

Brandes Global Equity Fund

FUND INFORMATION

Class I:	BGVIX
Class A:	BGEAX
Class C:	BGVCX

STRATEGY

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

TOP TEN HOLDINGS

(% of assets as of 3/31/2023)

Sanofi	3.06
UBS Group AG	2.72
Wells Fargo & Co	2.35
Erste Group Bank AG	2.35
TotalEnergies SE	2.34
GSK PLC	2.27
Fiserv Inc	2.15
Embraer SA	2.09
HeidelbergCement AG	2.09
Publicis Groupe SA	2.09

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

The Brandes Global Equity Fund rose 5.37% (Class I Shares), underperforming its benchmark, the MSCI World Index, which increased 7.73% in the first quarter, and outperforming the MSCI World Value Index, which rose 0.92%.

Positive Contributors

The Fund's strongest performers included industrials holdings **Rolls-Royce**, **Embraer**, and **FedEx**.

U.K.-based Rolls Royce continued to recover from the downturn in demand for long-haul air travel. The company posted improved operating results and has won new contracts over the past several months, strengthening expectations for improved free-cash-flow generation.

Similarly, Brazilian regional jet manufacturer Embraer remained on track in its post-COVID rebound, with deliveries for business and commercial jets continuing to increase. Additionally, 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.

Meanwhile, global shipping and distribution company FedEx released improved results after cutting costs and saw its share price rally.

Other solid contributors included German multinational building materials company **HeidelbergCement**, France-based advertising agency **Publicis**, and Mexico-based real estate investment trust (REIT) **Fibra Uno**.

Performance Detractors

Following the downfall of two crypto-related banks and the venture-concentrated Silicon Valley Bank, coupled with concerns about deposit outflows and longer-duration investments held at other small and regional banks, it's not surprising that banking was one of the worst-performing industries within the MSCI World Index. In aggregate, our U.S.-based bank holdings performed better than those in the benchmark as we own large money center banks and super regionals. However, our overweight to the industry hurt relative returns overall. Our most significant detractors included large regional banks **PNC** and **Truist Financial**, as well as insurer **American International Group**. In response to pervasive negativity affecting the financials sector, our research team and investment committee met frequently as they monitored ongoing developments, updated our valuation estimates, evaluated risk exposures of our holdings, and identified potential long-term opportunities. Based on our analysis, we reallocated across some of our financials holdings, favoring large money center and trust banks given their attractive valuations and what we consider lower relative risk versus regional banks (see *Select Activity*).

Other detractors included several solid performers from last year, most notably American multinational oil field service company **Halliburton**, as well as health care holdings **Cigna**, **Pfizer**, and **CVS Health**. After rising within a declining market last year, the health care providers and services industry was one of the worst-performing in the first quarter (on par with banks and commercial REITs); therefore, our overweight to the industry diminished relative returns.

Our underweight to technology also reduced relative returns as it was the best-performing sector in the benchmark.

Select Activity in the Quarter

The investment committee initiated positions in Brazil-based beverage company **Ambev** and Singapore-based bank **DBS Group**.

Ambev produces and distributes beer, soft drinks, and other beverages in the Americas outside of the United States, with Brazil accounting for about half of its profits. The company is the world's fourth-largest brewer by market share and the largest Pepsi bottler outside the United States.

In our view, Ambev is a high-quality emerging-market company that has a strong balance sheet and operates in a fairly defensive industry. The company has lost some market share in Brazil over the past few years as consumer preference has shifted toward value/more affordable beer and as rival Heineken has improved its competitive position.

In 2019, Ambev appointed a new chief executive officer to lead a turnaround project, which included launching new brands in the value segment, scaling its premium brands, and adapting its pricing strategy. We believe Ambev is well equipped to recover its profit margins and to benefit from a potentially improved operating environment in Brazil. At its current valuation levels, the company represents an attractive risk/reward tradeoff to us.

DBS Group is one of Southeast Asia's largest banks, with operations that extend to China, Hong Kong, Taiwan, and South Korea. Thanks to its strong deposit franchise, low-cost funding base, and attractive fee-generating business from its wealth management unit, DBS has been able to produce what we consider attractive returns on equity while offering appealing dividend yield of over 5%. Although the company trades at a single-digit multiple of earnings, our analysis implies it can continue to benefit from a rising or higher interest rate environment. Based on its risk profile, compelling valuations, and its history of returning capital to shareholders, we decided to initiate a position in DBS.

We divested our holdings in Truist Financial and defense company **General Dynamics**.

After reviewing our overall banking exposure, we decided to reallocate capital toward our money center and trust bank holdings and simultaneously sold our position in regional bank Truist. We made this decision based on Truist's heightened risk exposure and a potential increase in regulatory scrutiny for regional banks that have not faced the same level of liquidity and stress testing as large money center banks.

