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 9/30/2022)

Taiwan Semiconductor Manufacturing Co Ltd	4.35
Alibaba Group Holding Ltd	4.13
Samsung Electronics Co Ltd	3.80
Fibra Uno Administracion SA de CV	3.41
Galaxy Entertainment Group Ltd	2.97
Embraer SA	2.92
TravelSky Technology Ltd	2.77
Bank Rakyat Indonesia Persero Tbk PT	2.73
Wiwynn Corp	2.58
Accton Technology Corp	2.50

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

The Brandes Emerging Markets Value Fund declined 10.88% (Class I Shares), outperforming its benchmark, the MSCI Emerging Markets Index, which was down 11.57% in the third quarter, and performing in line with the MSCI Emerging Markets Value Index, which was down 10.95%.

Positive Contributors

Holdings in Latin America performed relatively well. These included our positions in Mexican real estate investment trusts (REITs) and utility **Enel Chile**, as well as Brazil-based food retailer **Sendas Distribuidora** and integrated oil firm **Petrobras**, which saw its shares rally as it continued to pay attractive dividends following the rise in global oil prices.

Meanwhile, Hong Kong-based retail operator **Lifestyle International** saw its stock price jump after Chairman Thomas Lau proposed privatizing the company with an offer price of HKD 5 per share, implying an over 60% premium to Lifestyle's closing price prior to the announcement. We exited our position following the news.

Beyond these individual holdings, our underweight to China aided relative returns, as did our allocation to Taiwanese companies.

Performance Detractors

Select holdings in China hurt performance.

Engines manufacturer **Weichai Power** issued a warning in September that its subsidiary KION, an automated logistics solutions provider, would record a material loss from ongoing inefficiencies due to supply issues and rising input costs. This, coupled with a continued downcycle in its heavy-duty truck segment, led the company's share price to decline.

Meanwhile, internet company **Alibaba** hurt returns as market concerns persisted around the regulatory environment in China and the uncertain future of its listing in the U.S., as well as the continuation of China's zero-Covid policy and its effect on consumer demand.

Besides Weichai and Alibaba, **Chinasoft International**, **China Education Group** and **Ping An Insurance** also weighed on performance. Furthermore, our underweights to India and Saudi Arabia, as well as to the materials sector, detracted from relative returns.

Select Activity in the Quarter

The emerging markets investment committee initiated positions in **IndusInd Bank**, **Kimberly-Clark de Mexico** and **Chailease Holding**, while divesting **FIBRA Macquarie Mexico** and the aforementioned Lifestyle International.

Kimberly-Clark de Mexico (KCM) is the leading producer of tissue and fiber-based personal care products in Mexico, where it holds 60% market share. The company derives over 90% of its revenue from baby diapers and tissue products, with feminine care products making up the rest. Historically, KCM has boasted solid operating margins of more than 20% due to its strong position in Mexico's brand-conscious consumer products market. However, despite the high margins, KCM's profitability has recently fluctuated as the company has had trouble passing inflationary raw material costs on to end consumers. Approximately two-thirds of KCM's manufacturing costs (paper and pulp products and oil derivatives) are in U.S. dollars, so inflation and currency fluctuations present challenges, especially considering that the Mexican consumer sector is not particularly strong. In the past year as a result of these dynamics, KCM's EBITDA margin declined to its lowest level since 2005. Management has been pushing through price increases, resulting in lost market share as its competitors were slower to react.

We believe the market has overly punished KCM due to the near-term margin pressure, creating a buying opportunity. This is not the first time KCM has dealt with raw material cost headwinds, and the company has a history of overcoming such challenges over time as pricing and volumes eventually offset short-term cost pressures. Furthermore, pulp is a raw material for which pricing has been elevated lately and tends to be cyclical. With new capacity coming to market over the next few years, we expect pulp input costs to fall.

Founded in 1994, Mumbai-based IndusInd Bank (IIB) is the fifth-largest private bank in India by market share (based on assets). Over the past several years, IIB has faced a variety of internal and external issues. Between 2018 and 2020, the bank came under pressure following the defaults of several corporate and infrastructure finance companies it had exposure to. During the pandemic, IIB struggled to manage its vehicle and microfinance loans, which require more high-touch, in-person access to customers. Additionally, the company experienced some government deposit outflows driven by risk aversion toward mid-sized private sector banks.

