

# Brandes International Equity Fund

## FUND INFORMATION

|           |       |
|-----------|-------|
| Class I:  | BIEX  |
| 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 9/30/2026)

|                              |      |
|------------------------------|------|
| SAP SE                       | 3.09 |
| Sanofi SA                    | 2.98 |
| Alibaba Group Holding Ltd    | 2.67 |
| Takeda Pharmaceutical Co Ltd | 2.48 |
| Swatch Group AG              | 2.33 |
| Wal-Mart de Mexico SAB de CV | 2.26 |
| Henkel AG & Co KGaA          | 2.18 |
| National Grid PLC            | 2.05 |
| Embraer SA                   | 1.99 |
| Honda Motor Co Ltd           | 1.97 |

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

The Brandes International Equity Fund rose 3.10% (Class I Shares), outperforming its benchmark, the MSCI EAFE Index, which was up 0.81% in the quarter. The MSCI EAFE Value Index rose 4.27%, while the MSCI ACWI ex USA Value Index returned 3.50%.

## Positive Contributors

The third quarter was marked by a reversal of the artificial intelligence (AI) infrastructure trade that had driven international markets in the second quarter. The overall technology sector fell, led by semiconductor shares, while software and IT services companies rebounded from their declines earlier in the year.

Germany-based enterprise softortware provider SAP recovered as investors became more constructive on its cloud transition and less concerned about the potential for AI to displace its mission-critical applications. With its software deeply embedded in customers’ operations, SAP benefits from long-standing relationships and high switching costs. In our view, its ability to introduce AI functionality within existing workflows strengthens the value of its installed base. We added to the position earlier in the year when disruption concerns created what we considered an attractive opportunity.

Customer relationship management software firm NICE advanced as fears of AI-related disruption moderated. We continue to believe NICE’s proprietary data, customer relationships, and mission-critical applications position the company well to participate in the adoption of AI-enabled customer service solutions.

Several emerging-markets holdings also helped returns, notably Brazilian Petrobras and Embraer, as well as China’s Alibaba. Petrobras increased on higher oil prices, while aerospace manufacturer Embraer continued to benefit from a substantial order backlog, supported by robust demand across commercial aviation, business jets and defense. Meanwhile, Alibaba rose on improved optimism around its AI positioning.

Other major contributors included Japanese pharmaceutical companies Takeda Pharmaceutical and Astellas Pharma, which both gained on recent operating results and improving visibility into their product pipelines. Additionally, U.K.-based advertising agency WPP rebounded strongly as investors responded to evidence that its transformation plan was stabilizing the business more quickly than anticipated.

## Performance Detractors

The Fund’s main detractors were concentrated in Mexico and Brazil, along with select building materials and consumer staples holdings. These companies faced a combination of political, regulatory, cyclical, and company-specific concerns. In several cases, we viewed the market response as disproportionate to the change in long-term business value and maintained or increased the Fund’s positions where valuations became more appealing.

Retailer Wal-Mart de Mexico declined as investors assessed softer consumer conditions, increased competitive spending, and uncertainty surrounding Mexico’s regulatory environment. Despite these challenges, we continue to view the company as a high-quality retailer with significant economies of scale, purchasing advantages, and a well-developed physical and digital distribution network. In our opinion, these characteristics result in a durable competitive position and the potential for continued long-term growth as formal retail penetration and digital commerce expand.

Latin American telecommunications services providers America Movil and Telefonica Brasil also detracted. Telefonica faced pressure from near-term uncertainty surrounding competitive dynamics and the pace at which operating improvements would translate into financial results. We continue to believe the company benefits from a high-quality mobile network, a substantial customer base, and a more consolidated industry.

Building materials companies Cemex in Mexico and Buzzi in Italy weakened amid concerns about construction demand, input costs, and the sustainability of margins following a period of strong pricing. While we recognize that both businesses are cyclical and sensitive to regional economic activity, we believe the industry structure has improved over time, with greater producer discipline, more balanced capacity, and an increased focus on cash generation rather than volume growth.

New portfolio addition JBS, a Brazil-based global food producer, declined as investors focused on the anticipated normalization in strong poultry profitability and the ongoing downturn in the North American beef-processing cycle. Switzerland's Swatch and France-based Kering also hurt performance as the luxury goods industry continued to face consumer headwinds amid rising fuel costs and inflation.

