

Brandes Emerging Markets Value Fund

FUND INFORMATION

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

STRATEGY

The Brandes Emerging Markets 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 12/31/2024)

Taiwan Semiconductor Manufacturing Co Ltd	9.77
Samsung Electronics Co Ltd	4.98
Alibaba Group Holding Ltd	4.10
Wiwynn Corp	3.73
Erste Group Bank AG	3.54
HDFC Bank Ltd	3.43
Embraer SA	3.32
Bank Rakyat Indonesia Persero Tbk PT	2.69
Petroleo Brasileiro SA	2.55
Copa Holdings SA	2.12

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

The Brandes Emerging Markets Value Fund declined 7.82% (Class I Shares), outperforming its benchmark, the MSCI Emerging Markets Index, which was down 8.01% in the quarter, and the MSCI Emerging Markets Value Index, which declined 9.21%.

Positive Contributors

Leading contributors included holdings in Taiwan, specifically Wiwynn and Taiwan Semiconductor Manufacturing Company.

Wiwynn, a well-positioned original design manufacturer for hyperscalers, continued its strong performance that began in 2023, during which the stock appreciated over 130%. Wiwynn's shares have benefited from market excitement around artificial intelligence (AI) and, more recently, from its larger-than-expected win of Amazon AWS AI server business, which nicely complements its existing contracts with Microsoft and Meta.

Other notable performers included select holdings in financials, such as Panama's Banco Latinoamericano de Comercio Exterior, Austria-domiciled Erste Group, and U.K.-based HSBC.

Additionally, the Fund's underweight to India aided relative returns, as did its underweight to the materials sector.

Performance Detractors

Several holdings in China gave back some of their strong gains from the third quarter as optimism regarding the Chinese government's announced stimulus waned. Notable detractors included Alibaba, China Resources Beer, and ZTO Express.

Other poor performers included South Korea's Samsung Electronics and LG H&H, as well as domestically oriented holdings in Brazil. Telecom services provider TIM, food retailer Sendas Distribuidora, and utility ENGIE Brasil Energia all declined as a deteriorating outlook for fiscal reform in Brazil hurt market sentiment.

Furthermore, although several of our financials holdings were solid contributors, IndusInd Bank and Bank Rakyat Indonesia detracted from returns. We took advantage of the share-price weakness to add to our positions.

Select Activity in the Quarter

The emerging markets investment committee initiated positions in Wal-Mart de Mexico, Telkom Indonesia, and Hong Kong-based semiconductor packaging and assembly supplier ASMPT. Additionally, the committee exited the position in China-based Midea Group after it appreciated to our estimate of its intrinsic value.

Wal-Mart de Mexico (Walmex) became Walmart's first international business through a 1991 joint venture with Mexico's leading retailer, CIFRA. In 1997, Walmart acquired a majority stake in the company. Today, Walmex operates over 3,000 stores in Mexico and over 900 stores in Central America, establishing itself as a dominant retailer in Mexico with a market share that is three times that of the #2 and #3 players.

Two main factors have created a buying opportunity in Walmex: 1) macroeconomic concerns driven by recent national elections in both Mexico and the United States, and 2) anticipation of the Federal Economic Competition Commission's (COFECE) ruling regarding alleged monopolistic practices.

In 2020, COFECE, which is responsible for regulating anti-competitive behavior, issued a report that included several allegations about modern retail trade in Mexico, frequently singling out Walmex. Later, the commission informed Walmex that it had initiated an investigation into its market dominance in the wholesale supply and distribution of consumer goods.

At the time of our purchase, the outcome of the investigation was yet to be announced. After incorporating very conservative assumptions to account for the risk factors, including potential fines and regulatory restrictions that might impact sales and margins, we believed Walmex represented an attractive opportunity. We appreciate that Walmex's operating margin has been stable, its free-cash-flow generation and returns on invested capital have been robust, and that the company has a net-cash balance sheet (excluding leases). In December 2024, COFECE concluded its investigation against Walmex, imposing a U.S.\$4.6 million fine and several sales and pricing restrictions. As our intrinsic value estimate already considers these risks, we remain confident in Walmex's upside potential. Walmex has rejected COFECE's decision and plans to appeal the ruling.

