

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 6/30/2026)

Montana Aerospace AG	3.51
LISI SA	3.50
Nova Ljubljanska Banka dd	3.34
Fibra Uno Administracion SA de CV	3.03
Indofood Sukses Makmur Tbk PT	2.80
Grifols SA	2.57
Qualitas Controladora SAB de CV	2.56
Societe BIC SA	2.53
Medipal Holdings Corp	2.52
S-1 Corp	2.48

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

The Brandes International Small Cap Equity Fund declined 1.31% (Class I Shares), underperforming its benchmark, the MSCI ACWI ex-US Small Cap Index, which was up 9.62% in the quarter, and the MSCI ACWI ex-US Small Cap Value Index which gained 7.86%.

Positive Contributors

Holdings in communications services performed well, led by telecoms Millicom International Cellular and Magyar Telekom. Millicom, which operates entirely in Latin America, continued to improve margins in its core operations while enhancing profitability of newly acquired businesses in Uruguay and Ecuador. The company also further consolidated its Colombian operations, which we believe should help it strengthen free-cash-flow generation going forward. Meanwhile, Hungary's Magyar Telekom raised its financial guidance for the remainder of 2026, citing benefits from infrastructure expansion and greater operational visibility following the renewal of a key mobile spectrum license.

Other notable contributors included Netherlands-based machinery firm Aalberts, French commercial supplies company Societe BIC, and Mexican real estate investment trust (REIT) Fibra Uno.

Relative to the benchmark, our underweight to China and the energy sector helped returns.

Performance Detractors

The majority of the Fund's underperformance came from both its holdings and underweight position in the technology sector. Technology companies, specifically those benefiting from AI infrastructure spending, such as semiconductors, tech hardware, and electronic equipment, performed exceptionally well during the period. In aggregate, the sector was responsible for nearly half of the MSCI ACWI ex-US Small Cap Index's returns.

In addition to the Fund's underweight, stock selection within technology also detracted from relative performance. The Fund's holdings are concentrated in IT services and software, areas that lagged the broader technology sector. Notable detractors included IT services firm Globant and software company NICE. Investor concerns about the durability of legacy enterprise software models amid the rapid AI advancement weighed on NICE's shares. Similarly, the proliferation of generative AI sparked questions about the need for traditional IT service business models, pressuring Globant's shares. In our view, the market is overly focused on the near-term disruption risk.

Other detractors included holdings in industrials, specifically Switzerland's Montana Aerospace and South Korean commercial services company S-1 Corporation. Belgium-based personal care products business Ontex Group also declined, along with U.K. paper and forest products company Mondi and Spanish biotech firm Grifols.

Select Activity in the Quarter

New additions to the Fund's portfolio included Japanese hematology business Sysmex and Luxembourg-based luggage manufacturer Samsonite Group. Meanwhile, the small cap investment committee exited positions in U.K.-based construction and engineering company Balfour Beatty and uranium company Yellow Cake, as well as machinery business Kennametal.

Sysmex is the top player in the global hematology (blood testing) diagnostics market, with over 50% market share. The company manufactures blood-testing instruments and reagents (chemical inputs) required to run those tests, creating a recurring revenue model similar to selling printers and ink cartridges. While Sysmex competes in nine different diagnostic categories, its three major product lines are hematology (60% of sales), hemostasis/blood clot testing (16%), and urinalysis (8%). We see Sysmex as a fairly high-quality company, with approximately 75% of Sysmex's revenues from recurring sources such as reagents and maintenance services and nearly 90% of sales generated outside Japan.

Historically, Sysmex was viewed as a growth stock as its global expansion and market share gains in hematology and hemostasis diagnostics helped buoy earnings. The opportunity to invest in the company emerged as investor sentiment weakened following a sharp slowdown in China, where government efforts to reduce "wasteful health care spending" with uncertainty of recovery led to a roughly 30% decline in revenue. At the same time, Sysmex's margins recently came under pressure, further weighing on the shares.

Key risks include the potential for poor deployment of the company's robust free cash flows, excessive investments outside its core hematology business, and a prolonged downturn in China. However, we believe the company's leading market position, recurring revenue model, and diversified geographic footprint position it to navigate these challenges. Faster-than-expected recovery in China, margin improvement, and continued emerging markets expansion (especially in India) could provide further upside potential, along with successful new product launches and progress in non-hematology diagnostics. At its current share price, we believe Sysmex offers an attractive risk-reward profile.

