities purchased	3,298,746
Fund shares redeemed	569,672
Dividends payable	75,896
Total Liabilities	<u>3,944,314</u>

NET ASSETS	<u>\$175,011,634</u>
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COMPONENTS OF NET ASSETS

Capital Stock	\$185,599,504
Total distributable earnings	(10,587,870)
Total Net Assets	<u>\$175,011,634</u>

Net asset value, offering price and redemption proceeds per share

Net Assets	\$175,011,634
Shares outstanding (unlimited shares authorized without par value)	20,239,556
Offering and redemption price	<u>\$ 8.65</u>

The accompanying notes to financial statements are an integral part of this statement.

Brandes Separately Managed Account Reserve Trust

STATEMENT OF OPERATIONS — For the Six Months Ended March 31, 2019 (Unaudited)

INVESTMENT INCOME

Income

Interest income	\$3,850,250
Total Income	<u>3,850,250</u>

Expenses (Note 3)

Total expenses	—
Total net expenses	<u>—</u>

Net investment income	<u>3,850,250</u>
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REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS:

Net realized loss on investments	(500,787)
Net change in unrealized appreciation on investments	<u>338,164</u>

Net realized and unrealized loss on investments	<u>(162,623)</u>
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Net Increase in net assets resulting from operations	<u><u>\$3,687,627</u></u>
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The accompanying notes to financial statements are an integral part of this statement.

Brandes Separately Managed Account Reserve Trust

STATEMENT OF CHANGES IN NET ASSETS

	Six Months Ended March 31, 2019 <u>(Unaudited)</u>	Year Ended September 30, 2018 ⁽¹⁾ <u></u>
INCREASE IN NET ASSETS FROM: OPERATIONS		
Net investment income	\$ 3,850,250	\$ 7,887,915
Net realized gain (loss) on investments	(500,787)	1,068,915
Net change in unrealized appreciation (depreciation) on investments	338,164	(6,901,291)
Net increase in net assets resulting from operations	<u>3,687,627</u>	<u>2,055,539</u>
DISTRIBUTIONS TO SHAREHOLDERS		
Distributions to Shareholders	(3,863,044)	(7,860,061)
Decrease in net assets from distributions	<u>(3,863,044)</u>	<u>(7,860,061)</u>
CAPITAL SHARE TRANSACTIONS		
Proceeds from shares sold	21,601,969	32,406,816
Net asset value of shares issued on reinvestment of distributions	3,657,654	7,523,525
Cost of shares redeemed	(26,707,897)	(34,163,795)
Net increase (decrease) in net assets from capital share transactions	<u>(1,448,274)</u>	<u>5,766,546</u>
Total decrease in net assets	(1,623,691)	(37,976)
NET ASSETS		
Beginning of the Period	<u>176,635,325</u>	<u>176,673,301</u>
End of the Period	<u>175,011,634</u>	<u>176,635,325</u>

(1) Distributions to shareholders includes net investment income distributions of \$7,860,061. End of period net assets includes accumulated undistributed net investment income of \$50,508.

The accompanying notes to financial statements are an integral part of this statement.

Brandes Separately Managed Account Reserve Trust

FINANCIAL HIGHLIGHTS

	Six Months Ended March 31, 2019 (Unaudited)	Year Ended September 30,				
		2018	2017	2016	2015	2014
Net asset value,						
beginning of period	\$ 8.65	\$ 8.94	\$ 9.02	\$ 8.69	\$ 9.03	\$ 8.89
Total from investment operations:						
Net investment income ⁽²⁾	0.19	0.39	0.39	0.44	0.43	0.46
Net realized and unrealized gain/ (loss) on investments	0.00 ⁽⁵⁾	(0.29)	(0.08)	0.33	(0.34)	0.16
Total from investment operations . . .	0.19	0.10	0.31	0.77	0.09	0.62
Less dividends and distributions:						
Dividends from net investment income	(0.19)	(0.39)	(0.39)	(0.44)	(0.43)	(0.48)
Total dividends and distributions . . .	(0.19)	(0.39)	(0.39)	(0.44)	(0.43)	(0.48)
Net asset value, end of period	\$ 8.65	\$ 8.65	\$ 8.94	\$ 9.02	\$ 8.69	\$ 9.03
Total return	2.26% ⁽³⁾	1.12%	3.57%	9.24%	0.93%	7.13%
Net assets, end of period (millions)	\$175.0	\$176.6	\$176.7	\$163.9	\$159.8	\$138.3
Ratio of expenses to average net assets ⁽¹⁾	0.00% ⁽⁴⁾	0.00%	0.00%	0.00%	0.00%	0.00%
Ratio of net investment income to average net assets ⁽¹⁾	4.47% ⁽⁴⁾	4.43%	4.39%	5.12%	4.77%	5.12%
Portfolio turnover rate	17.55% ⁽³⁾	42.90%	39.74%	53.60%	32.78%	21.61%

