

Brandes International Small Cap Equity Fund

FUND INFORMATION

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

STRATEGY

The Brandes International Small Cap 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. Performance would have been lower without limitations in effect. 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.

TOP TEN HOLDINGS

(% of assets as of 9/30/2024)

Embraer SA	4.87
C&C Group PLC	3.21
S-1 Corp	2.70
Montana Aerospace AG	2.68
Draegerwerk AG & Co KGaA	2.67
Millicom International Cellular SA	2.62
Linea Directa Aseguradora SA	2.57
Grifols SA	2.54
LISI SA	2.52
Nova Ljubljanska Banka dd	2.51

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

The Brandes International Small Cap Equity Fund returned 9.74% (Class I Shares), outperforming its benchmark, the MSCI ACWI ex USA Small Cap Index, which gained 8.90% in the quarter, and the MSCI ACWI ex USA Small Cap Value Index, which was up 9.36%.

Positive Contributors

Notable contributors included holdings in industrials and health care.

Brazil-based regional jet manufacturer Embraer and U.K.-based aerospace and defense company Rolls-Royce reported improved earnings amid a strong demand in their aerospace end markets. Embraer also received a settlement from Boeing for the latter company's unsuccessful takeover bid, while its stock benefited from its recent inclusion in the MSCI Emerging Markets Index.

Within health care, leading contributors included Japanese health care testing services company H.U. Group and Kissei Pharmaceuticals, as well as Spain-based biotechnology firm Grifols.

In July, Grifols confirmed that its founding family, which controls 30% of the company, is evaluating a potential joint takeover bid for the entire business with Brookfield, a multinational Canadian alternative investment fund. The structure and pricing of the takeover remain unclear, but the market reacted positively to their proposal.

Geographically, holdings in the U.K. helped performance. Besides Rolls-Royce, consumer staples companies J Sainsbury and Marks & Spencer also lifted returns, along with capital markets company St. James's Place.

Performance Detractors

While much of the Japanese market rebounded following its August decline—which was driven by the sudden volatility in the Japanese yen, Bank of Japan rate rises, and earnings concerns—it was not the case for our Japanese financials holdings. Hachijuni Bank and Oita Bank declined, and our underweight to the country detracted from relative returns.

Select consumer discretionary holdings also performed poorly, specifically Canadian Dorel Industries and newly added U.K.-based Burberry Group. Other detractors included South Korean food products company Binggrae, Hong Kong's PAX Global Technology, and Austria-based Addiko Bank.

Select Activity in the Quarter

The small-cap investment committee initiated positions in Swiss machinery business Bystronic, Indonesian noodle company Indofood, and U.K. luxury goods firm Burberry.

With a rich history dating back to 1856, Burberry primarily sells apparel and accessories. The company went public for the second time in 2002 after nearly five decades under the U.K. retail conglomerate Gus. Since its re-listing, Burberry has been refining its business model to focus on elevating the brand.

When Gus spun off Burberry, more than half of its revenue came from the wholesale channel. After investing in its retail channel roll-out, almost 80% of the company's revenue is now from direct-to-consumer sales, either through its stores or online—aligning it more closely with its luxury peers. This shift from wholesale to direct retail has been positive for Burberry, as it has allowed the company to better control its

brand image, including customer experience and pricing. In addition to the retail channel expansion, Burberry has streamlined its product offerings, concentrating on categories where it has a distinct legacy and brand appeal. Despite a management turnover in 2022, Burberry's core strategy has remained largely unchanged.

In the past few years, the luxury goods industry has lagged the broader global market (MSCI ACWI ex USA Small Cap) as concerns about Asia's economic prospects have dampened the outlook for many companies in the industry, including Burberry.

Asia Pacific accounts for more than 40% of Burberry's revenue, with China accounting for about half of that. This is typical for players in the industry as Asia Pacific represents the largest luxury goods market in the world. Recently, a weak Japanese yen and a sluggish Chinese economy have created a challenging environment for luxury goods businesses. However, while the luxury market is sensitive to macroeconomic changes, history suggests that the top luxury brands can still accrue value even during times of low economic growth. For example, it is estimated that the luxury goods market in Japan has continued to grow over the past 15 years even as the Japanese economy contracted (in U.S. dollar terms).

