Brandes U.S. Value Fund

FUND INFORMATION

Class I:	BUVIX
Class A:	BUVAX
Class R6:	BUVRX

STRATEGY

The Fund seeks long-term capital appreciation by investing primarily in the equity securities of U.S. issuers with equity market capitalizations that exceed $5 billion at the time of purchase.

TOP TEN HOLDINGS

(% of assets as of 6/30/2022)

Chevron Corp	3.57
Cigna Corp	3.25
Merck & Co Inc	3.12
Amdocs Ltd	2.88
Pfizer Inc	2.85
Comcast Corp	2.82
FedEx Corp	2.72
CVS Health Corp	2.69
Halliburton Co	2.64
McKesson Corp	2.62

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

The Brandes U.S. Value Fund declined 11.83% (Class I Shares) in the second quarter, outperforming its benchmark, the Russell 1000 Value Index, which fell 12.21%, and the Russell 1000 Index which declined 16.67%.

Positive Contributors

Amid strong relative performance for value stocks, holdings across a variety of sectors held up well during the period, led by those in health care. While the overall market declined, several of our health care related holdings appreciated during the period including **Merck**, **Cigna**, and **McKesson**.

Other contributors included logistics company **FedEx** and IT service company **Amdocs**. FedEx rose amid strong earnings results and expectations of improving profitability associated with its new CEO. Amdocs also announced strong earnings results during the period, and we continue to appreciate the attractive and defensive growth offered by the company as its telecom customers migrate to 5G.

Performance Detractors

A variety of concerns led to markets declining during the period, from geopolitical risks to inflation as well as uncertainty over future economic growth. As a result, within the index, cyclically oriented companies were some of the weakest performers during the period, along with technology-related companies, which continued to see their valuations compress amid rising interest rates.

Our largest detractors included several of our financial holdings as well as other more cyclically exposed holdings. While many financials should benefit from a rise in interest rates, the sector declined for the quarter given growing concerns about economic growth. The most significant financial holdings which detracted during the period included **Bank of America** and trust bank **State Street**. Advertising agency **Omnicom** and IT service firm **Cognizant** also declined during the period, detracting from relative returns. Other technology related companies such as **Micron** and **Applied Materials** saw their share prices fall amid the broader decline in semiconductor related companies, and we used the opportunity to add to our positions.

Hospital operator **HCA Healthcare** declined on concerns about rising labor costs impacting the company's profitability.

Select Activity in the Quarter

During the period, the investment committee initiated a position in software company **Open Text** and divested holding in chemical company **Westlake** after it reached our estimate of intrinsic value. We also sold our position in industrial conglomerate **3M** given its increased liability risk.

While based in Canada, Open Text is a software company that trades in the U.S. and generates the majority of its revenue from the U.S. market. Open Text has a complex product portfolio of mostly slower-growing software applications focused on content management (includes products such as document management, signature, and analytics) and business networks (includes products used for invoicing, purchase orders, and tracking). The company has a strong track record of executing acquisitions to build its portfolio. Its software business offers attractive economics as it is largely based on recurring revenue which generates attractive cash flow. With a strong installed base of enterprise customers, including nearly all of the 100 largest companies in the U.S., and strong partnerships with the largest cloud and software providers, Open Text is positioned well to continue growing its largely recurring revenue stream as it migrates customers to the cloud.

Open Text has also shown strong capital allocation discipline through its acquisitions. The company has been able to buy slower-growing and often ignored software companies, reduce some of the redundant SG&A while strengthening R&D and enhancing customer penetration. It also is migrating its customer base from on-premise to the cloud, which should contribute to Open Text's ability to generate low single-digit organic growth at attractive returns. With shares currently trading at less than 12x earnings, we felt the shares offered an attractive risk/reward tradeoff and initiated a position.

Year-to-Date Briefing

The Brandes U.S. Value Fund fell 11.92% in the six months ended June 30, 2022, outperforming its benchmark, the Russell 1000 Value Index, which fell 12.86%, and the Russell 1000 Index which declined 20.94%.

