Brandes Global Equity Fund

FUND INFORMATION

Class I:	BGVIX
Class A:	BGEAX
Class C:	BGVCX

STRATEGY

The Brandes Global Equity 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)

Shell PLC	2.81
GSK PLC	2.67
Embraer SA	2.65
Sanofi SA	2.64
Erste Group Bank AG	2.53
TotalEnergies SE	2.42
Alibaba Group Holding Ltd	2.34
McKesson Corp	2.34
Fiserv Inc	2.17
UBS Group AG	2.15

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

The Brandes Global Equity Fund rose 7.90% (Class I Shares), outperforming its benchmark, the MSCI World Index, which fell 1.79% in the quarter, and the MSCI World Value Index, which increased 4.81%.

Positive Contributors

A pullback in technology-related companies (especially those in the United States), which had been major drivers of market performance during the past two years, led to an overall market decrease. Several factors contributed to the decline, including concerns about market valuations, tariffs and economic growth. Additionally, the announcement of DeepSeek v3, a potentially lower-cost artificial intelligence (AI) model, fanned worries about competition in the AI space. This development led many investors to question whether the market had been overly enthusiastic about the increased spending in the semiconductor industry. The Fund's underweight to AI-related companies in the technology and consumer discretionary sectors aided its relative performance.

Additionally, the Fund's overweight and stock selection in the health care sector aided returns as it bounced back after a decline in the fourth quarter of 2024. Noteworthy contributors included U.S. health care companies, such as pharmaceutical distributor McKesson and health care service providers CVS Health and Cigna.

Other notable contributors included aerospace and defense companies Embraer of Brazil and Rolls Royce in the U.K. Both companies' share prices appreciated substantially over the past few years as their end-markets recovered, leading to better-than-expected earnings with higher volumes and improved margins. Rolls Royce announced upgraded fiscal year guidance and a share buyback as its balance sheet improved on the back of healthy cash flow generation. Embraer claimed several new wins against its defense business competitors, as well as an expanding order backlog, which has lifted market optimism.

Other companies that fared well included China-based Alibaba, German materials company Heidelberg Materials, and multinational integrated oil company Shell. The share price of Alibaba rose on its earnings results and positive reaction to its AI innovation as the company launched its own artificial intelligence models, as well as a favorable reaction to the release of DeepSeek, which uses the Alibaba cloud.

Performance Detractors

As many technology-related stocks pulled back, the Fund's allocation to semiconductor manufacturing company Taiwan Semiconductor Manufacturing Company detracted from overall returns. Concerns about semiconductor spending and the company's announcement of significant capital expenditures in the United States also adversely affected its share price.

Other material detractors included select investments in the consumer and communication services sectors. These included advertising agencies WPP and Publicis, luxury goods company Kering, and recently purchased spirits company Pernod Ricard. U.K.-based advertising agency WPP declined after issuing weaker guidance for 2025 because a potential turnaround continues to take longer than anticipated. The stock price of its France-based peer, Publicis, also fell due to concerns about weaker industry growth this year.

Despite improved earnings results, France-based luxury goods company Kering weakened after its recently appointed CEO announced a new creative director for the company's Gucci brand. This new hire will likely result in a potential rebound taking longer than the market had previously expected. Additionally, after rising early in the quarter, the luxury goods industry subsequently softened as a result of increasing concern about the U.S. macro environment and the effect of tariffs on U.S. consumer purchases.

While substantial pessimism has undermined Kering in the short term, we believe the shares offer an attractive long-term opportunity given the company's robust free cash flow in different economic environments, durable brand recognition, and its current valuation discounted relative to its own history and that of its peers.

Spirits company Pernod Ricard and global logistics company FedEx suffered price declines due to concerns about inflation and the potential impact of tariffs on demand for their offerings.

Select Activity in the Quarter

The investment committee initiated new positions in France-based IT services company Capgemini and Mexico-based retailer Wal-Mart de Mexico.