- (1) Reflects the fact that no fees or expenses are incurred by the Fund. The Fund is an integral part of “wrap-fee” programs sponsored by investment advisers and/or broker-dealers unaffiliated with the Fund or the Advisor. Participants in these programs pay a “wrap” fee to the sponsor of the program.
- (2) Net investment income per share has been calculated based on average shares outstanding during the period.
- (3) Not annualized.
- (4) Annualized.
- (5) Amount is less than \$0.01 per share.

The accompanying notes to financial statements are an integral part of this statement.

Brandes Separately Managed Account Reserve Trust

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – ORGANIZATION

The Separately Managed Account Reserve Trust (the “Fund”) is a series of Brandes Investment Trust (the “Trust”). The Trust is registered under the Investment Company Act of 1940, as amended (the “1940 Act”), as a diversified, open-end management investment company. The Fund began operations on October 3, 2005. The Fund invests its assets primarily in debt securities and seeks to maximize total return.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

The Fund is an investment company that applies the accounting and reporting guidance issued in Topic 946, “Financial Services-Investment Companies”, by the Financial Accounting Standards Board (“FASB”). The following is a summary of significant accounting policies consistently followed by the Fund. These policies are in conformity with accounting principles (“GAAP”) generally accepted in the United States of America.

- A. *Repurchase Agreements.* The Fund may enter into repurchase agreements with government securities dealers recognized by the Federal Reserve Board, with member banks of the Federal Reserve System or with other brokers or dealers that meet the credit guidelines established by the Board of Trustees. The Fund will always receive and maintain, as collateral, securities whose market value, including accrued interest (which is recorded in the Schedule of Investments), will be at least equal to 100% of the dollar amount invested by the Fund in each agreement, and the Fund will make payment for such securities only upon physical delivery or upon evidence of book entry transfer to the account of the Fund’s custodian. If the term of any repurchase transaction exceeds one business day, the value of the Fund’s collateral is marked-to-market on a daily basis to ensure the adequacy of the collateral. Before causing the Fund to enter into a repurchase agreement with any other party, the investment advisor will determine that such party does not have any apparent risk of becoming involved in bankruptcy proceedings within the time frame contemplated by the repurchase agreement. If the seller defaults and the value of the collateral declines, or if bankruptcy proceedings are commenced with respect to the seller of the security, realization of the collateral by the Fund may be delayed or limited. At March 31, 2019, the Fund’s ongoing exposure to the economic return on repurchase agreements is shown on the Schedule of Investments.
- B. *Foreign Currency Translation and Transactions.* Values of investments denominated in foreign currencies are converted into U.S. dollars using the spot market rates of exchange at the time of valuation. Purchases and sales of investments and dividend and interest income are translated into U.S. dollars using the spot market rates of exchange prevailing on the

Brandes Separately Managed Account Reserve Trust

NOTES TO FINANCIAL STATEMENTS (continued)

respective dates of such translations. The gain or loss resulting from changes in foreign exchange rates is included with net realized and unrealized gain or loss from investments, as appropriate. Foreign securities and currency transactions may involve certain considerations and risks not typically associated with those of domestic origin.

Foreign securities are recorded in the financial statements after translation to U.S. dollars based on the applicable exchange rate at the end of the period. The Fund reports certain foreign currency-related transactions as components of realized gains or losses for financial reporting purposes, whereas such components are treated as ordinary income for federal income tax purposes.

- C. *Delayed Delivery Securities.* The Fund may purchase securities on a when-issued or delayed delivery basis. “When-issued” or delayed delivery refers to securities whose terms are available and for which a market exists, but that have not been issued. For a when-issued or delayed delivery transaction, no payment is made until delivery date, which is typically longer than the normal course of settlement. When the Fund enters into an agreement to purchase securities on a when-issued or delayed delivery basis, the Fund segregates cash or liquid securities, of any type or maturity, equal in value to the Fund’s commitment. Losses may arise if the market values of the underlying securities change, if the counterparty does not perform under the contract, or if the issuer does not issue the securities due to political, economic or other factors. The Fund did not have any open commitments on delayed delivery securities as of March 31, 2019.
- D. *Security Transactions, Dividends and Distributions.* Security transactions are accounted for on the trade dates. Realized gains and losses are evaluated on the basis of identified costs. Distributions from net investment income are declared daily and paid monthly. Distributions of net realized gains, if any, are declared at least annually. Dividend income and distributions to shareholders are recorded on the ex-dividend dates. Interest is recorded on an accrual basis. The Fund amortizes premiums and accretes discounts using the constant yield method.
- E. *Use of Estimates.* The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.
- F. *Indemnification Obligations.* Under the Trust’s organizational documents, its current and former officers and trustees are indemnified against certain liabilities arising out of the performance of their duties to the Trust. The

