

Brandes Small Cap Value Fund

FUND INFORMATION

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

STRATEGY

The Brandes Small Cap Value Fund seeks long term capital appreciation.

Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the fund may be lower or higher than the performance quoted. All performance is historical and includes reinvestment of dividends and capital gains. Performance data current to the most recent month end may be obtained by calling 1.800.395.3807.

TOP TEN HOLDINGS

(% of assets as of 6/30/2026)

Edgewell Personal Care Co	4.59
Graham Corp	3.88
Park Aerospace Corp	3.71
Moog Inc	3.52
Orion Group Holdings Inc	3.51
Mohawk Industries Inc	3.46
Ingles Markets Inc	3.46
Hexcel Corp	3.39
The Campbells Company	3.24
Arlo Technologies Inc	3.18

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

The Brandes Small Cap Value Fund returned 13.85% (Class I Shares), underperforming its benchmark, the Russell 2000 Index, which rose 21.49%, and the Russell 2000 Value Index, which gained 17.19%.

Positive Contributors

Holdings in the industrials sector drove performance, led by machinery companies Graham Corporation, L.B. Foster and Timken, aerospace and defense businesses Moog and Park Aerospace, and construction and engineering company Orion Group.

Moog, Park Aerospace, and Graham continued to benefit from materially increased demand for their defense, satellite and space materials: all three exhibited strong year-over-year growth. Orion Group benefited from significant expansion of its concrete segment, driven by data center demand. Meanwhile, L.B. Foster's rail business drove double-digit, year-over-year growth as well. Trading liquidity for L.B. Foster also improved following its inclusion in the Russell 2000 Index.

Holdings in the energy sector also performed well, especially on a relative basis, led by World Kinect. Other notable contributors included Watch company Movado Group and personal care products business Edgewell Personal Care. Speculation about a potential M&A drove Edgewell's shares higher, following reports that its board had rejected a \$30-per-share offer from Yellow Wood Partners, a firm with a product portfolio that includes ChapStick and Suave. Edgewell's board declared the bid "too low." The equity value of the bid was at more than a 30% premium to the market cap at the time of the offer.

Performance Detractors

Most of the Fund's underperformance came from holdings and underweight exposure to the information technology sector. Technology companies, specifically those benefiting from AI infrastructure spending, such as semiconductors, tech hardware and electronic equipment performed exceptionally well. In aggregate, the information technology sector was responsible for more than 35% of Russell 2000 Index returns.

The Fund's holdings in the technology sector performed poorly. This underperformance is attributed to the concentration in IT services and software, namely Globant (IT services), Amdocs (IT services) and NICE (software). Investor concerns centered on the durability of legacy enterprise software models amid the rapid AI advancement, as well as the need for traditional IT service models against the proliferation of generative AI. In our view, the market has excessively discounted for the near-term disruption risk.

Selected health care holdings also declined, specifically Prestige Consumer Health and blood plasma business Grifols. Additionally, food products company Ingredion and beverage business Molson Coors performed poorly.

Select Activity in the Quarter

The small-cap investment committee added two food products businesses, The Campbell's Company and Conagra Brands, as well as building products company Fortune Brands Innovations. Meanwhile, the investment committee exited positions in watch company Movado Group and National Bankshares; both appreciated to their respective intrinsic value estimates and were sold to pursue opportunities offering a greater margin of safety (discount to intrinsic value).

The Campbell's Company is a North America-focused, branded packaged food company operating primarily in two segments: Meals & Beverages and Snacks. Meals & Beverages includes Campbell's condensed and ready-to-serve soups, Chunky, Swanson broths, Pacific Foods, Prego, Rao's and V8. The Snacks segment includes Goldfish, Pepperidge Farm, Snyder's of Hanover, Lance, Late July, Kettle Brand and Cape Cod. The company holds number one or number two market positions in most of its categories, and its portfolio has evolved well beyond its legacy soup identity through such acquisitions as Snyder's-Lance and Sovos Brands.

While its core categories are mature, they remain relatively defensive, with below-average and broadly stable private-label penetration, strong brand recognition and exposure to at-home eating occasions where convenience, value and perceived health remain relevant.

At its current price, Campbell's valuation appears attractive to us on a conservative intrinsic value estimate. Our valuation assumes only modest growth, returning closer to category-average operating performance in the segments in which the company competes, realizing restructuring benefits and improving margins from currently depressed levels. In our opinion, the key upside drivers are margin recovery, cost execution, stabilization in snacks, continued strength in soup, broth and pasta sauce, and disciplined capital allocation. The risks are also clear: Campbell's has a long history of value-destructive mergers and acquisitions, portfolio churn and management turnover, and its recent category operating performance has been uneven. Still, in our view, the durability of its brands, stable cash generation and defensive category exposure create a compelling setup for long-term value accretion if management can execute even a moderate operational recovery.

