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 12/31/2023)

Taiwan Semiconductor Manufacturing Co Ltd	5.98
Samsung Electronics Co Ltd	5.20
Alibaba Group Holding Ltd	3.55
Embraer SA	3.31
HDFC Bank Ltd	2.97
Erste Group Bank AG	2.89
Fibra Uno Administracion SA de CV	2.62
Petroleo Brasileiro SA	2.58
TIM SA/Brazil	2.48
SK Hynix Inc	2.25

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

The Brandes Emerging Markets Value Fund returned 7.74% (Class I Shares), performing roughly in line with its benchmark, the MSCI Emerging Markets Index, which returned 7.86% in the quarter, and the MSCI Emerging Markets Value Index, which gained 8.05%.

Positive Contributors

Notable contributors included holdings in Latin America. Brazil-based regional jet manufacturer **Embraer**, oil company **Petrobras**, and wireless telecom **TIM SA** aided performance, along with Panama-based bank **Banco Latinoamericano de Comercio Exterior** (BLADEX) and airline **Copa Holdings**, as well as Mexican cement producer **Cemex**.

A common theme among these holdings was increased optimism. Embraer reiterated its favorable full-year outlook, further bolstering the positive sentiment regarding its medium- to long-term prospects. TIM SA maintained strong year-over-year sales growth, while also continuing to reduce capital expenditures and improve its free-cash-flow generation. Copa Holdings delivered solid earnings growth and continued to deleverage its balance sheet, reaffirming its robust guidance.

Several information technology sector holdings also increased, including Taiwan-based **Wiwynn** and **Taiwan Semiconductor Manufacturing Co.**, as well as South Korea's **Samsung Electronics** and **SK Hynix**. Other noteworthy contributors included Austria-domiciled **Erste Group Bank** and India-based power producer **NTPC**.

Performance Detractors

Several China-based consumer discretionary holdings performed poorly, notably **China Education Group** and **Alibaba**, as well as hospitality firms **Galaxy Entertainment Group** and **Wynn Macau**.

China Education Group's earnings for the second half of the 2023 fiscal year fell short of expectations, primarily due to increased teacher salaries, higher interest expenses, and weaker revenue growth. Alibaba's shares declined following its decision to abandon plans to spin off its cloud business. Meanwhile, Wynn Macau tumbled as weaker-than-expected earnings cast doubt over the pace of its post-pandemic recovery.

Beyond consumer discretionary, some other holdings in China also hurt returns, particularly **Ping An Insurance**, **LONGi Green Energy Technology**, and **ZTO Express**. For LONGi, the decline in solar wafer and module prices overshadowed shipment growth, pressuring its revenue and net income.

Furthermore, the Fund's underweight allocations to India and Taiwan detracted from relative returns, as did its underweight to information technology.

Select Activity in the Quarter

The emerging markets investment committee initiated positions in China-based battery producer **Contemporary Amperex Technology Co.**, as well as financial firms **DBS Group** (Singapore) and **HSBC** (U.K.).

Contemporary Amperex Technology Co. (CATL) is the world's largest producer of lithium-ion batteries for electric vehicles and energy storage systems, with an estimated global market share of approximately 35% in each segment. Known for its technological and cost leadership, CATL offers products for both premium and mass-market electric vehicles. The company derives most of its sales domestically in China but has diversified its global presence in recent years.

At the time of our purchase, CATL's stock traded near its 52-week low, marking a decline of over 50% from its all-time high. There are several factors contributing to this share-price pressure: a subdued industry outlook overseas, potential restrictions in the U.S. market, general wariness toward Chinese equities, and the risk of battery manufacturing overcapacity in China.

The U.S. electric vehicle market currently represents a small portion of CATL's revenue, and our intrinsic value estimate and investment thesis are not predicated on CATL being able to grow or even maintain its U.S. market presence. We appreciate that CATL competes in end-markets that offer compelling long-term growth potential—even if that growth trajectory may not be linear. Moreover, CATL stands out as a high-quality player in the global battery supply chain, excelling in technology, cost efficiency, cash-flow generation, and balance-sheet strength. At its current valuations, we believe the stock represents an attractive opportunity to invest in an industry leader amid a weak point in the industry cycle while keeping in mind the long-term trend of increasing levels of vehicle electrification.