Brandes Separately Managed Account Reserve Trust

NOTES TO FINANCIAL STATEMENTS (continued)

Trust has indemnified its trustees against any expenses actually and reasonably incurred by the trustees in any proceeding arising out of or in connection with the trustees' service to the Trust. In addition, in the normal course of business, the Trust enters into contracts that contain a variety of representations and warranties and provide general indemnifications. The Fund's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Fund that have not yet occurred or that would be covered by other parties.

- G. *Accounting for Uncertainty in Income Taxes.* The Fund has elected to be taxed as a "regulated investment company" and intends to distribute substantially all its taxable income to its shareholders and otherwise comply with the provisions of the Internal Revenue Code applicable to regulated investment companies. The Fund may be subject to a nondeductible excise tax calculated as a percentage of certain undistributed amounts of net investment income and net capital gains. The Fund intends to distribute its net investment income and capital gains as necessary to avoid this excise tax. Therefore, no provision for federal income taxes or excise taxes has been made.

The Trust analyzes all open tax years, as defined by the applicable statute of limitations, for all major jurisdictions. Open tax years for the Fund are those that are open for exam by taxing authorities (2015 through 2018). As of March 31, 2019, the Trust has no examinations in progress.

Management has analyzed the Trust's tax positions, and has concluded that no liability should be recorded related to uncertain tax positions expected to be taken on the tax return for the fiscal year-end September 30, 2018.

The Trust identifies its major tax jurisdictions as the U.S. Government and the State of California. The Trust is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months.

- H. *Fair Value Measurements.* The Trust has adopted GAAP accounting principles related to fair value accounting standards which establish a definition of fair value and set out a hierarchy for measuring fair value. These standards require additional disclosures about the various inputs and valuation techniques used to develop the measurements of fair value and a discussion of changes in valuation techniques and related inputs during the period. These inputs are summarized in the three broad levels listed below:

Level 1 — Fair value measurement within Level 1 should be based on an unadjusted quoted price in an active market that the Fund has the ability to access for the asset or liability at the measurement date. Because a quoted price alone forms the basis for the measurement, the access

Brandes Separately Managed Account Reserve Trust

NOTES TO FINANCIAL STATEMENTS (continued)

requirement within Level 1 limits discretion in pricing the asset or liability, including in situations in which there are multiple markets for the asset or liability with different prices and no single market represents a principal market for the asset or liability. Importantly, the Financial Accounting Standards Board has indicated that when a quoted price in an active market for a security is available, that price should be used to measure fair value without regard to an entity's intent to transact at that price.

Level 2 — Fair value measurement within Level 2 should be based on all inputs other than unadjusted quoted prices included within Level 1 that are observable for the asset or liability. Other significant observable market inputs include quoted prices for similar instruments in active markets, quoted adjusted prices in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-derived valuations in which the majority of significant inputs and significant value drivers are observable in active markets.

Level 3 — Fair value measurement within Level 3 should be based on unobservable inputs in such cases where markets do not exist or are illiquid. Significant unobservable inputs include model derived valuations in which the majority of significant inputs or significant value drivers are unobservable. Unobservable inputs are those inputs that reflect the Fund's own assumptions that market participants would use to price the asset or liability based on the best available information.

- I. *Security Valuation.* Bonds and other fixed-income securities (other than repurchase agreements and demand notes) are valued using the bid price on the day of the valuation provided by an independent pricing service.

Securities traded on a national securities exchange are valued at the last reported sale price at the close of regular trading on each day the exchange is open for trading. Securities listed on the NASDAQ National Market System for which market quotations are readily available are valued using the NASDAQ Official Closing Price. Securities traded on an exchange for which there has been no sales on the valuation date are valued at the mean between last bid and ask price on such day. Securities for which quotations are not readily available are valued at their respective fair values as determined in good faith pursuant to procedures adopted by the Board of Trustees.

Repurchase agreements and demand notes, for which neither vendor pricing nor market maker prices are available, are valued at amortized cost on the day of valuation, unless Brandes Investment Partners, L.P. (the "Advisor") determines that the use of amortized cost valuation on such day is not appropriate (in which case such instrument is fair valued in accordance with the fair value procedures of the Trust).