Year-to-Date Briefing

The Brandes Small Cap Value Fund rose 23.17% (Class I Shares), outperforming its benchmark, the Russell 2000 Index, which delivered 22.57% year-to-date, and the Russell 2000 Value Index, which increased 22.99%.

Holdings in the industrials sector drove returns, led by aerospace and defense holdings Park Aerospace, Moog, and Hexcel, machinery businesses Graham, Kennametal, L.B. Foster, and Timken, as well as construction and engineering company Orion Group.

As was the case in the quarter, Edgewell Personal Care, Movado Group and World Kinect also performed well.

The Fund's holdings and underweight position in the information technology sector were the main detractors from relative performance. For the year-to-date period, technology accounted for more than 30% of the benchmark's returns, and

the Fund's underweight and stock selection in the sector were the largest relative detractors. Allocation to technology companies where the fear of AI disruption is high—including IT services companies Globant and Amdocs and software businesses NICE and Open Text—weighed on returns. Investments in health care, specifically LENSAR, Grifols, and Prestige Consumer Health, also declined.

Current Positioning

We continued to pare the Fund's allocation to the industrials sector, trimming positions that have performed well, although the weighting, both absolute and relative, remains the largest in the Fund from a sector perspective. Following the additions of The Campbell's Company and Conagra Brands, the Fund's allocation to consumer staples continues to increase, building on the first quarter acquisitions of Ingredion, Molson Coors, and Lamb Weston. Industrials and consumer staples are the Fund's largest active weights, followed by materials. The 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.

The Fund's technology allocation, while not one of the largest sector underweights, is composed of companies with differentiated characteristics. The Russell 2000 Index is allocated more to AI infrastructure-related companies that have performed well more recently. However, we've been finding more value in businesses where we believe the AI disruption threat is overstated, namely, in IT services and software. These companies generally possess valuable proprietary data, deep customer relationships or mission-critical products that could strengthen their competitive positions as AI adoption expands.

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 exhibited 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 June 30, 2026							
Without Load	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception 10/1/1997 ¹
Class I	13.85	23.17	44.98	27.26	17.07	15.55	9.64
Class A	13.76	23.01	44.57	26.94	16.78	15.24	9.36
Class R6	13.87	23.29	45.20	27.48	17.32	14.97	9.45
With Load	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception 10/1/1997 ¹
Class A	7.22	15.94	36.23	24.47	15.40	14.55	9.13
Russell 2000 Index	21.49	22.57	40.78	18.58	6.98	11.62	8.23
Russell 2000 Value Index	17.19	22.99	43.01	18.71	8.23	10.89	8.73
Operating Expenses: Class I: 0.99% (gross), 0.91% (net) Class A: 1.21% (gross), 1.16% (net) Class R6: 1.05% (gross), 0.73% (net)							

²The performance information shown for periods before January 2, 2018 is that of a private investment fund managed by the Advisor (the "Predecessor Fund") prior to the commencement of the Small Cap Fund's operations with policies, guidelines and restrictions that were, in all material respects, equivalent to those of the Small Cap Fund. The Small Cap Fund acquired the assets and assumed the liabilities of the Predecessor Fund on January 2, 2018, and investors in the Predecessor Fund received Class I shares of the Small Cap Fund as part of the reorganization. With respect to Class I and Class R6 shares, the performance information shown reflects the gross expenses of the Predecessor Fund. Class A shares reflect the gross expenses of the Predecessor Fund restated to reflect the Class A sales load and Rule 12b 1 fees.

Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the fund may be lower or higher than the performance quoted. All performance is historical and includes reinvestment of dividends and capital gains. Performance data current to the most recent month end may be obtained by calling 1.800.395.3807. Performance would have been lower without limitations in effect. Performance data shown with load reflects the Class A maximum sales charge of 5.75%. Performance shown without load does not reflect the deduction of the sales load. If reflected, the load would reduce the performance quoted.

The Advisor has contractually agreed to limit the operating expenses through July 29, 2026. The Expense Caps may be terminated at any time by the Board of Trustees upon 60 days notice to the Advisor, or by the Advisor with the consent of the Board.

For term definitions, please refer to <https://www.brandes.com/termdefinitions>.
For index definitions, please refer to <https://www.brandes.com/benchmark-definitions>.

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.

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