

ANNUAL  
REPORT

SEPARATELY MANAGED ACCOUNT  
RESERVE TRUST

## **Table of Contents**

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<b>Letter to Shareholders and Performance Graphs .....</b>	<b>2</b>
<b>Expense Example.....</b>	<b>9</b>
<b>Schedule of Investments .....</b>	<b>11</b>
<b>Statement of Assets and Liabilities .....</b>	<b>16</b>
<b>Statement of Operations .....</b>	<b>17</b>
<b>Statement of Changes in Net Assets.....</b>	<b>18</b>
<b>Financial Highlights.....</b>	<b>19</b>
<b>Notes to Financial Statements .....</b>	<b>20</b>
<b>Report of Independent Registered Public Accounting Firm.....</b>	<b>29</b>
<b>Additional Information .....</b>	<b>30</b>
<b>Trustees and Officers Information.....</b>	<b>32</b>

# Brandes Separately Managed Account Reserve Trust

## Dear Fellow Investor,

The net asset value of the Brandes Separately Managed Account Reserve Trust gained 2.33% in the year ended September 30, 2021. During the same period, the Bloomberg U.S. Aggregate Bond Index declined by 0.90%.

As we began 2021, there appeared to be a growing sense of optimism around an eventual end to the pandemic and lockdowns, as well as better times ahead for the economy. We also entered the year, however, with what we view as stretched valuations in most taxable fixed-income sectors—yields are low and yield spreads are tight.

We made a number of observations and beliefs that continue to guide our thinking and investment decisions this year:

- Market valuations remain stretched, with yield spreads at or near the tight end of their range over the past few decades on most taxable, fixed-income asset classes;
- Many investors have stretched their risk tolerance in search of higher yields;
- Absent unprecedented central-bank market intervention, interest rates would likely be higher and asset prices would likely be lower; and
- The combination of tight yield spreads, increased uncertainty and possibly diminished central-bank influence if the economy begins to normalize, should benefit thoughtful, disciplined, and active portfolio management.

We believe the bond and stock markets have grown to love accommodative central banks and appear to be sanguine about rising fiscal debt levels. It seems many have come to believe that debt levels *don't matter*. Maybe we are old fashioned, but we feel it's difficult to subscribe to the belief that overall debt levels don't matter. Therefore, we continued to bias the Fund in what we believed was a defensive manner.

As April 2021 began, it felt a bit like the 1970's returned: Middle East tensions, lines at gas stations and inflation numbers that we had not seen for quite some time. The U.S. economy continued to reopen and there was a noticeable increase in retail and service sector activity. The key question in our mind as we entered the second half of the year remained whether the Federal Reserve (Fed) would continue to support its monthly purchase of U.S. Treasuries and Agency mortgage-backed securities (MBS). Or would the Fed acknowledge that emergency accommodation is no longer needed?

September ushered in surging energy prices, visible cracks in the property market in China, more tangible tapering talk from the Fed and heightened political rhetoric around raising the U.S. debt ceiling. These events put downward pressure on equity prices and upward pressure on interest rates.

The Fed continued to define consistently higher than target inflation readings as transitory. But while the verbiage is consistent, the definition of transitory has evolved, from what was initially thought to last a few months after the depths of the pandemic, to recent Fed chatter that this transitory inflation may continue well into 2022. We

## Brandes Separately Managed Account Reserve Trust

believe the underlying message is that the Fed and, by extension, the markets hope that inflation is transitory and set to ease in the coming months. But out in everyday life it certainly does not feel like that is the case; this hope provides scant comfort when your energy bill and weekly grocery bills are surging.

Specific to performance over the trailing twelve months (TTM), the Brandes Separately Managed Account Reserve Trust delivered solid absolute and relative performance.

Holdings in corporate bonds contributed to positive relative returns. Energy holdings were the top contributors as the price of both oil and natural gas registered sharp gains.

The Fund also received positive contributions from industries benefiting from the rise in inflation, namely home building and food processing.

Our underweight in agency MBS modestly detracted from performance as the sector posted a modest gain versus U.S. Treasury securities.

Term-structure positioning was a positive factor in performance. The Fund was positioned near the bottom of its duration-controlled band during the TTM.

New purchases into the Fund during the period included: **First Energy** (maturing 11/15/31, rated Ba1/BB), **Telecom Italia** (maturing 1/24/33, rated Ba2/BB+), **T-Mobile** (maturing 2/1/28, rated Ba3/BB), **Continental Resources** (maturing 4/15/23 and 1/15/28, rated Ba1/BB+), **Avon Products** (maturing 3/15/23, rated Ba3/BB-), Netflix (maturing 11/15/26, rated Ba3/BB+), **Ford Motor Credit** (maturing 11/1/22 and 11/13/25, rated Ba2/BB+), **Pilgrim's Pride** (maturing 9/30/27 and 4/15/31, rated B1/BB+), **Goldman Sachs** (3.80% coupon, perpetual maturity, callable 5/10/26, rated Ba1/BB) and **Allison Transmission** (4.75% coupon, maturing 10/1/27, callable 10/1/22, rated Ba2/BB).

We'd like to highlight our purchase of Avon Products. Avon was acquired in the second half of 2020 by a higher rated parent company—Natura. Since Natura has a higher rating, it generally has better access to lower-cost capital. As such, the company has been systematically retiring existing Avon debt, including an issue that we owned and was called in November 2020. The Avon entity now has two bond issues that remain outstanding—the 2023 maturity that we purchased and another issue that matures in 2043.

What we found compelling about this Avon issue is that, not only does it offer what we view as an attractive yield relative to its underlying credit risk, but the bond indenture for the 2023 maturity does not have an explicit call feature. The only allowable call is a make-whole call. A make-whole call allows the issuer to pay off a bond early, but the issuer is required to make the bond investor whole by making a payment equal to the net-present value of the coupon payments that the security holder will forgo by the early retirement. In simple terms, an explicit call is typically more beneficial to the issuer while a make-whole call is typically to the benefit of the security holder. In this

## **Brandes Separately Managed Account Reserve Trust**

case, if Natura decides to call this maturity it is required to pay a \$4 premium to the current market price of the security. Therefore, we believe the economics of this specific issue are attractive, whether we hold it until maturity, or Natura is forced to pay us a premium if it would like to retire the bond early.

Finally, our purchase of Pilgrim's Pride 2031 maturity was a sustainability bond. The bond indenture includes specific metrics that the company must hit with respect to greenhouse gas emissions. If these benchmarks are not hit, the coupon on the bond steps up to a higher coupon.

As of September 30, 2021, the Brandes Separately Managed Account Reserve Trust remained defensively positioned across a number of metrics. We continue to favor short-maturity corporate bonds and those exhibiting strong, tangible asset coverage. We are underweight agency MBS and managing duration toward the shorter end of our duration-controlled range. We have a high allocation to U.S. Treasuries that we will look to redeploy thoughtfully and efficiently—if and when market uncertainty and volatility cause credit fundamentals to become mispriced from our estimates of intrinsic value.

Longer term, we believe fundamentals do and will continue to matter. In recent years, the fundamentals appear to have been overshadowed by massive central-bank intervention. But value opportunities will continue to emerge for those with measured, deliberate, and cautious approaches in reallocating capital.

Given the robust economic backdrop, we believe there is little fundamental and rational reason for Treasury rates to continue to be as low as they are. It is clear to us that in a market awash in liquidity, market technicals continue to overwhelm underlying fundamentals. Rather than guess how long this dynamic can hold, we believe prudence dictates that we continue our search for value at the margins while tilting the Fund to what we believe is a relatively defensive posture. We remain excited about the potential of the Brandes Separately Managed Account Reserve Trust and appreciate the trust you have placed in us.