Meanwhile, General Dynamics reached our estimate of its intrinsic value. We initiated our position during the market downturn in 2020. Since then, General Dynamic's share price has appreciated on an improved environment for

defense-related stocks, with its forward price-to-earnings increasing to over 18x from approximately 12x at the time of our purchase.

Current Positioning

As of March 31, 2023, the Brandes Global Equity Fund held its key positions in the economically sensitive financials and energy sectors, and the more defensive health care sector. Our largest sector underweight was to the technology sector, which given its solid performance during the quarter, rose to over a 20% allocation in the MSCI World Index. Meanwhile, our allocation to that sector increased modestly during the past year and was slightly below half the index weighting at quarter end.

Geographically, we continued to hold overweight positions in the United Kingdom, France and emerging markets but were underweight Japan and the United States.

A variety of headwinds face stocks today, including elevated inflation, potentially increasing interest rates, slowing economic growth and recession concerns, commodity price volatility, and political and regulatory risks. That is why we think that at today's valuations, value stocks—and the Fund's portfolio in particular—offer an attractive long-term opportunity. It's important to emphasize that our overall positioning is driven from the bottom up, on a company-by-company basis, with a focus on pursuing long-term results. We take into account the economic concerns noted above when evaluating a potential investment, estimating the impact they may have on each investment's intrinsic value.

Global value stocks (MSCI World Value) continued to trade in the cheapest quintile relative to growth stocks (MSCI World Growth Index) across a variety of valuation metrics (e.g., price/earnings, price/cash flow, enterprise value/sales). Discounts experienced previously at today's levels have often portended attractive returns over a long-term time horizon for value stocks, and the Fund has historically tended to do well when value stocks have done well.

Looking ahead, we remain optimistic about the prospects for the Brandes Global Equity Fund given its current valuation and company fundamentals, as well as its tendency to outperform the MSCI World Value Index when it outperforms the benchmark. We believe the differences between the Fund's portfolio and the broader market continue to make the Fund an intelligent complement to index-tracking or growth-oriented alternatives and we remain excited about the Fund's future potential.

Average Annual Total Returns (%) as of March 31, 2023

Without Load	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception 10/6/2008
Class I	5.37	5.37	2.38	20.19	5.30	6.76	6.84
Class A	5.26	5.26	2.10	19.88	5.03	6.49	6.59
Class C	5.09	5.09	1.36	18.99	4.25	5.85	6.13
With Load	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception 10/6/2008
Class A	-0.79	-0.79	-3.77	17.54	3.80	5.86	6.15
Class C	4.09	4.09	0.37	18.99	4.25	5.85	6.13
MSCI World Index	7.73	7.73	-7.02	16.40	8.00	8.85	8.91
MSCI World Value Index	0.92	0.92	-5.05	15.90	4.99	6.54	6.89

Operating Expenses: Class I: 1.22% (gross), 1.00% (net) Class A: 1.42% (gross), 1.25% (net) Class C: 2.17% (gross), 2.00% (net)

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.

Class I shares commenced operations on October 6, 2008. Class A shares commenced operations on January 31, 2011, but 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.) Performance shown prior to January 31, 2011 for Class A shares reflects the performance of Class I shares restated to reflect Class A sales loads and expenses. Class C shares commenced operations on January 31, 2013. Performance shown prior to the inception of Class C shares reflects the performance of Class I shares restated to reflect Class C expenses. The Class C shares' average annual total return for the 10-year and since inception periods assumes that Class C shares automatically converted to Class A shares 8 years after the start of the period.

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.

Dividend Yield: Dividends per share divided by price per share.

Enterprise Value: Market capitalization plus debt, minority interest and preferred shares, minus total cash and cash equivalents.

Enterprise Value/Sales: Enterprise value divided by annual sales.

Forward Price/Earnings: Price per share divided by earnings per share expected over the next 12 months or next fiscal year.

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

Price/Cash Flow: Price per share divided by cash flow per share.

Price/Earnings: Price per share divided by earnings per share.

Profit Margin: Net income divided by revenues.

Return on Capital: Net income minus dividends divided by total capital; used to assess a company's efficiency at allocating the capital under its control to profitable investments.

Return on Equity: Net income divided by shareholders' equity.

The MSCI World Growth Index with gross dividends captures large and mid cap securities across developed market countries exhibiting growth style characteristics, defined using long-term forward earnings per share (EPS) growth rate, short-term forward EPS growth rate, current internal growth rate, long-term historical EPS growth trend, and long-term historical sales per share growth trend.

The MSCI World Index with net dividends captures large and mid cap representation of developed markets.

The MSCI World Value Index with gross dividends captures large and mid cap securities across developed market countries 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. 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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