Brandes International Equity Fund

FUND INFORMATION

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

STRATEGY

The Brandes International Equity Fund seeks long term capital appreciation.

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.

TOP TEN HOLDINGS

(% of assets as of 6/30/2025)

Takeda Pharmaceutical Co Ltd	2.95
Samsung Electronics Co Ltd	2.57
Sanofi SA	2.49
GSK PLC	2.39
Alibaba Group Holding Ltd	2.38
Heineken Holding NV	2.30
Swatch Group AG	2.22
UBS Group AG	2.13
Petroleo Brasileiro SA - Petrobras	2.10
STMicroelectronics NV	2.06

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

The Brandes International Equity Fund rose 10.42% (Class I Shares), underperforming its benchmark, the MSCI EAFE Index, which was up 11.78% in the quarter, and modestly outperforming the MSCI EAFE Value Index, which returned 10.11%.

Contributors to Performance

The largest contributors to performance reflected a combination of stock selection in technology and materials, as well as continued recovery in select U.K. consumer names.

Among the top contributors was STMicroelectronics, which benefited from stronger-than-expected sales to its industrial end-market and an anticipated recovery in its automotive end-market. Taiwan Semiconductor Manufacturing Company (TSMC) also helped returns as its leadership in advanced chip manufacturing and central role in AI-related demand drove positive investor sentiment and earnings momentum.

Within materials, shares of Mexico-based Cemex and Germany's Heidelberg Materials increased after both companies reported improved earnings results. In the U.K., J Sainsbury and Tesco appreciated significantly, thanks to resilient consumer demand, improved pricing power, and continued progress on cost efficiency initiatives.

Other standout performers included South Korean Hana Financial Group, which rose materially as Korean banks broadly benefited from rising net interest margins and improving credit quality. Hana's capital discipline and earnings growth further boosted market sentiment.

Detractors from Performance

The Fund's overweights to health care and energy, two of the weakest-performing sectors in the benchmark, detracted from relative returns. Additionally, several of the Fund's holdings in both sectors declined.

France-based TotalEnergies and Brazil's Petrobras hurt performance as oil prices declined amid tariff concerns and geopolitical conflicts. Within health care, notable detractors included pharmaceutical holdings Sanofi and Takeda Pharmaceutical. Sanofi declined due to market worries about its profit margins, a concern we consider short-term in nature. We believe Sanofi remains well positioned for steady top-line growth, supported by its flagship drug Dupixent, its improved research and development productivity, and a lack of major patent expirations for the next five years. We continue to view Sanofi as a stable cash-flow generator with upside optionality from its pipeline.

After a strong rebound in the first quarter, Alibaba declined amid macroeconomic uncertainty in China. We remain confident in the company's long-term positioning in e-commerce and cloud computing, and believe the shares continue to trade at an attractive valuation level.

Other detractors included Hong Kong-based Budweiser Brewing APAC, Japanese machinery firm Kubota, Singapore-headquartered agribusiness group Wilmar International, and Swiss watchmaker Swatch.

Budweiser faced volume pressures in China and Southeast Asia, while Kubota was affected by weaker-than-expected demand in its construction equipment segment. Similarly, both Wilmar and Swatch experienced margin compression amid subdued consumer sentiment across Asia. Despite the headwinds, we believe these positions warrant continued inclusion in the portfolio given their long-term earnings potential and compelling valuations.

Portfolio Activity

There were no new buys during the quarter. However, we divested three positions: U.K. aerospace and defense firm Rolls-Royce Holdings, South Korean tobacco company KT&G, and France-based food products business Danone.

The exit from Rolls-Royce marked the conclusion of an investment that began in May 2022. At the time of purchase, the company was trading at a significant discount to our estimate of intrinsic value, following a period of severe disruption caused by the COVID-19 pandemic. Our thesis centered on Rolls-Royce's dominant position in the widebody aircraft engine market, its high-margin aftermarket services business, and its exposure to long-term secular growth in global air travel.

Over the course of our holding period, we made several upward adjustments to our estimate of Rolls-Royce's intrinsic value as the company made substantial progress in strengthening its balance sheet, improving operational execution, and restoring profitability. By mid-2025, the stock had appreciated significantly, supported by a rebound in civil aerospace volumes, margin expansion, and a return to investment-grade credit metrics. With the stock trading up to our revised intrinsic value estimate, we exited the position during the quarter. While we continue to view Rolls-Royce as a high-quality industrial franchise, we believe the risk/reward profile has become less compelling compared to other opportunities in the portfolio.

Similarly, KT&G and Danone approached our estimates of intrinsic value following periods of strong performance, leading us to exit the positions. We redeployed the capital to add to several positions, including some of our recent purchases from the past year, such as France-based tech services provider Capgemini and beverage firm Pernod Ricard.