Sincerely yours,

The Brandes Fixed Income Investment Committee

Brandes Investment Trust

## **Brandes Separately Managed Account Reserve Trust**

*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 bond market and economic conditions. Investments in small and medium capitalization companies tend to have limited liquidity and greater price volatility than large capitalization companies.*

*As with most fixed income funds, the income on and value of your shares in the fund will fluctuate along with interest rates. When interest rates rise, the market prices of the debt securities the fund owns usually decline. When interest rates fall, the prices of these securities usually increase. Generally, the longer the fund's average portfolio maturity and the lower the average quality of its portfolio, the greater the price fluctuation. The price of any security owned by the fund may also fall in response to events affecting the issuer of the security, such as its ability to continue to make principal and interest payments or its credit rating. Below investment grade debt securities are speculative and involve a greater risk of default and price change due to changes in the issuer's creditworthiness than higher grade debt. The market prices of these debt securities may fluctuate more than the market prices of investment grade debt securities and may decline significantly in periods of general economic difficulty.*

***Past performance is not a guarantee of future results.***

*Short-term debt refers to fixed income securities set to mature in 1 to 5 years from the issue or purchase date. Long-term debt refers to fixed income securities set to mature more than 10 years from the issue or purchase date.*

*Credit ratings are measured on a scale that generally ranges from AAA (highest) to D (lowest). All Fund securities except for those labeled "Not Rated" and "Other" have been rated by Moody's, S&P or Fitch, which are each a Nationally Recognized Statistical Rating Organization. All Index securities except for those labeled "Not Rated" have been rated by Moody's or S&P. Credit ratings are subject to change*

*Asset Coverage: Ability to cover debt obligations with assets after all liabilities have been satisfied.*

*Callable Bond: Debt security that the issuer can redeem prior to maturity.*

*Duration: The weighted maturity of a fixed-income investment's cash flows, used in the estimation of the price sensitivity of fixed-income securities for a given change in interest rates.*

*Indenture: A legal contract between a bond issuer and bond holder.*

*Mortgage-Backed Security: A type of asset-backed security which is secured by a mortgage or collection of mortgages.*

*Yield: Annual income from the investment (dividend, interest, etc.) divided by the current market price of the investment.*

## **Brandes Separately Managed Account Reserve Trust**

*Yield Spread: The difference in yield from a Treasury security and another debt security of the same maturity.*

*Please refer to the Schedule of Investments in the report for complete holdings information. Fund holdings, geographic allocations and/or sector allocations are subject to change at any time and are not considered a recommendation to buy or sell any security.*

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

*Brandes Investment Partners® is a registered trademark of Brandes Investment Partners, L.P. in the United States and Canada.*

*Must be preceded or accompanied by a prospectus.*

### **Index Guide**

*The Bloomberg U.S. Aggregate Bond Index is a broad-based benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market. This index is a total return index which reflects the price changes and interest of each bond in the index.*

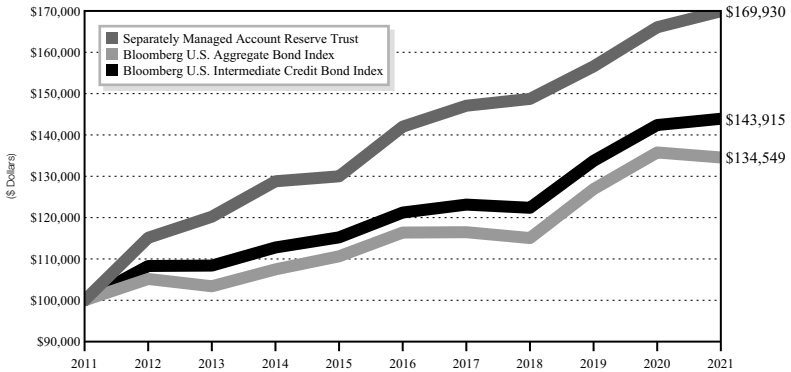
*One cannot invest directly in an index.*

*The Brandes Separately Managed Account Reserve Trust is distributed by ALPS Distributors, Inc.*

# Brandes Separately Managed Account Reserve Trust

The following chart compares the value of a hypothetical \$100,000 investment in the Separately Managed Account Reserve Trust from September 30, 2011 to September 30, 2021 with the value of such an investment in the Bloomberg U.S. Aggregate Bond Index and Bloomberg U.S. Intermediate Credit Bond Index for the same period.

**Value of \$100,000 Investment vs Bloomberg U.S. Aggregate Bond Index & Bloomberg U.S. Intermediate Credit Bond Index (Unaudited)**



**Average Annual Total Return  
Periods Ended September 30, 2021**

	<b>One Year</b>	<b>Five Years</b>	<b>Ten Years</b>	<b>Since Inception<sup>(1)</sup></b>
Brandes Separately Managed Account Reserve Trust.....	2.33%	3.66%	5.45%	5.22%
Bloomberg U.S. Aggregate Bond Index.....	(0.90)%	2.94%	3.01%	4.16%
Bloomberg U.S. Intermediate Credit Bond Index.....	1.06%	3.49%	3.71%	4.50%

<sup>(1)</sup> The inception date is October 3, 2005.

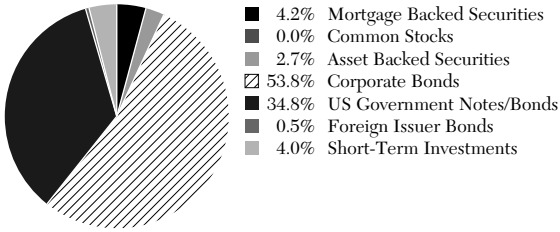
*Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the Fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by calling 800-331-2979.*



# Brandes Separately Managed Account Reserve Trust

The returns shown do not reflect the deduction of taxes that a shareholder would pay on fund distributions or the redemption of fund shares.

Asset Allocation as a Percentage of Total Investments as of September 30, 2021 (Unaudited)



# Brandes Separately Managed Account Reserve Trust

## Expense Example (Unaudited)

As a shareholder of the Fund, you incur ongoing costs, including investment advisory and administrative fees and other Fund expenses. The example below is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds. Note that for this Fund, which is used in wrap-fee programs, fees and expenses are paid at the wrap account level rather than the Fund level.

The example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period from April 1, 2021 to September 30, 2021 (the “Period”).

### Actual Expenses

This section provides information about actual account values and actual expenses. The “Ending Account Value” shown is derived from the Fund’s actual returns. You may use the information in this section, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number given for the Fund under the heading “Expenses Paid During Period” to estimate the expenses you paid on your account during this period.

<b>Fund</b>	<b>Beginning Account Value</b>	<b>Ending Account Value</b>	<b>Annualized Expense Ratio</b>	<b>Expenses Paid During the Period*</b>
Separately Managed Account Reserve Trust**	\$1,000.00	\$1,031.80	0.00%	\$0.00

\* The Fund’s expenses are equal to the Fund’s expense ratio for the period, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one half-year period).

\*\* No expenses have been charged to the Brandes Separately Managed Account Reserve Trust (“SMART Fund”) over the period, as the SMART Fund participates in a wrap-fee program sponsored by investment advisors unaffiliated with the SMART Fund. See Note 3 to the Financial Statements. Fees and expenses are charged at the wrap account level.

### Hypothetical Example for Comparison Purposes

This section provides information about hypothetical account values and hypothetical expenses based on the Fund’s actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund’s actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other mutual funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other mutual funds.

## Brandes Separately Managed Account Reserve Trust

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transaction costs, such as brokerage commissions on purchase and sales of Fund shares. Therefore, the last column of the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

<b>Fund</b>	<b>Beginning Account Value</b>	<b>Ending Account Value</b>	<b>Annualized Expense Ratio</b>	<b>Expenses Paid During the Period*</b>
Separately Managed Account Reserve Trust**	\$1,000.00	\$1,025.07	0.00%	\$0.00

\* The Fund's expenses are equal to the Fund's expense ratio for the period, multiplied by the average account value over the period, multiplied by 183/365 (to reflect the one half-year period).