Brandes Separately Managed Account Reserve Trust

NOTES TO FINANCIAL STATEMENTS (continued)

The Trust has adopted valuation procedures that allow for fair value pricing for use in appropriate circumstances. For example, such circumstances may arise when trading in a security has been halted or suspended or a security has been delisted from a national exchange, a security has not been traded for an extended period of time, or a significant event with respect to a security occurs after the close of the market or exchange on which the security principally trades and before the time the Fund calculates its own share price. If no price, or in the Advisor's determination no price representing fair value, is provided for a security held by the Fund by an independent pricing agent, then the security will be fair valued. Thinly traded securities and certain foreign securities may be impacted more by the use of fair valuations than other securities.

In using fair value pricing, the Fund attempts to establish the price that it might reasonably have expected to receive upon a sale of the security at 4:00 p.m. Eastern time. Valuing securities at fair value involves greater reliance on judgment than valuation of securities based on readily available market quotations. When using fair value to price securities, the Fund may value those securities higher or lower than another fund using market quotations or fair value to price the same securities. Further, there can be no assurance that the Fund could obtain the fair value assigned to a security if it were to sell the security at approximately the time at which the Fund determines its net asset value.

Foreign securities are recorded in the financial statements after translation to U.S. dollars based on the applicable exchange rate at the end of the period. The Fund reports certain foreign currency-related transactions as components of realized gains or losses for financial reporting purposes, whereas such components are treated as ordinary income for federal income tax purposes.

Fixed income securities including corporate, convertible and municipal bonds and notes, U.S. government agencies, U.S. Treasury obligations, sovereign issues, bank loans, convertible preferred securities and non-U.S. bonds are normally valued on the basis of quotes obtained from brokers and dealers or independent pricing services or sources. Independent pricing services typically use information provided by market makers or estimates of market values obtained from yield data relating to investments or securities with similar characteristics. The service providers' internal models use inputs that are observable such as, among other things, issuer details, interest rates, yield curves, prepayment speeds, credit risks/spreads, default rates and quoted prices for similar assets. Securities that use similar valuation techniques and inputs as described above are categorized as Level 2 of the fair value hierarchy.

Brandes Separately Managed Account Reserve Trust

NOTES TO FINANCIAL STATEMENTS (continued)

Fixed income securities purchased on a delayed-delivery basis are typically marked to market daily until settlement at the forward settlement date.

The Fund may enter into mortgage dollar roll transactions in which the Fund sells a mortgage-backed security to a counterparty and simultaneously enters into an agreement with the same counterparty to buy back a similar security on a specific future date at a predetermined price. Risks may arise due to the delayed payment date and the potential inability of counterparties to complete the transaction. Mortgage dollar rolls are accounted for as purchase and sale transactions, which may increase the Fund's portfolio turnover rate.

Mortgage and asset-backed securities are usually issued as separate tranches, or classes, of securities within each package of underlying securities. These securities are also normally valued by pricing service providers that use broker-dealer quotations or valuation estimates from their internal pricing models. The pricing models for these securities usually consider tranche level attributes, estimated cash flows and market-based yield spreads for each tranche, current market data and packaged collateral performance, as available. Mortgage and asset-backed securities that use such valuation techniques and inputs are categorized as Level 2 of the fair value hierarchy only if there are significant observable inputs used.

Common stocks, exchange-traded fund shares and financial derivative instruments, such as futures contracts or options contracts that are traded on a national securities or commodities exchange, are valued at the last reported sales price, in the case of common stocks and exchange-traded fund shares, or, in the case of futures contracts or options contracts, the settlement price determined by the relevant exchange. To the extent these securities are actively traded and valuation adjustments are not applied, they are categorized as Level 1 of the fair value hierarchy.

Valuation adjustments may be applied to certain securities that are solely traded on a foreign exchange to account for the market movement between the close of the foreign market and the close of the New York Stock Exchange ("NYSE"). These securities are generally valued using pricing service providers that consider the correlation of the trading patterns of the foreign security to the intraday trading in the U.S. markets for investments. Securities using these valuation adjustments are categorized as Level 2 of the fair value hierarchy. None of the Fund's securities were fair valued utilizing this method as of March 31, 2019.

Investments in registered open-end management investment companies are valued based upon the Net Asset Values ("NAVs") of such investments and are categorized as Level 1 of the fair value hierarchy. If, on a particular day, a share price of an investment company is not readily

Brandes Separately Managed Account Reserve Trust

NOTES TO FINANCIAL STATEMENTS (continued)

available, such securities are fair valued in accordance with the fair value procedures of the Trust.