We added DBS Group and HSBC Holdings to the Fund's portfolio as we judged their earnings outlook to be resilient. This stands in contrast with the market pessimism that seems to anticipate a decline in interest rates and its consequent impact on banks' net interest margins. Based on our analysis, both DBS and HSBC trade at depressed valuation multiples, while offering favorable capital deployment and capital return prospects, including compelling dividend yields.

Other major portfolio activity included the divestment of electric utility **Enel Chile**, which we sold as it appreciated to our estimate of intrinsic value.

Year-to-Date Briefing

The Brandes Emerging Markets Value Fund returned 22.52% (Class I Shares), outperforming its benchmark, the MSCI Emerging Markets Index, which increased 9.83% in 2023, and the MSCI Emerging Markets Value Index, which was up 14.21%.

The strongest contributors were holdings in materials (e.g., **POSCO**, Cemex) and information technology (e.g., Wiwynn, **Accton Technology**, Samsung Electronics, SK Hynix). Geographically, the Fund benefited the most from holdings in Taiwan, Brazil, and Mexico. Other contributors included Panamanian bank BLADEX and electric utility Enel Chile.

Notable detractors were primarily holdings in consumer discretionary and consumer staples. These included China-based **TravelSky Technology**, Galaxy Entertainment Group, and China Education Group, as well as South Korean **LG H&H** and Brazil-based **Sendas Distribuidora**. Ping An Insurance also performed poorly.

Current Positioning

Our portfolio positioning is a result of our bottom-up approach focused on uncovering value potential across all emerging markets. As such, our overweights tend to reflect areas where we have found many compelling opportunities, while our underweights represent those where we have not observed as much value. We believe maintaining the discipline to avoid overpriced businesses and those that are statistically cheap for a reason is just as important as the diligence to identify potentially undervalued companies through rigorous fundamental analysis.

The Fund has an overweight to Latin America through its diversified positions in telecommunications, utilities, energy, and real estate. In our view, these holdings have the potential to gain from deflationary input costs and the increasing trend of nearshoring in Mexico and nearby regions.

On a sector basis, the Fund holds large overweights to real estate, consumer staples, and financials. Note that while headline valuation metrics look inexpensive, we have not found appealing opportunities in China-based real estate companies due to the challenging industry outlook and macroeconomic backdrop.

Furthermore, the Fund includes exposure to businesses that we believe are positioned to eventually benefit from post-COVID normalization. Although the recovery of Chinese consumer spending has taken longer than we initially anticipated, we maintain that select holdings in industries such as gaming, travel, and apparel represent undervalued opportunities that may be tied to the broader long-term resurgence of the Chinese economy.

We continue to hold key underweights to India, Taiwan, and China, as well as to materials, health care, energy, and information technology. We believe the differences between the Fund's portfolio and the MSCI Emerging Markets Index make it an appealing complement to index-tracking or passively managed strategies.

While value leadership (MSCI EM Value vs. MSCI EM) provided a tailwind for the Fund this year, it was our stock selection across sectors and countries that primarily drove our outperformance. Going forward, we remain optimistic about the Fund's holdings composition and the risk/reward tradeoff it offers.

Average Annual Total Returns (%) as of December 31, 2023							
Without Load	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception 8/20/1996
Class I	7.74	22.52	22.52	1.57	3.11	1.27	6.26
Class A	7.74	22.24	22.24	1.35	2.89	1.03	6.03
Class C	7.61	21.38	21.38	0.79	2.23	0.48	--
Class R6	7.82	22.71	22.71	1.70	3.25	1.39	6.34
With Load	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception 8/20/1996[1]
Class A	1.55	15.21	15.21	-0.63	1.68	0.43	5.80
Class C	6.61	20.38	20.38	0.79	2.23	0.48	--
MSCI Emerging Markets Index	7.86	9.83	9.83	-5.08	3.68	2.66	5.33
MSCI Emerging Markets Value Index	8.05	14.21	14.21	-0.01	3.37	1.93	--

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, 2025. 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.

For term definitions: https://www.brandes.com/termdefinitions
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.

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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