Year-to-Date Briefing

The Brandes International Equity Fund rose 22.30% (Class I Shares), outperforming its benchmark, the MSCI EAFE Index, which appreciated 19.45% in the six months ended June 30, 2025, and slightly underperforming the MSCI EAFE Value Index, which rose 22.84%.

Although the outperformance of value stocks (MSCI EAFE Value vs. MSCI EAFE) has been a tailwind for the Fund given our value exposure, it was our stock selection across multiple sectors that mostly drove the Fund's outperformance relative to the benchmark. Leading contributors included holdings in consumer discretionary, led by Alibaba, and in materials, most notably Heidelberg Materials. The Fund also benefited from holdings in technology and health care. Other standout contributors included aerospace and defense companies Embraer and Rolls-Royce, as well as France-based holdings BNP Paribas and Orange. These names reflect strength in both emerging markets and European industrials, with common themes including balance sheet improvement, capital returns, and exposure to infrastructure and digital transformation.

Meanwhile, the Fund's underweights to financials and European defense companies hurt relative returns. At the holding level, notable detractors included luxury goods companies Kering and Swatch, as well as advertising agency WPP. Other detractors were concentrated in consumer discretionary (e.g., Henkel) and health care (e.g., Sanofi, Astellas Pharma), where macro uncertainty and margin pressure weighed on sentiment.

Current Positioning

As of June 30, the Fund's largest overweights are in consumer staples and health care. Additionally, after having a roughly equal weight to technology at the beginning of the year, we now have an overweight in the sector. Meanwhile, the Fund's most significant underweights are in financials and industrials.

Geographically, the Fund continues to have a larger allocation to businesses in Europe and select emerging markets, particularly Mexico, South Korea, and Brazil. We believe the differences between the Brandes International Equity Fund and the MSCI EAFE Index make it an excellent complement and diversifier to passive and growth-oriented strategies.

The significant appreciation and outperformance of international (MSCI EAFE vs. MSCI USA) and value stocks (MSCI EAFE Value vs. MSCI EAFE) this year serves as a great reminder of the benefit of diversification. International and value stocks underperformed for much of the decade prior to the COVID-19 pandemic, likely resulting in many investors being under-allocated to international value stocks. As a result, international value stocks traded near some of the largest discounts in their history relative to growth stocks (MSCI EAFE Growth). Despite the strong rebound this year, international value stocks continue to trade within the least expensive quartile relative to growth (MSCI EAFE Value vs. MSCI EAFE Growth) since the inception of the style indices. This is evident across various valuation measures, including price/earnings, price/cash flow, and enterprise value/sales. Historically, such discount levels often signaled attractive subsequent relative returns for value stocks over the subsequent three- to five-year period. This is encouraging for us as the Fund, guided by our value philosophy and process, has had the tendency to outperform the value index when it outperformed the benchmark.

The Brandes International Equity Fund trades at more compelling valuation levels, in our opinion, while offering more attractive long-term growth characteristics relative to both the benchmark and the MSCI EAFE Value Index. We believe the Fund is well-positioned to benefit if there is a continued rotation toward value and international equities. Looking ahead, we remain optimistic about the prospects of the Fund’s holdings.

Average Annual Total Returns (%) as of June 30, 2025							
Without Load	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception 1/2/1997
Class I	10.42	22.30	25.10	21.66	17.24	7.24	8.19
Class A	10.35	22.13	24.80	21.34	16.93	6.98	7.94
Class C	10.19	21.75	23.91	20.45	16.13	6.36	—
Class R6	10.48	22.36	25.23	21.80	17.35	7.37	8.27
With Load	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception 1/2/1997[1]
Class A	4.03	15.10	17.65	18.98	15.55	6.35	7.72
Class C	9.19	20.75	22.91	20.45	16.13	6.36	—
MSCI EAFE Index	11.78	19.45	17.73	15.95	11.15	6.50	5.44
MSCI EAFE Value Index	10.11	22.84	24.24	18.36	14.29	6.05	5.72

Operating Expenses: Class I: 0.91% (gross), 0.85% (net) Class A: 1.12% (gross), 1.12% (net) Class C: 1.87% (gross), 1.87% (net) Class R6: 0.87% (gross), 0.75% (net)

[1] Fund inception predates MSCI EAFE Value Index inception.

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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 July 15, 2026. 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.

Term definitions: https://www.brandes.com/termdefinitions

The MSCI EAFE Index with net dividends captures large and mid cap representation of developed market countries excluding the U.S. and Canada.

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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.

The MSCI EAFE Growth Index with gross dividends captures large and mid cap securities across developed market countries, excluding the United States and Canada, 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 USA Index measure the performance of the large and mid cap segments of the U.S. equity market.

It is not possible to invest directly in an index.

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.

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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