We believe IndusInd is now on an underappreciated recovery path, having taken the following actions:

- Reduced the concentration of borrowers and deposits,
- Decreased the cost of deposits by raising the proportion of low-cost retail deposits while reducing the reliance on high-cost term deposits,
- Increased provision coverage of non-performing loans,
- Raised approximately U.S.$426 million of capital in September 2020 to increase confidence,
- Strengthened its risk profile via improved credit ratings for its corporate borrowers.

Weighing its recovery potential in a credit growth cycle against its past challenges, we believe IIB represents an attractive investment opportunity.

Year-to-Date Briefing

The Brandes Emerging Markets Value Fund declined 28.29% (Class I Shares), underperforming its benchmark, the MSCI Emerging Markets Index, which was down 27.16% in the nine months ended September 30, 2022, and underperforming the MSCI Emerging Markets Value Index, which was down 23.32%.

Holdings in Russia were the most significant detractors. 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 and uncertainties associated with investments in Russian securities. The Fund has exposure to five companies domiciled in Russia: **Detsky Mir**, **Lukoil**, **Mobile TeleSystems**, **Sberbank** and **Sistema**.

Beyond Russian holdings, Brazil's **Embraer** declined, as did several technology-related companies, notably **Samsung Electronics**, **Taiwan Semiconductor Manufacturing Company**, Alibaba, and **SK Hynix**.

Similar to the quarter, positive contributors included holdings in Latin America, led by Petrobras, Sendas Distribuidora and Chile-based **Empresa Nacional de Telecomunicaciones**. Mexican REITs FIBRA Macquarie Mexico and **Fibra Uno** also performed well, along with **PT Bank Rakyat Indonesia** and China's **Galaxy Entertainment Group**.

Current Positioning

As of September 30, the Brandes Emerging Markets Value Fund held large overweights to real estate, consumer staples and consumer discretionary, while maintaining key underweights to financials, materials and energy. The Fund remained underweight China, although Chinese companies made up our largest country allocation. Additionally, we continued to be underweight India, Saudi Arabia, and Taiwan, while having significant overweights to companies in Mexico and Indonesia.

A variety of headwinds face emerging marketsstocks today, ranging from elevated inflation, slowing economic growth/recession concerns and COVID lockdowns to energy risk and political as well as regulatory uncertainties. Nonetheless, we believe the asset class remains very attractive. As of September 30, emerging markets stocks (MSCI EM) traded among the largest discount ever relative to the U.S. equity market (MSCI USA) based on valuation metrics such as price/cash flow, forward price/earnings, and EV/sales, while offering exposure to many well positioned global and domestic oriented businesses with appealing growth prospects. Compared to the benchmark, the Fund trades at even lower valuations.

Furthermore, we continue to believe our Fund represents 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). 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 September 30, 2022							
Without Load	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception 8/20/1996
Class I	-10.88	-28.29	-28.79	-9.29	-6.81	-1.29	5.10
Class A	-11.00	-28.45	-28.99	-9.50	-7.02	-1.52	4.87
Class C	-11.30	-28.93	-29.54	-10.03	-7.62	-2.11	--
Class R6	-10.94	-28.35	-28.75	-9.19	-6.70	-1.19	5.18
With Load	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception 8/20/1996
Class A	-16.12	-32.57	-33.08	-11.27	-8.11	-2.10	4.64
Class C	-12.18	-29.62	-30.22	-10.03	-7.62	-2.11	--
MSCI Emerging Markets Index	-11.57	-27.16	-28.11	-2.07	-1.81	1.05	4.84
MSCI Emerging Markets Value Index	-10.95	-23.32	-23.63	-2.57	-2.13	-0.41	--

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.

EBITDA: Earnings before interest, taxes, depreciation and amortization.
EBITDA Margin: EBITDA divided by total sales.
Enterprise Value: Market capitalization plus debt, minority interest and preferred shares, minus total cash and cash equivalents.
EV/Sales: Compares the enterprise value of a company to its annual sales.
Forward Price/Earnings: Sell-side analysts' consensus earnings estimates for the next fiscal year.
Price/Cash Flow: Price per share divided by cash flow per share.
Operating Margin: Operating income divided by net sales; used to measure a company's operating efficiency.

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.
The MSCI USA Index measures the performance of the large and mid cap segments of the U.S. equity market.

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.

The foregoing reflects the thoughts and opinions of Brandes Investment Partners® exclusively and is subject to change without notice.

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BII001451 01/31/23