\*\* No expenses have been charged to the Brandes Separately Managed Account Reserve Trust ("SMART Fund") over the period, as the SMART Fund participates in a wrap-fee program sponsored by investment advisors unaffiliated with the SMART Fund. See Note 3 to the Financial Statements. Fees and expenses are charged at the wrap account level.

# Brandes Separately Managed Account Reserve Trust

## SCHEDULE OF INVESTMENTS — September 30, 2021

	Shares	Value
<b>COMMON STOCKS – 0.00%</b>		
<i>Household Durables – 0.00%</i>		
Urbi Desarrollos Urbanos SAB de CV <sup>(a)</sup> .....	8,806	\$ 3,946
<b>TOTAL COMMON STOCKS</b>		
(Cost \$1,887,388) .....		\$ 3,946
	Principal Amount	Value
<b>FEDERAL AND FEDERALLY SPONSORED CREDITS – 4.22%</b>		
<i>Federal Home Loan Mortgage Corporation – 1.57%</i>		
Pool G1-8578 3.000%, 12/1/2030 .....	\$ 978,833	\$ 1,032,777
Pool SD-8001 3.500%, 7/1/2049 .....	1,155,834	1,221,546
Pool SD-8003 4.000%, 7/1/2049 .....	624,720	668,794
		<u>2,923,117</u>
<i>Federal National Mortgage Association – 2.65%</i>		
Pool AL9865 3.000%, 2/1/2047 .....	771,788	816,517
Pool AS6201 3.500%, 11/1/2045 .....	388,066	416,155
Pool BN6683 3.500%, 6/1/2049 .....	938,884	993,044
Pool CA1624 3.000%, 4/1/2033 .....	1,312,161	1,390,160
Pool MA3687 4.000%, 6/1/2049 .....	1,235,944	1,322,937
		<u>4,938,813</u>
<b>TOTAL FEDERAL AND FEDERALLY SPONSORED CREDITS</b>		
(Cost \$7,505,096) .....		\$ 7,861,930
<b>OTHER MORTGAGE RELATED SECURITIES – 0.00%</b>		
<i>Collateralized Mortgage Obligations – 0.00%</i>		
Wells Fargo Mortgage Backed Securities Trust Series 2006-AR14 2.919%, 10/25/2036 <sup>(b)</sup> .....	\$ 1,755	\$ 1,693
<b>TOTAL OTHER MORTGAGE RELATED SECURITIES</b>		
(Cost \$1,755) .....		\$ 1,693
<b>US GOVERNMENTS – 35.22%</b>		
<i>Sovereign – 35.22%</i>		
United States Treasury Bond .....		
4.750%, 2/15/2037 .....	\$19,535,000	\$ 27,569,532
3.500%, 2/15/2039 .....	19,250,000	23,999,336
United States Treasury Note		
2.375%, 5/15/2029 .....	13,135,000	14,099,601
<b>TOTAL US GOVERNMENTS</b>		
(Cost \$61,370,621) .....		\$ 65,668,469
<b>CORPORATE BONDS – 54.44%</b>		
<i>Automobiles – 1.95%</i>		
Ford Motor Credit Co. LLC .....		
3.350%, 11/1/2022 .....	\$ 1,925,000	\$ 1,958,899
3.375%, 11/13/2025 .....	1,625,000	1,669,688

The accompanying notes to financial statements are an integral part of this Schedule of Investments.

# Brandes Separately Managed Account Reserve Trust

## SCHEDULE OF INVESTMENTS — September 30, 2021 (continued)

	Principal Amount	Value
		3,628,587
<b>Banks – 9.38%</b>		
Goldman Sachs Group, Inc. 3.800% (U.S. Treasury Yield Curve Rate CMT 5Y + 2.969%), Perpetual <sup>(c)</sup> .	\$2,900,000	\$ 2,968,875
JPMorgan Chase & Co. 3.598% (3M LIBOR + 3.470%), Perpetual <sup>(c)</sup> .....	6,083,000	6,116,288
USB Capital IX 3.500% (3M LIBOR + 1.020%, minimum of 3.500%), Perpetual <sup>(c)</sup> .....	8,525,000	8,410,480
		17,495,643
<b>Commercial Services &amp; Supplies – 5.74%</b>		
Iron Mountain, Inc. 4.875%, 9/15/2027 <sup>(d)</sup> .....	2,925,000	3,036,676
Prime Security Services Borrower LLC 5.750%, 4/15/2026 <sup>(d)</sup> .....	3,620,000	3,915,973
6.250%, 1/15/2028 <sup>(d)</sup> .....	3,635,000	3,757,790
		10,710,439
<b>Consumer Products – 5.37%</b>		
Avon Products, Inc. 6.500%, 3/15/2023 .....	5,925,000	6,268,709
Travel + Leisure Co. 6.625%, 7/31/2026 <sup>(d)</sup> .....	3,295,000	3,752,247
		10,020,956
<b>Containers &amp; Packaging – 1.14%</b>		
Sealed Air Corp. 4.000%, 12/1/2027 <sup>(d)</sup> .....	1,990,000	2,119,151
<b>Electric Utilities – 0.79%</b>		
FirstEnergy Corp. 7.375%, 11/15/2031 .....	1,075,000	1,468,515
<b>Food, Beverage &amp; Tobacco – 2.09%</b>		
Pilgrim's Pride Corp. ....		
5.875%, 9/30/2027 <sup>(d)</sup> .....	720,000	765,540
4.250%, 4/15/2031 <sup>(d)</sup> .....	2,905,000	3,121,422
		3,886,962
<b>Health Care Facilities &amp; Services – 2.65%</b>		
Tenet Healthcare Corp. 4.875%, 1/1/2026 <sup>(d)</sup> .....	4,780,000	4,946,918
<b>Homebuilders – 3.46%</b>		
PulteGroup, Inc. 5.500%, 3/1/2026 .....	3,920,000	4,543,515

The accompanying notes to financial statements are an integral part of this Schedule of Investments.

# Brandes Separately Managed Account Reserve Trust

## SCHEDULE OF INVESTMENTS — September 30, 2021 (continued)

	Principal Amount	Value
Toll Brothers Finance Corp. 4.875%, 11/15/2025 .....	\$1,710,000	\$ 1,915,200
		<u>6,458,715</u>
<b>Media – 1.83%</b>		
Charter Communications Operating LLC 4.908%, 7/23/2025 .....	1,325,000	1,490,128
Netflix, Inc. 4.375%, 11/15/2026 .....	1,725,000	1,927,687
		<u>3,417,815</u>
<b>Oil, Gas &amp; Consumable Fuels – 8.52%</b>		
BP Capital Markets Plc 3.506%, 3/17/2025 .....	3,375,000	3,653,888
Continental Resources, Inc. 4.500%, 4/15/2023 .....	1,845,000	1,911,881
4.375%, 1/15/2028 .....	1,105,000	1,222,406
Kinder Morgan, Inc. 4.300%, 6/1/2025 .....	1,921,000	2,121,540
Occidental Petroleum Corp. 3.500%, 6/15/2025 .....	1,705,000	1,772,177
Range Resources Corp. 4.875%, 5/15/2025 .....	4,925,000	5,199,815
		<u>15,881,707</u>
<b>Technology – 4.66%</b>		
MicroStrategy, Inc. 0.000%, 2/15/2027 <sup>(d)</sup> .....	3,315,000	2,440,440
VMware, Inc. ....		
4.500%, 5/15/2025 .....	1,430,000	1,592,770
3.900%, 8/21/2027 .....	4,176,000	4,653,567
		<u>8,686,777</u>
<b>Telecommunications – 6.44%</b>		
AT&T, Inc. 3.000%, 6/30/2022 .....	5,235,000	5,313,722
Sprint Spectrum Co. LLC 5.152%, 3/20/2028 <sup>(d)</sup> .....	1,988,000	2,271,290
Telecom Italia Capital SA 6.375%, 11/15/2033 .....	2,496,000	2,904,595
T-Mobile USA, Inc. 4.750%, 2/1/2028 .....	1,435,000	1,524,688
		<u>12,014,295</u>

The accompanying notes to financial statements are an integral part of this Schedule of Investments.

