

Brandes Emerging Markets Value Fund

FUND INFORMATION

Class I:	BEMIX
Class A:	BEMAX
Class C:	BEMCX
Class R6:	BEMRX

STRATEGY

The Fund seeks long-term capital appreciation by investing in equity securities of issuers in developing markets it believes are undervalued relative to their financial strength and upside potential.

TOP TEN HOLDINGS

(% of assets as of 3/31/2024)

Taiwan Semiconductor Manufacturing Co Ltd	7.45
Samsung Electronics Co Ltd	5.17
Embraer SA	4.50
Alibaba Group Holding Ltd	3.39
Erste Group Bank AG	2.78
HDFC Bank Ltd	2.67
Petroleo Brasileiro SA	2.60
Contemporary Amperex Technology Co Ltd	2.40
SK Hynix Inc	2.14
Fibra Uno Administracion SA de CV	2.11

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

The Brandes Emerging Markets Value Fund returned 3.35% (Class I Shares), outperforming its benchmark, the MSCI Emerging Markets Index, which was up 2.37% in the quarter, and the MSCI Emerging Markets Value Index, which gained 1.31%.

Positive Contributors

Notable performers included holdings in Taiwan, South Korea, and Brazil. Specifically, semiconductor firms Taiwan Semiconductor Manufacturing Company (TSMC) and SK Hynix aided returns, as did cloud infrastructure company Wiyynn and regional jet manufacturer Embraer.

Embraer continued to benefit from a recovery in its commercial aerospace end-market, resulting in improved cash-flow generation and a stronger balance sheet. Meanwhile, TSMC, SK Hynix, and Wiyynn appreciated as the proliferation of artificial intelligence (AI) applications fueled rising demand for semiconductor chips and servers.

From a sector perspective, select holdings in financials were solid contributors, led by South Korea's Hana Financial Group, Panama-based Banco Latinoamericano de Comercio Exterior, and Bank of the Philippine Islands.

Other standout performers included Chinese household durables companies Gree Electric Appliances and Midea Group, Mexican real estate investment trust Terrafina, and India-based Indus Towers.

Performance Detractors

Several holdings in China detracted from performance, notably TravelSky Technology, Chinasoft International, LONGi Green Energy Technology, and Alibaba.

TravelSky issued a profit warning in January, attributing it to cost inflation mainly driven by increased expenditures in salary compensation, technical support and maintenance, research and development, and system security. Chinasoft declined on weaker-than-anticipated revenue and earnings from the second half of 2023. Meanwhile, LONGi continued to grapple with an industry oversupply issue that has pressured pricing within its wafer segment. We believe LONGi will likely be able to maintain healthy profitability throughout the downcycle, in contrast to its less profitable, second-tier peers.

In addition to these company-specific challenges, many of our Chinese holdings faced subdued investor sentiment stemming from the country's weaker-than-expected post-COVID economic rebound and consumption, and the persistent downturn in its property sector. While we did not add any new China-based companies to the portfolio during the quarter, we selectively increased our existing positions amid the share-price weakness.

Although our bank allocation aided performance overall, a few holdings declined, namely India-based HDFC Bank and IndusInd Bank, Thailand-based Kasikornbank, and South Africa's Absa Group.

Relative to the benchmark, our significant underweight to India hurt returns. While we recognize India's robust economic growth potential, our analysis indicates that most company valuations are well above their historical averages, already reflecting an ample dose of market optimism.

Select Activity in the Quarter

The emerging markets investment committee initiated a position in Mexico-based telecom America Movil while divesting Indonesian telecom XL Axiata.

Boasting market leadership in Latin America, America Movil (AMX) is one of the world's largest network operators in terms of subscribers. The company's operations span 22 countries, with a primary focus in Latin America and a presence in Austria and Eastern Europe. AMX was formed in 2001 when Telmex, Mexico's wireline incumbent that was privatized in 1990, spun off its wireless business. With over 50% voting ownership, the Slim family controls AMX.

We are highly familiar with AMX, previously owning the business at various times over the years. Recently, several factors have pressured AMX's share price. These included a year-over-year contraction in reported service revenue driven by a strong Mexican peso, some negative views on lower-than-expected returns to shareholders, and uncertainty around potential regulatory changes in Mexico, as well as fiscal loosening in the country as the 2024 presidential election approaches.

AMX's share-price weakness provided a good opportunity—in our opinion—to re-initiate a position in what we consider a fundamentally sound company. AMX has a long history of prudent capital allocation, with a focus on long-term returns on capital and free-cash-flow generation. We also like that the business has a diversified geographic exposure and enjoys significant economies of scale in Latin America due to its size (it is essentially the same size as all other Latin American telecoms combined). AMX's operations have been improving, with healthy growth in the wireless segment and a turnaround in fixed-line services. Moreover, as the dominant telecom in Mexico, the company is a likely beneficiary of the nearshoring trend. Further upside in the share price could materialize if the potential regulatory changes turn out uneventful, and if investor sentiment improves as the market looks to possible capital returns to shareholders for 2024 (i.e., through dividends or share buybacks). At its current valuation levels, AMX represents a compelling risk/reward tradeoff to us.