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. Today, Walmex operates more than 3,000 stores in Mexico and over 900 in Central America. It has become a dominant retailer in Mexico, with a market share three times that of the number two and number three competitors.

But market negativity from macroeconomic concerns (prompted by federal elections in Mexico and the United States last year) has driven Walmex's share price to its lowest valuation levels in more than a decade. Last year, its shares also suffered from concerns about a then-pending Federal Economic Competition Commission's (COFECE) ruling about alleged monopolistic practices. However, the commission's decision against Walmex in December had minimal impact on the company's operations. After it became clear that this ruling would not undermine the company's business practices, growth outlook, and profitability potential, we initiated a position.

We appreciated that Walmex's operating margin has been stable; its free-cash-flow generation and returns on invested capital have been robust, and the company has a net-cash balance sheet (excluding leases). We believe the shares offer an attractive investment for a well-positioned business; at the same time, market discontent has caused Walmex to trade at a mid-teen multiple of earnings relative to its historical average in the mid-twenties.

Capgemini is a global IT services/consulting company based in France. Capgemini is a well-regarded partner for many software providers (e.g., SAP and MSFT) in Europe. It has improved its product mix over time, increasing its exposure to higher-value-added offerings with secular growth potential (digital transformation, cloud, outsourced engineering and research and development, AI, etc.), while reducing its exposure to the low-growth outsourcing segment.

The IT services industry in general benefited significantly during 2020–2022 as corporations sought to better digitize their capabilities during the pandemic. But during the past couple of years, the IT services industry has experienced a decline in corporate discretionary tech budgets (excluding AI and cybersecurity). While some of its peers are starting to show indications of resumed discretionary spending to normal levels, Capgemini has had lagging revenue growth. Sentiment soured after Capgemini delivered lower-than-expected revenue guidance, which suggests a potential recovery may take longer than anticipated.

Capgemini currently trades at a marked discount relative to its peers. This is partially warranted because of its greater exposure to Europe (~60% of revenues versus most competitors at 20–35%) and to manufacturing (particularly the auto industry, which is cyclically depressed). However, we believe the current discount provides a compelling opportunity to own a structurally growing business that earns high return on capital at what we consider an attractive price.

The investment committee sold Germany-based software company SAP and U.K. integrated oil company BP after they appreciated to our estimate of their respective intrinsic values.

Current Positioning

The Brandes Global Equity Fund holds overweight positions in the more economically sensitive financials sector and the more defensive health care sector. However, as financials have performed well over the past year, we have pared some of our exposure and the Fund's overweight has decreased.

Meanwhile, we have increasingly found opportunities in the consumer staples sector where the Fund's overweight has increased since the beginning of the year. Technology-related stocks underperformed during the quarter, and while we bought a new company in the sector, technology remains the Fund's largest underweight relative to the benchmark.

Geographically, we continue to hold overweight positions in the United Kingdom, France, and emerging markets, while maintaining underweights to the United States and Japan.

The first quarter witnessed a reversal of several market trends we had seen over the past several years as international stocks dramatically outperformed U.S. stocks (MSCI EAFE vs. MSCI USA) and value stocks surpassed growth stocks (MSCI World Value vs. MSCI World Growth). We cannot predict if this pattern will continue, but we do believe that international and value stocks offer compelling return potential based on their current valuation levels.

Before this quarter, U.S. stocks had outperformed international stocks for 15 years. However, that dominance was only partly shaped by fundamentals. The gap was also influenced by a climbing U.S. dollar and an increasingly expensive U.S. stock market based on various valuation multiples (or "multiple expansion"). These factors have powered ~5% annualized of U.S. outperformance versus international markets since 2011. Given elevated levels of the U.S. dollar (it approached record highs as 2024 closed but started to wane as 2025 began) and U.S. equity market valuations, it seems unlikely to us that this tailwind will continue. If it reversed modestly (as is occurring now), we believe it could become a strong tailwind for international stocks. On a sector-adjusted basis, international stocks continue to trade near some of the largest valuation discounts versus U.S. stocks.

