

Brandes International Small Cap Equity Fund

FUND INFORMATION

Class I:	BISMX
Class A:	BISAX
Class C:	BINCX
Class R6:	BISRX

STRATEGY

The Brandes International Small Cap 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 12/31/2025)

LISI SA	4.37
Montana Aerospace AG	4.29
Kennametal Inc	3.26
CAE Inc	2.92
Fibra Uno Administracion SA de CV	2.87
Hankook Tire & Technology Co Ltd	2.86
Nova Ljubljanska Banka dd	2.85
C&C Group PLC	2.74
Grifols SA	2.70
Millicom International Cellular SA	2.64

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

The Brandes International Small Cap Equity Fund returned 3.09% (Class I Shares), slightly outperforming its benchmark, the MSCI ACWI ex-US Small Cap Index, which was up 2.96% in the quarter. The MSCI ACWI ex-US Small Cap Value Index returned 4.27%.

Positive Contributors

Holdings in consumer discretionary, communications services, and health care were major contributors to returns, led by Ireland-based Avadel Pharmaceuticals, German health care equipment business Draegerwerk, Luxembourg-domiciled wireless telecom operator Millicom International Cellular, and South Korean Hankook Tire & Technology.

In October, Avadel announced an agreement to be acquired by Alkermes for a total value of \$2.1bn, with the full value realization contingent upon FDA approval of Lumryz for treating idiopathic hypersomnia in adults by the end of 2028. The following month, H. Lundbeck made an unsolicited proposal valuing Avadel at approximately \$2.4bn, prompting Alkermes to raise its offer. Amid the bidding war, Avadel's share price reached our estimate of its intrinsic value, leading us to divest the Fund's position.

Hankook Tire & Technology announced strong third-quarter results that exceeded consensus estimates. The company successfully mitigated tariff headwinds through price hikes and benefited from volume growth and a healthy product mix.

Other notable contributors included machinery company Kennametal, IT services business Globant, and aerospace and defense companies LISI and Embraer.

Performance Detractors

Detractors included holdings in consumer staples and information technology, specifically Belgium-based personal care products company Ontex Group, Canadian software company Open Text, and Hong Kong-based PAX Global Technology.

Ontex fell primarily due to sharper-than-expected decline in European and North American baby care sales, leading management to issue a significant downward revision of its full year financial outlook. We believe this situation is short-term in nature and maintain the Fund's allocation to the company. Meanwhile, Open Text experienced weakness in enterprise software spending and struggled with integration challenges following recent acquisitions, which weighed on results. Our investment thesis remains anchored in the company's recurring revenue model and cost synergies over time.

Other poor performers included South Korean security management company S-1, U.K. defense business QinetiQ, and Spanish insurer Linea Directa Aseguradora. Furthermore, materials represented the best performing sector in the benchmark, and the Fund's underweight detracted from relative returns.

Select Activity in the Quarter

The small-cap investment committee initiated positions in U.K.-based packaging manufacturer Mondi, Netherlands-based machinery company Aalberts, Israeli software firm Nice, and South Korean food products business Binggrae. Additionally, the committee exited positions in Avadel Pharmaceuticals, French cement company Vicat, U.K. facilities management business MITIE Group, and Brazilian electric utility Neoenergia.

Mondi is a leading player in the European packaging industry, operating across three segments: corrugated packaging, flexible packaging, and uncoated fine paper. In both corrugated and flexible packaging, Mondi is “net long paper,” meaning it produces more containerboard and kraft paper than it consumes in its box and paper bag operations.

Mondi is one of the largest producers of virgin containerboard (primary component for making corrugated board) in a predominately recycled European market. It also boasts a strong position in kraft paper, which represents a small and opaque market with steep barriers to entry. Thanks to its access to lower-cost Central and Eastern European fiber and its vertical integration from pulp to converted box/bag, Mondi has what we consider favorable cost positioning. Its kraft paper business, which supplies diverse end uses such as cement, pet food, groceries, and protective mailers for Amazon, delivers higher margins relative to peers. Given the breadth of its product portfolio, Mondi serves as a one-stop shop for customers, adding value by fulfilling a wide range of packaging needs.

Overcapacity in European recycled containerboard, along with inflation in non-fiber input costs, has pressured Mondi’s margins in its corrugated packaging business, weighing on its share price and creating an attractive entry point for investment. We believe these challenges are temporary and Mondi is well positioned to navigate them. Looking beyond the short-term demand turbulence and capacity issues, our investment thesis centers on Mondi’s competitive positioning and the solid long-term volume growth potential for fiber-based packaging supported by secular trends in sustainability, convenience, and plastic-to-paper substitution. At its current valuations, Mondi represents a compelling value opportunity.

Year-to-Date Briefing

The Brandes International Small Cap Equity Fund rose 45.79% (Class I Shares), outperforming its benchmark, the MSCI ACWI ex-US Small Cap Index, which appreciated 29.26% in 2025, and the MSCI ACWI ex-US Small Cap Value Index, which rose 32.41%.

