Brandes International Equity Fund

FUND INFORMATION

Class I:	BIIEX
Class A:	BIEAX
Class C:	BIECX
Class R6:	BIERX

STRATEGY

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

TOP TEN HOLDINGS

(% of assets as of 12/31/2022)

Takeda Pharmaceutical Co Ltd	4.37
Alibaba Group Holding Ltd	2.58
UBS Group AG	2.55
HeidelbergCement AG	2.46
Sanofi	2.43
Novartis AG	2.43
SAP SE	2.39
GSK PLC	2.38
Swatch Group AG	2.29
Henkel AG & Co KGaA	2.24

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

The Brandes International Equity Fund rose 22.15% (Class I Shares), outperforming its benchmark, the MSCI EAFE Index, which increased 17.34% in the fourth quarter, and the MSCI EAFE Value Index, which rose 19.64%.

Positive Contributors

Value outperformance during the quarter provided a tailwind for the Fund. At the stock level, strongest performers included several bank holdings that have continued to benefit from the global rise in interest rates, such as Austria-based **Erste Group**, Italian **Intesa Sanpaolo**, and Japan-based **Mitsubishi UFJ Financial**.

A variety of cyclical businesses also aided returns as they rose significantly more than the broader market. These included Germany's **HeidelbergCement**, U.K-based **Rolls Royce**, and French advertising agency **Publicis**. Rolls Royce's shares rose on news that its engines would be used on the next-generation fleet replacing the Black Hawk helicopters, which currently use legacy GE engines.

Several of the Fund's consumer staples holdings (e.g., U.K.-based retailers **J Sainsbury** and **Marks & Spencer**) did well despite the fact that the sector represented one of the weakest performing areas within the benchmark. Other notable contributors included Italian integrated oil firm **ENI** and Spain-based biotech company **Grifols**.

Performance Detractors

The largest detractors included Switzerland-based **Credit Suisse** and Dutch health care conglomerate **Koninklijke Philips**.

Philips saw its shares tumble as it issued a profit warning due to the continued impact of supply chain problems.

Credit Suisse declined after announcing a significant restructuring plan and a capital raise. If successful, the restructuring should position the company well longer term, in our view, as it will allow the business to focus more on its strong wealth management and domestic Swiss bank franchises. This being said, a meaningful execution risk exists, and while the current valuation is attractive, we will continue to monitor the company's progress before making further allocation.

Meanwhile, the overall Brazilian stock market (MSCI Brazil) underperformed the broad international market (MSCI EAFE) following the election of Lula da Silva as Brazil's new president. Among the Fund's Brazil-based holdings, integrated oil firm **Petrobras**, beverage company **Ambev**, and **Telefonica Brasil** detracted from relative returns the most.

Select Activity in the Quarter

The investment committee initiated positions in two emerging market-based semiconductor-related companies, namely **Taiwan Semiconductor Manufacturing Company** (TSMC) and South Korea's **Samsung**.

TSMC is the cost and technology leader in fabricating semiconductors for a variety of global technology companies, including Apple, Huawei, and Qualcomm. The firm's scale and technology advantages have helped it gain market share over the past decade, making TSMC the dominant provider of leading-edge semiconductors and enabling it to generate solid cash flows and returns on capital. The company now manufactures a substantial portion of the chips pivotal in the megatrends of the next decade, such as artificial intelligence, machine learning, cloud, electric and autonomous vehicles, and improved energy efficient devices.

Our opportunity to invest in the company came amid worries about heightened geopolitical tension between the U.S. and China, as well as concerns about softening demand and an oversupply of semiconductors following a catch-up in production after the semiconductor shortage last year. In our view, these well-known concerns have been more than reflected in TSMC's share price. Even though weaker demand in the slowing smartphone market and intensifying competition in non-leading edge segments present headwinds, we believe TSMC is well positioned to capitalize on appealing long-term growth potential from increasing silicon demand across a variety of applications (high-performance computing, internet of things, and automotive semiconductors). In our opinion, TSMC is one of the most attractively valued and sustainable franchises in the global semiconductor industry, with a capability to continue generating robust returns on capital and free cash flows going forward.

One of the world's largest technology companies, Samsung operates across a variety of end markets (e.g., memory, smartphones, other electronics). It is a leading player in the semiconductor foundry market along with TSMC, and similarly its shares have been hurt by a downturn in semiconductor pricing. The company is also the dominant player in the global computer memory storage market, in which its scale and low-cost position have allowed it to produce healthy cash flows and returns on capital. The operating landscape for memory storage market has improved over the last decade as the sub-industry has consolidated to three major players (Samsung, SK Hynix and Micron Technology). Recently, however, Samsung's memory business has also been struggling with excess capacity and weakening demand.

Despite the challenges in its end markets, Samsung is, in our opinion, likely to benefit from several secular trends in technology, including cloud computing, artificial intelligence, 5G, and autonomous computing, all of which should spur long-term demand growth for foundry services and memory storage devices. Its strong foothold in the memory storage sub-industry, which has enjoyed faster revenue growth than the overall semiconductor industry over the past 20 years, has led us to be optimistic about Samsung's prospects. Given the impact of short-term concerns around a downturn in semiconductor and memory demand and pricing, combined with the company's current valuation and long-term growth potential, Samsung offers an appealing value opportunity to us.

Year-to-Date Briefing

The Brandes International Equity Fund declined 8.44% (Class I Shares), outperforming its benchmark, the MSCI EAFE Index, which dropped 14.45% for the year ended December 31, 2022, and underperforming the MSCI EAFE Value Index, which fell 5.58%.

