

Brandes Small Cap Value Fund

FUND INFORMATION

Class I:	BSCMX
Class A:	BSCAX
Class R6:	BSCRX

STRATEGY

The Brandes Small Cap 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)

Park Aerospace Corp	4.60
Graham Corp	4.54
Innovex International Inc	4.31
Kennametal Inc	4.02
Edgewell Personal Care Co	3.93
Hexcel Corp	3.64
NETGEAR Inc	3.56
Elanco Animal Health Inc	3.54
Ingles Markets Inc	3.52
American Outdoor Brands Inc	3.49

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

The Brandes Small Cap Value Fund returned 5.76% (Class I Shares), outperforming its benchmark, the Russell 2000 Index, which was up 0.33% in the quarter. The Russell 2000 Value Index declined 1.06%.

Positive Contributors

Leading contributors included holdings in the industrials sector: machinery companies Graham and L.B. Foster, National Presto Industries, construction and engineering business Orion Group, and aerospace and defense companies CAE and Park Aerospace.

Graham's share price increase was driven by record revenue and margin expansion, as well as positive market reaction to unveiled plans for an advanced cryogenic propellant testing facility, while both Orion Group and National Presto Industries announced solid results.

Other contributors included communications equipment company NETGEAR, leisure products business American Outdoor Brands, and medical equipment supplier LENSAR. All benefited from robust financials results.

Performance Detractors

Notable detractors were in the consumer staples, materials and energy sectors, specifically grocer Ingles Markets, Edgewell Personal Care, Scotts Miracle-Gro, and World Kinect.

Scotts Miracle-Gro continued to face challenges in the Hawthorne segment while the company's overall earnings missed market estimates. Ingles Markets' stock declined primarily due to the financial impact of Hurricane Helene. The hurricane caused \$34.9 million in impairment losses from inventory and property damage. We added to our position on the share-price weakness, viewing these as temporary setbacks.

Other investments that weighed on returns included Elanco Animal Health and security system technology business Arlo Technologies.

On a relative basis, the Fund's underweight to the financials and information technology sectors, two of the strongest performers in the benchmark, diminished returns.

Select Activity in the Quarter

The small-cap investment committee initiated positions in chemicals company Minerals Technologies and machinery firm The Timken Company.

The Timken Company produces engineered ball bearings and power transmission products for a wide variety of end-industries. It is one of the "big six" bearings players and typically holds a top three market share in most of its product categories. The company has been on a significant transformation journey that has decreased its exposure to more commoditized and cyclical end-markets (e.g., automotive). Simultaneously, Timken has expanded its exposure to secular growth themes like renewables and automation and has increased its proportion of higher-margin after-market volumes. Timken's recent expansion, mostly via acquisition, has focused on the smaller but faster growing Industrial Motion business, which sells various power transmission and motion control products that can be packaged with bearings,

allowing the company to be a comprehensive powertrain solutions provider instead of just a parts supplier.

Timken's stock trailed the broader market in the second half of 2024 on sluggish industrial activity and subsequent sales declines led by particularly weak demand from the Chinese wind industry, creating a buying opportunity.

Timken exhibits attractive business characteristics, including historical returns on invested capital in excess of its cost of capital, stable free-cash-flow generation and a high proportion of after-market, higher-margin sales. While the business is cyclical and tracks broad industrial production, exposure to any single end-market or customer is minimal. The company has also consistently paid out cash to shareholders and has returned approximately \$2.4 billion during the past decade. Its ongoing streak of 410 consecutive quarterly dividends is one of the longest on the New York Stock Exchange and its shares outstanding have been reduced by ~25% since 2013.

Other portfolio activity included full sales of natural gas producer Expand Energy and optical networking technology company Ribbon Communications as both companies appreciated to our estimate of their intrinsic value.

Year-to-Date Briefing

The Brandes Small Cap Value Fund returned 24.76% (Class I Shares), outperforming its benchmark, the Russell 2000 Index, which gained 11.54% in 2024, as well as the Russell 2000 Value Index, which was up 8.05%.

Holdings across various sectors drove returns, but those in industrials, health care, and consumer discretionary were especially strong. At the holding level, leading performers included aerospace and defense companies Embraer and Moog, machinery business Graham Corporation, NETGEAR, clothing company Hanesbrands, and Phibro Animal Health.

Investments in the energy and consumer staples sectors were notable decliners, specifically energy equipment business Innovex International and supermarket chain Ingles Markets. Other detractors included Elanco Animal Health, Utah Medical Products, and Dorel Industries, which designs and manufactures juvenile products and home furnishings.

Current Positioning

Allocation to companies in the industrials sector continues to be the largest weighting and relative overweight from a sector standpoint. The Fund also maintains large weights in health care and information technology (although underweight relative to the benchmark). The Fund's most notable underweights are in financials, consumer discretionary, and real estate. Compared to the Russell

2000 Value Index, we have significantly less exposure to financials and real estate.

In our opinion, the differences between the Brandes Small Cap Value Fund and the broader U.S. small-cap market continue to make it an attractive complement to other small-cap offerings. The Fund exhibits lower valuations than the Russell 2000 Index, while offering exposure to companies that we believe have strong balance sheets, compelling growth prospects, and a history of durable free-cash-flow generation.

We are optimistic about the potential of value stocks in general and believe the Brandes Small Cap Value Fund remains well positioned from a long-term risk/reward perspective.

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

Without Load	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception 10/1/1997
Class I	5.76	24.76	24.76	12.15	16.72	11.52	8.51
Class A	5.74	24.47	24.47	11.90	16.44	11.23	8.24
Class R6	5.79	25.06	25.06	12.29	17.09	10.93	8.30
With Load	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception 10/1/1997 ¹
Class A	-0.33	17.29	17.29	9.72	15.07	10.57	8.00
Russell 2000 Index	0.33	11.54	11.54	1.24	7.40	7.81	7.43
Russell 2000 Value Index	-1.06	8.05	8.05	1.94	7.28	7.14	7.95

Operating Expenses: Class I: 2.81% (gross), 0.92% (net) Class A: 3.00% (gross), 1.17% (net) Class R6: 2.86% (gross), 0.74% (net)

¹The performance information shown for periods before January 2, 2018 is that of a private investment fund managed by the Advisor (the "Predecessor Fund") prior to the commencement of the Small Cap Fund's operations with policies, guidelines and restrictions that were, in all material respects, equivalent to those of the Small Cap Fund. The Small Cap Fund acquired the assets and assumed the liabilities of the Predecessor Fund on January 2, 2018, and investors in the Predecessor Fund received Class I shares of the Small Cap Fund as part of the reorganization. With respect to Class I and Class R6 shares, the performance information shown reflects the gross expenses of the Predecessor Fund. Class A shares reflect the gross expenses of the Predecessor Fund restated to reflect the Class A sales load and Rule 12b 1 fees.

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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 Russell 2000 Index with gross dividends measures the performance of the small-cap segment of the U.S. equity universe.

The Russell 2000 Value Index with gross dividends measures performance of the small cap segment of the U.S. equity universe. Securities are categorized as growth or value based on their relative book-to-price ratios, historical sales growth, and expected earnings growth.

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. 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.

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