Brandes Core Plus Fixed Income Fund

FUND INFORMATION

Class I:	BCPIX
Class A:	BCPAX
Class R6:	BCPRX

STRATEGY

The Brandes Core Plus Fixed Income Fund seeks to maximize long-term total return, consisting of both current income and 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.

TEN LARGEST CORPORATE ISSUERS

(% of assets as of 3/31/2025)

United States Treasury Note	64.10
Citigroup Inc	2.24
Ford Motor Credit Co LLC	1.89
Bank of America Corp	1.84
Fannie Mae Pool	1.75
Freddie Mac Pool	1.64
Netflix Inc	1.59
Univision Communications Inc	1.51
Charles Schwab Corp	1.47
Range Resources Corp	1.47

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

Market Overview

Legendary boxer Mike Tyson famously said: "Everyone has a plan until they get punched in the mouth." In the buildup to the presidential election, Donald Trump repeatedly highlighted how he planned to make tariffs central to his presidency, stating his view that, "tariffs is the most beautiful word to me in the dictionary."

With a modest rise in the U.S. equity market early in the quarter, the market seemingly thought it had a plan to deal with tariff policy. Once reality struck and tariffs were introduced, the stock market got "punched in the mouth" and ended the quarter sharply lower, in a hazy, uncertain fog.

In contrast, yield spreads on corporate bonds ended the quarter only modestly wider. One possible explanation for the disconnect between the two asset classes is that the equity market is primarily concerned with profitability while the corporate bond market is primarily concerned with solvency; tariffs impact profitability more than solvency.

Another possible explanation is that with yield levels near their highest levels in approximately 15 years, investors have become complacent about credit risk premiums and are primarily focusing on overall yields. If this explanation is correct, we believe individual security selection in a bond portfolio will be even more critical to navigating the rising uncertainty going forward.

The Fed (Federal Reserve Bank) left rates unchanged at both meetings during the quarter. The last mile of inflation reduction continues to be a challenge for monetary authorities. During February, core CPI (Consumer Price Index) remained above 3% for the 46th consecutive month. The market is projecting four rate cuts by year-end. An environment including elevated tariffs and a global trade war should add upward pressure to inflation. The market appears to believe that tariff and trade policy will have a meaningfully detrimental effect on growth and hence the Fed will have to look through rising inflation and cut rates anyway. This disconnect between market expectations and Fed guidance sets up the potential for elevated interest rate volatility for the balance of the year.

Fund Performance

In the first quarter, the Brandes Core Plus Fixed Income Fund (Class I Shares) returned 2.62%, slightly underperforming its benchmark, the Bloomberg U.S. Aggregate Bond Index, which returned 2.78%.

Term-structure positioning was a negative factor during the quarter. U.S. Treasury yields fell during the period, particularly during the last two weeks of March as uncertainty increased around tariff policy. The duration of the Fund was maintained at 90% of the benchmark's duration throughout the quarter.

The Fund's underweight to agency mortgage-backed securities (MBS) modestly detracted from returns as the MBS sector outperformed corporate bonds.

Select holdings in corporate bonds provided a positive contribution to returns during the quarter, led by holdings in banking (US Bank and Goldman Sachs), energy (Range Resources and Transocean), and consumer cyclical (ADT and Travel + Leisure).

Shorter maturity corporate bonds outperformed their longer maturity counterparts by approximately 100 basis points, and so the Fund's focus on shorter maturity corporate bonds aided returns.

With increasing volatility towards the end of the quarter we found the opportunity to add a few new positions to the Fund. We added new positions in Citigroup (6.95% coupon, perpetual maturity, callable 1/31/30 rated Ba1/BB+), Consolidated Communications (6.50% coupon, maturing 10/01/28, rated B3/B-), and Pitney Bowes (7.25% coupon, maturing 3/15/29, rated B2/B+). We also increased our weight in Univision Communications (8.50% coupon, maturing 7/31/31, rated B1/B+).