Certain securities may be fair valued in accordance with the fair valuation procedures approved by the Board of Trustees. The Valuation Committee is generally responsible for overseeing the day to day valuation processes and reports periodically to the Board. The Valuation Committee is authorized to make all necessary determinations of the fair value of portfolio securities and other assets for which market quotations are not readily available or if it is deemed that the prices obtained from brokers and dealers or independent pricing services are unreliable.

The following is a summary of the inputs used, as of March 31, 2019, involving the Fund's assets carried at fair value. The inputs of methodology used for valuing securities may not be an indication of the risk associated with investing in those securities.

Description	Level 1	Level 2	Level 3	Total
Separately Managed Account				
Reserve Trust				
Common Stocks	\$ 12,340	\$ —	\$ —	\$ 12,340
Mortgage Backed Securities	—	8,099,719	—	8,099,719
Government Securities	—	47,208,954	—	47,208,954
Asset Backed Securities	—	6,719,142	—	6,719,142
Corporate Bonds	—	108,877,737	—	108,877,737
Repurchase Agreements	—	3,215,842	—	3,215,842
Total Investments in Securities	\$ 12,340	\$174,121,394	\$ —	\$174,133,734

There were no Level 3 securities in the Fund at the beginning or the end of the six months ended March 31, 2019.

NOTE 3 – INVESTMENT ADVISORY FEE AND OTHER TRANSACTIONS WITH AFFILIATES

- A. *Advisor Fee.* The Advisor provides the Fund with investment management services under an Investment Advisory Agreement. The Advisor receives no advisory fee or other fee from the Fund. The financial statements of the Fund reflect the fact that no fees or expenses are incurred by the Fund. It should be understood, however, that the Fund is an integral part of “wrap-fee” programs sponsored by investment advisors unaffiliated with the Fund and the Advisor. Typically, participants in these programs pay a “wrap-fee” to their investment advisors. Although the Fund does not compensate the Advisor directly for its service under the Investment Advisory Agreement, the Advisor benefits from its relationships with the sponsors of wrap-fee programs for which the Fund is an investment option. Certain officers and Trustees of the Trust are also officers of the Advisor.

Brandes Separately Managed Account Reserve Trust

NOTES TO FINANCIAL STATEMENTS (continued)

- B. *Administration Fee.* U.S. Bancorp Fund Services, LLC, doing business as U.S. Bank Global Fund Services, (the “Administrator”) acts as administrator for the Fund. The Administrator prepares various federal and state regulatory filings; prepares reports and materials to be supplied to the Trustees; monitors the activities of the Fund’s custodian, transfer agent and accountant; coordinates the preparation and payment of Fund expenses; and prepares several Fund reports. The Advisor compensates the Administrator on behalf of the Fund for the services the Administrator performs for the Fund.
- C. *Distribution Fees.* ALPS Distributors, Inc. (the “Distributor”), a registered broker-dealer, acts as the Fund’s principal underwriter in a continuous public offering of the Fund’s shares. All of the Fund’s distribution fees are paid by the Advisor.

NOTE 4 – PURCHASES AND SALES OF SECURITIES

The cost of purchases and the proceeds from sales of securities of the Fund, excluding short-term investments, were as follows for the six months ended March 31, 2019:

U.S. Government		Other	
Purchases	Sales	Purchases	Sales
\$17,741,992	\$11,678,086	\$11,437,556	\$23,759,487

NOTE 5 – CAPITAL STOCK TRANSACTIONS

The Fund’s capital stock activity in shares and dollars during the six months ended March 31, 2019 and year ended September 30, 2018, was as follows (shares and dollar amounts in thousands):

	Six Months Ended 3/31/2019		Year Ended 9/30/2018	
	Shares	Amount	Shares	Amount
Shares Sold	2,535	\$ 21,602	3,693	\$ 32,407
Issued on Reinvestment of Distributions	430	3,658	859	7,524
Shares Redeemed	(3,138)	(26,708)	(3,902)	(34,164)
Net Increase/(Decrease) Resulting from Fund				
Share Transactions	(173)	\$ (1,448)	650	\$ 5,767

NOTE 6 – FEDERAL INCOME TAX MATTERS

GAAP requires that certain components of net assets be reclassified between financial and tax reporting. Temporary differences do not require reclassification. Temporary and permanent differences have no effect on net assets or net asset value per share. For the year ended September 30, 2018, the Fund made the following permanent book-to-tax reclassifications primarily related to the treatment

Brandes Separately Managed Account Reserve Trust

NOTES TO FINANCIAL STATEMENTS (continued)

of paydowns, the difference between book and tax accretion methods for market premium and the expiration of capital loss carryforwards:

