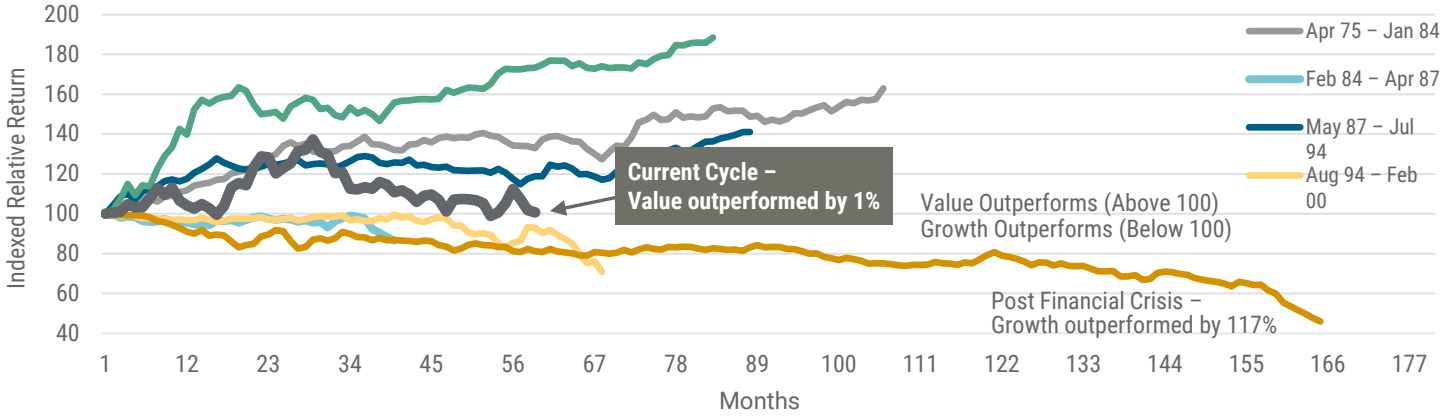
Value from the Ground Up:
Distinct Results Through Stock Selection

With our disciplined and repeatable fundamental value investing approach, it may not be surprising that the Brandes Global Equity and International Equity strategies are levered to value—meaning they have tended to outperform their benchmarks when value stocks lead. But how much leadership from the value style is actually required for Brandes strategies to do well?

Pfizer Monday in late 2020 marked a turning point for value stocks,[1] ending growth stocks' longest stretch of outperformance in history and ushering in a resurgence in value. While value has led since then, the path has been volatile and the performance gap has been narrow: For the period from 9/30/20 to 6/30/25, value outpaced growth by just 1% cumulatively (MSCI World Value vs. MSCI World Growth).

Value/Growth Cycles

MSCI World Value/Growth Cycles – Indexed (100) Relative Return



DECEMBER 31, 1974 TO JUNE 30, 2025; RELATIVE RETURN OF MSCI WORLD VALUE INDEX VS. MSCI WORLD GROWTH INDEX (100 INDEXED AT THE START OF EACH PEAK-TO-TROUGH CYCLE) | | Source: MSCI via FactSet. Data is indexed to a common starting point at the start of each relative performance cycle to facilitate comparison of figures with different magnitudes. It is not possible to invest directly in an index. Past performance is not a guarantee of future results. It is possible for one index to outperform another and still experience negative absolute performance. Index performance does not reflect Brandes investment performance. The inception date for the MSCI World Value and World Growth is December 8, 1997. Performance prior to this date is the result of back-testing performed by MSCI. There may be frequent material differences between back-tested performance and actual results.

Yet, despite this modest margin, the Brandes International Equity and Global Equity strategies have exceeded their benchmarks, while also performing better than their eVestment peer medians. In our view, this reflects the strength of our bottom-up stock selection process.

Brandes vs. Benchmarks and Peers

Cumulative Returns 9/30/20 to 6/30/25

AS OF JUNE 30, 2025 | Brandes, eVestment. *eVestment Global Large Cap Value Peer Median represented by the universe in the eVestment database. eVestment International Large Cap Value Peer Median represented by the universe in the eVestment database. eVestment peer median return calculated by taking the median return of the cumulative returns of all constituents of the respective eVestment universe. This hypothetical example is for illustrative purposes only. It does not represent the performance of any particular investment. Actual results may vary.