The so-called "crossover space" in bond markets (the lower end of investment grade and the upper end of high yield) periodically exhibits inefficient pricing in our view. The Citigroup security that we purchased is an example. The security is considered junior subordinated debt within their capital structure. As context, the yield difference between senior unsecured bonds of JPMorgan and Citigroup, both rated solidly investment grade rate, is approximately 15 basis points. Yet the yield difference between JPMorgan junior subordinated bonds and Citigroup junior subordinated bonds is much greater, at approximately 160 basis points. Structurally the securities are similar, and the main difference is that the JPMorgan junior subordinated security has an investment grade BBB rating, and the Citigroup security rating is a notch lower, rated high yield at BB+. This likely deters some potential buyers and allows us to pick up additional yield based on what we believe is a largely market technical factor rather than a material difference in underlying credit fundamentals.

Pitney Bowes is coming off a turbulent year where an activist investor was able to install new management, implement a cost cutting plan, and force a sale of a business unit that comprised 40% of revenues. The business unit, however, was losing money and because of the sale, Pitney Bowes is now a smaller and more profitable business with lower debt and higher free cash flow. The company is actively attempting to reduce debt further and the security we purchased is the highest coupon bond outstanding. We view the likelihood of an early call as a strong possibility. The call price is currently several points above the market price, offering a potential gain if the company decides to call bonds before their maturity date.

Outlook

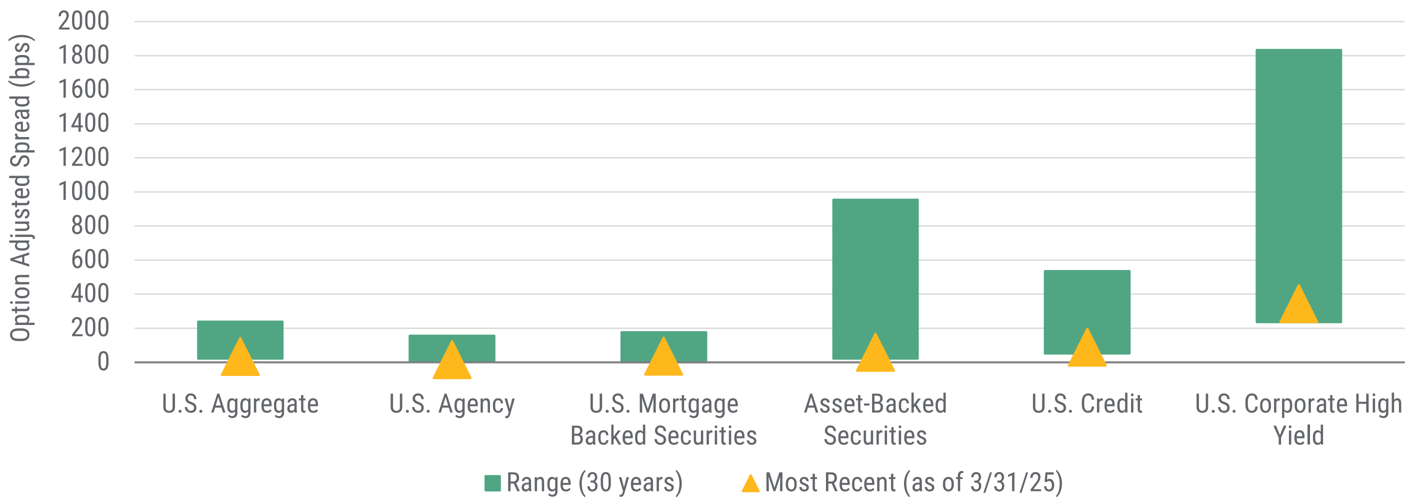
Market outlooks are always uncertain, but we now seem to be in a period of elevated uncertainty that increases the potential volatility of financial markets. We believe, however, that uncertainty and volatility can create opportunities for long-term patient investors.