Markets have declined amid concerns about inflation and a slowdown in economic growth. As interest rates have risen, technology-related companies have been the worst performers in the index along with some cyclically oriented companies, given increasing concerns about economic growth. Conversely, more defensive and commodity-oriented companies have performed relatively well. Value stocks have also held up fairly well in a down market.

Our relative outperformance vs. both the value index and the broad US market (Russell 1000 Index) has resulted from our value exposure as well as our overweight position and stock selection in the health care sector, and our stock selection within materials, industrials, and technology. Our largest detractors from returns have been our underweight position in utilities and our overweight position in financials.

Individual contributors and detractors for the year largely line up with those for the quarter. Additional contributors included our energy holdings, **Chevron** and **Halliburton**, which have performed well amid rising oil prices, and defense company **General Dynamics**. Additional detractors include housing-related companies **Taylor Morrison** and **Mohawk Industries**.

Current Positioning

Amid an overall declining market, value stocks (as measured by the Russell 1000 Value Index) outperformed the broader market (Russell 1000 Index) noticeably for the year as rising inflation and interest rates caused many high-flying growth company valuations to compress.

Geopolitical developments exacerbated inflationary trends and increased worries about a slowdown in growth, raising the potential for a "stagflationary" environment (low economic growth and elevated inflation).

In theory weaker growth may be a headwind for value stocks, all else being equal. However, two of the best decades for value versus growth have occurred during stagflationary (1970s) and/or low-growth (2000s) environments. The common factors of these periods resulting in strong value outperformance were (1) markets began the decades in a state of elevated valuations and (2) the spreads between value and growth were at historically wide levels. Both of these characteristics were present at the beginning of this year, and while the valuation spread between value and growth has started to compress from its historically wide level, it remains among the widest quintile in history. We continue to be optimistic about the potential returns for value stocks.

From an industry/sector standpoint, the Fund's largest relative overweight positions remained in the economically sensitive financials sector, the more defensive oriented health care sector as well as various areas within the technology sector exposed to secular growth trading at what we consider to be reasonable valuations. As the technology sector has underperformed, our relative weight has increased.

Our most significant underweight positions are in areas the market perceives to be more defensive, such as consumer staples, utilities, and real estate. While consumer staples and utilities have outperformed during the declining market this year, we believe that both of these areas appear generally expensive outside of a few specific opportunities we hold in the Fund's portfolio.

We believe the differences between the Brandes U.S. Value Fund and the broader market continue to make the Fund an attractive complement to more index-like or growth-oriented alternatives.

Looking ahead to the rest of this year and beyond, we remain optimistic about the Fund's prospects given what we consider to be an attractive environment for value investing, and our strategy's historic tendency to outperform the Russell 1000 Value Index during periods of value outperformance (Russell 1000 Value vs. Russell 1000).

As always, we thank you for the trust you have placed in us.

Average Annual Total Returns (%) as of June 30, 2022							
Without Load	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception 10/1/2021
Class I	-11.83	-11.92	--	--	--	--	-6.41
Class A	-11.92	-12.01	--	--	--	--	-6.32
Class R6	-11.80	-12.05	--	--	--	--	-6.37
With Load	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception 10/1/2021
Class A	-16.95	-17.09	--	--	--	--	-11.71
Russell 1000 Value Index	-12.21	-12.86	--	--	--	--	-7.25
Russell 1000 Index	-16.67	-20.94	--	--	--	--	-14.19

Operating Expenses: Class I: 26.55% (gross), 0.70% (net) Class A: 26.75% (gross), 0.95% (net) Class R6: 26.50% (gross), 0.60% (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.*

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.

Cash Flow: The amount of cash generated minus the amount of cash used by a company in a given period.
Cyclically Oriented Companies: Those following the cycles of an economy through expansion, peak, recession and recovery, including companies that sell items that consumers buy more during a booming economy but spend less on during a recession.
Dividend: The distribution of corporate profits to eligible shareholders.
Price/Earnings (P/E): Price per share divided by earnings per share.
Stagflation: Combination of slow economic growth and high inflation.

The Russell 1000 Value Index with gross dividends measures performance of the large 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.

The Russell 1000 Index with gross dividends measures performance of the large cap segment of the U.S. equity universe.

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.

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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