	1 YEAR	5 YEARS	10 YEARS
Brandes Global Equity Composite (gross)	21.64	18.96	9.51
Brandes Global Equity Composite (net)	21.23	18.42	8.95
MSCI World Index	16.26	14.54	10.65
MSCI World Value Index	15.94	13.47	7.69

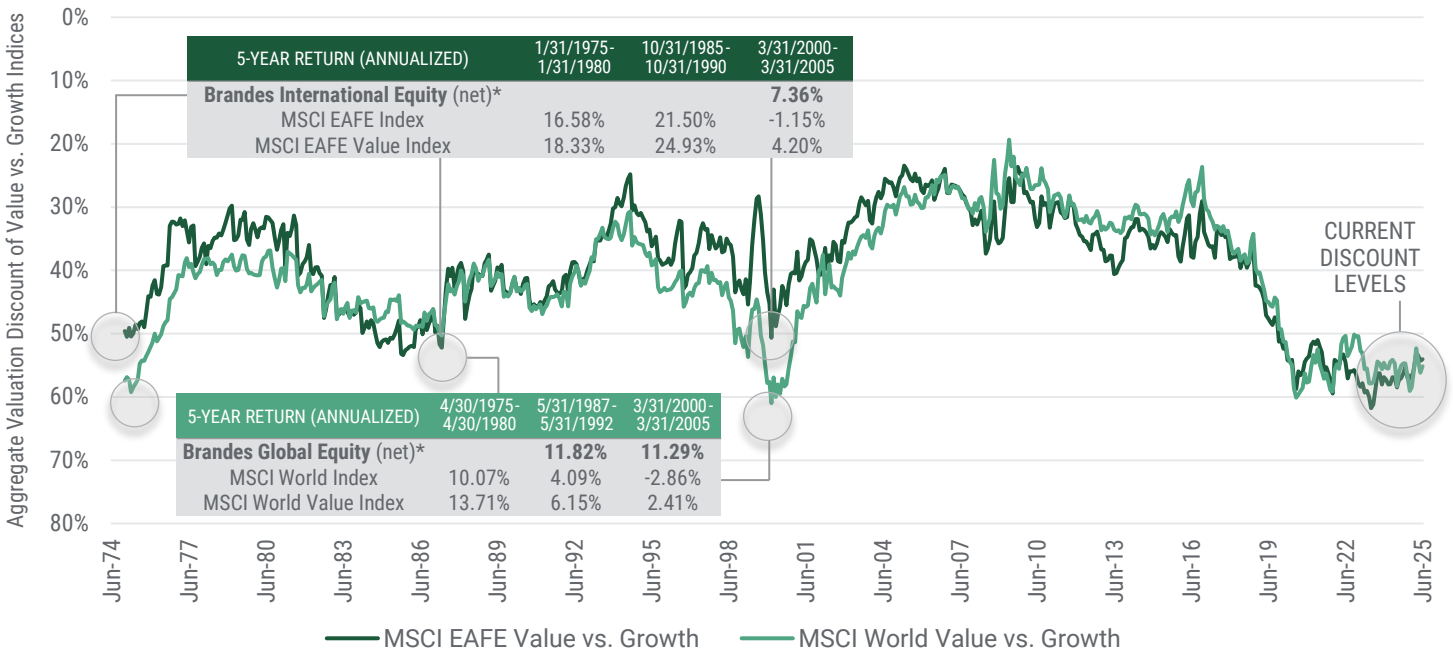
	1 YEAR	5 YEARS	10 YEARS
Brandes International Equity Composite (gross)	25.57	18.05	8.04
Brandes International Equity Composite (net)	25.03	17.54	7.54
MSCI EAFE Index	17.73	11.15	6.50
MSCI EAFE Value Index	24.24	14.29	6.05

AS OF JUNE 30, 2025 | Source: Brandes, MSCI. Total return – Composite performance gross and net of management fees. Periods of greater than one year have been annualized. It is not possible to invest directly in an index. Past performance is not a guarantee of future results.

As of June 30, 2025, value stocks traded at historically low valuation levels compared to growth stocks—across both the MSCI World and MSCI EAFE indexes. This is encouraging to us as such discount levels have tended to precede attractive relative returns for value.

Value Stocks Relative Valuation

Valuation Relative to Growth Stocks vs. History



DECEMBER 31, 1974 TO JUNE 30, 2025 | Source: MSCI via FactSet. For each fundamental ratio (Price/Book, Price/Earnings, Price/Cash Flow, Forward Price/Earnings, Enterprise Value/Sales, Enterprise Value/Earnings Before Interest, Taxes, Depreciation, and Amortization), we calculate the average ratio of the Value Index and divide it by the average ratio of the Growth Index to determine the relative valuation. Aggregate valuation discounted based upon the average of each individual metric's valuation discount of the value index relative to growth. Please note that all indices are unmanaged and are not available for direct investment. Brandes composite performance is net of management fees. All returns annualized. Past performance is not a guarantee of future results. The examples are for illustrative purposes only. They do not represent the performance of any specific investments. Actual results will vary. *Brandes Global Equity was incepted on 12/31/1977 and Brandes International Equity was incepted on 6/30/1990.

We believe there is a meaningful runway ahead for value to continue its momentum. Given our strong leverage to value, we're excited about the prospects of our strategies.

