

Brandes International Small Cap Equity Fund

FUND INFORMATION

Class I:	BISMX
Class A:	BISAX
Class C:	BINCX
Class R6:	BISRX

STRATEGY

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

TOP TEN HOLDINGS

(% of assets as of 6/30/2024)

Embraer SA	4.49
C&C Group PLC	3.12
Greencore Group PLC	2.89
Millicom International Cellular SA	2.83
Draegerwerk AG & Co KGaA	2.80
Nova Ljubljanska Banka dd	2.79
PAX Global Technology Ltd	2.72
Linea Directa Aseguradora SA	2.70
Rolls-Royce Holdings PLC	2.56
Montana Aerospace AG	2.41

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

The Brandes International Small Cap Equity Fund returned 6.65% (Class I Shares), outperforming its benchmark, the MSCI ACWI ex-USA Small Cap Index, which gained 0.66% in the quarter, and the MSCI ACWI ex-USA Small Cap Value Index, which was up 0.64%.

Positive Contributors

Holdings across multiple sectors drove performance, including those in financials, consumer discretionary, consumer staples, industrials, and communication services. Standout contributors included Hong Kong-based textile business Yue Yuen Industrial, Ireland-based food products company Greencore Group, South Korean beverage firm Binggrae, Spanish insurer Linea Directa Aseguradora, and Canada-based aerospace firm Heroux-Devtek.

Yue Yuen shares increased nearly 50% after it reported better-than-expected earnings and recovering profit margins. The company also benefited from improved order visibility. Similarly, Greencore posted encouraging results and raised its outlook as the impact of its margin improvement plan has become more evident.

Geographically, holdings in the United Kingdom, Hong Kong, and Ireland aided returns, while an underweight to Japan boosted relative performance.

Performance Detractors

Mexico was among the worst performing markets in the benchmark as the presidential election results led to investor concerns about the potential for less market-friendly policies by the new government. Our holdings, specifically homebuilder Consorcio ARA and real estate investment trust Fibra Uno, were impacted by the negative market sentiment.

Amid the macroeconomic challenges, we maintain confidence in the company fundamentals of our holdings in Mexico. In our opinion, they are well-managed, with long histories navigating turbulent times and low susceptibility to government intervention.

Several holdings in the health care sector continued to weigh on returns, specifically Kissei Pharmaceuticals, Avadel Pharmaceuticals, and H.U. Group Holdings. Both Kissei and Avadel announced weaker-than-expected earnings. Meanwhile, H.U. Group reported a ¥2.9 billion loss for the fourth quarter of 2023 due to a lack of recovery in the number of tests conducted in its contract clinical testing business. The company also revised its guidance downward. We maintain positions in these companies as we believe they continue to offer favorable long-term upside potential.

Other notable detractors included China-based Boyaa Interactive International and Canadian aviation training company CAE. Additionally, our underweight to India detracted from relative performance.

Select Activity in the Quarter

The small-cap investment committee initiated positions in Mexico-based Grupo Bolsa Mexicana de Valores (BMV Group), Canadian forest products company Canfor Corporation and packaging materials producer Winpak, as well as U.K.-based aerospace and defense firm QinetiQ Group.

Winpak manufactures flexible and rigid plastic packaging, along with packaging machinery. Approximately half of its production base is in Canada, while the majority of sales occur in the United States. Winpak serves various sectors such as health care and industrials, but its key end-market is the food and beverage segment, which accounts for over 90% of sales. A large portion of Winpak's products cater to the fresh foods market, potentially positioning the company well to capitalize on the shift in consumer preferences toward healthier diets. The company has been making significant capital expenditures in the past decade, preferring to invest in its core markets where it has an established customer base and in which the company is the number 1 or 2 player.

Over the past year, we have observed a widening gap between Winpak's valuations and those of its peers despite the company exhibiting what we consider steady organic growth, attractive end-market exposures, and healthy free cash flow throughout the food and beverage market cycle. Winpak also has a good track record of capital return, paying regular dividends and returning nearly 50% of cumulative cash flow generated in the past decade to shareholders. The company boasts a strong, if not overly conservative, balance sheet with excess cash at times and no debt. Historically, the management team tended to use the excess cash to pay special dividends instead of making acquisitions, minimizing the risk of poor capital allocation. At its current valuations, we believe Winpak represents an attractive investment opportunity.

