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 3/31/2023)

Taiwan Semiconductor Manufacturing Co Ltd	4.82
Embraer SA	4.58
Alibaba Group Holding Ltd	4.50
Samsung Electronics Co Ltd	4.26
Fibra Uno Administracion SA de CV	3.39
POSCO Holdings Inc	3.08
Wiwynn Corp	2.97
Accton Technology Corp	2.90
Cemex SAB de CV	2.76
Erste Group Bank AG	2.48

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

The Brandes Emerging Markets Value Fund returned 8.87% (Class I Shares), outperforming its benchmark, the MSCI Emerging Markets Index, which was up 3.96% in the first quarter, and the MSCI Emerging Markets Value Index, which increased 3.91%.

Positive Contributors

Holdings in Latin America helped performance, led by Mexico-based cement company **Cemex** and real estate investment trusts **Fibra Uno** and **Terrafina**, as well as Brazilian regional jet manufacturer **Embraer**.

Embraer posted solid results for the fourth quarter of 2022, with revenue and free cash flow ahead of consensus and operating margin improving sequentially across segments. The company provided increased guidance for aircraft deliveries in 2023 in both the commercial and executive divisions. Moreover, one of its competitors announced it had officially shut down its next-generation commercial regional jet program, which could leave Embraer to be the primary supplier in this market.

Similarly, Cemex benefited from an enhanced outlook for 2023, with pricing remaining robust and management optimistic on growth in the industrial and commercial sectors.

From a sector perspective, we saw solid contributions from select information technology holdings, such as Taiwan-based **Wiwynn**, **Accton Technology**, and **Taiwan Semiconductor Manufacturing Company**, as well as South Korea's **Samsung Electronics**. Other notable performers included South Korean steelmaker **POSCO** and China-based **Alibaba**, whose announcement of a six-way split and potential IPOs (initial public offering) of each segment was well received by the market.

Performance Detractors

The largest detractors included several holdings in China, namely **Chinasoft International**, **TravelSky Technology**, **China Education Group**, and **Wynn Macau**.

China Education Group's share price has been weak recently due to the market's disappointment over a change in the company's chief financial officer (CFO) and a lack of progress on the M&A (mergers and acquisitions) front. We view these concerns as overblown. The company is well positioned, in our opinion, to maintain an attractive rate of organic growth, supplemented with disciplined evaluation of potential acquisition targets. With respect to the change in the executive office, the previous CFO resigned due to retirement (age 62). We continue to maintain an allocation to the company as we believe its fundamentals remain intact.

Meanwhile, Chinasoft International reported underwhelming results for the second half of 2022 as the company continued to be impacted by a weak macro environment and a slowdown at a key strategic partner, Huawei. We remain confident about the company's long-term prospects given the volume growth of outsourcing work from clients and Chinasoft's rapidly expanding cloud business.

Apart from holdings in China, notable detractors included South Korean personal care products business **LG H&H** and Brazilian grocer **Sendas Distribuidora**. Additionally, India-based **Indus Towers** hurt returns as it continued to struggle with elevated accounts receivable balances resulting primarily from a major customer's (Vodafone Idea) inability to make timely payments.

Select Activity in the Quarter

The emerging markets investment committee initiated a position in Indian electric utility **NTPC Limited** while divesting China-based **Weichai Power**.

NTPC Limited, formerly known as the National Thermal Power Corporation, is India's largest electric utility, accounting for about a quarter of the country's power generation and over 15% of its installed capacity. The Government of India holds a controlling, but declining stake in NTPC (89.5% stake at the company's 2004 IPO to currently 51.1%). Over 97% of NTPC's capacity operates under cost-of-service regulation, while the remaining installed capacity comprising renewable energy is being developed on a competitive basis. As part of India's environmental commitment to fight global warming, NTPC plans to add 60GW of renewable energy by 2032 to reach 50% of its installed capacity.

Until recently, NTPC suffered a decade-long derating due to adverse regulatory changes and revenue shortfalls in addition to the recurrent overhang from the government gradually reducing its stake. The company also struggled with the stigma associated with its large exposure to coal-based electricity generation. In our view, one of the main uncertainties was the lack of clarity regarding the role the government envisioned for NTPC in India's decarbonization strategy. This concern has been alleviated now that it is clear NTPC will be a leading participant and possibly become the largest developer of renewable capacity in the country, and it will invest significant capital expenditure to retrofit its entire coal-based fleet under regulated returns with good visibility for cost recovery. Hence, the transition from coal to renewable energy has gone from posing a potentially existential threat for NTPC to providing a significant opportunity supporting earnings growth potential in the foreseeable future.

While these positive developments have not gone unnoticed by the market, upside potential persists as NTPC represents, in our opinion, an opportunity to invest in a "growth" utility at "value" or discounted multiples.

Current Positioning

With the limited turnover in the quarter, the positioning of the Fund's portfolio did not meaningfully change. As of March 31, 2023, the Brandes Emerging Markets Value Fund remained underweight China (although Chinese companies made up our largest country allocation), India, Saudi Arabia, and Taiwan, while having significant overweights to Mexico, Brazil, Panama, and Indonesia. On a sector basis, the Fund held large overweights to real estate (outside China), consumer staples and consumer discretionary, while maintaining key underweights to materials and energy.

Given the volatility and headlines surrounding the financials sector globally, we'd be remiss not to mention our exposure. At quarter end, the Fund held a lower allocation to financials than the MSCI Emerging Markets Index's weighting – 18.5% vs. 21.0% respectively. Our financials research team and investment committee have been meeting frequently as they monitored ongoing developments. We have been updating our valuation and risk exposure analysis across a variety of financial holdings and have been in contact with several global financial companies via email, phone, and in-person meetings at financial conferences. We believe the risk of permanent, fundamental impairment stemming from issues similar to those faced by Silicon Valley Bank and other struggling banks remains low for the financial institutions we own specifically within the Fund.

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

Average Annual Total Returns (%) as of March 31, 2023							
Without Load	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception 8/20/1996
Class I	8.87	8.87	2.42	9.85	-2.72	0.37	5.97
Class A	8.79	8.79	2.06	9.60	-2.94	0.13	5.74
Class C	8.60	8.60	1.36	8.97	-3.58	-0.46	--
Class R6	8.95	8.95	2.43	9.96	-2.61	0.48	6.05
With Load	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception 8/20/1996[1]
Class A	2.53	2.53	-3.81	7.46	-4.08	-0.46	5.51
Class C	7.60	7.60	0.36	8.97	-3.58	-0.46	--
MSCI Emerging Markets Index	3.96	3.96	-10.70	7.83	-0.91	2.00	5.27
MSCI Emerging Markets Value Index	3.91	3.91	-9.44	10.04	-1.15	0.69	--

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.

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.

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.

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.

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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. 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.

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