

Brandes Emerging Markets Value Fund

FUND INFORMATION

Class I:	BEMIX
Class A:	BEMAX
Class C:	BEMCX
Class R6:	BEMRX

STRATEGY

The Fund seeks long-term capital appreciation by investing in equity securities of issuers in developing markets it believes are undervalued relative to their financial strength and upside potential.

TOP TEN HOLDINGS

(% of assets as of 6/30/2022)

Alibaba Group Holding Ltd	5.00
Taiwan Semiconductor Manufacturing Co Ltd	4.42
Samsung Electronics Co Ltd	3.71
TravelSky Technology Ltd	3.17
Galaxy Entertainment Group Ltd	3.00
Fibra Uno Administracion SA de CV	2.97
Accton Technology Corp	2.61
Ping An Insurance Group Co of China Ltd	2.56
Embraer SA	2.44
Jasmine Broadband Internet Infrastructure Fund	2.24

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

The Brandes Emerging Markets Value Fund declined 9.99% (Class I Shares), outperforming its benchmark, the MSCI Emerging Markets Index, which was down 11.45% in the second quarter, and the MSCI Emerging Markets Value Index, which was down 10.83%.

Positive Contributors

Strong performers included select holdings in China, specifically technology services providers **TravelSky Technology** and **Chinasoft International**, education company **China Education Group**, retailer **Topsports International**, and delivery firm **ZTO Express**. Even though a weak economy and regulatory uncertainty softened demand and compressed its margins, Chinasoft benefited from signs that the pandemic impact has started to ease. Similarly, TravelSky rose on an improved economic outlook, especially following the government announcement in June that quarantine times for travelers to China would be halved.

Select holdings in Indonesia also aided returns, led by food products company **Indofood**, which reported stronger-than-expected earnings after overcoming input cost headwinds.

Relative to the benchmark, our underweights to materials and Taiwan helped performance.

Performance Detractors

A variety of concerns contributed to the market decline in the quarter, including geopolitical risks and inflation, as well as worries about economic growth. As a result, many cyclically oriented companies performed poorly, as did technology-related companies, which continued to see their valuations compress with rising interest rates.

Technology holdings **Wiwynn Corp** (Taiwan) and **SK Hynix** (South Korea) declined as the market was concerned about a potential recession. Materials holdings **POSCO** and **Cemex** also hurt returns. After performing strongly in the first half of last year, Cemex's share price retreated due to concerns about inflationary cost pressures and an appreciating U.S. dollar.

Other detractors included Brazilian regional jet manufacturer **Embraer**, electric utility **Enel Chile**, and Austria-domiciled **Erste Group Bank**.

Select Activity in the Quarter

The emerging markets investment committee divested the Fund's holding in a telecommunications firm (Mexico's **America Movil**), while initiating a position in another, namely **Millicom International Cellular**. The committee also exited the Fund's position in **China South Publishing & Media Group**.

Headquartered in Luxembourg, Millicom provides wireless and fixed-line services to 49 million customers across nine countries in Latin America (LatAm). Millicom differs from its LatAm peers in its focus on smaller countries, either by early entry or by acquisition, a strategy that has helped it gain top market share positions in most of the countries in which it operates. Given the low adoption rates of wireless data services across a population of nearly 120 million, meaningful growth opportunities persist across Millicom's geographic markets.

Although we have followed Millicom for more than 15 years, this was the first time we purchased its shares. The company recently underwent a large rights offering that

increased its shares outstanding by 70%. This, combined with general market malaise, has put Millicom's shares under significant pressure lately.

In our view, Millicom is among the most attractively valued LatAm telecommunications services providers. Its operations are concentrated in countries that have relatively low competition (many are duopolies), lenient regulation and manageable foreign-exchange risk, while offering a favorable macroeconomic outlook. There are several potential catalysts that can unlock the value we see in Millicom, including:

- Moving past the rights offering
- Management meeting free-cash-flow guidance and using it to lower leverage
- Share buybacks
- Faster-than-expected balance sheet improvement from infrastructure asset sales (e.g., towers, data centers)
- More visibility into financial technology efforts via a minority investor in its mobile wallet platform Tigo Money

We believe Millicom's positive attributes outweigh the potential risks, and the recent share-price decline has created a compelling entry point for an investment in a company with a strong market position and appealing growth opportunity.

Year-to-Date Briefing

The Brandes Emerging Markets Value Fund declined 19.53% (Class I Shares), underperforming its benchmark, the MSCI Emerging Markets Index, which was down 17.63% in the six months ended June 30, 2022, and the MSCI Emerging Markets Value Index, which was down 13.89%.

Holdings in Russia were the most significant detractors for the year. Our thoughts continue to be with the people of Ukraine, as well as those in Russia that are advocating for peace. The events that have unfolded since the start of the Russian invasion of Ukraine in February have significantly elevated the risks associated with investments in Russian securities and the emerging markets investment committee continues to carefully monitor the developing circumstances surrounding this area of the Fund.

Beyond Russia, the Fund's holding in Brazil's Embraer declined, as did several positions in technology, notably **Samsung Electronics, Taiwan Semiconductor Manufacturing Company, Wiyynn**, and SK Hynix.

Meanwhile, positive contributors included select holdings in Brazil, led by oil firm **Petrobras**, grocer **Sendas Distribuidora**, and **Telefonica Brasil**. Food company Indofood also helped returns, along with TravelSky Technology and **Galaxy Entertainment Group**.

Current Positioning

As of June 30, 2022, the Fund continued to have its largest sector overweights in consumer discretionary and real estate (note that we do not own any real estate holdings in China), while maintaining key underweights in materials and energy. Mexico and Indonesia were the largest overweights from a country perspective, while India, Taiwan, and China, remained our underweight positions.

