

Brandes Small Cap Value Fund

FUND INFORMATION

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

STRATEGY

The Brandes Small Cap Value 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 6/30/2025)

Graham Corp	5.94
Arlo Technologies Inc	4.72
Innovex International Inc	4.66
Park Aerospace Corp	4.65
Kennametal Inc	4.59
Edgewell Personal Care Co	4.43
Elanco Animal Health Inc	4.29
Hexcel Corp	4.27
Moog Inc	3.96
Orion Group Holdings Inc	3.55

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

The Brandes Small Cap Value Fund returned 12.12% (Class I Shares), outperforming its benchmark, the Russell 2000 Index, which was up 8.50%, and the Russell 2000 Value Index, which gained 4.97%.

Positive Contributors

Leading contributors included holdings in the industrials sector, led by machinery company Graham, construction and engineering business Orion Group, and Healthcare Services Group.

Both Graham and Orion rebounded sharply after declining on failing to meet expectations in the first quarter. Graham released strong full-year fiscal 2025 results, driven by higher volume in both its defense, and energy and process markets, combined with strong operational execution and greater scale efficiencies. Similarly, Orion and Healthcare Services Group announced quarterly earnings that were above market expectations. Orion achieved solid margin performance in the company's marine segment, while Healthcare Services Group benefited from nursing home fundamentals trending positively. Given the shift in its risk/reward tradeoff, we pared the Fund's allocation to Healthcare Services Group.

Other strong performers included wireless surveillance company Arlo Technologies, Elanco Animal Health, NETGEAR, and pizza restaurant chain Papa John's International.

Performance Detractors

Detractors were in the consumer staples, energy and consumer discretionary sectors, including Hanesbrands, American Outdoor Brands, Innovex International and Edgewell Personal Care. Consumer confidence and tariff uncertainty weighed on Hanesbrands, American Outdoor Brands, and Edgewell Personal Care, while lower oil prices had a negative impact on Innovex International. However, our investment thesis for these companies has not changed and we continue to maintain the Fund's allocations.

Other detractors included chemicals company Minerals Technologies and professional services business Resources Connection.

Select Activity in the Quarter

The small-cap investment committee initiated several new positions, including watch company Movado Group and software company Open Text.

Founded in 1991 out of the University of Waterloo, Open Text has grown to provide a broad suite of information management software through strategic acquisitions of mature, predominantly on-premise software assets. In recent years, however, the company has shifted its focus toward acquiring cloud-native technologies, reflecting a broader investment in transitioning its product portfolio to a hybrid cloud environment. With the exception of Carbonite, which is intended for individuals or small businesses, Open Text's offerings primarily target large enterprises.

Open Text's stock has come under pressure, potentially due to a loss of investor confidence in management. This stems from multiple revisions and delays in meeting targets without clear explanations, the negative impact of acquisitions like Zix and Micro Focus, and a lack of transparency across business segments. Additionally, although Open Text has recently been able to strengthen its balance sheet, investor concerns have been further heightened by management commentary about pursuing additional acquisitions.

Nonetheless, we believe there are compelling reasons to invest in Open Text at its current share price:

- Strong financial position: Core business remains profitable and cash generative, despite current challenges.
- AI and cloud potential: Significant investments in AI and cloud capabilities that may be successful in driving future growth, but current valuation does not seem to give credit for this optionality.
- Restored balance sheet: Reduced leverage and improved financial stability following recent divestitures.

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.

Other portfolio activity included full sales of cement company Buzzi, gas utility Northwest Natural Holding, and insurer Crawford & Company.

Year-to-Date Briefing

The Brandes Small Cap Value Fund rose 4.86% (Class I Shares), outperforming its benchmark, the Russell 2000 Index, which declined 1.79% in the six months ended June 30, 2025, and the Russell 2000 Value Index, which fell 3.16%.

Stock selection across multiple sectors drove the Fund's outperformance relative to the benchmark. Leading contributors included holdings in industrials, led by Embraer, Graham, and Orion Group. The Fund also benefited from Arlo Technologies, Elanco Animal Health, and Papa John's International.

Detractors were similar to those in the quarter, including Edgewell Personal Care, Hanesbrands, American Outdoor Brands and Minerals Technologies.

Current Positioning

Allocation to companies in the industrials sector continues to be the largest weighting and relative overweight from a sector standpoint. The Fund also maintains key weights in health care, consumer discretionary, materials, and consumer staples. The Fund's most notable underweights are in financials, information technology, and real estate. Compared to the Russell 2000 Value Index, the Fund has 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 it an attractive complement to other small-cap offerings. The Fund exhibits lower valuations than the Russell 2000 Index, while offering exposure to companies that we believe have strong balance sheets, compelling growth prospects and a history of durable free-cash-flow generation.

Average Annual Total Returns (%) as of June 30, 2025

Without Load	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception 10/1/1997
Class I	12.12	4.86	20.30	18.30	19.43	11.74	8.54
Class A	12.10	4.73	19.97	18.00	19.14	11.44	8.27
Class R6	12.23	4.97	20.55	18.54	19.74	11.16	8.34
With Load	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception 10/1/1997 ¹
Class A	5.67	-1.30	13.05	15.69	17.75	10.79	8.03
Russell 2000 Index	8.50	-1.79	7.68	9.99	10.03	7.12	7.21
Russell 2000 Value Index	4.97	-3.16	5.54	7.45	12.46	6.71	7.66

Operating Expenses: Class I: 0.99% (gross), 0.91% (net) Class A: 1.21% (gross), 1.16% (net) Class R6: 1.05% (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 would have been lower without limitations in effect. 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 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.

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 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.

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. 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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