# Brandes Separately Managed Account Reserve Trust

## SCHEDULE OF INVESTMENTS — September 30, 2021 (continued)

	Principal Amount	Value
<b>Transportation &amp; Logistics – 0.42%</b>		
Allison Transmission, Inc. 4.750%, 10/1/2027 <sup>(d)</sup> .....	\$ 745,000	\$ 774,800
<b>TOTAL CORPORATE BONDS</b> (Cost \$95,917,739) .....		<u>\$ 101,511,280</u>
<b>ASSET BACKED SECURITIES – 2.78%</b>		
<b>Student Loan – 2.78%</b>		
SLM Private Credit Student Loan Trust Series 2004-B, 0.546%, (3M LIBOR + 0.430%), 9/15/2033 <sup>(c)</sup> .....	\$1,500,000	\$ 1,481,566
SLM Private Credit Student Loan Trust Series 2005-A, 0.426%, (3M LIBOR + 0.310%), 12/15/2038 <sup>(c)</sup> .....	1,515,259	1,493,327
SLM Private Credit Student Loan Trust Series 2006-A, 0.406%, (3M LIBOR + 0.290%), 6/15/2039 <sup>(c)</sup> .....	2,239,870	2,201,129
<b>TOTAL ASSET BACKED SECURITIES</b> (Cost \$4,900,555) .....		<u>\$ 5,176,022</u>
<b>FOREIGN ISSUER BONDS – 0.54%</b>		
<b>Telecommunications – 0.54%</b>		
SoftBank Group Corp., 4.750%, 9/19/2024 .....	\$ 980,000	\$ 1,008,474
<b>TOTAL FOREIGN ISSUER BONDS</b> (Cost \$1,018,035) .....		<u>\$ 1,008,474</u>
	<b>Shares</b>	<b>Value</b>
<b>SHORT-TERM INVESTMENTS – 4.05%</b>		
<b>Money Market Funds – 4.05%</b>		
Northern Institutional Funds - Treasury Portfolio (Premier), 0.01% <sup>(e)</sup> .....	7,557,744	\$ 7,557,744
<b>TOTAL SHORT-TERM INVESTMENTS</b> (Cost \$7,557,744) .....		<u>\$ 7,557,744</u>
<b>Total Investments (Cost \$180,158,933) – 101.25%</b> .....		<u><b>\$188,789,558</b></u>
<b>Liabilities in Excess of Other Assets – (1.25)%</b> .....		<u><b>(2,329,569)</b></u>
<b>Total Net Assets – 100.00%</b> .....		<u><u><b>\$186,459,989</b></u></u>

Percentages are stated as a percent of net assets.

LIBOR London Interbank Offered Rate

- (a) Non-income producing security.
- (b) Variable rate security. The coupon is based on an underlying pool of loans.
- (c) Variable rate security. The coupon is based on a reference index and spread index.
- (d) Acquired in a transaction exempt from registration under Rule 144A or Section 4(a)(2) of the Securities Act of 1933. May be resold in the U.S. in transactions exempt from registration, normally to qualified institutional buyers. The total value of all such securities was \$30,902,247 which represented 16.57% of the net assets of the Fund.
- (e) The rate shown is the annualized seven day yield as of September 30, 2021.

The accompanying notes to financial statements are an integral part of this Schedule of Investments.

# **Brandes Separately Managed Account Reserve Trust**

## **SCHEDULE OF INVESTMENTS — September 30, 2021 (continued)**

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The industry classifications represented in the Schedule of Investments are in accordance with Bloomberg Industry Classification Standards (BICS) or were otherwise determined by the Advisor to be appropriate. This information is unaudited.

*The accompanying notes to financial statements are an integral part of this Schedule of Investments.*



# Brandes Separately Managed Account Reserve Trust

STATEMENT OF ASSETS AND LIABILITIES — September 30, 2021

<b>ASSETS</b>	
Investment in securities, at cost.....	\$180,158,933
Investment in securities, at value .....	\$188,789,558
Receivables:	
Fund shares sold.....	22,069
Interest .....	1,289,805
Total Assets .....	<u>190,101,432</u>
<b>LIABILITIES</b>	
Payables:	
Payable for securities purchased.....	3,241,483
Fund shares redeemed.....	361,336
Dividends payable.....	38,624
Total Liabilities .....	<u>3,641,443</u>
<b>NET ASSETS</b> .....	<u>\$186,459,989</u>
<b>COMPONENTS OF NET ASSETS</b>	
Paid-in Capital.....	\$186,804,941
Total distributable earnings (loss).....	<u>(344,952)</u>
Total Net Assets .....	<u>\$186,459,989</u>
<b>Net asset value, offering price and redemption proceeds per share</b>	
Net Assets .....	\$186,459,989
Shares outstanding (unlimited shares authorized without par value).....	21,111,653
Offering and redemption price .....	<u>\$ 8.83</u>

*The accompanying notes to financial statements are an integral part of this statement.*

# Brandes Separately Managed Account Reserve Trust

STATEMENT OF OPERATIONS — For the Year Ended September 30, 2021

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## INVESTMENT INCOME

### Income

Dividend income .....	\$	345
Less: Foreign taxes withheld .....		(154)
Interest income .....		5,610,883
Total Income .....		<u>5,611,074</u>

### Expenses (Note 3)

Total expenses .....		—
Total net expenses .....		—

**Net investment income** .....

		<u>5,611,074</u>
--	--	------------------

## REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS:

Net realized gain (loss) on investments .....		3,030,095
Net change in unrealized appreciation (depreciation) on investments .....		<u>(4,302,975)</u>
<b>Net realized and unrealized loss on investments</b> .....		<u>(1,272,880)</u>
<b>Net increase in net assets resulting from operations</b> .....	\$	<u><u>4,338,194</u></u>

*The accompanying notes to financial statements are an integral part of this statement.*

# Brandes Separately Managed Account Reserve Trust

## STATEMENT OF CHANGES IN NET ASSETS

	Year Ended September 30, 2021	Year Ended September 30, 2020
<b>INCREASE IN NET ASSETS FROM:</b>		
<b>OPERATIONS</b>		
Net investment income .....	\$ 5,611,074	\$ 6,349,385
Net realized gain (loss) on investments.....	3,030,095	(7,821,691)
Net change in unrealized appreciation (depreciation) on investments .....	(4,302,975)	12,127,547
<b>Net increase (decrease) in net assets resulting from operations .....</b>	<b>4,338,194</b>	<b>10,655,241</b>
<b>DISTRIBUTIONS TO SHAREHOLDERS</b>		
Distributions to Shareholders.....	(6,546,146)	(6,313,021)
<b>Decrease in net assets from distributions .....</b>	<b>(6,546,146)</b>	<b>(6,313,021)</b>
<b>CAPITAL SHARE TRANSACTIONS</b>		
Proceeds from shares sold .....	34,103,567	35,721,282
Net asset value of shares issued on reinvestment of distributions .	6,013,966	5,886,403
Cost of shares redeemed .....	(32,674,142)	(41,757,830)
<b>Net increase (decrease) in net assets from capital share transactions .....</b>	<b>7,443,391</b>	<b>(150,145)</b>
Total increase in net assets .....	5,235,439	4,192,075
<b>NET ASSETS</b>		
Beginning of the Period.....	181,224,550	177,032,475
End of the Period .....	<u>\$186,459,989</u>	<u>\$181,224,550</u>