The tariff policy introduced at the end of the quarter appears to be more draconian than the market was anticipating. However, the current administration has shown a propensity to turn on a dime and I doubt many would be surprised if they reverse course. As a counter to tariff being a beautiful word, perhaps someone could arrange a film screening for the Trump administration of Ferris Bueller's Day Off. Specifically, they should watch the classic scene where Ben Stein plays a high school economics teacher (catchphrase "Anyone, anyone...") lecturing to an apathetic class about the U.S. government's introduction of the Hawley-Smoot tariffs in 1930 in an effort to raise revenue to combat the Great Depression, only to plunge the economy more deeply into depression.

The market is facing rising trade war risks, slowing corporate earnings, and renewed concerns around resurgent inflation. As mentioned earlier, the U.S. equity market has had a dramatic repricing around these concerns, but in the taxable bond market yield spreads are only modestly wider.

Yield spreads finished the quarter at or near their tightest levels in three decades, as is evident from Exhibit 1, which shows the range in yield spreads over the last thirty years in contrast to the spread at the end of the latest quarter.

Exhibit 1. Yield Spreads Are Near Their Lowest Levels in Nearly 30 Years



Source: Bloomberg Indices. U.S. Aggregate represented by the Bloomberg U.S. Aggregate Bond Index; U.S. Agency represented by the Bloomberg U.S. Agency Bond Index; U.S. Mortgage Backed Securities represented by the Bloomberg U.S. Mortgage Backed Securities Index; Asset-Backed Securities represented by the Bloomberg U.S. Fixed-Rate Asset Backed Securities Index; U.S. Credit represented by the Bloomberg U.S. Credit Bond Index; U.S. Corporate High Yield represented by the Bloomberg U.S. Corporate High-Yield Bond Index. Option-adjusted spread: A measurement of the spread of a fixed-income security rate and the risk-free rate of return, which is adjusted to take into account an embedded option. Basis point (bps): 1/100 of 1%.

We have added a few securities that we believe have potential to add value to the Fund but the broader market appears to us to be largely priced for perfection and complacent to the shifting risk tides. In our opinion, this places a premium on deep fundamental research and individual security selection.

We continue to tilt the Brandes Core Plus Fixed Income Fund into what we believe is a defensive posture to mitigate some of the market uncertainty and potential for widening yield spreads. We believe that this remains a risk. Accordingly, the Fund continues to favor shorter-maturity corporate bonds and those that we believe exhibit strong, tangible asset coverage. We are managing duration approximately 10% shorter than the Fund's benchmark. We have a meaningful allocation to U.S. Treasuries and if market uncertainty and volatility continue to cause credit fundamentals to become mispriced relative to our estimates of intrinsic value, then we will look to redeploy some of those Treasury holdings thoughtfully and effectively to take advantage of opportunities.

We remain underweight agency mortgage-backed securities.

As we move forward, we believe prudence dictates that we continue our search for value in a measured and deliberate manner while continuing to tilt the Fund to what we believe is a relatively defensive posture.

We remain optimistic about the prospects for the Brandes Core Plus Fixed Income Fund.

Sincerely,

Timothy M. Doyle, CFA
Fixed Income Portfolio Manager

Average Annual Total Returns (%) as of March 31, 2025							
Without Load	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception 12/28/2007
Class I	2.62	2.62	4.85	2.07	1.09	1.89	3.04
Class A	2.58	2.58	4.52	1.85	0.87	1.64	2.76
Class R6	2.74	2.74	4.85	2.32	1.72	2.40	3.37
With Load	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception 12/28/2007
Class A	-1.27	-1.27	0.64	0.57	0.10	1.25	2.53
Bloomberg U.S. Aggregate Bond Index	2.78	2.78	4.88	0.52	-0.40	1.46	2.88

Operating Expenses: Class I: 0.61% (gross), 0.31% (net) Class A: 0.84% (gross), 0.51% (net) Class R6: 0.57% (gross), 0.31% (net)

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 of A Shares without load does not reflect maximum sales charge of 3.75%. If reflected, the load would reduce the performance quoted.

