

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 3/31/2025)

Chevron Corp	3.51
Willis Towers Watson PLC	2.64
The Cigna Group	2.61
Amdocs Ltd	2.58
Bank of America Corp	2.57
Comcast Corp	2.51
Corteva Inc	2.46
Wells Fargo & Co	2.36
Merck & Co Inc	2.35
SS&C Technologies Holdings Inc	2.31

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

The Brandes U.S. Value ETF rose 4.04%/4.17% (NAV/Market Price) in the quarter, outperforming its benchmark, the Russell 1000 Value Index, which increased 2.14%.

Positive Contributors

The broader market (Russell 1000) declined in the quarter as stocks of technology-related companies, which had previously driven market performance over the past two years, retreated. Several factors contributed to the decline, including concerns about market valuations, tariffs, and economic growth. Additionally, the announcement of DeepSeek v3, a potentially lower-cost artificial intelligence (AI) model, fanned worries about competition in the AI space. This development led many investors to question whether the market had been over-enthusiastic about the increased spending in the semiconductor industry.

The technology sector in the Russell 1000 Value also declined, along with consumer discretionary stocks. In contrast, the Fund's holdings in these sectors appreciated overall, with notable contributors including semiconductor holdings Micron and Qorvo, which rose modestly, and retailer AutoZone.

The Fund's overweight and stock selection in health care also boosted returns as the sector rebounded from its decline in the fourth quarter of 2024. Top performers included holdings in health care providers and services companies, such as McKesson, CVS Health, and Cigna. CVS reported better-than-expected earnings results and benefited from improved market optimism following Medicare's announcement of a potential increase in payments for 2026.

Other contributors included insurance company W.R. Berkley and integrated oil company Chevron.

Performance Detractors

Market apprehensions around AI competition and spending negatively impacted several of the Fund's technology-related holdings, notably Alphabet and electronic manufacturing services provider Flex.

Other major detractors included holdings in industrials such as global logistics company FedEx, electrical equipment company Emerson, and trucking company Knight-Swift. Both Knight-Swift and FedEx declined on inflation concerns and the potential impact of tariffs on the demand for their products and services.

Additionally, pharmaceutical firm Merck fell due to lowered earnings guidance, which the company issued as it paused the sale of its HPV vaccine to China due to excess inventory in the region.

Select Activity in the Quarter

The investment committee initiated positions in health insurer UnitedHealth and chemical company Westlake, while divesting position in building products company Johnson Controls, which appreciated to our estimate of its intrinsic value.

Founded in 1977, UnitedHealth is the largest health insurer in the United States. The company is a major consolidator of health plans, care providers, and other services that serve the health care sector, making it a leading player in terms of vertical integration, diversification, and scale.

UnitedHealth has recently faced several challenges, including a cybersecurity attack, the homicide of the CEO of its insurance business, and a series of Wall Street Journal articles investigating the company's Medicare billing practices and potential antitrust concerns. As market negativity toward UnitedHealth has increased, its valuation has dropped to what we believe is an attractive level. In our view, growth in health care spending should continue to outpace overall economic growth due to an aging U.S. population, and UnitedHealth is the best-positioned company to capitalize on this trend given its scale and integrated value chain.

Westlake is a leading player in the commodity chemicals and building materials industry, producing polyvinyl chloride (PVC) and caustic soda, as well as other raw materials used in housing construction (e.g., siding, roofing, moldings). We regard Westlake as a higher-quality chemical company due to its strong competitive position, low-cost commodity position, robust balance sheet, and long-term-oriented management team.

Westlake's share price has traded down amid an oversupplied chemical market and a weaker housing construction end market, as half of Westlake's sales are to new construction. Longer term, however, we believe Westlake offers an attractive investment opportunity at its current valuation. A potential recovery in housing construction should boost Westlake's business, and the company stands to gain as PVC pipes increasingly becomes the material of choice, especially in water pipes, due to their versatility, durability, and cost.

Current Positioning

As of March 31, the Fund has overweight positions in financials, health care, and communication services, while maintaining underweights in utilities, consumer staples, and real estate. While we remain overweight banks, we have pared the Fund's exposure over the past year following the solid performance of several of our holdings.

While value stocks (Russell 1000 Value) saw some valuation recovery during the quarter relative to the broader market (Russell 1000) and growth stocks (Russell 1000 Growth), they continue to trade among the cheapest quartile compared to history across a variety of valuation measures. After a period of significant growth outperformance these past two years, value outperformance this quarter hopefully serves as a good reminder of the benefits of diversification. We believe the Brandes U.S. Value ETF is an excellent complement and diversifier to passive and growth-oriented strategies. Historically, when the valuation of value stocks was in the cheapest quartile relative to growth stocks, it often implied

relative outperformance for value over the subsequent three to five years. Notably, the Brandes U.S. Value Fund, guided by our value philosophy and process, has had the tendency to do even better than the benchmark/value index in value-led periods.

Uncertainty will always remain in markets. While it may seem elevated today compared to much of the past 15 years, we believe it is important to remember that markets evolve over time, and good businesses have the ability to adapt to their changing environment. Although tariffs add to market uncertainty, their impact and duration could vary by industry or company, and a fundamental manager such as Brandes could be well positioned to take advantage of potential market overreactions and underreactions to the market uncertainty.

Going forward, we remain optimistic about the risk/reward tradeoffs of the Fund's holdings. As of March 31, the Brandes U.S. Value ETF trades at more appealing valuation levels than the benchmark, while also offering attractive long-term growth prospects.

Performance (%) as of March 31, 2025

	3 Months	YTD	1 Year	3 Years	Since Inception 10/03/2023
NAV	4.04	4.04	7.71	—	21.50
Market Price	4.17	4.17	7.71	—	21.54
Russell 1000 Value Index	2.14	2.14	7.18	—	19.66
Russell 1000 Index	-4.49	-4.49	7.82	—	22.39

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Term definitions: <https://www.brandes.com/termdefinitions>.

The Russell 1000 Value Index with gross dividends measures performance of the large 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.

The Russell 1000 Index with gross dividends measures performance of the large cap segment of the U.S. equity universe.

The Russell 1000 Growth Index with gross dividends measures performance of the large cap growth 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.

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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