*The accompanying notes to financial statements are an integral part of this statement.*

# Brandes Separately Managed Account Reserve Trust

## FINANCIAL HIGHLIGHTS

	Year Ended September 30,				
	2021	2020	2019	2018	2017
<b>Net asset value, beginning of period</b> .....	\$ 8.94	\$ 8.73	\$ 8.65	\$ 8.94	\$ 9.02
<b>Total from investment operations:</b>					
Net investment income <sup>(1)</sup> .....	0.27	0.31	0.36	0.39	0.39
Net realized and unrealized gain/(loss) on investments .....	(0.07)	0.21	0.08	(0.29)	(0.08)
Total from investment operations .....	0.20	0.52	0.44	0.10	0.31
<b>Less dividends and distributions:</b>					
Dividends from net investment income .....	(0.31)	(0.31)	(0.36)	(0.39)	(0.39)
Total dividends and distributions .....	(0.31)	(0.31)	(0.36)	(0.39)	(0.39)
<b>Net asset value, end of period</b> .....	<u>\$ 8.83</u>	<u>\$ 8.94</u>	<u>\$ 8.73</u>	<u>\$ 8.65</u>	<u>\$ 8.94</u>
<b>Total return</b> .....	2.33%	6.05%	5.29%	1.12%	3.57%
<b>Net assets, end of period (millions)</b> .....	\$186.5	\$181.2	\$177.0	\$176.6	\$176.7
<b>Ratio of expenses to average net assets</b> <sup>(2)</sup> .....	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Ratio of net investment income to average net assets</b> <sup>(2)</sup> .....	3.04%	3.52%	4.27%	4.43%	4.39%
<b>Portfolio turnover rate</b> .....	36.89%	32.24%	35.99%	42.90%	39.74%

(1) Net investment income per share has been calculated based on average shares outstanding during the period.

(2) Reflects the fact that no fees or expenses are incurred by the Fund. The Fund is an integral part of “wrap-fee” programs sponsored by investment advisors and/or broker-dealers unaffiliated with the Fund or the Advisor. Participants in these programs pay a “wrap” fee to the sponsor of the program.

*The accompanying notes to financial statements are an integral part of this statement.*

# Brandes Separately Managed Account Reserve Trust

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 – ORGANIZATION

The Separately Managed Account Reserve Trust (the “Fund”) is a series of Brandes Investment Trust (the “Trust”). The Trust is registered under the Investment Company Act of 1940, as amended (the “1940 Act”), as a diversified, open-end management investment company. The Fund began operations on October 3, 2005. The Fund invests its assets primarily in debt securities and seeks to maximize total return.

### NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

The Fund is an investment company that applies the accounting and reporting guidance issued in Topic 946, “Financial Services-Investment Companies”, by the Financial Accounting Standards Board (“FASB”). The following is a summary of significant accounting policies consistently followed by the Fund. These policies are in conformity with generally accepted accounting principles (“GAAP”) in the United States of America.

- A. *Repurchase Agreements.* The Fund may enter into repurchase agreements with government securities dealers recognized by the Federal Reserve Board, with member banks of the Federal Reserve System or with other brokers or dealers that meet the credit guidelines established by the Board of Trustees. Each Fund will always receive and maintain, as collateral, U.S. Government securities whose market value, including accrued interest (which is recorded in the Schedules of Investments), will be at least equal to 100% of the dollar amount invested by the Fund in each agreement, and the Fund will make payment for such securities only upon physical delivery or upon evidence of book entry transfer to the account of the Fund’s custodian. If the term of any repurchase transaction exceeds one business day, the value of the collateral is marked-to-market on a daily basis to ensure the adequacy of the collateral. Before causing the Fund to enter into a repurchase agreement with any other party, the investment advisor will determine that such party does not have any apparent risk of becoming involved in bankruptcy proceedings within the time frame contemplated by the repurchase agreement. If the seller defaults and the value of the collateral declines, or if bankruptcy proceedings are commenced with respect to the seller of the security, realization of the collateral by the Fund may be delayed or limited. At September 30, 2021, the Fund did not invest in repurchase agreements.
- B. *Foreign Currency Translation and Transactions.* Values of investments denominated in foreign currencies are converted into U.S. dollars using the spot market rates of exchange at the time of valuation. Purchases and sales of investments and dividend and interest income are translated into U.S. dollars using the spot market rates of exchange prevailing on the respective dates of such translations. The gain or loss resulting from changes in foreign exchange

# Brandes Separately Managed Account Reserve Trust

## NOTES TO FINANCIAL STATEMENTS — (continued)

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rates is included with net realized and unrealized gain or loss from investments, as appropriate. Foreign securities and currency transactions may involve certain considerations and risks not typically associated with those of domestic origin.

Foreign securities are recorded in the financial statements after translation to U.S. dollars based on the applicable exchange rate at the end of the period. The Fund reports certain foreign currency-related transactions as components of realized gains or losses for financial reporting purposes, whereas such components are treated as ordinary income for federal income tax purposes.

- C. *Delayed Delivery Securities.* The Fund may purchase securities on a when issued or delayed delivery basis. “When-issued” or delayed delivery refers to securities whose terms are available and for which a market exists, but that have not been issued. For a when-issued or delayed delivery transaction, no payment is made until delivery date, which is typically longer than the normal course of settlement. When the Fund enters into an agreement to purchase securities on a when-issued or delayed delivery basis, the Fund segregates cash or liquid securities, of any type or maturity, equal in value to the Fund’s commitment. Losses may arise if the market value of the underlying securities change, if the counterparty does not perform under the contract, or if the issuer does not issue the securities due to political, economic, or other factors. The Fund did not have any open commitments on delayed delivery securities as of September 30, 2021.
- D. *Security Transactions, Dividends and Distributions.* Security transactions are accounted for on the trade dates. Realized gains and losses are evaluated on the basis of identified costs. Distributions from net investment income are declared daily and paid monthly. Distributions of net realized gains, if any, are declared at least annually. Dividend income and distributions to shareholders are recorded on the ex-dividend dates. Interest is recorded on an accrual basis. The Fund amortizes premiums and accretes discounts using the constant yield method.
- E. *Use of Estimates.* The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates and assumptions.
- F. *Indemnification Obligations.* Under the Trust’s organizational documents, its current and former officers and trustees are indemnified against certain liabilities arising out of the performance of their duties to the Trust. The Trust

# Brandes Separately Managed Account Reserve Trust

## NOTES TO FINANCIAL STATEMENTS — (continued)

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has indemnified its trustees against any expenses actually and reasonably incurred by the trustees in any proceeding arising out of or in connection with the trustees' service to the Trust. In addition, in the normal course of business, the Trust enters into contracts that contain a variety of representations and warranties and provide general indemnifications. The Fund's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Fund that have not yet occurred or that would be covered by other parties.

- G. *Accounting for Uncertainty in Income Taxes.* The Fund has elected to be taxed as a "regulated investment company" and intends to distribute substantially all its taxable income to its shareholders and otherwise comply with the provisions of the Internal Revenue Code applicable to regulated investment companies. The Fund may be subject to a nondeductible excise tax calculated as a percentage of certain undistributed amounts of net investment income and net capital gains. The Fund intends to distribute its net investment income and capital gains as necessary to avoid this excise tax. Therefore, no provision for federal income taxes or excise taxes has been made.

The Trust analyzes all open tax years, as defined by the applicable statute of limitations, for all major jurisdictions. Open tax years for the Fund are those that are open for exam by taxing authorities (2018 through 2021). As of September 30, 2021 the Trust has no examinations in progress.