We believe Burberry's issues are temporary in nature and have created a compelling entry point (its stock has declined by over 60% in the past 18 months) for an investment in a company with heritage brand value, resilient financial performance amid topline cyclicality, and a strong balance sheet.

Besides the new purchases, the investment committee built out a full position in Mexico-based Grupo Bolsa Mexicana de Valores (BMV Group), which we initially added to the Fund's portfolio toward the end of the second quarter.

BMV Group operates the Mexican Stock Exchange and other cash, listed derivatives, and over-the-counter markets for various asset classes. Founded in 1894, BMV is now the second-largest stock exchange in Latin America. It is the only fully verticalized operation that offers integrated trading and post-trading solutions for multiple asset classes, including equities, fixed income, derivatives, and exchange-traded funds. Additionally, the company provides custody, clearing, and settlement facilities, as well as data products for the local and international financial community.

Mexico's national election in early June led to a sell-off in the country's financial market and a depreciation of the peso. This heightened political uncertainty, combined with perceived limited growth prospects, competition threats, and concerns about high real interest rates in Mexico, has weighed on BMV's outlook. However, we believe that the company's current challenges have been more than reflected in its share price. We appreciate BMV's healthy balance sheet and its history of paying dividends and

repurchasing shares, as well as the fact that its business has a franchise that is difficult to replicate. Additionally, the company has been investing to upgrade its technology infrastructure and has grown revenues and profits above inflation despite facing currency, competition, and domestic trading volume headwinds. At its current valuations, BMV represents an attractive value opportunity to us.

Other portfolio activity included the full sales of light-duty engine manufacturer China Yuchai, Swiss pumping equipment business Sulzer, and U.K. retailer Marks & Spencer.

Year-to-Date Briefing

The Brandes International Small Cap Equity Fund returned 27.25% (Class I Shares), outperforming its benchmark, the MSCI ACWI ex USA Small Cap Index, which gained 11.93% in the nine months ended September 30, 2024, and the MSCI ACWI ex USA Small Cap Value Index, which was up 12.70%.

Stock selection across multiple sectors drove returns. Standout performers included aerospace and defense companies Embraer, Heroux-Devtek, and Rolls-Royce, as well as bank holdings AIB Group and Nova Ljubljanska Banka. Food products business Greencore Group and apparel company Yue Yuen Industrial also helped returns, as did telecom services providers Magyar Telekom and Millicom International Cellular. Geographically, holdings in Hong Kong, the United Kingdom, Ireland, and Brazil were solid contributors.

Our lack of exposure to India hurt relative returns. At the stock level, several positions in health care declined, notably Spanish biotech firm Grifols and France-based pharmaceutical firm Euroapi. Other detractors included real estate investment trust Fibra Uno and homebuilder Consorcio ARA, which are both based in Mexico.

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, health care, and financials, while holding underweights in technology, materials, real estate, and consumer discretionary. Geographically, the Fund 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 September 30, 2024

Without Load	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception 8/20/1996 ²
Class I	9.74	27.25	44.22	15.80	16.88	7.76	9.77
Class A	9.69	27.08	43.93	15.55	16.63	7.55	9.52
Class C	9.43	26.32	42.78	14.70	15.88	6.98	—
Class R6	9.75	27.41	44.39	15.98	17.01	7.88	9.85
With Load	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception 8/20/1996 ²
Class A	3.38	19.77	35.66	13.29	15.25	6.91	9.29
Class C	8.43	25.32	41.78	14.70	15.88	6.98	—
MSCI ACWI ex USA Small Cap Index	8.90	11.93	23.25	1.39	8.20	6.07	6.72
MSCI ACWI ex USA Small Cap Value Index	9.36	12.70	24.05	4.66	8.61	5.93	7.47

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)

² 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.

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 would have been lower without limitations in effect. 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 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.

Effective January 28, 2024, the benchmark for the Predecessor Fund changed from the S&P Developed ex-U.S. Small Cap (Net Dividends) Index to the MSCI ACWI ex USA Small Cap Index to better align the Predecessor Fund's benchmark with the Fund's current portfolio objectives and composition.

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. Investment performance reflects fee waivers and/or reimbursement of expenses. In the absence of such waivers/reimbursements, total return would be reduced.

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

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

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

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