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 12/31/2022)

Taiwan Semiconductor Manufacturing Co Ltd	4.45
Alibaba Group Holding Ltd	4.20
Samsung Electronics Co Ltd	4.09
Embraer SA	3.38
Fibra Uno Administracion SA de CV	3.37
TravelSky Technology Ltd	3.02
Ping An Insurance Group Co of China Ltd	2.70
China Education Group Holdings Ltd	2.68
Erste Group Bank AG	2.66
POSCO Holdings Inc	2.64

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

The Brandes Emerging Markets Value Fund returned 17.28% (Class I Shares), outperforming its benchmark, the MSCI Emerging Markets Index, which was up 9.70% in the fourth quarter, and the MSCI Emerging Markets Value Index, which increased 9.77%.

Positive Contributors

Holdings in China drove returns, with notable contributors including **China Education Group**, **Wynn Macau**, **TravelSky Technology**, and **Chinasoft International**. After detracting for much of the year, Chinese stocks recovered in the fourth quarter as the country began to ease COVID-related restrictions on residents and inbound travelers.

Other strong performers included holdings in Mexico, led by real estate investment trust (REIT) **Fibra Uno**, and South Korea, most notably steelmaker **POSCO**, which benefited from a sentiment shift thanks to the reopening of the Chinese market and the growth potential from its lithium business.

From a sector standpoint, financials holdings garnered strong returns, driven by emerging Europe-focused **Erste Group**, China's **Ping An Insurance Group**, and **Banco Latinoamericano de Comercio Exterior.**. Additionally, electric utility **Enel Chile** aided returns.

Performance Detractors

In a robust performance period for the Fund, only a few holdings detracted from returns, including communication services companies **XL Axiata** (Indonesia) and **Indus Towers** (India).

Indus Towers continued to struggle with elevated accounts receivable balances resulting primarily from Vodafone Idea's (VI) inability to make timely payments. VI, which has been facing operational and financial challenges, leases multiple towers and rooftop locations from Indus Towers to operate its mobile network.

Other detractors included Indonesia-based tobacco company **Gudang Garam** and Taiwanese communications equipment business **Accton Technology**.

Select Activity in the Quarter

The overall Brazilian stock market experienced heightened volatility following the election of Lula da Silva as Brazil's new president in the quarter. The emerging markets investment committee took advantage of this volatility to initiate positions in Brazilian electric utility **Neoenergia** and telecom **TIM SA**. Meanwhile, the committee divested **Prosegur Cash**, **Bangkok Bank,** and China-based **Genertec Universal Medical Group**.

Neoenergia is Brazil's second-largest distribution utility that derives more than 80% of operating profits from its regulated distribution and transmission networks. Based on our analysis, the company is a high-quality operator with an efficient cost structure, allowing it to outperform regulatory returns. It has a large presence in Brazil's Northeast region, where per capita electricity consumption is below the country's average and the concessions offer above-average expansion opportunities to enlarge the regulatory asset base. The combination of organic growth opportunities and efficient operations in its core regulated networks has proven to be a powerful driver of sustainable shareholder value creation and earnings growth for Neoenergia.

In our view, Neoenergia's market price reflects investor worries over capital allocation, temporarily elevated leverage (a function of peak-growth capital expenditure), and corporate governance. We believe these issues are more than accounted for in the share price and see attractive upside potential from the continuation of strong EBITDA growth driven by inflation-protected revenues, efficient investments in the regulatory asset base, and the start-up of new transmission lines and renewable energy projects. The completion of these projects should improve Neoenergia's leverage ratios and cash flows, and potentially enable the company to adopt a higher dividend payout above the minimum level presently. Overall, we believe the stock offers an opportunity to invest in an undervalued quality name with an attractive earnings growth profile.

TIM is a company that we know well, having owned it previously in the Fund. It is Brazil's third-largest wireless telecommunications services provider, with 69 million subscribers and approximately 27% market share in the wireless segment, which accounts for 95% of the company's revenue. Recently, the company's shares fell after it reported a significant decline in its net profit as inflationary cost pressures offset solid revenue growth. However, longer term, we believe the company has the potential to improve its operations. It has exposure to the growing fiber broadband business and is likely to benefit from government-imposed tax reductions and higher data demand from 5G tailwinds. These factors, combined with TIM's strong balance sheet and increased dividend payments in recent years, make the company an appealing value opportunity for us.