Management has analyzed the Trust's tax positions, and has concluded that no liability should be recorded related to uncertain tax positions expected to be taken on the tax return for the fiscal year-ended September 30, 2021.

The Trust identifies its major tax jurisdictions as the U.S. Government and the State of California. The Fund is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months.

- H. *Fair Value Measurements.* The Trust has adopted GAAP accounting principles related to fair value accounting standards which establish a definition of fair value and set out a hierarchy for measuring fair value. These standards require additional disclosures about the various inputs and valuation techniques used to develop the measurements of fair value and a discussion of changes in valuation techniques and related inputs during the period. These inputs are summarized in the three broad levels listed below:

Level 1—Fair value measurement within Level 1 should be based on an unadjusted quoted price in an active market that the Fund has the ability to access for the asset or liability at the measurement date. Because a quoted price alone forms the basis for the measurement, the access requirement

# Brandes Separately Managed Account Reserve Trust

## NOTES TO FINANCIAL STATEMENTS — (continued)

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within Level 1 limits discretion in pricing the asset or liability, including in situations in which there are multiple markets for the asset or liability with different prices and no single market represents a principal market for the asset or liability. Importantly, the FASB has indicated that when a quoted price in an active market for a security is available, that price should be used to measure fair value without regard to an entity's intent to transact at that price.

Level 2—Fair value measurement within Level 2 should be based on all inputs other than unadjusted quoted prices included within Level 1 that are observable for the asset or liability. Other significant observable market inputs include quoted prices for similar instruments in active markets, quoted adjusted prices in active markets, quoted prices for identical or similar instruments in markets that are not active, and model derived valuations in which the majority of significant inputs and significant value drivers are observable in active markets.

Level 3—Fair value measurement within Level 3 should be based on unobservable inputs in such cases where markets do not exist or are illiquid. Significant unobservable inputs include model derived valuations in which the majority of significant inputs or significant value drivers are unobservable. Unobservable inputs are those inputs that reflect the Fund's own assumptions that market participants would use to price the asset or liability based on the best available information.

- I. *Security Valuation.* Fixed income securities including corporate, convertible and municipal bonds and notes, U.S. government agencies, U.S. Treasury obligations, sovereign issues, bank loans, convertible preferred securities and non-U.S. bonds are normally valued on the basis of quotes obtained from brokers and dealers or independent pricing services or sources. Independent pricing services typically use information provided by market makers or estimates of market values obtained from yield data relating to investments or securities with similar characteristics. The service providers' internal models use inputs that are observable such as, among other things, issuer details, interest rates, yield curves, prepayment speeds, credit risks/ spreads, default rates and quoted prices for similar assets. Securities that use similar valuation techniques and inputs as described above are categorized as Level 2 of the fair value hierarchy.

Fixed income securities purchased on a delayed-delivery basis are typically marked to market daily until settlement at the forward settlement date.

Repurchase agreements and demand notes, for which neither vendor pricing nor market maker prices are available, are valued at amortized cost on the day of valuation, unless Brandes Investment Partners, L.P. (the "Advisor")



## **Brandes Separately Managed Account Reserve Trust**

### **NOTES TO FINANCIAL STATEMENTS — (continued)**

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determines that the use of amortized cost valuation on such day is not appropriate (in which case such instrument is fair valued in accordance with the fair value procedures of the Trust).

Mortgage and asset-backed securities are usually issued as separate tranches, or classes, of securities within each package of underlying securities. These securities are also normally valued by pricing service providers that use broker-dealer quotations or valuation estimates from their internal pricing models. The pricing models for these securities usually consider tranche level attributes, estimated cash flows and marketbased yield spreads for each tranche, current market data and packaged collateral performance, as available. Mortgage and asset-backed securities that use such valuation techniques and inputs are categorized as Level 2 of the fair value hierarchy only if there are significant observable inputs used.

Common stocks, exchange-traded fund shares and financial derivative instruments, such as futures contracts or options contracts that are traded on a national securities or commodities exchange, are valued at the last reported sales price, in the case of common stocks and exchange-traded fund shares, or, in the case of futures contracts or options contracts, the settlement price determined by the relevant exchange. Securities listed on the NASDAQ National Market System for which market quotations are readily available are valued using the NASDAQ Official Closing Price. To the extent these securities are actively traded and valuation adjustments are not applied, they are categorized as Level 1 of the fair value hierarchy.

Valuation adjustments may be applied to certain securities that are solely traded on a foreign exchange to account for the market movement between the close of the foreign market and the close of the New York Stock Exchange (“NYSE”). These securities are generally valued using pricing service providers that consider the correlation of the trading patterns of the foreign security to the intraday trading in the U.S. markets for investments. Securities using these valuation adjustments are categorized as Level 2 of the fair value hierarchy. None of the Fund’s securities were fair valued utilizing this method as of September 30, 2021.

Investments in registered open-end management investment companies are valued based upon the Net Asset Values (“NAVs”) of such investments and are categorized as Level 1 of the fair value hierarchy. If, on a particular day, a share price of an investment company is not readily available, such securities are fair valued in accordance with the fair value procedures of the Trust.

Certain securities may be fair valued in accordance with the fair valuation procedures approved by the Board of Trustees. The Fair Valuation Committee is generally responsible for overseeing the day to day valuation

# Brandes Separately Managed Account Reserve Trust

## NOTES TO FINANCIAL STATEMENTS — (continued)

processes and reports periodically to the Board. The Fair Valuation Committee is authorized to make all necessary determinations of the fair value of portfolio securities and other assets for which market quotations are not readily available or if it is deemed that the prices obtained from brokers and dealers or independent pricing services are unreliable.

In using fair value pricing, the Fund attempts to establish the price that it might reasonably have expected to receive upon a sale of the security at 4:00 p.m. Eastern time. Valuing securities at fair value involves greater reliance on judgment than valuation of securities based on readily available market quotations. When using fair value to price securities, the Fund may value those securities higher or lower than another fund using market quotations or fair value to price the same securities. Further, there can be no assurance that the Fund could obtain the fair value assigned to a security if it were to sell the security at approximately the time at which the Fund determines its net asset value.

The following is a summary of the level inputs used, as of September 30, 2021, involving the Fund's assets carried at fair value. The inputs used for valuing securities may not be an indication of the risk associated with investing in those securities.

Description	Level 1	Level 2	Level 3	Total
<b>Separately Managed Account Reserve Trust</b>				
Common Stocks .....	\$ 3,946	\$ —	\$—	\$ 3,946
Asset Backed Securities .....	—	5,176,022	—	5,176,022
Corporate Bonds .....	—	101,511,280	—	101,511,280
Government Securities .....	—	65,668,469	—	65,668,469
Foreign Issuer Bonds .....	—	1,008,474	—	1,008,474
Mortgage Backed Securities .....	—	7,863,623	—	7,863,623
Short-Term Investments .....	<u>7,557,744</u>	<u>—</u>	<u>—</u>	<u>7,557,744</u>
Total Investments in Securities .....	<u>\$7,561,690</u>	<u>\$181,227,868</u>	<u>\$—</u>	<u>\$188,789,558</u>

There were no Level 3 securities in the Fund at the beginning or the end of the year ended September 30, 2021.

