

Brandes U.S. Value ETF

FUND INFORMATION

Ticker	BUSA
CUSIP	900934308
NAV Symbol	BUSA.NV
Primary Exchange	CBOE
Dividend Frequency	Quarterly
Expense Ratio	0.60%

STRATEGY

BUSA is an actively managed ETF that seeks long-term capital appreciation by investing primarily in equity securities of U.S. companies with market capitalizations greater than \$5 billion.

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 (866) 307-0477.

TOP TEN HOLDINGS

(% of assets as of 9/30/2025)

Merck & Co Inc	2.70
Citigroup Inc	2.69
Bank of America Corp	2.68
Chevron Corp	2.67
Textron Inc	2.58
Wells Fargo & Co	2.58
Pfizer Inc	2.32
SS&C Technologies Holdings Inc	2.30
Becton Dickinson & Co	2.26
Willis Towers Watson PLC	2.17

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

The Brandes U.S. Value ETF rose 4.79%/4.62% (NAV/Market Price) in the quarter, underperforming its benchmark, the Russell 1000 Value Index, which was up 5.33%.

Positive Contributors

Strong contributions came from the Fund’s two significant overweight allocations, namely health care and financials.

Recently added ICON, a clinical research company, rose after announcing better-than-expected earnings results. Within financials, several holdings continued to perform well, led by Citigroup, Bank of America, and Bank of New York Mellon. A favorable rate environment globally provided a tailwind for the sector, boosting net interest margins. For Citigroup, market sentiment was further supported by its restructuring efforts and focus on core banking operations, which has led to improved operating efficiency.

Beyond health care and financials, several technology-related businesses aided returns as well. Continued enthusiasm around artificial intelligence (AI) helped lift the share prices of companies with exposure to the theme, including Alphabet and Micron. Micron saw strong performance driven by rising demand for memory semiconductors in AI applications. Alphabet further benefited from a more favorable than expected antitrust ruling, which added to investor optimism.

Another tech holding, electronics manufacturing company Flex, was also a notable contributor as it continued to capitalize on robust demand across its diversified manufacturing services platform. Flex’s exposure to secular growth areas, such as cloud infrastructure, automotive electronics, and industrial automation, has enabled the company to expand its margin and gain earnings momentum.

Performance Detractors

Significant detractors included the Fund’s allocations to industrials and materials, where its lack of holdings in metals and mining and construction materials weighed on relative returns as both industries appreciated meaningfully in the quarter. Poor performers in the sectors included agricultural firm Corteva and trucking company Knight Swift. Corteva announced plans to split into two independent, publicly traded companies, separating its crop protection and seed businesses. Meanwhile, Knight Swift continued to face a challenging operating environment, with lingering post-COVID oversupply and the new trade and tariff situations dampening demand in the trucking industry.

Several health care-related holdings also hurt performance, notably distributor Cardinal Health and insurer Cigna, as well as consumer health firm Kenvue. Additionally, information technology (IT) services companies Amdocs and Cognizant were major detractors, along with payment technology firm Fiserv.

The broader IT services industry declined amid worries over the potential impact of AI on traditional service models, coupled with policy uncertainty surrounding immigrant visas, which the industry commonly relies on for talent mobility. We believe the market has become overly negative on these concerns. We see potential for IT services firms to benefit from AI deployment and from a recovery in demand as IT spending normalizes.

Meanwhile, the market expressed concerns about slowing growth in Fiserv's merchant acceptance business. Though near-term investor sentiment has weakened, our long-term investment thesis for Fiserv remains intact, underpinned by the company's scale and recurring revenue base.

Select Activity in the Quarter

The investment committee initiated new positions in chemical firm International Flavors & Fragrances and IT services company EPAM.

EPAM is a digital pure-play IT services company, with approximately 85% of its revenue derived from high-value services such as custom software development, data analytics, AI implementation, and cloud migration. This differentiates EPAM from broader-based IT services providers that maintain exposure to slower-growing legacy segments.

Historically, EPAM delivered organic revenue growth exceeding 20% annually, a testament to its engineering excellence and client-centric delivery model. However, the Russian invasion of Ukraine in 2022 posed a significant operational challenge. At the time, over 30% of EPAM's workforce was based in Ukraine and Belarus, with Ukraine serving as its largest delivery hub. In response, EPAM executed a rapid and strategic geographic repositioning, reducing its Ukraine/Belarus footprint to 15% and expanding delivery capabilities across India (now 20% of its workforce), Latin America, and Poland. This transition has largely been completed and viewed as successful, restoring client confidence and operational resilience.

The current market dislocation, driven by macroeconomic uncertainty and overstated AI disruption fears, creates an attractive entry point for an investment in what we consider a high-quality digital transformation enabler. In our view, EPAM is strategically positioned to benefit from the increasing complexity of enterprise-grade digital transformation projects. While concerns around AI disrupting traditional IT services persist, EPAM's specialization in AI integration and its ability to deliver customized solutions make us believe that it will be a net beneficiary of these trends. The shift from cost-plus to fixed-price contracts introduces margin expansion potential, albeit with increased project risk. Nonetheless, EPAM's engineering depth and agile delivery model mitigate these risks, in our opinion. At its current valuations, EPAM offers an appealing risk-reward tradeoff.

