

Brandes Small Cap Value Fund

FUND INFORMATION

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

STRATEGY

The Fund seeks long-term capital appreciation by investing predominantly in U.S. equity securities of small-capitalization companies that the Fund's investment team believes are undervalued relative to their financial strength and upside potential.

TOP TEN HOLDINGS

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

Park Aerospace Corp	5.13
NETGEAR Inc	4.44
Dril-Quip Inc	4.38
Graham Corp	4.38
Moog Inc	4.38
Kennametal Inc	4.11
Arlo Technologies Inc	4.10
Edgewell Personal Care Co	4.08
Embraer SA	3.85
Utah Medical Products Inc	3.20

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

The Brandes Small Cap Value Fund declined 3.47% (Class I Shares), slightly underperforming its benchmark, the Russell 2000 Index, which fell 3.28% in the quarter. The Russell 2000 Value Index was down 3.64%.

Positive Contributors

Top contributors included holdings in the health care sector, most notably Phibro Animal Health, United Therapeutics, and LENSAR.

United Therapeutics continued its robust start to 2024 with strong demand for Tyvaso DPI, a dry-powder inhaler for treating pulmonary arterial hypertension. Meanwhile, Phibro Animal Health announced a pending agreement to acquire Zoetis's medicated feed additive franchise and some additional livestock assets for \$350 million. Phibro's management views the acquisition as offering meaningful earnings-per-share accretion and an opportunity to expand the company's offerings into new markets. The market regarded this deal, plus Phibro's strong earnings announcement, favorably.

Other contributors included machinery company Graham Corporation, construction and engineering business Orion Group, consumer products company Edgewell Personal Care, and aerospace and defense firm Moog Inc.

Performance Detractors

Notable detractors were in the energy and industrials sectors, specifically Park Aerospace and Spirit AeroSystems, machinery businesses L.B. Foster and Hurco Companies, Healthcare Services Group, and energy equipment and services company Dril-Quip.

Hurco declined after announcing suspension of its quarterly dividend as it works to enhance its financial flexibility. Meanwhile, Spirit AeroSystems' performance was volatile due to its manufacturing of the 737 Max jet fuselage, which has become the focus of intense attention since a door plug blowout on an Alaska Airlines airplane earlier this year. With a change in the risk profile altering the risk/reward tradeoff, we sold our position in Spirit in the quarter.

Other detractors included health care company Pediatrix Medical Group and apparel business Hanesbrands.

Select Activity in the Quarter

The small-cap investment committee initiated positions in packaging and performance-based materials business Sealed Air Corporation and professional services company Resources Connection.

A team at Deloitte, led by the current Chair Donald Murray, founded Resources Connection in 1996. The company operated as a part of Deloitte until 1999 when the founding team completed a management-led buyout, and it went public in 2000. Resources Connection provides its clients with experienced consultants under a temporary staffing model, usually for non-recurring, specialized projects. The company offers support in finance and accounting, risk management, internal audit, information management, human resources, supply chain management, and actuarial and legal services. Approximately 80% of Resources Connection's revenue is generated in North America, 12% in Europe, and the remainder throughout Asia. About half of its business is in providing finance and accounting services.

During the past year, shares of Resources Connection have traded down more than 30%, creating what we view as an attractive investment opportunity. We believe the market underappreciates the company's free-cash-flow generation capabilities—it has generated positive free cash flow every year since its IPO—and high incremental return capability given the asset-light nature of its enterprise. Known as the low-cost provider to the Big Four accounting firms, Resources Connection serves a well-diversified client base that includes many of the Fortune 100 companies. The company also has a strong net-cash balance sheet, which should help offset the cyclical nature of its business.

Besides the new purchases, other portfolio activity included the aforementioned divestment of Spirit AeroSystems.

Year-to-Date Briefing

The Brandes Small Cap Value Fund returned 8.75% (Class I Shares), outperforming its benchmark, the Russell 2000 Index, which gained 1.73% in the six months ended June 30, 2024, as well as the Russell 2000 Value Index, which was down 0.85%.

Holdings in the industrials, materials, and health care sectors drove returns. At the holding level, leading performers included aerospace and defense company Embraer, machinery business Graham Corporation, construction and engineering company Orion Group, security system technology business Arlo Technologies, and Phibro Animal Health.

Positions in the energy and consumer staples sectors were notable decliners, specifically energy equipment business Dril-Quip and Ingles Markets. Other detractors included insurer Crawford & Company, Utah Medical Products, and machinery business Hurco Companies.

Current Positioning

The Fund's allocations from a sector standpoint remain largely unchanged. The Fund maintains its largest weights in the industrials, health care and information technology sectors (although underweight relative to the benchmark in information technology and health care). The Fund's most notable underweights are in consumer discretionary, financials, 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

with what we consider 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 June 30, 2024

Without Load	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception 10/1/1997
Class I	-3.47	8.75	18.18	8.03	15.06	10.57	8.12
Class A	-3.50	8.65	17.93	7.79	14.78	10.28	7.85
Class R6	-3.42	8.89	18.35	8.28	13.74	9.97	7.90
With Load	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception 10/1/1997 ¹
Class A	-9.03	2.38	11.17	5.68	13.43	9.62	7.61
Russell 2000 Index	-3.28	1.73	10.06	-2.58	6.93	7.00	7.20
Russell 2000 Value Index	-3.64	-0.85	10.90	-0.53	7.07	6.22	7.76

Operating Expenses: Class I: 2.52% (gross), 0.92% (net) Class A: 2.72% (gross), 1.17% (net) Class R6: 2.47% (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.

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.

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.

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.

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. Diversification does not assure a profit or protect against a loss in a declining market. It is not possible to invest directly in an index. 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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