### NOTE 3 – INVESTMENT ADVISORY FEE AND OTHER TRANSACTIONS WITH AFFILIATES

- A. *Advisor Fee.* The Advisor provides the Fund with investment management services under an Investment Advisory Agreement. The Advisor receives no advisory fee or other fee from the Fund. The financial statements of the Fund reflect the fact that no fees or expenses are incurred by the Fund. It should be understood, however, that the Fund is an integral part of “wrap-fee” programs sponsored by investment advisors unaffiliated with the Fund and the Advisor. Typically, participants in these programs pay a “wrap-fee” to their investment

# Brandes Separately Managed Account Reserve Trust

## NOTES TO FINANCIAL STATEMENTS — (continued)

advisors. Although the Fund does not compensate the Advisor directly for its service under the Investment Advisory Agreement, the Advisor benefits from its relationships with the sponsors of wrap-fee programs for which the Fund is an investment option. Certain officers and Trustees of the Trust are also officers of the Advisor.

- B. *Administration Fee.* The Northern Trust Company (the "Administrator") acts as the administrator for the fund. The Administrator prepares various federal and state regulatory filings; prepares reports and materials to be supplied to the Trustees; monitors the activities of the Fund's custodian, transfer agent and accountant; coordinates the preparation and payment of Fund expenses; and prepares several Fund reports. The Advisor compensates the Administrator on behalf of the Fund for the services the Administrator performs for the Fund.
- C. *Distribution Fees.* ALPS Distributors, Inc. (the "Distributor"), a registered broker-dealer, acts as the Fund's principal underwriter in a continuous public offering of the Fund's shares. All of the Fund's distribution fees are paid by the Advisor.

### NOTE 4 – PURCHASES AND SALES OF SECURITIES

The cost of purchases and the proceeds from sales of securities of the Fund, excluding short-term investments, were as follows for the period ended September 30, 2021:

U.S. Government		Other	
Purchases	Sales	Purchases	Sales
\$27,195,469	\$23,757,253	\$43,545,421	\$41,679,141

### NOTE 5 – CAPITAL STOCK TRANSACTIONS

The Fund's capital stock activity in shares and dollars during the years ended September 30, 2021 and September 30, 2020, was as follows (shares and dollar amounts in thousands):

	Year Ended 9/30/2021		Year Ended 9/30/2020	
	Shares	Amount	Shares	Amount
Shares Sold .....	3,846	\$ 34,103	4,091	\$ 35,721
Issued on Reinvestment of Distributions .....	679	6,014	672	5,886
Shares Redeemed .....	(3,689)	(32,674)	(4,775)	(41,757)
<b>Net Increase/(Decrease) Resulting from Fund Share Transactions .....</b>	<u>836</u>	<u>\$ 7,443</u>	<u>(12)</u>	<u>\$ (150)</u>

# Brandes Separately Managed Account Reserve Trust

## NOTES TO FINANCIAL STATEMENTS — (continued)

### NOTE 6 – FEDERAL INCOME TAX MATTERS

GAAP requires that certain components of net assets be reclassified between financial and tax reporting. Temporary differences do not require reclassification. Temporary and permanent differences have no effect on net assets or net asset value per share. For the year ended September 30, 2021, the Fund made the following permanent book-to-tax reclassifications primarily related to the treatment of paydowns, the difference between book and tax accretion methods for market premium and the expiration of capital loss carryforwards:

<u>Undistributed Net Investment Income</u>	<u>Accumulated Net Realized Loss</u>	<u>Paid-In Capital</u>
\$186,822	\$(158,761)	\$(28,061)

As of September 30, 2021, the Fund's components of distributable earnings on a tax basis were as follows:

Cost of investments for tax purposes .....	\$180,158,933
Gross tax unrealized appreciation .....	10,614,300
Gross tax unrealized depreciation .....	(1,983,675)
Net unrealized appreciation (depreciation) .....	8,630,625
Distributable ordinary income .....	—
Distributable long-term capital gains .....	—
Total distributable earnings .....	—
Other accumulated losses .....	(8,975,577)
Total accumulated losses .....	\$ (344,952)

The differences between book and tax basis distributable earnings are primarily related to the differences in classification of paydown gains and losses for tax purposes compared to book purposes. These differences are temporary.

As of September 30, 2021, the Fund had a capital loss with an indefinite expiration in the amount of \$8,975,577. During the tax year ended September 30, 2021, the Fund utilized \$2,871,334 in capital loss carryforwards. At September 30, 2021, the Fund did not have capital loss carryforwards expire.

The tax compositions of dividends for the years ended September 30, 2021 and September 30, 2020 for the Fund were as follows:

<u>Ordinary Income</u>		<u>Long Term Capital Gains</u>	
<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
\$6,546,146	\$6,313,021	\$—	\$—

# **Brandes Separately Managed Account Reserve Trust**

## **NOTES TO FINANCIAL STATEMENTS — (continued)**

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### **NOTE 7 – RISK FACTORS**

The respiratory illness COVID-19 caused by a novel coronavirus has resulted in a global pandemic and caused major disruptions to economies and markets around the world, including the United States. Financial markets have experienced and may continue to experience extreme volatility and severe losses, and trading in many instruments was and may continue to be disrupted as a result. Liquidity for many instruments was and may continue to be greatly reduced for extended periods of time. Some interest rates are very low and in some cases yields are negative. Some sectors of the economy and individual issuers have experienced and may continue to experience particularly large losses. These circumstances may continue for an extended period of time, and may continue to affect adversely the value and liquidity of the fund's investments. The ultimate economic fallout from the pandemic, and the long-term impact on economies, markets, industries and individual issuers, are not known. Governments and central banks, including the Federal Reserve in the U.S., have taken extraordinary and unprecedented actions to support local and global economies and the financial markets. These actions have resulted in significant expansion of public debt, including in the United States. The long-term consequences of this level of public debt are not known. In addition, certain interest rates have been reduced to very low levels. The impact of these measures, and whether they will be effective to mitigate the economic and market disruption, will not be known for some time.

### **NOTE 8 – SUBSEQUENT EVENTS**

In preparing these financial statements, the Trust has evaluated events and transactions for potential recognition or disclosure through the date the financial statements were available to be issued. The Trust has concluded that there are no subsequent events to note.

# Brandes Separately Managed Account Reserve Trust

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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To the Board of Trustees of Brandes Investment Trust and Shareholders of Brandes Separately Managed Account Reserve Trust

### ***Opinion on the Financial Statements***

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of Brandes Separately Managed Account Reserve Trust (one of the funds constituting Brandes Investment Trust, hereafter referred to as the "Fund") as of September 30, 2021, the related statement of operations for the year ended September 30, 2021, the statement of changes in net assets for each of the two years in the period ended September 30, 2021, including the related notes, and the financial highlights for each of the five years in the period ended September 30, 2021 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of September 30, 2021, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period ended September 30, 2021 and the financial highlights for each of the five years in the period ended September 30, 2021 in conformity with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on the Fund's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of September 30, 2021 by correspondence with the custodian and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP

Los Angeles, California

November 23, 2021

We have served as the auditor of one or more investment companies in the Brandes Investment Partners LP Investment Company Complex since 2011.

# **Brandes Separately Managed Account Reserve Trust**

## **ADDITIONAL INFORMATION — (Unaudited)**

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### **BOARD REVIEW OF LIQUIDITY RISK MANAGEMENT PROGRAM**

To promote effective liquidity risk management throughout the fund industry and to enhance disclosure regarding fund liquidity and redemption practices, the Securities and Exchange Commission (the “Commission”) adopted Rule 22e-4 under the 1940 Act. This Rule requires every registered open-end management investment company to establish a liquidity risk management program (the “LRMP”) that, among other things, provides for the assessment, management and review of liquidity risk, the classification of a fund’s portfolio investments into one of four liquidity buckets based upon the number of days that such investments may reasonably be expected to be converted into cash or otherwise disposed of without significantly impacting their price, the establishment of a highly liquid investment minimum where required, and the establishment of a 15% limitation on illiquid investments. Additionally, the Commission adopted Rule 30b1-10 under the 1940 Act and Form N-LIQUID, which generally require funds to notify the Commission when certain liquidity-related events occur.

