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 9/30/2022)

Takeda Pharmaceutical Co Ltd	4.53
UBS Group AG	2.61
Novartis AG	2.60
Fibra Uno Administracion SA de CV	2.59
Henkel AG & Co KGaA	2.52
Sanofi	2.50
Publicis Groupe SA	2.46
Alibaba Group Holding Ltd	2.44
SAP SE	2.42
Swatch Group AG	2.40

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

The Brandes International Equity Fund declined 13.74% (Class I Shares), underperforming its benchmark, the MSCI EAFE Index, which dropped 9.36% in the third quarter, and the MSCI EAFE Value Index, which declined 10.21%.

Positive Contributors

Strong performers included several of our emerging markets holdings, led by Brazil-based oil and gas firm **Petrobras** and beverage company **Ambev**. Petrobras' shares rallied as the company continued to pay attractive dividends following the rise in global oil prices. Ambev has executed well over the last few years and continued to gain market share. Furthermore, the market has become more optimistic about the company's margin outlook amid falling commodity prices, which should be beneficial to Ambev's cost position.

Another notable contributor was Mexican real estate investment trust **Fibra Uno**, which saw its share price hold up well in a declining market.

Beyond emerging markets, France-based ad agency **Publicis** and consumer products manufacturer **Societe BIC** aided returns as their share prices increased after they announced strong earnings. Additionally, U.K.-based oil and gas services provider **TechnipFMC** appreciated beyond our estimate of its intrinsic value, leading us to divest our position in the quarter.

Performance Detractors

The most significant detractors included several of our health care holdings, which—after performing relatively well earlier in the year—declined due to the uncertainty related to the litigation focused on Zantac, a heartburn medicine which has been sold by a variety of pharmaceutical companies in the last several decades. Within the Fund's portfolio, **GSK** and **Sanofi** were the most directly affected. This litigation risk has long been known, but market fears over GSK's and Sanofi's potential legal liability flared up with their upcoming trials. Even though it may take a while for the cases to be resolved, the market seems to assign close to a worst-case scenario to each of the companies involved. In our opinion, the ultimate liability will likely be split among multiple companies and any subsequent charges may take some time to be paid out. Given the history of strong cash-flow generation of both Sanofi and GSK, we believe the impact on these companies is probably less than what the market's current punitive assessment implies. We will continue to monitor the situation closely.

Two other health care-related holdings, blood plasma company **Grifols** and health care conglomerate **Fresenius**, also saw their share prices tumble. While both companies have slowly been recovering their earnings, they announced weaker-than-expected short-term earnings as they continued to deal with the effects of the pandemic.

Grifols has been materially affected by COVID-19 as initial shelter-in place orders and government financial support led to a significant drop in plasma collection in 2020 and 2021. While plasma collections have recovered, the resulting impact in Grifols' financial results won't likely be seen until next year because plasma-derived products require a six-month quarantine. Additionally, in anticipation of an increase in long-term demand for blood plasma-derived products, Grifols has been ramping up its spending to build more collection centers, which has hurt its short-term results and increased its balance sheet leverage. Longer-term, we believe Grifols offers an attractive opportunity given the likelihood of blood-plasma supply recovery and the potential improvement of the company's margins and earnings from today's depressed levels.

Internet company **Alibaba** hurt returns as market concerns persisted around China's regulatory environment and continuation of zero-Covid policy as well as its effect on consumer demand.

Switzerland-based financial services provider **Credit Suisse** fell sharply in the quarter. The market appears skeptical about the new management team's attempts to restructure the firm following the weak performance of its investment banking division. The share-price decline pushed Credit Suisse's valuation to less than 25% of book value. While we acknowledge the firm is dealing with significant challenges, we believe it continues to warrant a controlled allocation in the Fund. How the company will restructure its investment banking business—and importantly, how it will *fund* the restructuring—represents a key uncertainty, but the company's wealth management franchise and Swiss domestic banking operation remain solid, providing us with some comfort. Our analyst recently met with the new Credit Suisse chairman to communicate our view on options to improve the business structure from a long-term investor's perspective. We are following the situation closely and are prepared to take portfolio actions, if needed.

From a sector perspective, our allocation to European consumer staples companies detracted from returns. Despite their traditionally defensive nature, the shares were weighed by worries about the economic growth in the U.K.

Select Activity in the Quarter

The investment committee initiated a position in U.K.-based **Shell** and divested holding in U.K.-based **TechnipFMC**. The committee also took advantage of the overall market decline to add to several existing positions, including **Rolls-Royce, SAP, Erste Group** and **Koninklijke Philips**. Furthermore, during the quarter, GSK completed the spin-off of its consumer health care business, **Haleon,** which is now held in the Fund.

While we have been paring our overall energy exposure this year given its robust performance thanks to the rise in oil prices, we did initiate a position in integrated oil company Shell as we believe it offers a more attractive opportunity than a couple of other energy-related holdings that we sold in the second quarter. Shell saw its stock price retreat over the summer as oil prices receded slightly. In our opinion, Shell trades at an appealing overall valuation while offering nice exposure to oil and gas trading, especially liquified natural gas, which has seen increased activity amid the energy crisis in Europe.