Year-to-Date Briefing

The Brandes Emerging Markets Value Fund returned 4.01% (Class I Shares), underperforming its benchmark, the MSCI Emerging Markets Index, which was up 7.50% in 2024 and the MSCI Emerging Markets Value Index, which gained 4.51%.

Holdings in the industrials and financials sectors helped returns, led by Brazilian regional jet manufacturer Embraer, Austria-based Erste Group, and Panama-based Banco Latinoamericano. Taiwan Semiconductor Manufacturing Company and Wiwynn also lifted performance, along with China-based battery manufacturer Contemporary Amperex Technology and India's Indus Towers.

Notable detractors included holdings in China and Mexico, such as LONGi Green Energy Technology, TravelSky Technology, Topsports International, Fibra Uno, and Kimberly-Clark de Mexico. Additionally, Sendas Distribuidora, Samsung Electronics, and IndusInd Bank hurt performance, as did Taiwanese leasing company Chailase Holding.

Current Positioning

The Fund maintains a significant overweight in Latin America, with diversified investments in telecommunications, utilities, energy, and real estate. Conversely, India and Taiwan remain areas of key underweights for the Fund as we have not identified substantial value opportunities in these markets.

On a sector basis, the Fund holds overweights in consumer staples, industrials, and financials, while remaining underweight in materials, health care, energy, and information technology.

The continued underperformance of emerging markets stocks relative to their developed markets counterparts, especially the U.S. (MSCI Emerging Markets vs. MSCI World and MSCI USA), has led to a growing aversion to having an allocation to emerging market equities. The threat of tariffs, along with the U.S. dollar strength that is near all-time high levels dating back to 1971, brings an additional obstacle to the case for emerging markets.

We are optimistic that now is a great time to invest in or add to emerging markets equities. Emerging markets and U.S. stocks have historically cycled through periods of outperformance and underperformance, with valuation gaps between the two markets and the exchange rate of the U.S. dollar often being the catalysts for market leadership change. The current U.S. market leadership cycle is now going on 13 years, well exceeding the historical average market cycle length of approximately eight years. Moreover, the valuation gap between emerging markets stocks and U.S. stocks is now near its widest level in 40 years following the strong run in U.S. equities over the past decade.

Looking ahead, we believe 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 December 31, 2024

Without Load	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception 8/20/1996
Class I	-7.82	4.01	4.01	2.33	0.44	2.59	6.18
Class A	-7.82	3.85	3.85	2.11	0.22	2.36	5.95
Class C	-7.97	3.09	3.09	1.35	-0.41	1.81	—
Class R6	-7.71	4.20	4.20	2.44	0.57	2.73	6.27
With Load	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception 8/20/1996 ¹
Class A	-13.12	-2.12	-2.12	0.12	-0.96	1.76	5.74
Class C	-8.88	2.09	2.09	1.35	-0.41	1.81	—
MSCI Emerging Markets Index	-8.01	7.50	7.50	-1.92	1.70	3.63	5.41
MSCI Emerging Markets Value Index	-9.21	4.51	4.51	0.15	1.96	2.81	—

Operating Expenses: Class I: 1.12% (gross), 1.12% (net) Class A: 1.32% (gross), 1.32% (net) Class C: 2.08% (gross), 2.08% (net) Class R6: 1.08% (gross), 0.97% (net)

¹ Fund inception predates MSCI Emerging Markets Value Index inception.

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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 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 MSCI Emerging Markets Index with net dividends captures large and mid cap representation of emerging market countries.

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.

The MSCI World Index with net dividends captures large and mid cap representation of developed markets.

The MSCI USA Index measures the performance of the large and mid cap segments of the U.S. equity market.

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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. 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. Stocks of small-sized and mid-sized companies tend to have limited liquidity and usually experience greater price volatility than stocks of larger 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.

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