<u>Undistributed Net Investment Income</u>	<u>Accumulated Net Realized Gain</u>	<u>Paid-In Capital</u>
\$22,654	\$6,062,094	\$(6,084,748)

As of September 30, 2018, the Fund's components of distributable earnings on a tax basis were as follows:

Cost of investments for tax purposes	<u>\$182,729,582</u>
Gross tax unrealized appreciation	4,113,287
Gross tax unrealized depreciation	<u>(5,666,441)</u>
Net unrealized depreciation on investments	(1,553,154)
Distributable ordinary income	50,508
Distributable long-term capital gains	<u>—</u>
Total distributable earnings	<u>50,508</u>
Other accumulated losses	<u>(8,909,807)</u>
Total accumulated losses	<u>\$ (10,412,453)</u>

The differences between book and tax basis distributable earnings are primarily related to the differences in classification of paydown gains and losses for tax purposes compared to book purposes. The difference between book and tax basis unrealized depreciation on investments is due primarily to timing differences resulting from wash sale transactions. These differences are temporary.

As of September 30, 2018, the Fund had a capital loss expiring on September 30, 2019 in the amount of \$6,501,831. As of September 30, 2018, the Fund had a capital loss with an indefinite expiration in the amount of \$2,407,976. At September 30, 2018, the Fund utilized \$1,069,670 of capital loss carryforwards. At September 30, 2018, the Fund had \$6,084,748 of capital loss carryforwards expire.

The tax compositions of dividends for the years ended September 30, 2018 and September 30, 2017 for the Fund were as follows:

<u>Ordinary Income</u>		<u>Long Term Capital Gains</u>		<u>Return of Capital</u>	
<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
\$7,860,061	\$7,208,649	\$—	\$—	\$—	\$158,334

NOTE 7 – NEW ACCOUNTING PRONOUNCEMENTS

In August 2018, FASB issued ASU 2018-13, Fair Value Measurement (Topic 820): Disclosure Framework — Changes to the Disclosure Requirements for Fair Value Measurement (“ASU 2018-13”). The primary focus of ASU 2018-13 is to improve the effectiveness of the disclosure requirements for fair value measurements. The changes affect all companies that are required to include fair value measurement disclosures. In general, the amendments in ASU 2018-13 are effective for all entities for fiscal years and interim periods within those fiscal years,

Brandes Separately Managed Account Reserve Trust

NOTES TO FINANCIAL STATEMENTS (continued)

beginning after December 15, 2019. An entity is permitted to early adopt the removed or modified disclosures upon the issuance of ASU 2018-13 and may delay adoption of the additional disclosures, which are required for public companies only, until their effective date. Management has chosen to adopt this disclosure in this report.

In August 2018, the Securities and Exchange Commission issued Final Rule Release No. 33-10532, Disclosure Update and Simplification, which in part amends certain disclosure requirements of Regulation S-X that have become redundant, duplicative, overlapping, outdated, or superseded, in light of other Commission disclosure requirements, U.S. Generally Accepted Accounting Principles, or changes in the information environment. The amendments are intended to facilitate the disclosure of information to investors and simplify compliance without significantly altering the total mix of information provided to investors. Management has chosen to adopt this disclosure in this report.

NOTE 8 – SUBSEQUENT EVENTS

In preparing these financial statements, the Trust has evaluated events and transactions for potential recognition or disclosure through the date the financial statements were available to be issued. The Trust has concluded that there are no subsequent events to note.

Brandes Separately Managed Account Reserve Trust

ADDITIONAL INFORMATION — (Unaudited)

BOARD CONSIDERATION AND CONTINUATION OF INVESTMENT ADVISORY AGREEMENT

In November 2018 the Board of Trustees of Brandes Investment Trust (the “Trust”), including the independent Trustees, unanimously approved renewal of the Investment Advisory Agreement (the “Agreement”) between the Trust and Brandes Investment Partners, L.P. (the “Advisor”) with respect to the SMART Fund (the “Fund”) for an additional one-year term.

Information Reviewed

During the course of each year, Board members review a wide variety of materials relating to the nature, extent and quality of the services provided to the Fund by the Advisor, including reports on the Fund’s investment results, portfolio composition, portfolio trading practices, and other matters. In addition, in connection with its annual review of the Agreement with respect to the Fund, the Board requested and reviewed supplementary information that included materials regarding the Fund’s investment results, advisory fee and expense comparisons for peer groups and categories of similar funds identified by Morningstar Associates (“Morningstar”); financial and profitability information regarding the Advisor, the methods used by the Advisor to evaluate and compensate its professional investment personnel; descriptions of various functions performed by the Advisor on behalf of the Trust such as compliance monitoring and portfolio trading practices; and information about the personnel providing investment management and administrative services to the Fund.