Year-to-Date Briefing

The Brandes Emerging Markets Value Fund declined 15.90% (Class I Shares), outperforming its benchmark, the MSCI Emerging Markets Index, which was down 20.09% in 2022, and underperforming the MSCI Emerging Markets Value Index, which was down 15.83%.

Positive contributors included holdings in Latin America, led by Brazil-based integrated oil firm **Petrobras** and retailer **Sendas Distribuidora**, Mexico-based REITs Fibra Uno, **FIBRA Macquarie Mexico,** and **Terrafina**, as well as Chilean electric utility Enel Chile. Additionally, our underweight positions and holdings in China and Taiwan helped returns relative to the MSCI Emerging Markets Index.

From a sector standpoint, holdings in financials performed well, led by **PT Bank Rakyat Indonesia** and **AIA Group Limited**. Our underweight and diverse holdings in the information technology sector also lifted relative returns.

The most significant detractors were holdings in Russia, namely **Detsky Mir**, **Lukoil**, **Mobile TeleSystems**, **Sberbank** and **Sistema**. Other poor performers included Brazil's **Embraer** and several of our technology-related companies, notably **Samsung Electronics**, **Taiwan Semiconductor Manufacturing Company**, **Alibaba**, and **SK Hynix**.

Current Positioning

As of December 31, 2022, the Brandes Emerging Markets Value Fund held large overweights to real estate (outside China) and consumer discretionary, while maintaining key underweights to materials and energy. During the year, we averaged down on several technology holdings. Meanwhile, the benchmark's allocation to technology has decreased given the sector's weak performance. Consequently, we ended the year with an overweight to information technology after starting the year with an underweight.

Geographically, the Fund remained underweight China, although Chinese companies made up our largest country allocation. We also continued to be underweight India, Saudi Arabia, and Taiwan, while having significant overweights to companies in Mexico and Indonesia.

As we discussed in our previous commentary, we believe the Brandes Emerging Markets Value Fund is well positioned, particularly due to these factors:

- The Fund may benefit from continued post-COVID economic reopening through holdings in areas such as air travel, casinos, and retail.
- Positions in sectors such as financials and real estate may provide some insulation against inflation.
- The Fund has a meaningful allocation to consumer-related holdings (e.g., e-commerce, food products, apparel, appliances, education), which provide exposure to the long-term growth drivers in emerging markets.

Furthermore, while the Fund has always sought to stay 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 rose along with 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 that might benefit from 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.

We remain optimistic about the long-term prospects of the Brandes Emerging Markets Value Fund.

Average Annual Total Returns (%) as of December 31, 2022							
Without Load	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception 8/20/1996
Class I	17.28	-15.90	-15.90	-7.08	-4.28	-0.28	5.69
Class A	17.23	-16.12	-16.12	-7.30	-4.50	-0.52	5.46
Class C	17.06	-16.80	-16.80	-7.84	-5.12	-1.11	--
Class R6	17.33	-15.93	-15.93	-6.99	-4.19	-0.17	5.77
With Load	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception 8/20/1996[1]
Class A	10.49	-20.95	-20.95	-9.12	-5.63	-1.11	5.23
Class C	16.06	-17.62	-17.62	-7.84	-5.12	-1.11	--
MSCI Emerging Markets Index	9.70	-20.09	-20.09	-2.69	-1.40	1.44	5.16
MSCI Emerging Markets Value Index	9.77	-15.83	-15.83	-2.62	-1.59	0.06	--

Operating Expenses: Class I: 1.14% (gross), 1.12% (net) Class A: 1.33% (gross), 1.33% (net) Class C: 2.08% (gross), 2.08% (net) Class R6: 1.08% (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, 2024. 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.

Cash Flow: The amount of cash generated minus the amount of cash used by a company in a given period.
EBITDA: Earnings before interest, taxes, depreciation and amortization.
The MSCI Emerging Markets Index with net dividends captures large and mid cap representation of emerging market countries. Data prior to 2001 is gross dividend and linked to the net dividend returns.
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.

MSCI has not approved, reviewed or produced this report, makes no express or implied warranties or representations and is not liable whatsoever for any data in the report. You may not redistribute the MSCI data or use it as a basis for other indices or investment products.

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

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. Investments in small and medium capitalization companies tend to have limited liquidity and greater price volatility than large capitalization companies. Growth stocks typically are more volatile than value stocks; however, value stocks have a lower expected growth rate in earnings and sales.

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 Emerging Markets Value Fund is distributed by ALPS Distributors, Inc.
BII001489 4/30/23