Year-to-Date Briefing

The Brandes U.S. Value ETF gained 11.64%/11.67% (NAV/Market Price), performing in-line with the Russell 1000 Value Index, which rose 11.65% for the nine months ended September 30, 2025.

After a strong start to the year, value stocks lagged the broader market (Russell 1000 Value vs. Russell 1000) over the past two quarters. This was largely driven by the AI-fueled rally, which lifted the share prices—and subsequently, valuations—for any businesses with exposure to AI demand. While value underperformance has been a headwind for the Fund, several of its holdings delivered solid results. Leading contributors included holdings in health care and technology, such as Flex and Micron, as well as pharmaceutical distributors McKesson and Cardinal Health and integrated health care company CVS Health.

Financials holdings, led by Citigroup and Bank of New York Mellon, were also among the top performers. The current environment has been quite favorable for banks, characterized by modest credit losses, attractive net interest margins, and overall robust earnings growth.

Major detractors included holdings in industrials and communication services, notably FedEx and Comcast. As was the case for the quarter, Fiserv, Cognizant, and Knight Swift also hurt performance for the year-to-date period. Additional poor performers included pharmaceutical firm Merck and chemical company Westlake.

Current Positioning

Despite increased portfolio activity amid this year's volatile market environment, the Fund's overall positioning has not shifted significantly. The Fund continues to have overweight positions in financials and health care, while maintaining underweights in real estate and consumer discretionary. We have selectively reduced allocations to some of the strong-performing areas (e.g., financials and technology), while adding to others that have underperformed (e.g., health care).

In the third quarter, the valuation gap between value and growth stocks (MSCI USA Value vs. MSCI USA Growth) widened once more, as a rebound in technology stocks drove growth stocks' outperformance. Market optimism around anything related to AI continues to elevate valuations for technology companies, which accounted for over 50% of the growth index as of September 30. Amid an increasingly concentrated U.S. market, we believe it is important for investors to ensure that their portfolios are not overexposed to a certain sector or theme. With our index-agnostic approach, the Brandes U.S. Value ETF continues to look different than both the Russell 1000 Index and the Russell 1000 Value Index, making it, in our opinion, a compelling complement to passive and growth-oriented strategies.

Following their underperformance over the past two quarters, value stocks now trade among the largest quartile discounts relative to growth stocks since the inception of

the style indices. This valuation disparity is evident across various metrics, such as price/earnings, price/cash flow, and enterprise value/sales. Historically, such valuation differentials have often signaled compelling subsequent returns for value stocks over longer-term horizons. This is encouraging to us because our U.S. Value Equity strategy, guided by our value philosophy and process, has tended to outperform the Russell 1000 Value benchmark when the benchmark has outperformed the broader Russell 1000 Index.

We remain confident about the risk-reward profile of our holdings and are optimistic about the Fund's long-term prospects.

Performance (%) as of September 30, 2025

	3 Months	YTD	1 Year	3 Years	Since Inception 10/03/2023
NAV	4.79	11.64	11.46	—	19.86
Market Price	4.62	11.67	11.49	—	19.83
Russell 1000 Value Index	5.33	11.65	9.44	—	19.61
Russell 1000 Index	7.99	14.60	17.75	—	27.46

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For term definitions, please refer to <https://www.brandes.com/termdefinitions>.
For index definitions, please refer to <https://www.brandes.com/benchmark-definitions>.

It is not possible to invest directly in an index.

Investing involves risk, including potential loss of principal. An investment in the Fund may be subject to risks associated with investing in equity securities, including foreign and value securities risks, issuer risk, and focused investing risk. The Fund may, from time to time, invest a substantial portion of the total value of its assets in securities of issuers located in a particular industry, sector, country or geographic region. During such periods, the Fund may be more susceptible to risks associated with that industry, sector, country, or region. The Fund is an exchange-traded fund and, as a result of this structure, it is exposed to additional trading and transactional risks, limited participant risk, and risks associated with buying and selling shares. The Fund is a recently organized investment company with limited operating history. Please see the prospectus for a discussion of risks.

ETFs are subject to additional risks that do not apply to conventional mutual funds, including the risks that the market price of an ETF's shares may trade at a premium or discount to its net asset value, an active secondary trading market may not develop or be maintained, or trading may be halted by the exchange in which they trade, which may impact an ETF's ability to sell its shares. Shares of any ETF are bought and sold at market price (not NAV) and are not individually redeemed from the ETF. Brokerage commissions will reduce returns.

Investors should consider the investment objectives, risks, charges and expenses carefully before investing. For a prospectus or summary prospectus with this and other information about the Fund, please call (866) 307-0477 or visit <http://www.brandes.com/etfs>. Read the prospectus or summary prospectus carefully before investing.

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