

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 12/31/2025)

Kennametal Inc	5.30
Park Aerospace Corp	4.81
Innovex International Inc	4.78
Graham Corp	4.33
Moog Inc	4.32
Hexcel Corp	4.02
Arlo Technologies Inc	3.93
Edgewell Personal Care Co	3.56
Gildan Activewear Inc	3.54
Ingles Markets Inc	3.41

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

The Brandes Small Cap Value Fund returned 5.88% (Class I Shares), outperforming its benchmark, the Russell 2000 Index, which rose 2.19%, and the Russell 2000 Value Index, which gained 3.26%.

Positive Contributors

Leading contributors included holdings in the industrials sector, led by machinery companies Kennametal and Graham Corporation, as well as aerospace and defense businesses Moog and Hexcel.

Other strong performers included containers and packaging business Sealed Air, energy equipment and services business Innovex International, and Avadel Pharmaceuticals. In October, Avadel announced it would be acquired by Alkermes for a total value of \$2.1 billion with the full value subject to 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 about \$2.4 billion, 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.

Performance Detractors

Health care was the best performing sector in the index, led by the biotechnology industry, and the Fund's underweight was a relative detractor. Further, select holdings in the sector declined, namely Utah Medical Products and Grifols.

Other detractors included Edgewell Personal Care, security systems company Arlo Technologies, communications equipment business Netgear and pizza restaurant chain Papa John's International. Netgear's decline was primarily due to concerns over supply chain issues, rising memory costs, and a mixed outlook from management during its third quarter earnings call. Meanwhile, Arlo was met with unease about its declining year-over-year free cash flow margin.

Select Activity in the Quarter

The small-cap investment committee bought Central Garden & Pet Company (CENT) while selling Pedatrix Medical Group and Avadel Pharmaceuticals.

Central Garden & Pet is a leading U.S. distributor and manufacturer in the lawn, garden, and pet supply industries. Founded in 1980, it initially focused on distributing lawn and garden products, later expanding through acquisitions to include pet supplies. During the past 30 years, CENT has completed 60 acquisitions and evolved into a market leader, manufacturing both branded and private label products for national retailers.

Slowing revenue growth from post-pandemic demand normalization, increased competition from low-cost overseas suppliers and shifting consumer spending habits have weighed on CENT's share price, creating an attractive investment opportunity at current levels. Despite the top-line pressure, CENT has demonstrated resilience in maintaining its operating margins, supported by its ongoing Cost and Simplicity Program, which is midway through implementation. We believe further margin expansion and profitability improvements are possible, especially given the operational complexity introduced by decades of mergers and acquisitions-driven growth. Management is also shifting the company's product mix toward higher-margin consumable pet products and focusing on product innovation and further acquisitions to drive top-line growth. Additionally, we believe that the long-term prospects for the pet and garden industry are supported by durable trends.

Year-to-Date Briefing

The Brandes Small Cap Value Fund rose 23.42% (Class I Shares), outperforming its benchmark, the Russell 2000 Index, which delivered 12.81% in 2025, and the Russell 2000 Value Index, which increased 12.59%.

Stock selection across multiple sectors drove the Fund's outperformance relative to the benchmark.

Leading contributors included select holdings in health care and industrials, specifically Moog, Park Aerospace, machinery company Graham Corporation, Elanco Animal Health, Orion Group, and Avadel Pharmaceuticals. The Fund also benefited from solid returns delivered by Arlo Technologies and Innovex International.

Detractors were mainly in consumer staples and consumer discretionary sectors, namely Edgewell Personal Care and American Outdoor Brands, as well as juvenile products and home furnishings manufacturer Dorel Industries.

Professional services company Resources Connection, machinery business Hurco Companies, and Utah Medical Products also declined.

Current Positioning

Allocation to companies in industrials continues to be the largest weighting and overweight position from a sector standpoint. The Fund also maintains key weights in health care, materials, and consumer discretionary. The Fund's most notable underweights are in financials, health care, information technology, and real estate. Compared to 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 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.

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, 2025							
Without Load	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception 10/1/1997
Class I	5.88	23.42	23.42	23.64	17.31	13.95	9.01
Class A	5.83	23.09	23.09	23.33	17.00	13.66	8.73
Class R6	5.94	23.62	23.62	23.86	17.63	13.37	8.81
With Load	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception 10/1/1997 ¹
Class A	-0.24	16.01	16.01	20.91	15.63	12.99	8.50
Russell 2000 Index	2.19	12.81	12.81	13.72	6.09	9.61	7.61
Russell 2000 Value Index	3.26	12.59	12.59	11.72	8.87	9.26	8.10

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)

²The 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.

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. 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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