In connection with its reviews, the Board received assistance and advice regarding legal and industry standards from counsel to the Trust and the independent Trustees. The independent Trustees discussed the approval of the Agreement with respect to the Fund with representatives of the Advisor at two Board meetings and in private sessions with counsel at which no representatives of the Advisor were present. In deciding to recommend approval of the Agreement with respect to the Fund, the Board and the independent Trustees did not identify any single or particular piece of information that, in isolation, was the controlling factor, and each Trustee did not necessarily attribute the same weight to each factor. This summary describes the most important, but not all, of the factors considered by the Board and the independent Trustees.

Nature, Extent and Quality of Services

With respect to the nature, extent and quality of services provided by the Advisor to the Fund, the Trustees reviewed among other things the quality and depth of the Advisor’s investment management staff, its regulatory compliance resources and program, its business continuity and cyber-security programs, the day-to-day administrative services provided by the Advisor to the Fund and the investment results of the Fund.

Brandes Separately Managed Account Reserve Trust

ADDITIONAL INFORMATION — (Unaudited) (continued)

With respect to the Fund's investment results, the Trustees reviewed detailed information regarding a peer group of similarly managed funds selected by Morningstar, all of the funds in the larger Morningstar category of funds managed with the same general style, and the Fund's benchmark index. The Trustees also discussed with representatives of Morningstar the principles used in determining the Fund's peer groups and categories, and differences in those groups from those presented by Morningstar in connection with the Trustees' 2017 review of the Agreement. In addition, they reviewed the results of certain funds considered by the Advisor to be the most direct competitors to the Fund in the Fund's marketing channels.

The Trustees noted that the Fund's investment results gross of fees (which are paid by the Advisor) were in the first quartile of the results of a peer group of funds identified by Morningstar for the one-year, three-year, five-year and ten-year periods ended September 30, 2018; were in the same quartile of the larger group of funds in its Morningstar Intermediate-Term Bond Fund category for each of those periods; and were above the Fund's benchmark index for all such periods. They concluded that the Fund's performance was sufficient for renewal of the Agreement.

Advisory Fees, Total Expenses, Profitability and Ancillary Benefits

The Trustees noted that the Fund does not incur any advisory fees or other expenses, all of which are paid by the Advisor, and as a result the Advisor's relationship with the Fund alone is not profitable. The Board also considered ancillary benefits to the Advisor as a result of its relationship with the Fund. They noted that these were primarily related to the Advisor's receipt of wrap account fees from Fund shareholders through various broker-dealer sponsors that are not affiliated with either the Fund or the Advisor, and the benefit of proprietary and third-party research provided by broker-dealers executing portfolio transactions on behalf of the Fund.

Conclusions

Based on their review, including consideration of each of the factors referred to above, the Board and the independent Trustees concluded that the Agreement is fair and reasonable to the Fund and its shareholders, that each of the factors discussed above supported renewal of the Agreement with respect to the Fund, and that renewal of the Agreement was in the best interests of the Fund and its shareholders.

PROXY VOTING PROCEDURES

The Advisor votes proxies relating to the Fund's portfolio securities in accordance with procedures adopted by the Advisor. You may obtain a description of these procedures, free of charge, by calling toll-free 1-800-331-2979. This

Brandes Separately Managed Account Reserve Trust

ADDITIONAL INFORMATION — (Unaudited) (continued)

information is also available through the Securities and Exchange Commission's website at <http://www.sec.gov>.

Information regarding how the Trust voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is available without charge, upon request, by calling 1-800-331-2979. This information is also available through the Securities and Exchange Commission's website at <http://www.sec.gov>.

PORTFOLIO HOLDINGS DISCLOSURE

The Trust files the Funds' complete schedules of portfolio holdings with the Securities and Exchange Commission for the first and third quarters of each fiscal year on Form N-Q or Part F of Form N-PORT (beginning with filings after March 31, 2019). The Trust's Form N-Q or Part F of Form N-PORT filings are available on the Securities and Exchange Commission's website at <http://www.sec.gov>. The Trust's Form N-Q or Part F of Form N-PORT filings may be reviewed and copied at the Commission's Public Reference Room in Washington, D.C., and information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330. Information regarding the Trust's Form N-Q or Part F of Form N-PORT filings is also available, without charge, by calling toll-free, 1-800-331-2979.