The largest drivers of the Fund's outperformance relative to the benchmark were its overweight to energy (the best performing sector in MSCI EAFE) and its underweight to technology (the worst performing sector in MSCI EAFE). Additionally, holdings in consumer staples and health care, which made up two of the Fund's largest sector allocations, performed better than those in the benchmark. Geographically, holdings in Brazil, Japan, and France helped returns the most.

Amid the oil-price increase, several of the Fund's integrated oil holdings performed well, specifically Petrobras, **Repsol,** ENI, and **TotalEnergies**. Petrobras appreciated significantly on strong operating results. In addition to benefiting from the favorable oil-price environment, the company has increased capital return to shareholders, with several substantial dividend payments during the year.

The Fund's defensively oriented health care allocation also aided returns, led by its largest holding **Takeda Pharmaceutical** based in Japan, which continued to generate strong cash flows and improve its balance sheet, while also offering an attractive dividend yield. Other contributors included Japanese holdings Mitsubishi UFJ Financial and **MS&AD Insurance Group**, as well as Mexican real estate investment trust **Fibra Uno**.

Major detractors included Credit Suisse, which we discussed above, and the Fund's exposure to Russia (i.e., **Surgutneftegas** and **Mobile TeleSystems**), which mostly hurt performance in the first quarter. Additionally, Brazil-based regional jet manufacturer **Embraer** weighed on performance due to global economic growth concerns, as did U.K.-based retailer Marks & Spencer. Other detractors included Koninklijke Philips and **Telecom Italia**, which declined early in the year after private equity firm KKR withdrew its offer to acquire the company.

Current Positioning

As of December 31, 2022, the Brandes International Equity Fund held its key overweights to communication services, health care and consumer staples, while maintaining significantly lower allocations to technology and industrials than the benchmark. The strong relative performance of value (MSCI EAFE Value) vs. the broad market (MSCI EAFE), along with a significant return dispersion among sectors, has helped create new value opportunities for us while also enabling us to pare select holdings that have neared our estimates of intrinsic value. For example, we have reduced the Fund's exposure to strong-performing areas such as energy and consumer staples (although we still have overweight positions compared to the benchmark). We have also started to find more opportunities in technology-related companies. As the benchmark's allocation to technology declined due to the sector's performance, and with the Fund's addition of new technology holdings, the Fund's underweight to the sector has narrowed quite a bit this year (we had no allocation to start the year compared to ~5% weight at year end).

Geographically, we continued to have overweight positions in France and emerging markets, and underweight positions in Australia and Japan. The changes to the Fund's overall country allocations have not been as meaningful as on a sector basis. We have pared some holdings in Brazil and added to a few positions in Germany. We believe the differences between the Fund and the benchmark continue to make it an attractive complement to index-tracking or growth-oriented alternatives.

A variety of headwinds continue to face international stocks today, ranging from elevated inflation, slowing economic growth and recession concerns to energy risk and political as well as regulatory uncertainties. Nonetheless, we believe stocks outside the U.S. in general—and the Fund's portfolio in particular—offer an attractive long-term risk/reward tradeoff at today's valuation levels. Even after their strong relative performance this year, value stocks continue to trade in the highest quintile of discount levels to the broader market on a variety of valuation metrics (e.g., forward price/earnings, price/cash flows, enterprise value/sales). Specifically for the Brandes International Equity Fund, our portfolio continues to consist of holdings that trade below our estimates of their intrinsic values, and we remain optimistic about its long-term return potential.

Average Annual Total Returns (%) as of December 31, 2022							
Without Load	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception 1/2/1997
Class I	22.15	-8.44	-8.44	0.48	0.99	4.48	6.78
Class A	22.12	-8.63	-8.63	0.24	0.75	4.26	6.55
Class C	21.94	-9.36	-9.36	-0.43	0.05	3.64	--
Class R6	22.22	-8.31	-8.31	0.60	1.12	4.59	6.86
With Load	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception 1/2/1997[1]
Class A	15.11	-13.86	-13.86	-1.72	-0.43	3.64	6.30
Class C	20.94	-10.24	-10.24	-0.43	0.05	3.64	--
MSCI EAFE Index	17.34	-14.45	-14.45	0.87	1.54	4.67	4.43
MSCI EAFE Value Index	19.64	-5.58	-5.58	0.65	0.17	3.51	--

Operating Expenses: Class I: 0.93% (gross), 0.85% (net) Class A: 1.13% (gross), 1.13% (net) Class C: 1.88% (gross), 1.88% (net) Class R6: 0.88% (gross), 0.75% (net)

[1] Fund inception predates MSCI EAFE 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.*

The Fund commenced operations in 1997. Prior to October 6, 2008, the Fund had only one class of shares (currently designated as Class I shares). 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 shares 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 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 1/2/2005, 8 years after the inception date of the Brandes International Equity Fund. Performance of Class R6 shares shown prior to the inception of Class R6 shares on February 1, 2016, 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.
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: Compares the enterprise value of a company to its 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.
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.
The MSCI Brazil Index is designed to measure the performance of the large and mid cap segments of the Brazilian market.
The MSCI EAFE Index with net dividends captures large and mid cap representation of developed market countries excluding the U.S. and Canada.
The MSCI EAFE Value Index with gross dividends captures large and mid cap securities across developed market countries, excluding the United States and Canada, 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.

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. 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.

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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