

Brandes International Small Cap Equity Fund

FUND INFORMATION

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

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)

| | |
|-----------------------------------|------|
| Embraer SA | 5.26 |
| Fibra Uno Administracion SA de CV | 3.20 |
| J Sainsbury PLC | 3.03 |
| PAX Global Technology Ltd | 2.86 |
| Draegerwerk AG & Co KGaA | 2.77 |
| Enel Chile SA | 2.52 |
| AIB Group PLC | 2.51 |
| Mitie Group PLC | 2.30 |
| Lar Espana Real Estate Socimi SA | 2.12 |
| C&C Group PLC | 2.11 |

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

The Brandes International Small Cap Equity Fund declined 8.19% (Class I Shares), outperforming its benchmark, the S&P Developed ex-U.S. SmallCap Index, which fell 10.78% in the third quarter, and the S&P Developed ex-U.S. SmallCap Value Index, which was down 10.37%.

Positive Contributors

Similar to last quarter, the strongest drivers of returns were holdings tied to commodities, such as uranium companies **Cameco Corporation**, **Sprott Physical Uranium Trust** and **Yellow Cake**, as well as oil services firm **TechnipFMC**.

Several of the weaker performers from the first half of 2022 performed well this quarter. These included Turkish food products company **Ulker Biskuvi Sanayi**, utility **Enel Chile** and Ireland-based **Avadel Pharmaceuticals**.

After declining significantly in the second quarter due to the potential for delayed approval of its narcolepsy drug LUMRYZ, Avadel rebounded in July after announcing that the U.S. FDA had granted tentative approval for LUMRYZ, indicating that the medication met all required efficacy, safety and quality standards needed for full approval.

Meanwhile, Enel Chile announced the sale of its transmission business for U.S.\$1.5 billion to Canadian-controlled Grupo Saesa. The sale price implies a multiple of 16x EBITDA, well above our valuation and sell-side estimates for the business segment.

Beyond these individual holdings, our exposure to emerging markets and the United Kingdom helped relative returns, as did our allocations to real estate and industrials.

Performance Detractors

Poor performers included holdings in consumer staples, notably U.K. retailers **Marks and Spencer** and **J Sainsbury**, food products companies **Greencore Group** (Ireland) and **Binggrae** (South Korea), and Ireland-based beverage firm **C&C Group**. The weak macroeconomic outlook, particularly in Europe, was a headwind to these companies. However, we believe market sentiment is overly negative, especially given the defensive nature of these businesses.

Other detractors included Belgium-based personal products company **Ontex**, China-based **Weiqiao Textile**, and Spanish insurer **Linea Directa Aseguradora**. Additionally, our holdings in Japan hurt performance, led by **Komori Corporation** and **Mitsubishi Shokuhin**.

Select Activity in the Quarter

While there were no new buys in the quarter, the small-cap investment committee took advantage of share-price declines to add to several existing positions, especially those in the consumer staples sector, such as Marks and Spencer, Greencore Group, C&C Group, and J Sainsbury. The investment committee also purchased additional shares of telecoms **Millicom International Cellular** and **Magyar Telekom**, as well as media firm **ITV**.

Offsetting some of the allocation increases were full sales of Japan-based office supply company **Nichiban** and health care testing services business **H.U. Group** (formerly Miraca Holdings), France-based **Societe BIC**, South Korean **Namyang Dairy Products**, and **Cameco**.

Canada-based Cameco is one of the largest uranium producers globally, providing about 17% of the world's production from its mines in Canada, the United States and Kazakhstan. Owner of several of the largest high-grade mines in the world, Cameco enjoys economies of scale and is prominently positioned near the bottom of the cost curves. When we added Cameco to the Fund's portfolio during the early period of the pandemic in 1Q20, we believed that uranium prices were well below what the industry required to invest in incremental capacity and that demand was well supported by planned nuclear power plants in emerging markets. Since most of Cameco's sales are to nuclear power plants supplying base load electricity, and these relationships are covered under contracts with specific volume and price terms, we believed the business should be somewhat insulated from the economic downturn. We also appreciated that the company had a strong balance sheet as it ended 2019 with a net-cash position.

Cameco, along with its uranium peers, has recently benefited from a surge in commodity prices. As its share price appreciated beyond our estimate of the company's intrinsic value, we felt we could deploy the capital to other opportunities offering higher margins of safety.

Year-to-Date Briefing

The Brandes International Small Cap Equity Fund declined 24.81% (Class I Shares), outperforming its benchmark, the S&P Developed ex-U.S. SmallCap Index, which declined 32.75% in the nine months ended September 30, 2022, and the S&P Developed ex-U.S. SmallCap Value Index, which was down 27.45%.