Year-to-Date Briefing

The Brandes International Small Cap Equity Fund returned 15.96% (Class I Shares), outperforming its benchmark, the MSCI ACWI ex-USA Small Cap Index, which gained 2.78% in the six months ended June 30, 2024, and the MSCI ACWI ex-USA Small Cap Value Index, which was up 3.06%.

Holdings in industrials, financials, communication services, consumer staples, and consumer discretionary drove returns. Leading performers included aerospace and defense companies Embraer and Rolls-Royce, banks AIB Group and Nova Ljubljanska Banka, food products businesses Greencore Group and Binggrae, and apparel company Yue Yuen Industrial. Geographically, holdings in Hong Kong, the United Kingdom, Ireland, and Brazil were solid contributors.

Our lack of exposure to India and Taiwan hurt relative returns. At the holding level, several positions in health care were notable detractors, specifically Spanish biotech Grifols, France-based Euroapi, and Japan's H.U. Group.

Grifols' shares declined mainly in the first quarter following a short seller's report that questioned the company's accounting and corporate governance practices. We

continue to believe there is a meaningful upside potential in Grifols. The company recently completed the sale of an ownership stake in Shanghai RAAS, which should help it improve its financial leverage in the near term.

Current Positioning

The Fund's portfolio positioning from a country and sector standpoint was largely unchanged during the quarter. The Fund maintains large allocations to industrials, consumer staples, and financials, while holding underweights in technology, materials, and consumer discretionary. Geographically, it continues to have significant exposure to companies in Japan (although underweight relative to the benchmark), the U.K., Ireland, Hong Kong, and emerging markets, while maintaining underweights in Australia, India, and Taiwan.

Stock selection across sectors and countries continued to drive the Fund's outperformance relative to the benchmark this year. Going forward, we remain optimistic about the Fund's holdings composition and the risk/reward tradeoff it offers.

Average Annual Total Returns (%) as of June 30, 2024

Without Load	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception 8/20/1996 ¹
Class I	6.65	15.96	35.74	12.47	13.73	6.04	9.50
Class A	6.62	15.85	35.49	12.25	13.49	5.82	9.25
Class C	6.40	15.43	34.50	11.45	12.78	5.26	—
Class R6	6.76	16.09	35.97	12.67	13.87	6.16	9.58
With Load	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception 8/20/1996 ¹
Class A	0.49	9.19	27.70	10.06	12.15	5.20	9.02
Class C	5.40	14.43	33.50	11.45	12.78	5.26	—
MSCI ACWI ex USA Small Cap Index	0.66	2.78	11.26	-1.45	6.12	4.43	6.46
MSCI ACWI ex USA Small Cap Value Index	0.64	3.06	13.81	1.47	6.47	4.21	7.20

Operating Expenses: Class I: 1.17% (gross), 1.16% (net) Class A: 1.37% (gross), 1.37% (net) Class C: 2.12% (gross), 2.12% (net) Class R6: 1.12% (gross), 1.01% (net)

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.

¹ Indicates performance of the S&P Developed Ex U.S. SmallCap Index, the fund's previous benchmark, and the S&P Developed Ex U.S. SmallCap Value Index, from inception through 5/31/2007, and the performance of the MSCI ACWI ex USA Small Cap Index and the MSCI ACWI ex USA Small Cap Value Index from 6/01/2007 to present.

Prior to February 1, 2012, 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 February 1, 2012, 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 February 1, 2012 for the Class A shares reflects the performance of the private investment fund shares adjusted to reflect Class A expenses. Performance shown prior to the inception of Class C shares reflects the performance of the private investment fund for periods prior to February 1, 2012 and the performance of Class I shares for the period from February 1, 2012 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 8/19/2004, 8 years after the inception date of the Brandes International Small Cap Equity Fund. Class R6 shares commenced operations on June 27, 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 ACWI ex USA Small Cap Index with net dividends captures small-cap representation across developed and emerging markets excluding the United States.

The MSCI ACWI ex USA Small Cap Value Index captures small-cap securities across developed and emerging markets excluding the United States, exhibiting overall value style characteristics, defined using book value to price, 12-month forward earnings to price, and dividend yield.

The S&P Developed Ex U.S. SmallCap Index with net dividends measures the equity performance of small cap companies in developed markets excluding the United States. Data prior to 2001 is gross dividend and linked to the net dividend returns.

The S&P Developed Ex U.S. SmallCap Value Index with net dividends measures the equity performance of small cap companies in developed markets excluding the United States, which are classified as value stocks by book value-to-price, sales-to-price, cash flow-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.

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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