Class I shares commenced operations on December 28, 2007. Class S shares never commenced operations. They were re-designated as Class A shares and commenced operations on January 31, 2013. Performance shown prior to the inception of Class A shares on January 31, 2013 reflects the performance of Class I shares, restated to reflect Class A sales loads and expenses. Class R6 shares commenced operations on October 10, 2017. Performance shown prior to inception of Class R6 shares reflects the performance of Class I shares.

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

It is not possible to invest directly in an index

The Bloomberg U.S. Aggregate Bond Index is a broad-based benchmark that measures the investment-grade, U.S. dollar-denominated, fixed-rate taxable bond market. This index is a total return index which reflects the price changes and interest of each bond in the index.
The Bloomberg U.S. Agency Index includes callable and non-callable agency securities that are publicly issued by U.S. government agencies, quasi-federal corporations, and corporate or foreign debt guaranteed by the U.S. government (such as USAID securities).
The Bloomberg U.S. Mortgage Backed Securities Index tracks mortgage backed pass-through securities of Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC). The index is a total return index which reflects the price changes and interest of each bond in the index.
The Bloomberg U.S. Fixed-Rate Asset-Backed Securities Index is an unmanaged index consisting of U.S. dollar-denominated, fixed-rate, taxable bonds. The index is a total return index which reflects the price changes and interest of each bond in the index.
The Bloomberg U.S. Credit Index measures the U.S. dollar-denominated, fixed-rate taxable corporate and government related bond markets. The index is a total return index which reflects the price changes and interest of each bond in the index.
The Bloomberg U.S. Corporate High-Yield Bond Index is an unmanaged index consisting of U.S. dollar-denominated, non-investment-grade, fixed-rate, taxable corporate bonds. The index is a total return index which reflects the price changes and interest of each bond in the index.
Core CPI (Consumer Price Index) measures the change in prices of goods and services, excluding volatile food and energy prices, providing a more stable indicator of underlying inflation trends.

Bond ratings are grades given to bonds that indicate their credit quality as determined by a private independent rating service such as Standard & Poor's. The firm evaluates a bond issuer's financial strength, or its ability to pay a bond's principal and interest in a timely fashion. Ratings are expressed as letters ranging from 'AAA', which is the highest grade, to 'D', which is the lowest grade. In limited situations when the rating agency has not issued a formal rating, the Advisor will classify the security as nonrated.

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. As with most fixed income funds, the income on and value of your shares in the Fund will fluctuate along with interest rates. When interest rates rise, the market prices of the debt securities the Fund owns usually decline. When interest rates fall, the prices of these securities usually increase. Generally, the longer the Fund's average portfolio maturity and the lower the average quality of its portfolio, the greater the price fluctuation. The price of any security owned by the Fund may also fall in response to events affecting the issuer of the security, such as its ability to continue to make principal and interest payments or its credit rating. Below investment grade debt securities are speculative and involve a greater risk of default and price change due to changes in the issuer's creditworthiness. The market prices of these debt securities may fluctuate more than the market prices of investment grade debt securities and may decline significantly in periods of general economic difficulty. The Fund may hold illiquid securities which may reduce the return of the Fund because it may be unable to sell such illiquid securities at an advantageous time or price. Illiquid securities may also be difficult to value. The Fund is actively managed, and may frequently buy and sell securities. Frequent trading increases a Fund's portfolio turnover rate and may increase transaction costs, such as brokerage commissions and taxes, which in turn could detract from the Fund's performance.

Investing in foreign securities poses additional risks. The performance of foreign securities can be adversely affected by the different political, regulatory 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 may experience substantial fluctuations or steady devaluation relative to the U.S. dollar. Mortgage-related securities are subject to certain additional risks. Rising interest rates tend to extend the duration of mortgage-related securities, making them more sensitive to changes in interest rates. As a result, when holding mortgage-related securities in a period of rising interest rates, a Fund may exhibit additional volatility. In addition, mortgage-related securities are subject to prepayment risk. When interest rates decline, borrowers may pay off their mortgages sooner than expected. This can reduce the returns of a Fund because it will have to reinvest that money at the lower prevailing interest rates.

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.

The Brandes funds are distributed by Foreside Financial Services, LLC.