Additionally, the Fund's underweight to financials weighed on relative returns as the sector was the benchmark's strongest performer during the period.

## Select Activity in the Quarter

Amid a fairly bifurcated market, portfolio activity remained elevated during the quarter with several new purchases and full sells. We exited South Korean Samsung Electronics after it reached our estimate of intrinsic value. We also divested our positions in Netherlands-based flavor and fragrance business DSM-Firmenich and Germany-based logistics firm DHL. New purchases included Brazil's JBS and Japanese entertainment company Nintendo.

Brazil-based JBS is the world's largest animal-protein producer, with leading positions in beef, poultry, and pork, and operations that span the United States, Brazil, Australia, and other international markets. The company's broad geographic and product diversification means that different regional and commodity cycles can partially offset one another, helping reduce earnings volatility over time.

JBS's shares have declined due to several factors, including a weak North American beef cycle driven by restricted supply and high pricing, the potential normalization of poultry margins, and concerns about financial leverage, governance, and litigation risk.

Our view is that JBS's scale, operational record, and diversified platform are not fully reflected in its market valuation. We do not assume that JBS will fully close the valuation gap with its U.S. peers, but even a partial narrowing, combined with cash distributions and earnings improvement, could offer attractive long-term returns. Given the cyclical and governance risks, we established the position gradually.

Nintendo is one of the world's leading interactive-entertainment companies, with a portfolio of globally recognized intellectual property and an integrated hardware-and-software ecosystem. Its franchises, including Mario, Zelda, and Pokémon-related titles, have demonstrated unusual longevity across multiple console generations. The shares have been pressured by uncertainty surrounding the transition to a new hardware cycle, the timing of major software releases, and questions about whether recent earnings represented a cyclical peak.

We believe the market underappreciates the enduring value of Nintendo's intellectual property, its strong balance sheet, and its expanding ability to monetize its franchises across games, digital services, film, licensing, and location-based entertainment. Hardware transitions can create short-term volatility and forecasting risk, but they can also expand the installed base and support a multiyear software cycle. At our purchase price, we believe the company offers an appealing balance of franchise quality, financial strength, and recovery potential.

## Year-to-Date Briefing

The Brandes International Equity Fund rose 9.56% (Class I Shares), slightly outperforming its benchmark, the MSCI EAFE Index, which appreciated 10.33% in the nine months ended September 30, 2026. The MSCI EAFE Value Index increased 14.32%, while the MSCI ACWI ex USA Value Index rose 18.50%.

While value outperformed the broad market this year (MSCI EAFE Value vs. MSCI EAFE), market performance has been quite volatile and largely driven by a shifting set of themes, including the AI trade, geopolitical conflict in the Middle East, rising energy costs, and inflation concerns. In the first quarter, value outperformed amid a pullback in the technology sector and strong performance from energy companies as geopolitical tensions intensified. The Fund performed well, aided by emerging-markets holdings and pharmaceuticals. However, during the second quarter, market returns became increasingly concentrated in companies viewed as direct beneficiaries of AI-related capital spending, and the Fund's evolving technology exposure detracted from relative results. In the third quarter, value again outperformed as market leadership reversed, with software, pharmaceuticals, and select emerging-markets holdings contributing positively to relative performance.

For the year-to-date period, notable contributors included emerging-markets holdings Samsung Electronics, Taiwan Semiconductor Manufacturing Company (TSMC), and Petrobras. Samsung and TSMC both benefited greatly from stronger semiconductor demand and AI-infrastructure buildout. Petrobras rose on higher oil prices and strong cash generation.

Other contributors included French semiconductor firm STMicroelectronics, which we divested in the second quarter, and Netherlands-based DSM-Firmenich, which was added to the Fund's portfolio earlier this year but was recently divested as its share price reached our estimate of intrinsic value.

The largest relative detractors included the Fund's lack of positions in technology companies ASML and Tokyo Electron, as well as insurer Tokio Marine. The Fund's underweight to financials also hurt relative returns, along with our overweight to consumer staples. Among Fund holdings, tech-related Alibaba, Capgemini, Open Text, and Trip.com were notable detractors. France-based Kering and pharmaceutical firm Sanofi also declined, as did Wal-Mart de Mexico.