Current Positioning

The Fund's weightings from geographic and sector perspectives were largely unchanged in the quarter.

We continue to hold underweights to companies in India, Taiwan, and China, while maintaining an overweight to Latin America through our diversified positions in telecommunications, utilities, energy, and real estate. In our view, these holdings, including our recent purchase America Movil, have the potential to gain from deflationary input costs and the increasing trend of nearshoring in Mexico and nearby regions.

On a sector basis, the Fund holds large overweights to real estate, consumer staples, industrials, and consumer discretionary. Meanwhile, key underweights remain in the materials, health care, energy, and information technology sectors.

As of March 31, 2024, the Brandes Emerging Markets Value Fund trades at more compelling valuation levels than the benchmark, in our opinion. We believe that the current fundamentals of our holdings bode well for the long term, and we are excited about the Fund's prospects.

Average Annual Total Returns (%) as of March 31, 2024

Without Load	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception 8/20/1996
Class I	3.35	3.35	16.31	1.45	2.25	1.63	6.33
Class A	3.26	3.26	16.02	1.23	2.04	1.37	6.09
Class C	3.04	3.04	15.17	0.63	1.37	0.81	--
Class R6	3.33	3.33	16.37	1.54	2.39	1.74	6.41
With Load	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception 8/20/1996 ¹
Class A	-2.68	-2.68	9.35	-0.75	0.84	0.77	5.87
Class C	2.04	2.04	14.17	0.63	1.37	0.81	--
MSCI Emerging Markets Index	2.37	2.37	8.15	-5.05	2.22	2.94	5.37
MSCI Emerging Markets Value Index	1.31	1.31	11.36	-0.91	2.09	2.15	--

Operating Expenses: Class I: 1.14% (gross), 1.12% (net) Class A: 1.35% (gross), 1.35% (net) Class C: 2.10% (gross), 2.10% (net) Class R6: 1.10% (gross), 0.97% (net)

¹ Fund inception predates MSCI Emerging Markets Value Index inception.

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. Performance data shown with load reflects the Class A maximum sales charge of 5.75%. Performance shown without load does not reflect the deduction of the sales load. If reflected, the load would reduce the performance quoted.

Prior to January 31, 2011, the Fund was a private investment fund managed by the Advisor with policies, guidelines and restrictions that were, in all material respects, equivalent to those of the Fund. Class A and Class I shares commenced operations on January 31, 2011, while Class C shares commenced operations on January 31, 2013. Prior to January 31, 2013, Class A shares were known as Class S shares. (Class A shares have the same operating expenses as Class S shares.) The Class I performance information shown for periods prior to January 31, 2011 is that of the private investment fund managed by the Advisor that is the predecessor of the Fund not adjusted for Fund expenses. Performance shown prior to January 31, 2011, for Class A shares reflects the performance of the private investment fund restated to reflect Class A sales loads and expenses. Performance shown prior to the inception of Class C shares reflects the performance of the private investment fund for periods prior to January 31, 2011 and the performance of Class I shares for the period from February 1, 2011 to January 30, 2013 restated to reflect Class C expenses. The Class C shares' average annual total return for the 10-year period assumes that Class C shares automatically converted to Class A shares 8 years after the start of the period. The Class C shares' average annual total return for the since inception period cannot be calculated as the Class A shares had not been launched as of 8/20/2004, 8 years after the inception date of the Brandes Emerging Markets Value Fund. Class R6 shares commenced operations on July 11, 2016. Performance shown prior to the inception of Class R6 shares reflects the performance of Class I shares.

The Advisor has contractually agreed to limit the operating expenses through January 28, 2025. 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. Investment performance reflects fee waivers and/or reimbursement of expenses. In the absence of such waivers/reimbursements, total return would be reduced.

For term definitions: <https://www.brandes.com/termdefinitions>

The MSCI Emerging Markets Index with net dividends captures large and mid cap representation of emerging market countries. Data prior to 2001 is gross dividend and linked to the net dividend returns.

The MSCI Emerging Markets Value Index with gross dividends captures large and mid cap securities exhibiting value style characteristics, defined using book value to price, 12-month forward earnings to price, and dividend yield.

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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. Investments in small and medium capitalization companies tend to have limited liquidity and greater price volatility than large capitalization companies. Growth stocks typically are more volatile than value stocks; however, value stocks have a lower expected growth rate in earnings and sales.

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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