Brandes Separately Managed Account Reserve Trust

TRUSTEES AND OFFICERS INFORMATION — (Unaudited)

The Board of Trustees is responsible for the overall management of the Trust's business. The Board approves all significant agreements between the Trust and persons or companies furnishing services to the Trust, including the Trust's agreements with the Advisor, Administrator, Custodian, Distributor and Transfer Agent. The Board of Trustees delegates the day-to-day operations of the Trust to its officers and service providers, subject to the Fund investment objectives and policies and to general supervision by the Board. The Trust's Statement of Additional Information includes additional information about the Trustees and is available, without charge, by calling 1-800-331-2979 or visiting www.brandes.com.

The Trustees and officers of the Trust, their business addresses and principal occupations during the past five years are:

<u>Name, Address and Age</u>	<u>Position(s) Held with Trust</u>	<u>Term of Office and Length of Time Served⁽¹⁾</u>	<u>Principal Occupation During Past 5 Years</u>	<u>Number of Trust Series Overseen by Trustee</u>	<u>Other Directorships/ Trusteeships Held by Trustee</u>
Independent Trustees⁽²⁾					
Gregory Bishop, CFA 11988 El Camino Real, Suite 600 San Diego, CA 92130 (Born: 1961)	Trustee	Since January 2017	Retired. Previously Executive Vice President and Head of Retail Business, PIMCO Investments, from 1997 to 2014	10	None
Jean E. Carter 11988 El Camino Real, Suite 600 San Diego, CA 92130 (Born: 1957)	Trustee	Since April 2008	Retired.	10	Bridge Builder Trust
Robert M. Fitzgerald, CPA (inactive) 11988 El Camino Real, Suite 600 San Diego, CA 92130 (Born: 1952)	Trustee	Since April 2008	Retired.	10	Hotchkis and Wiley Mutual Funds
Craig Wainscott, CFA 11988 El Camino Real, Suite 600 San Diego, CA 92130 (Born: 1961)	Trustee and Chairman	Since February 2012	Partner with The Paradigm Project and advisor to early-stage companies.	10	None

Brandes Separately Managed Account Reserve Trust

TRUSTEES AND OFFICERS INFORMATION — (Unaudited) (continued)

Name, Address and Age	Position(s) Held with Trust	Term of Office and Length of Time Served ⁽¹⁾	Principal Occupation During Past 5 Years	Number of Trust Series Overseen by Trustee	Other Directorships/ Trusteeships Held by Trustee
“Interested” Trustees⁽³⁾					
Oliver Murray 11988 El Camino Real, Suite 600 San Diego, CA 92130 (Born: 1962)	Trustee	Since February 2012	Chief Executive Officer, Brandes Investment Partners & Co.; Managing Director – PMCS of Brandes Investment Partners, L.P., the investment advisor to the Funds (the “Advisor”).	10	None
Jeff Busby, CFA 11988 El Camino Real, Suite 600 San Diego, CA 92130 (Born: 1961)	Trustee and President	Since July 2006	Executive Director of the Advisor.	10	None
Officers of the Trust					
Thomas M. Quinlan 11988 El Camino Real, Suite 600 San Diego, CA 92130 (Born: 1970)	Secretary	Since June 2003	Associate General Counsel of the Advisor.	N/A	N/A
Gary Iwamura, CPA 11988 El Camino Real, Suite 600 San Diego, CA 92130 (Born: 1956)	Treasurer	Since September 1997	Finance Director of the Advisor.	N/A	N/A
Roberta Loubier 11988 El Camino Real, Suite 600 San Diego, CA 92130 (Born: 1971)	Chief Compliance Officer	Since September 2015	Global Head of Compliance, Brandes Investment Partners, L.P.	N/A	N/A

(1) Trustees and officers of the Fund serve until their resignation, removal or retirement.

(2) Not “interested persons” of the Trust as defined in the 1940 Act.

(3) “Interested persons” of the Trust as defined in the 1940 Act by virtue of their positions with the Advisor.

Brandes Separately Managed Account Reserve Trust

PRIVACY NOTICE

Brandes Investment Trust and Brandes Investment Partners, L.P. may collect non-public information about you from the following sources:

- Information we receive about you on applications or other forms;
- Information you give us orally; and
- Information about your transactions with us.

We do not disclose any non-public personal information about any shareholder or former shareholder of the Fund without the shareholder's authorization, except as required by law or in response to inquiries from governmental authorities. We restrict access to your personal and account information to those employees who need to know that information to provide products and services to you. We also may disclose that information to unaffiliated third parties (such as to brokers or custodians) only as permitted by law and only as needed for us to provide agreed services to you. We maintain physical, electronic and procedural safeguards to guard your non-public personal information.

If you hold shares of the Fund through a financial intermediary, such as a broker-dealer, bank, or trust company, the privacy policy of your financial intermediary governs how your non-public personal information would be shared with nonaffiliated third parties.

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