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 3/31/2026)

Edgewell Personal Care Co	4.01
Park Aerospace Corp	3.96
Ingles Markets Inc	3.91
Innovex International Inc	3.84
Arlo Technologies Inc	3.77
Kennametal Inc	3.73
Moog Inc	3.51
Graham Corp	3.41
Mohawk Industries Inc	3.29
Prestige Consumer Healthcare Inc	3.25

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

The Brandes Small Cap Value Fund returned 8.18% (Class I Shares), outperforming its benchmark, the Russell 2000 Index, which rose 0.89%, and the Russell 2000 Value Index, which gained 4.96%.

Positive Contributors

Holdings in the industrials sector drove performance, led by machinery companies Kennametal and Graham Corporation, as well as aerospace and defense businesses Moog and Park Aerospace.

Kennametal significantly raised its guidance for fiscal year 2026 and is expected to be a key beneficiary of the material increase in tungsten prices, providing a potential positive tailwind to its margins. Park Aerospace benefited from surging demand for its missile defense materials. It also reported strong earnings.

Consumer staples businesses Ingles Markets and Edgewell Personal Care also performed well. Ingles Markets continued to recover from operating challenges during previous years; it announced noteworthy year-over-year profitability growth. Meanwhile, Edgewell completed the sale of its feminine care business for $340 million. The proceeds strengthened its balance sheet, which investors viewed favorably.

Performance Detractors

Detractors included a few technology-related holdings, which were pressured by heightened concerns about perceived disruption from artificial intelligence (AI) and broader macroeconomic uncertainty.

IT services companies Globant and Amdocs declined as investors reassessed the potential impact of generative AI on traditional IT services models, particularly in application development and consulting. Software company Open Text also detracted from performance. Investor concerns centered on the durability of legacy enterprise software models amid rapid advances in AI-enabled information management tools. While Open Text continued to generate substantial recurring revenue from its mission-critical software, uncertainty regarding integration execution and AI-related disruption weighed on sentiment. In our view, the market has overstated near-term disruption risks, while discounting the strength of Open Text's installed base and customer switching costs, causing the company's shares to trade at what we consider appealing valuations.

Other detractors included pizza retailer Papa John's International and laser eye surgery company Lensar. In March, Lensar and Alcon announced they were abandoning Alcon's proposed acquisition of Lensar after the FTC moved to block the transaction on antitrust grounds.

Select Activity in the Quarter

The small-cap investment committee took advantage of the market volatility to initiate a number of positions. New buys included beverages company Molson Coors, food products businesses Ingredion and Lamb Weston, IT services company Amdocs, software business NICE, containers and packaging company Winpak, and flooring business Mohawk Industries. Meanwhile, the investment committee exited positions in apparel company Gildan Activewear, National Presto, Healthcare Services Group, and Sealed Air.

Mohawk Industries is the world's largest flooring manufacturer. With a leading position on ceramic tile, carpet, laminate, vinyl and stone products, the company serves residential remodeling, new construction and commercial markets. Its global manufacturing and distribution footprint provides substantial scale advantages, broad product reach and cost efficiency across cycles.

The market is currently focused on near-term headwinds facing Mohawk, including slowing home-remodeling demand, elevated input costs and margin pressure after an unusually strong post-COVID rebound.

While cycle risks are still elevated, the company benefits, in our opinion, from a strong balance sheet and a free-cash-flow profile that has stayed positive throughout this period. Additionally, management owns a meaningful equity stake and has shown a willingness to deploy capital opportunistically through share repurchases and acquisitions during times of industry stress.

In our view, Mohawk trades at a valuation that can withstand a prolonged downturn scenario. Based on our assessment of normalized earnings power and balance sheet strength, we believe its shares offer an attractive margin of safety and favorable long-term return potential.

NICE Ltd. is a Contact Center-as-a-Service (CCaaS) provider, maintaining dual headquarters in Israel and the United States, with a customer base that is predominantly in the U.S. NICE has evolved alongside changing technology and customer requirements. Historically, the company provided software and services to help enterprises manage on-premise customer contact centers. In this capacity, NICE was one of several software and hardware vendors offering tools to staff, manage, measure and evaluate call center operations. The company was particularly strong in workforce engagement management (WEM) software, a critical component for effective contact center operations.

In recent years, CCaaS offerings have been increasingly adopted because they lower total cost of ownership, better integrate customer service channels and leverage automation, including AI. All of this enables a superior customer experience that can be applied to other areas of a business. NICE responded to this shift by acquiring a leading CCaaS provider, inContact, in 2016. This acquisition gave NICE a nearly complete CCaaS solution, and as cloud-based offerings grew at the expense of on-premise systems, NICE benefited from higher revenue per licensed seat. The market rewarded this industry-leading position with strong valuation multiples.

However, in 2025 rapid advances in AI capability and adoption began to cloud NICE's outlook. On one hand, improving AI functionality has accelerated the shift toward CCaaS solutions and away from on-premise deployments. On the other, the pace of change has intensified competition among CCaaS providers and has driven increased investment to incorporate advanced AI features. NICE has indicated that this heightened investment, including the approximately $1-billion acquisition of Cognigy, will put pressure on its earnings over the next year. This uncertainty contributed to a sharp correction in the share price, pushing it to multi-year lows and compressing valuation multiples to near all-time lows.

While it is impossible to predict definitive winners and losers in the AI arms race, NICE remains favorably positioned as an established incumbent in the CCaaS market with a well-capitalized balance sheet. AI-enhanced contact center functionality could meaningfully expand the overall market size over time. We will continue to monitor the competitive landscape for evidence of NICE's performance in navigating this transition. For the patient, long-term investor, the current opportunity in NICE appears attractive.

Current Positioning

While the Fund's allocation to companies in industrials continues to be the largest weighting from a sector perspective, we have materially reduced our allocation, trimming positions that have performed well and selling off National Presto and Healthcare Services Group. Following the additions of Ingredion, Molson Coors, and Lamb Weston, the Fund's allocation to consumer staples has increased substantially. Along with industrials and materials, it continues to be one of the Fund's largest overweights. The Fund's most notable underweights are in financials, health care and real estate. Compared to the Russell 2000 Value Index, we have 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 March 31, 2026							
Without Load	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception 10/1/1997[1]
Class I	8.18	8.18	42.77	23.35	15.59	14.39	9.23
Class A	8.13	8.13	42.46	23.05	15.30	14.07	8.95
Class R6	8.27	8.27	43.11	23.58	15.88	13.81	9.03
With Load	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception 10/1/1997[1]
Class A	1.92	1.92	34.29	20.63	13.94	13.40	8.73
Russell 2000 Index	0.89	0.89	25.72	13.03	3.77	9.88	7.57
Russell 2000 Value Index	4.96	4.96	28.09	13.78	5.79	9.60	8.21

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)

[2]The 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.

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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