We believe the Brandes Emerging Markets Value Fund continues to offer a diversified portfolio with exposure to post-COVID economic reopening (i.e., through holdings in air travel, casino, luxury retail), inflation (e.g., financials and real estate), and long-term growth drivers in emerging markets (e.g., consumer-related holdings such as e-commerce, food products, apparel, appliances, education). Furthermore, even though the Fund's portfolio has always stayed true to its value investing style, our value exposure is different than that of a quantitative or factor approach. Emerging markets value stocks (MSCI EM Value) have performed relatively well compared to the broad market (MSCI EM), partly due to classic cyclicals in the energy and materials sectors that benefited from higher commodity prices. We believe valuations in these sectors were already indicative of above mid-cycle profitability prior to the invasion of Ukraine, and they have become even more elevated since then. In our opinion, economically sensitive sectors levered to a potential post-pandemic rebound, such as consumer discretionary (where we hold an overweight relative to the benchmark and the value index), represent a more appealing opportunity today than classic cyclical sectors such as energy and materials.

China continues to be an important component of the emerging markets asset class. Our allocation to companies domiciled in China has increased in recent years, but it remains lower than the benchmark's China weighting. Compared to MSCI EM's China exposure, we believe our positioning is more exposed to the long-term consumption growth trends and potential reflation in the country (e.g., through our consumer-oriented holdings such as those in retail, education, appliances). Our stock selection also takes into consideration the breadth of risks related to investing in companies in the region, including increased regulation, geopolitical relations with Taiwan and potential ADR (American depository receipt) de-listing.

Additionally, the Fund maintains an overweight position to Latin America, an area of the market that generally has more depressed valuations than the rest of emerging markets and is more politically as well as geographically isolated from the Russia/Ukraine conflict.

We believe the Fund's positioning, combined with its overall attractive valuation levels, bodes well for its returns in the long term. As always, we appreciate your continued trust.

Average Annual Total Returns (%) as of June 30, 2022

Without Load	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception 8/20/1996
Class I	-9.99	-19.53	-25.47	-6.85	-3.03	0.34	5.62
Class A	-10.09	-19.61	-25.57	-7.05	-3.23	0.10	5.39
Class C	-10.12	-19.88	-26.09	-7.55	-3.85	-0.48	--
Class R6	-10.03	-19.55	-25.42	-6.72	-2.89	0.46	5.70
With Load	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception 8/20/1996 ¹
Class A	-15.26	-24.23	-29.85	-8.86	-4.37	-0.49	5.16
Class C	-11.01	-20.66	-26.81	-7.55	-3.85	-0.48	--
MSCI Emerging Markets Index	-11.45	-17.63	-25.28	0.57	2.18	3.06	5.39
MSCI Emerging Markets Value Index	-10.83	-13.89	-18.59	-0.97	1.25	1.46	--

Operating Expenses: Class I: 1.12% (gross), 1.12% (net) Class A: 1.31% (gross), 1.31% (net) Class C: 2.06% (gross), 2.06% (net) Class R6: 1.06% (gross), 0.97% (net)

¹ Fund inception predates MSCI Emerging Markets Value Index inception.

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.

Prior to January 31, 2011, the Fund was a private investment fund managed by the Advisor with policies, guidelines and restrictions that were, in all material respects, equivalent to those of the Fund. Class A and Class I shares commenced operations on January 31, 2011, while Class C shares commenced operations on January 31, 2013. Prior to January 31, 2013, Class A shares were known as Class S shares. (Class A shares have the same operating expenses as Class S shares.) The Class I performance information shown for periods prior to January 31, 2011 is that of the private investment fund managed by the Advisor that is the predecessor of the Fund not adjusted for Fund expenses. Performance shown prior to January 31, 2011, for Class A shares reflects the performance of the private investment fund restated to reflect Class A sales loads and expenses. Performance shown prior to the inception of Class C shares reflects the performance of the private investment fund for periods prior to January 31, 2011 and the performance of Class I shares for the period from February 1, 2011 to January 30, 2013 restated to reflect Class C expenses. The Class C shares' average annual total return for the 10-year period assumes that Class C shares automatically converted to Class A shares 8 years after the start of the period. The Class C shares' average annual total return for the since inception period cannot be calculated as the Class A shares had not been launched as of 8/20/2004, 8 years after the inception date of the Brandes Emerging Markets Value Fund. Class R6 shares commenced operations on July 11, 2016. Performance shown prior to the inception of Class R6 shares reflects the performance of Class I shares.

The Advisor has contractually agreed to limit the operating expenses through January 28, 2023. 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.

American Depositary Receipt: A negotiable certificate issued by a U.S. depositary bank representing a specified number of shares—usually one share—of a foreign company's stock.

Free Cash Flow: Total cash flow from operations less capital expenditures.

Operating Margin: Operating income divided by net sales; used to measure a company's operating efficiency.

Return on Equity: Net income divided by shareholder's equity.

Rights Offering: A company's offer to its existing shareholders to purchase additional shares in proportion to their existing stakes.

Share Buyback: A company's re-acquisition of its own stock.

The MSCI Emerging Markets Index with net dividends captures large and mid cap representation of emerging market countries.

The MSCI Emerging Markets Value Index with gross dividends captures large and mid cap securities exhibiting value style characteristics, defined using book value to price, 12-month forward earnings to price, and dividend yield.

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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. In addition, the performance of foreign securities depends on the political 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 have experienced, and may experience in the future, substantial fluctuations or a steady devaluation relative to the U.S. dollar. 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.brandesfunds.com. Read carefully before investing.

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