Year-to-Date Briefing

The Brandes International Small Cap Equity Fund declined 2.22% (Class I Shares), underperforming its benchmark, the MSCI ACWI ex-US Small Cap Index, which returned 9.10%, and the MSCI ACWI ex-US Small Cap Value Index, which rose 7.79%.

Performance drivers were largely consistent with those for the second quarter. Information technology accounted for over 50% of the index's returns, making the Fund's underweight position the largest detractor from relative performance. Additionally, the Fund's technology holdings are mostly in companies facing elevated concerns about AI-driven disruption, including IT services provider Globant and software companies NICE and Open Text, which also weighed on returns.

Outside technology, several holdings in consumer staples and industrials performed poorly, notably Montana Aerospace and Ontex Group.

Strong performers included telecoms Millicom International Cellular and Magyar Telekom, machinery companies Kennametal and Aalberts, real estate investment trust Fibra Uno, and German health care equipment company Draegerwerk.

Current Positioning

As market returns have become increasingly concentrated in a small number of AI-related companies, we believe the index-agnostic Brandes International Small Cap Equity Fund offers meaningful diversification from prevailing market exposures.

The Fund's largest allocations remain in industrials, health care, consumer staples, and financials. Conversely, we maintain lower exposure to materials and technology, for which the Fund's underweight widened as the benchmark's technology weight mechanically increased alongside rising share prices in the quarter. Geographically, we maintain meaningful exposure to businesses in the U.K., Canada, Japan (although materially underweight relative to the benchmark), and Mexico. In our view, the Fund's positioning continues to reflect opportunities for which near-term uncertainty has created a disconnect between price and long-term fundamentals.

Looking ahead, we believe the current environment remains particularly attractive for disciplined value investors. Market enthusiasm continues to be concentrated in a narrow group of AI-related companies, often with limited regard for valuation. While the long-term potential of AI is significant, history suggests periods of extreme optimism can create opportunities for active investors to uncover appealing investments elsewhere in the market. We believe that is the case today.

Across the Fund's portfolio, we are finding companies that in our opinion have strong competitive positions, durable cash-flow generation, and attractive valuations that appear increasingly overlooked by investors, including businesses that can benefit from technological change rather than be disadvantaged by it. In our view, the Fund's differentiated exposures can provide investors with meaningful diversification potential and make it a compelling complement to passive and growth-oriented approaches. The Fund also offers what we consider a more attractive aggregate valuation profile than the benchmark, while staying focused on long-term return potential. We remain encouraged by the prospects for value stocks and the risk-reward tradeoff of the Fund's holdings.

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

Without Load	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception 8/20/1996 ²
Class I	-1.31	-2.22	5.32	27.24	16.64	11.08	10.37
Class A	-1.34	-2.29	5.08	26.99	16.41	10.84	10.12
Class C	-1.52	-2.55	4.50	26.13	15.61	10.26	—
Class R6	-1.29	-2.15	5.37	27.38	16.80	11.21	10.45
With Load	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception 8/20/1996 ²
Class A	-7.01	-7.91	-0.96	24.51	15.04	10.19	9.90
Class C	-2.49	-3.51	3.50	26.13	15.61	10.26	—
MSCI ACWI ex USA Small Cap Index	9.62	9.10	19.83	16.40	6.30	9.09	7.26
MSCI ACWI ex USA Small Cap Value Index	7.86	7.79	20.74	17.74	8.42	9.43	7.99

Operating Expenses: Class I: 1.07% (gross), 1.07% (net) Class A: 1.28% (gross), 1.28% (net) Class C: 1.87% (gross), 1.87% (net) Class R6: 1.05% (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.

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.

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, 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.

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The S&P Developed Ex U.S. SmallCap Index with net dividends measures the equity performance of small cap companies in developed markets excluding the United States. The benchmark returns are not covered by the report of independent verifiers.

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

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

Diversification does not ensure a profit or guarantee against loss.

One cannot invest directly in a market 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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