

Brandes Small Cap Value Fund

FUND INFORMATION

Class I:	BSCMX
Class A:	BSCAX
Class R6:	BSCRX

STRATEGY

The Fund seeks long-term capital appreciation by investing predominantly in U.S. equity securities of small-capitalization companies that the Fund's investment team believes are undervalued relative to their financial strength and upside potential.

TOP TEN HOLDINGS

(% of assets as of 12/31/2023)

Graham Corp	4.85
NETGEAR Inc	4.66
Park Aerospace Corp	4.65
Dril-Quip Inc	4.22
Moog Inc	3.93
Embraer SA	3.85
Edgewell Personal Care Co	3.75
Arlo Technologies Inc	3.30
Elanco Animal Health Inc	2.98
Prestige Consumer Healthcare Inc	2.73

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

The Brandes Small Cap Value Fund returned 7.61% (Class I Shares), underperforming its benchmark, the Russell 2000 Index, which gained 14.03% in the quarter, as well as the Russell 2000 Value Index, which was up 15.26%.

Positive Contributors

Despite a challenging start to 2023, the financials sector emerged as one of the best performers, driven partly by market optimism around an economic soft landing. A number of the Fund's financial holdings were leading contributors, notably insurers **Crawford & Company** and **Mercury General**, as well as banks **National Bankshares** and **Eagle Bancorp Montana**.

Aerospace and defense holdings **Embraer** and **Moog** also helped returns, with both companies continuing to see a resurgence in their end-markets.

Other standout performers included **Avadel Pharmaceuticals**, **Elanco Animal Health**, and software developer **SolarWinds**.

Performance Detractors

Notable detractors included holdings in the health care sector, namely **Eagle Pharmaceuticals**, **Pediatrics Medical Group**, **Phibro Animal Health**, and **United Therapeutics**.

Eagle Pharmaceuticals declined after the company's founding chief executive abruptly resigned and Nasdaq issued a non-compliance notice related to its late quarterly earnings filing. The company had previously noted a delay in releasing its third-quarter results due to potential adjustments for reporting Pemfexy (a cancer treatment) sales.

Other detractors were energy companies **Dril-Quip** and **Chesapeake Energy**, aerospace-related firm **Park Aerospace**, outdoor sports company **American Outdoor Brands**, and wireless surveillance camera manufacturer **Arlo Technologies**. Additionally, our underweight to the financials sector weighed on returns relative to the benchmark.

Select Activity in the Quarter

The small-cap investment committee initiated a position in **Spirit AeroSystems**, while selling its holding in **National Western Life Group**.

Year-to-Date Briefing

The Brandes Small Cap Value Fund returned 22.75% (Class I Shares), outperforming its benchmark, the Russell 2000 Index, which was up 16.93% in 2023, and the Russell 2000 Value Index, which gained 14.65%.

The strongest contributors in 2023 were holdings in financials and industrials, led by insurers National Western Life Group and Crawford & Company, as well as industrial companies **Graham Corporation**, **L.B. Foster**, Embraer, Moog, and **Orion Group**. Beyond holdings in financials and industrials, Arlo Technologies and **Sprott Physical Uranium Trust** had solid returns.

Notable detractors were primarily in health care and energy, including Eagle Pharmaceuticals, **Premier**, Pediatrics Medical Group, and **World Kinect**. Other poor performers included **Netgear**, **Hurco Companies**, and **Hanesbrands**.

Current Positioning

The Fund maintained its largest weights in industrials, health care, and information technology (although underweight relative to the Russell 2000 Index). Over the course of 2023, there was a meaningful increase in the Fund's allocation to information technology, while the health care and industrials allocations were comparable to the start of the year.

The Fund's most significant underweights were in consumer discretionary, financials, and real estate, which is consistent with how the Fund's portfolio was positioned to begin 2023 as well.

Compared with the Russell 2000 Value Index, we have significantly less exposure to financials and real estate. In our opinion, the differences between the Brandes Small Cap Value Fund and the broader U.S. small-cap market continue to make the Fund an attractive complement to other small-cap offerings. The Fund exhibits lower valuations than the Russell 2000 Index while offering exposure to companies with what we consider strong balance sheets, compelling growth prospects and a history of durable free cash flow generation.

We are optimistic about the potential of value stocks in general and believe the Brandes Small Cap Value Fund remains well positioned from a long-term risk/reward perspective.

Average Annual Total Returns (%) as of December 31, 2023

Without Load	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception 10/1/1997
Class I	7.61	22.75	22.75	12.99	14.40	10.08	7.94
Class A	7.54	22.44	22.44	12.70	14.08	9.80	7.66
Class R6	7.55	22.91	22.91	13.36	13.02	9.48	7.71
With Load	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception 10/1/1997 ¹
Class A	1.36	15.39	15.39	10.50	12.73	9.15	7.42
Russell 2000 Index	14.03	16.93	16.93	2.22	9.97	7.15	7.27
Russell 2000 Value Index	15.26	14.65	14.65	7.94	9.99	6.75	7.95

Operating Expenses: Class I: 4.26% (gross), 0.91% (net) Class A: 4.67% (gross), 1.16% (net) Class R6: 3.59% (gross), 0.73% (net)

¹The performance information shown for periods before January 2, 2018 is that of a private investment fund managed by the Advisor (the "Predecessor Fund") prior to the commencement of the Small Cap Fund's operations with policies, guidelines and restrictions that were, in all material respects, equivalent to those of the Small Cap Fund. The Small Cap Fund acquired the assets and assumed the liabilities of the Predecessor Fund on January 2, 2018, and investors in the Predecessor Fund received Class I shares of the Small Cap Fund as part of the reorganization. With respect to Class I and Class R6 shares, the performance information shown reflects the gross expenses of the Predecessor Fund. Class A shares reflect the gross expenses of the Predecessor Fund restated to reflect the Class A sales load and Rule 12b-1 fees.

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 Advisor has contractually agreed to limit the operating expenses through January 28, 2025. 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.

Term definitions: <https://www.brandes.com/termdefinitions>

The Russell 2000 Index with gross dividends measures the performance of the small cap segment of the U.S. equity universe.

The Russell 2000 Value Index with gross dividends measures performance of the small cap value segment of the U.S. equity universe. Securities are categorized as growth or value based on their relative book-to-price ratios, historical sales growth, and expected earnings growth.

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. 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.

The foregoing reflects the thoughts and opinions of Brandes Investment Partners® exclusively and is subject to change without notice.

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