Value stocks saw modest recovery during the quarter, but they continue to trade among the cheapest quartile relative to their history on a variety of valuation measures compared to growth stocks. Historically, those discounts have augured well for value during the subsequent three- to five-year period. Notably, the Fund's portfolio—guided by our value philosophy and process—has tended to outperform the benchmark when value stocks have outperformed the MSCI World Index. We therefore believe the Brandes Global Equity Fund is an excellent complement and diversifier versus passive and growth-oriented strategies.

As of March 31, 2025, the Brandes Global Equity Fund trades, in our opinion, at more compelling valuation levels than the benchmark. And the Fund's holdings in aggregate have stronger balance sheets than the companies that comprise the MSCI World and MSCI World Value indices, as highlighted by leverage metrics such as net debt to EBITDA (earnings before interest, taxes, depreciation and amortization).

Uncertainty is an enduring feature of markets, though unease may seem more elevated today than during many periods in the past 10–15 years. However, we believe it is also prudent to recall that markets do evolve over time, and companies will likely adapt to their changing environments.

While recently announced tariffs add complications, their impact and duration will likely vary by company/industry. We will continue to monitor the implementation of tariffs and analyze their impacts on a company-by-company basis. As a fundamental, bottom-up, research-focused manager, We believe Brandes is in a favorable position to capitalize on over- and underreactions as potentially mispriced companies adapt to their new operating realities.

Going forward, we remain optimistic about the long-term prospects of the Brandes Global Equity Fund's holdings.

Average Annual Total Returns (%) as of March 31, 2025							
Without Load	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception 10/6/2008
Class I	7.90	7.90	10.65	12.80	19.47	7.93	8.18
Class A	7.85	7.85	10.41	12.52	19.17	7.67	7.93
Class C	7.64	7.64	9.57	11.68	18.29	7.03	7.52
With Load	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception 10/6/2008
Class A	1.64	1.64	4.05	10.32	17.77	7.03	7.54
Class C	6.64	6.64	8.57	11.68	18.29	7.03	7.52
MSCI World Index	-1.79	-1.79	7.04	7.57	16.12	9.49	9.72
MSCI World Value Index	4.81	4.81	8.69	7.02	14.97	7.13	7.68

Operating Expenses: Class I: 1.17% (gross), 1.00% (net)   Class A: 1.39% (gross), 1.25% (net)   Class C: 2.18% (gross), 2.00% (net)

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Class I shares commenced operations on October 6, 2008. Class A shares commenced operations on January 31, 2011, but 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.) Performance shown prior to January 31, 2011 for Class A shares reflects the performance of Class I shares restated to reflect Class A sales loads and expenses. Class C shares commenced operations on January 31, 2013. Performance shown prior to the inception of Class C shares reflects the performance of Class I shares restated to reflect Class C expenses. The Class C shares' average annual total return for the 10-year and since inception periods assumes that Class C shares automatically converted to Class A shares 8 years after the start of the period.

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

Multiple Expansion: an increase in a valuation multiple such as a Price to Earnings multiple.
The MSCI EAFE Index with net dividends captures large and mid cap representation of developed market countries excluding the U.S. and Canada.
The MSCI USA Index measures the performance of the large and mid cap segments of the U.S. equity market.
The MSCI World Growth Index with gross dividends captures large and mid cap securities across developed market countries exhibiting growth style characteristics, defined using long-term forward earnings per share (EPS) growth rate, short-term forward EPS growth rate, current internal growth rate, long-term historical EPS growth trend, and long-term historical sales per share growth trend.
The MSCI World Index with net dividends captures large and mid cap representation of developed markets.
The MSCI World Value Index with gross dividends captures large and mid cap securities across developed market countries exhibiting value style characteristics, defined using book value to price, 12-month forward earnings to price, and dividend yield.

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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. Growth stocks typically are more volatile than value stocks; however, value stocks have a lower expected growth rate in earnings and sales. 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.

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.

The Brandes funds are distributed by Foreside Financial Services, LLC.