The Trust’s Board of Trustees approved the appointment of the Advisor’s Liquidity Risk Review Committee as the administrator of the LRMP for the Funds on August 9, 2018, and the Funds’ LRMP on May 9, 2019. Pursuant to the LRMP, the Advisor manages liquidity risks associated with the Funds’ investments by monitoring cash and cash equivalents, the concentration of investments and the appropriateness of portfolio strategies for open-end funds, and by classifying the portfolio holdings of each of the Funds as either highly liquid, moderately liquid, less liquid or illiquid on at least a monthly basis. To assist with the classification of Fund investments, the Advisor utilizes a third-party provider of liquidity monitoring services.

At the Board’s regular meeting on August 12, 2021, the Trust’s Chief Compliance Officer provided a report to the Board on the operation and effectiveness of the LRMP for the period from July 1, 2020 through June 30, 2021 (the “Reporting Period”), noting that the Funds’ LRMP was adequate and effectively implemented during the Reporting Period. No significant liquidity events impacting the Funds were noted in the report, and there were no material changes to the LRMP during the Reporting Period.

### **PROXY VOTING PROCEDURES**

The Advisor votes proxies relating to the Fund’s portfolio securities in accordance with procedures adopted by the Advisor. You may obtain a description of these procedures, free of charge, by calling toll-free 1-800-331-2979. This information is also available through the Commission’s website at <http://www.sec.gov>.

Information regarding how the Trust voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is available without charge, upon request, by calling 1-800-331-2979. This information is also available through the Commission’s website at <http://www.sec.gov>.

# **Brandes Separately Managed Account Reserve Trust**

**ADDITIONAL INFORMATION — (Unaudited) (continued)**

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## **PORTFOLIO HOLDINGS DISCLOSURE**

The Trust files the Fund's complete schedule of portfolio holdings with the Commission for the first and third quarters of each fiscal year on Form N-PORT. The Trust's Form N-PORT filings are available on the Commission's website at <http://www.sec.gov>. Information regarding the Trust's Form N-PORT filings is also available, without charge, by calling toll-free, 1-800-331-2979.



# Brandes Separately Managed Account Reserve Trust

## TRUSTEES AND OFFICERS INFORMATION — (Unaudited)

The Board is responsible for the overall management of the Trust's business. The Board approves all significant agreements between the Trust and persons or companies furnishing services to it, including the agreements with the Advisor, Administrator, the Trust's Custodian, Distributor and Transfer Agent. The Board delegates the day-to-day operations of the Trust to its officers, subject to the Fund's investment objective and policies and to general supervision by the Board. The Trust's Statement of Additional Information includes additional information about the Trustees and is available, without charge, by calling 1-800-331-2979 or visiting [www.brandes.com](http://www.brandes.com).

The Trustees and officers of the Trust, their business addresses and principal occupations during the past five years are:

<u>Name, Address and Age</u>	<u>Position(s) Held with Trust</u>	<u>Term of Office and Length of Time Served<sup>(1)</sup></u>	<u>Principal Occupation During Past 5 Years</u>	<u>Number of Trust Series Overseen by Trustee</u>	<u>Other Directorships/ Trusteeships Held by Trustee</u>
<b>Independent Trustees<sup>(2)</sup></b>					
Gregory Bishop, CFA 4275 Executive Square, Suite 500 La Jolla, CA 92037 (1961)	Trustee	Since January 2017	Retired. Previously Executive Vice President and Head of Retail Business, PIMCO Investments, from 1997 to 2014	8	None
Robert M. Fitzgerald 4275 Executive Square, Suite 500 La Jolla, CA 92037 (1952)	Trustee	Since April 2008	Retired from 2002-2005 and since 2007; Chief Financial Officer of National Retirement Partners from 2005 to 2007.	8	Hotchkis and Wiley Funds (10 portfolios).
Craig Wainscott, CFA 4275 Executive Square, Suite 500 La Jolla, CA 92037 (1961)	Trustee and (beginning January 2018) Chairman of the Board	Since February 2012	Retired from Russell Investments, Managing Director, US Mutual Funds; Currently Partner with The Paradigm Project and advisor to early-stage companies.	8	None

# Brandes Separately Managed Account Reserve Trust

## TRUSTEES AND OFFICERS INFORMATION — (Unaudited) (continued)

Name, Address and Age	Position(s) Held with Trust	Term of Office and Length of Time Served <sup>(1)</sup>	Principal Occupation During Past 5 Years	Number of Trust Series Overseen by Trustee	Other Directorships/ Trusteeships Held by Trustee
<b>“Interested” Trustees<sup>(3)</sup></b>					
Jeff Busby, CFA 4275 Executive Square, Suite 500 La Jolla, CA 92037 (1961)	Trustee and President	Since July 2006 Since February 2012	Executive Director of the Advisor since January 2004.	8	None
Oliver Murray 4275 Executive Square, Suite 500 La Jolla, CA 92037 (1961)	Trustee	Since February 2012	CEO, Brandes Investment Partners & Co. since 2002; Managing Director - PCPM of the Advisor since 2011.	8	None
<b>Officers of the Trust</b>					
Thomas M. Quinlan 4275 Executive Square, Suite 500 La Jolla, CA 92037 (1970)	Secretary	Since June 2003	Associate General Counsel of the Advisor since January 2006.	N/A	N/A
Gary Iwamura, CPA 4275 Executive Square, Suite 500 La Jolla, CA 92037 (1956)	Treasurer	Since September 1997	Finance Director of the Advisor.	N/A	N/A
Roberta Loubier 4275 Executive Square, Suite 500 La Jolla, CA 92037 (1971)	Chief Compliance Officer	Since September 2015	Global Head of Compliance of the Advisor.	N/A	N/A

(1) Trustees and officers of the Fund serve until their resignation, removal or retirement.

(2) Not “interested persons” of the Trust as defined in the 1940 Act.

(3) “Interested persons” of the Trust as defined in the 1940 Act. Jeff Busby is an interested person of the Trust because he is the President of the Trust and the Executive Director of the Advisor. Oliver Murray is an interested person of the Trust, because he is the Managing Director of the Advisor.

# **Brandes Separately Managed Account Reserve Trust**

## **PRIVACY NOTICE**

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Brandes Investment Trust and Brandes Investment Partners, L.P. may collect non-public information about you from the following sources:

- Information we receive about you on applications or other forms;
- Information you give us orally; and
- Information about your transactions with us.

We do not disclose any non-public personal information about any shareholder or former shareholder of the Fund without the shareholder's authorization, except as required by law or in response to inquiries from governmental authorities. We restrict access to your personal and account information to those employees who need to know that information to provide products and services to you. We also may disclose that information to unaffiliated third parties (such as to brokers or custodians) only as permitted by law and only as needed for us to provide agreed services to you. We maintain physical, electronic and procedural safeguards to guard your non-public personal information.

If you hold shares of the Fund through a financial intermediary, such as a broker-dealer, bank, or trust company, the privacy policy of your financial intermediary governs how your non-public personal information would be shared with nonaffiliated third parties.

## **ADVISOR**

Brandes Investment Partners, L.P.  
4275 Executive Square, Suite 500  
La Jolla, CA 92037  
800.331.2979

## **DISTRIBUTOR**

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## **TRANSFER AGENT**

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333 South Wabash Avenue, W-38  
Chicago, IL 60604

## **INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

PricewaterhouseCoopers LLP  
601 South Figueroa Street  
Los Angeles, CA 90017

## **LEGAL COUNSEL**

Morgan, Lewis & Bockius LLP  
One Federal Street  
Boston, MA 02110

This report is intended for shareholders of the Brandes Separately Managed Account Reserve Trust and may not be used as sales literature unless preceded or accompanied by a current prospectus.

Statements and other information herein are dated and are subject to change.