Strong performers were fairly consistent with those in the quarter, with energy companies TechnipFMC and Cameco driving returns. Defense-related businesses **Leonardo** and **QinetiQ** also helped performance. From a sector standpoint, our underweight to technology-related businesses lifted relative performance, as did allocations to financials, real estate, consumer discretionary, and health care.

Detractors were mostly holdings in cyclical or economically sensitive sectors, notably Brazil's **Embraer**, Irish C&C Group and Greencore, U.K.-based J Sainsbury and Marks and Spencer, as well as French contract caterer **Elior Group**.

Current Positioning

As of September 30, 2022, the Brandes International Small Cap Equity Fund held its key overweights to consumer staples, communication services, and financials, while maintaining significantly lower allocations to technology and materials than the benchmark. Geographically, we

continued to have overweight positions in Ireland, the U.K., Hong Kong, and emerging markets, and underweight positions in Canada and Japan.

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 and materials. In contrast, the Fund provides more defensive exposure, as highlighted by our overweights to consumer staples and communication services. Additionally, our allocation to companies in the financials sector, in which we also have an overweight position, may benefit from rising interest rates.

Although the strong U.S. dollar has been a headwind for international stocks in general for the last decade, and particularly so this past year or two, we believe it is producing attractive opportunities across our opportunity set as companies operating in cheaper currencies may be better positioned with a lower cost basis.

Within the international small cap space, even after their recent outperformance, value stocks (S&P Developed ex-U.S. SmallCap Value) continue to trade at large discounts to growth stocks (S&P Developed ex-U.S. SmallCap Growth) on various valuation metrics such as price/cash flow, forward price/earnings and EV/sales, which historically boded well for value stocks' returns relative to growth. This, combined with the current margin of safety exhibited by the Fund's portfolio, which is among the highest we have seen over the last two decades, drives our optimism about the prospects of the Brandes International Small Cap 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 8/20/1996 |
|--|----------|--------|--------|---------|---------|----------|------------------------------|
| Class I | -8.19 | -24.81 | -28.04 | 0.36 | -4.06 | 3.56 | 7.35 |
| Class A | -8.29 | -24.96 | -28.26 | 0.11 | -4.27 | 3.32 | 7.10 |
| Class C | -8.42 | -25.35 | -28.71 | -0.44 | -4.86 | 2.73 | -- |
| Class R6 | -8.25 | -24.78 | -28.00 | 0.41 | -3.97 | 3.65 | 7.42 |
| With Load | 3 Months | YTD | 1 Year | 3 Years | 5 Years | 10 Years | Since Inception 8/20/1996 |
| Class A | -13.57 | -29.27 | -32.38 | -1.85 | -5.40 | 2.71 | 6.86 |
| Class C | -9.33 | -26.07 | -29.38 | -0.44 | -4.86 | 2.73 | -- |
| S&P Developed Ex-US SmallCap Index | -10.78 | -32.75 | -33.01 | -2.29 | -2.21 | 4.40 | 5.31 |
| S&P Developed Ex-US SmallCap Value Index | -10.37 | -27.45 | -28.05 | -2.08 | -3.07 | 4.28 | 5.92 |

Operating Expenses: Class I: 1.13% (gross), 1.13% (net) Class A: 1.33% (gross), 1.33% (net) Class C: 2.08% (gross), 2.08% (net) Class R6: 1.08% (gross), 1.00% (net)

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.

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 commenced operations on February 1, 2012, while Class C shares commenced operations 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 prior to February 1, 2012 for the Class A shares reflects the performance of the private investment fund shares adjusted to reflect Class A 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 commenced operations on June 27, 2016. Performance shown prior to the inception of Class R6 shares 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.

EBITDA: Earnings before interest, taxes, depreciation and amortization.

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/Cash Flow: Price per share divided by cash flow per share.

Margin of Safety: The discount of a security's market price to what the firm believes is the intrinsic value of that security.

Net Cash: Total cash minus total debt.

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. Data prior to 2001 is gross dividend and linked to the net dividend returns.

The S&P Developed Ex U.S. SmallCap Value Index with net dividends measures the equity performance of small cap companies in developed markets excluding the United States, which are classified as value stocks by book value-to-price, sales-to-price, cash flow-to-price, and dividend yield.

The S&P Developed Ex-U.S. SmallCap Growth Index measures the equity performance of small cap companies in developed markets excluding the United States, which are classified as growth stocks by 5-year historical earnings per share growth, 5-year historical sales per share growth, and 5-year average annual internal growth rate.

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. 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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