Although TechnipFMC (FTI) was a recent addition to the portfolio (purchased this past year), the company's share price appreciated significantly in the period as oil prices rose and the market has become more optimistic about a recovery in oil services activities. Less than a year ago when we purchased our shares in FTI, which is an industry leader in subsea systems for offshore oilfield exploration and development, the market was quite negative on the capital expenditure outlook for offshore oil development. However, we believed the industry would continue to recover as global demand for oil kept growing—albeit slowly—and unconventional onshore oil production (a potential threat to FTI's business) had not proven to be a viable attractive alternative.

Market sentiment toward FTI and other oil-related companies shifted fast recently as demand has continued to increase, while supplies have been reduced due to the war in Ukraine. We divested the position as we felt we could deploy the capital to what we consider more compelling opportunities arising from the market decline.

Year-to-Date Briefing

The Brandes International Equity Fund declined 25.04% (Class I Shares), outperforming its benchmark, the MSCI EAFE Index, which dropped 27.09% in the nine months ended September 30, 2022, and underperforming the MSCI EAFE Value Index, which fell 21.08%.

The largest drivers of our outperformance relative to the benchmark were our overweight to energy companies and our underweight to the technology sector. Geographically, holdings in Brazil, Japan, and France helped returns the most. Petrobras and Ambev performed well, while **Takeda Pharmaceutical** held up better than the market (MSCI EAFE). Other contributors included France-based Societe BIC and Spanish oil company **Repsol**.

Major detractors included our holdings in Russia, namely **Surgutneftegas** and **Mobile TeleSystems**, and the U.K., most notably retailer **Marks and Spencer**. As was the case for the quarter, Grifols, Fresenius and Credit Suisse weighed on performance.

Current Positioning

As of September 30, 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. Geographically, we continued to have overweight positions in France and emerging markets, and underweight positions in Australia and Japan. We believe the differences between the Fund's portfolio and the benchmark continue to make it an attractive complement to index-tracking or growth-oriented alternatives.

A variety of headwinds face international stocks today, ranging from elevated inflation, slowing economic growth and recession concerns to energy risk and political as well as regulatory uncertainties. While our overall positioning is driven by a bottom-up stock selection with a focus on the long term, we do consider many of these concerns when we analyze an investment opportunity, determining how they can impact the fundamentals of a business and comparing our intrinsic value estimate against what is currently being priced in by the market. We believe the Fund's current positioning offers an attractive opportunity for long-term investors. Compared to the benchmark, the Fund generally has less cyclical or what we consider expensive growth exposure, as seen through our underweights to technology, industrials, and materials. In contrast, the Fund provides more defensive exposure, as highlighted by our overweights to consumer staples and health care. Additionally, our allocation to companies in the energy and financials sectors, in which we also hold overweight positions, may benefit from rising energy prices and interest rates.

As of September 30, the overall international equity market (MSCI EAFE) traded among its largest discount ever relative to the U.S. 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 companies. Although the strong U.S. dollar has been a headwind for international stocks for the last decade, and particularly so this past year or two, it is reaching levels only seen twice in the last 50 years. Both times boded well for the subsequent returns of international stocks as companies operating in cheaper currencies were better positioned with a lower cost basis and an eventual recovery in growth.

In addition to international stocks trading at historically large discounts to U.S. stocks, international *value* stocks are trading at even more attractive levels. MSCI EAFE Value continues to trade at near record level discounts to MSCI EAFE Growth on a variety of valuation metrics. Large discount levels, such as the ones we see today, have historically portended attractive returns over a long-term time horizon for value stocks, and the Fund has had the tendency to do well when value stocks did well. Moreover, the current margin of safety exhibited by the Fund's portfolio is among the highest we have observed in the last 15 or so years, outside of the peaks seen during the most dramatic crises.

We remain optimistic about the prospects of the Brandes International Equity 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 1/2/1997
Class I	-13.74	-25.04	-24.83	-3.44	-2.63	2.94	6.03
Class A	-13.78	-25.18	-25.05	-3.72	-2.87	2.71	5.79
Class C	-13.96	-25.67	-25.64	-4.36	-3.55	2.11	--
Class R6	-13.69	-24.98	-24.76	-3.36	-2.51	3.05	6.10
With Load	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception 1/2/1997[1]
Class A	-18.71	-29.46	-29.37	-5.60	-4.02	2.10	5.55
Class C	-14.82	-26.39	-26.36	-4.36	-3.55	2.11	--
MSCI EAFE Index	-9.36	-27.09	-25.13	-1.83	-0.84	3.67	3.83
MSCI EAFE Value Index	-10.21	-21.08	-20.16	-2.79	-2.74	2.39	--

Operating Expenses: Class I: 0.91% (gross), 0.85% (net) Class A: 1.11% (gross), 1.11% (net) Class C: 1.86% (gross), 1.86% (net) Class R6: 0.86% (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, 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.

Margin of Safety: The discount of a security's price to what the firm believes is the intrinsic value of that security.
Book Value: Assets minus liabilities. Also known as shareholders' equity.
Cash Flow: The amount of cash generated minus the amount of cash used by a company in a given period.
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: Price per share divided by expected earnings per share.
Price/Book: Price per share divided by book value per share.
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.
Net Asset Value: A company's total assets minus its liabilities, divided by the number of outstanding shares.

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.
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 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. 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.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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