Stock selection across various sectors drove outperformance. Key contributors included holdings in industrials, financials, communication services, consumer discretionary, and health care. Geographically, holdings in Brazil, the U.K., Luxembourg, Switzerland, and France helped returns the most. At the company level, standout performers included aerospace and defense businesses Embraer, Montana Aerospace, and LSI, telecom firms Millicom International Cellular and Magyar Telekom, and cement company Vicat.

Materials represented the best performing sector in the benchmark, and the Fund’s underweight position was a detractor from relative returns. On a country basis, select holdings in Canada performed poorly, notably Dorel Industries and Canfor. Other detractors included Ontex Group and Indonesian noodle company Indofood.

Current Positioning

The Fund maintains large allocations to industrials, consumer staples, and health care, while holding underweight positions in technology, materials, real estate, and consumer discretionary. Additionally, the Fund ended 2025 with a lower weighting to financials as we divested several holdings that appreciated to our estimates of their intrinsic values during the year. Geographically, the Fund continues to have significant exposure to companies in Japan (although underweight relative to the benchmark), the U.K., Canada, and emerging markets (although also underweight relative to the benchmark), while remaining underweight (with no holdings) in Australia, India, and Taiwan.

A meaningful portion of the Fund continues to be allocated to domestically oriented companies, which tend to benefit from larger competitive moats and reduced direct exposure to international trade disputes compared to their export-driven peers. Many of the Fund’s holdings also represent mature and stable business models where earnings and free cash flow generation have historically shown resilience during macroeconomic or cyclical disruptions.

In recent years, we have gradually increased the Fund’s weighting to cyclical industries, especially in areas where the market appears to be overreacting to cycle risk. However, we remain cautious as many opportunities still present risks of elevated earnings and valuations. Throughout our investment process, we maintain a sharp focus on balance sheet quality. We feel this is particularly important in the international small-cap equity space as the low interest-rate environment has increased corporate debt appetite and foreign currency exchange mismatches can pose a risk.

We remain confident in the Fund’s holdings composition and the risk-reward tradeoff it offers.

Average Annual Total Returns (%) as of December 31, 2025							
Without Load	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception 8/20/1996 ²
Class I	3.09	45.79	45.79	35.83	22.16	11.38	10.64
Class A	2.98	45.48	45.48	35.56	21.92	11.14	10.38
Class C	2.82	44.62	44.62	34.59	21.18	10.54	—
Class R6	3.08	45.93	45.93	35.99	22.32	11.50	10.72
With Load	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception 8/20/1996 ²
Class A	-2.94	37.11	37.11	32.91	20.49	10.49	10.16
Class C	1.82	43.62	43.62	34.59	21.18	10.54	—
MSCI ACWI ex USA Small Cap Index	2.96	29.26	29.26	15.59	6.90	8.13	7.07
MSCI ACWI ex USA Small Cap Value Index	4.27	32.41	32.41	17.14	9.65	8.66	7.85
Operating Expenses: Class I: 1.10% (gross), 1.10% (net) Class A: 1.32% (gross), 1.32% (net) Class C: 1.99% (gross), 1.99% (net) Class R6: 1.13% (gross), 1.00% (net)							

² Indicates performance of the S&P Developed Ex U.S. SmallCap Index, the fund's previous benchmark, and the S&P Developed Ex U.S. SmallCap Value Index, from inception through 5/31/2007, and the performance of the MSCI ACWI ex USA Small Cap Index and the MSCI ACWI ex USA Small Cap Value Index from 6/01/2007 to present. Effective January 28, 2024, the benchmark for the Predecessor Fund changed from the S&P Developed ex-U.S. Small Cap (Net Dividends) Index to the MSCI ACWI ex USA Small Cap Index to better align the Predecessor Fund's benchmark with the Fund's current portfolio objectives and composition.

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Prior to February 1, 2012, the Fund was a private investment fund managed by the Advisor with policies, guidelines and restrictions that were, in all material respects, equivalent to those of the Fund. Class A and Class I shares were first offered on February 1, 2012, while Class C shares were first offered on January 31, 2013. 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.) The Class I performance information shown for periods before February 1, 2012 is that of the private investment fund managed by the Advisor that is the predecessor of the Fund, not restated to reflect Fund expenses. Performance shown prior to February 1, 2012 for the Class A shares reflects the performance of the private investment fund shares restated to reflect Class A sales loads and expenses. Performance shown prior to the inception of Class C shares reflects the performance of the private investment fund for periods prior to February 1, 2012 and the performance of Class I shares for the period from February 1, 2012 to January 30, 2013, 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 8/19/2004, 8 years after the inception date of the Brandes International Small Cap Equity Fund. Class R6 shares were first offered on June 27, 2016. Performance shown prior to the inception of Class R6 shares reflects the performance of Class I shares restated to reflect Class R6 expenses.

The Advisor has contractually agreed to limit the operating expenses through July 29, 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.

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

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

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. Stocks of small-sized and mid-sized companies tend to have limited liquidity and usually experience greater price volatility than stocks of larger companies.

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.

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