## Current Positioning

While the market has become increasingly dominated by AI-related themes, the Fund remains meaningfully differentiated from the benchmark. The Fund's largest allocations are in health care, consumer staples, and consumer discretionary companies, where we have been finding businesses with durable brands, recurring demand, and the potential to improve earnings from currently depressed levels. The Fund remains underweight financials and industrials, and now also hold an underweight to technology following the divestments of several strong-performing semiconductor holdings. Within technology, we continue to identify selective opportunities in enterprise software and other companies with proprietary data, embedded customer relationships, and mission-critical products.

Geographically, Europe and select emerging markets remain areas where we have been finding attractive opportunities. However, the Fund now has no exposure to South Korea following the exits of its two holdings there. Korean equities within the MSCI ACWI ex USA Index have performed extraordinarily well, rising over 150% in U.S. dollar terms over the past year. The Fund's overall emerging-markets allocation has remained largely unchanged, as the divestments of the Korean holdings were offset by increased exposure to businesses in Mexico and Brazil, as well as select opportunities in China.

We believe uncertainty surrounding inflation, interest rates, geopolitics, and technological disruption has contributed to unusually wide valuation dispersion across international markets. While AI may reshape the economics of numerous

industries, we do not believe every perceived beneficiary will earn attractive returns at any price, nor that every incumbent facing disruption is structurally impaired. Our focus remains on purchasing businesses where competitive position, cash-flow durability, and valuation provide an attractive margin of safety.

In our view, the Fund's combination of defensive holdings and cyclical recovery opportunities offers meaningful diversification from highly concentrated passive and growth-oriented exposures. We continue to find companies whose near-term challenges appear adequately reflected in their valuations, while their long-term ability to generate and allocate capital remains underappreciated. We believe this provides an attractive risk-reward profile for patient investors.

## Average Annual Total Returns (%) as of September 30, 2026

| Without Load          | 3 Months | YTD   | 1 Year | 3 Years | 5 Years | 10 Years | Since Inception<br>1/2/1997 <sup>1</sup> |
|-----------------------|----------|-------|--------|---------|---------|----------|------------------------------------------|
| Class I               | 3.10     | 9.56  | 14.97  | 21.78   | 14.29   | 10.11    | 8.62                                     |
| Class A               | 3.08     | 9.41  | 14.74  | 21.49   | 14.00   | 9.84     | 8.38                                     |
| Class C               | 2.88     | 8.88  | 14.00  | 20.64   | 13.18   | 9.21     | —                                        |
| Class R6              | 3.13     | 9.62  | 15.09  | 21.91   | 14.40   | 10.23    | 8.70                                     |
| With Load             | 3 Months | YTD   | 1 Year | 3 Years | 5 Years | 10 Years | Since Inception<br>1/2/1997 <sup>1</sup> |
| Class A               | -2.86    | 3.12  | 8.12   | 19.11   | 12.66   | 9.19     | 8.16                                     |
| Class C               | 1.88     | 7.88  | 13.00  | 20.64   | 13.18   | 9.21     | —                                        |
| MSCI EAFE Index       | 0.81     | 10.33 | 15.69  | 18.38   | 9.32    | 9.06     | 5.89                                     |
| MSCI EAFE Value Index | 4.27     | 14.32 | 23.26  | 22.95   | 14.31   | 10.06    | 6.47                                     |

Operating Expenses: Class I: 0.87% (gross), 0.86% (net) Class A: 1.08% (gross), 1.08% (net) Class C: 1.72% (gross), 1.72% (net) Class R6: 0.83% (gross), 0.76% (net)

<sup>1</sup> 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 would have been lower without limitations in effect. Performance data shown with load reflects the Class A maximum sales charge of 5.75%, and the Class C maximum deferred sales charge of 1.00% imposed on shares redeemed within one year of purchase. 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 July 29, 2027. 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.

For term definitions, please refer to <https://www.brandes.com/termdefinitions>.

For index definitions, please refer to <https://www.brandes.com/benchmark-definitions>.

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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.**

*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](http://www.brandes.com/funds). Read carefully before investing.*

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