[1] Pfizer and BioNTech announced that their experimental COVID-19 vaccine was more than 90% effective. This news triggered a broad market rally and a surge in Pfizer's stock.

For term definitions: https://www.brandes.com/termdefinitions.

Click here for the Brandes Global Equity GIPS Report.

Click here for the Brandes International Equity GIPS Report.

The MSCI EAFE Value Index with net dividends captures large and mid cap securities across developed market countries, excluding the United States and Canada, exhibiting value style characteristics, defined using book value to price, 12-month forward earnings to price, and dividend yield. **The MSCI EAFE Index** with net dividends captures large and mid cap representation of developed market countries excluding the U.S. and Canada. **The MSCI EAFE Growth Index** with gross dividends captures large and mid cap securities across developed market countries, excluding the United States and Canada, exhibiting growth style characteristics, defined using long-term forward earnings per share (EPS) growth rate, short-term forward EPS growth rate, current internal growth rate, long-term historical EPS growth trend, and long-term historical sales per share growth trend. **The MSCI World Value Index** captures large and mid cap securities across developed market countries exhibiting value style characteristics, defined using book value to price, 12-month forward earnings to price, and dividend yield. **The MSCI World Index** with net dividends captures large and mid cap representation of developed markets. **The MSCI World Growth Index** captures large and mid cap securities across developed market countries exhibiting growth style characteristics, defined using long-term forward earnings per share (EPS) growth rate, short-term forward EPS growth rate, current internal growth rate, long-term historical EPS growth trend, and long-term historical sales per share growth trend.

MSCI has not approved, reviewed or produced this report, makes no express or implied warranties or representations and is not liable whatsoever for any data in the report. You may not redistribute the MSCI data or use it as a basis for other indices or investment products.

The information provided in this material should not be considered a recommendation to purchase or sell any particular security. It should not be assumed that any security transactions, holdings or sectors discussed were or will be profitable, or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance discussed herein. Strategies discussed are subject to change at any time by the investment manager in its discretion due to market conditions or opportunities. Market conditions may impact performance. The performance results presented were achieved in particular market conditions which may not be repeated. Moreover, the current market volatility and uncertain regulatory environment may have a negative impact on future performance. The Brandes investment approach tends to result in portfolios that are materially different than their benchmarks with regard to characteristics such as risk, volatility, diversification, and concentration. International and emerging markets investing is subject to certain risks such as currency fluctuation and social and political changes; such risks may result in greater share price volatility. All investments carry a certain degree of risk including the possible loss of principal.

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.

United States: Issued by Brandes Investment Partners, L.P., 4275 Executive Square, 5th Floor, La Jolla, CA 92037.

Singapore/Asia: FOR INSTITUTIONAL/ACCREDITED INVESTOR USE ONLY. Issued by Brandes Investment Partners (Asia) Pte Ltd., The Gateway West, 150 Beach Road, #35-51, Singapore 189720. Company Registration Number 201212812M. ARBN:164 952 710. This document is for "institutional investors" or "accredited investors" as defined under the Securities and Futures Act, Chapter 289 of Singapore and may not be distributed to any other person. This document is being provided for information purposes only. Incorporated in Singapore in 2012, Brandes Investment Partners (Asia) Pte Ltd (Brandes Asia) provides portfolio management services to clients in Asia (as permitted under local law). Brandes Investment Partners, L.P., a U.S. registered investment adviser and a sister entity to Brandes Asia, provides research, portfolio construction and other support to Brandes Asia.

Ireland/Europe: FOR PROFESSIONAL INVESTOR USE ONLY. Issued by Brandes Investment Partners (Europe) Limited (Brandes Europe), Alexandra House, The Sweepstakes, Ballsbridge, Dublin, D04 C7H2, Ireland. Registered in Ireland Number 510203. Authorised and regulated by the Central Bank of Ireland. This report is being provided for information purposes only, no representation or warranty is made, whether express or implied as to the accuracy or completeness of the information provided. To the fullest extent permitted by law Brandes Europe shall not be liable for any loss or damage suffered by any person as a result of the receipt of this report. Recipients of this report should obtain their own professional advice. The distribution of this report may be restricted by law. No action has been or will be taken by Brandes Europe to permit the possession or distribution of this report in any jurisdiction where action for that purpose may be required. Accordingly, this report may not be used in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons to whom this report is communicated should inform themselves about and observe any such restrictions. This information is being issued only to, and/or is directed only at (i) persons who have professional experience in matters relating to investments or (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or to whom it may otherwise lawfully be communicated (all such persons together being referred to as "Relevant Persons"). This communication must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this communication relates is available only to Relevant Persons and will be engaged in only with Relevant Persons. This report is a confidential communication to, and solely for the use of, the persons to whom it is distributed to by Brandes Europe.

Canada: FOR REGISTERED DEALERS AND THEIR REGISTERED SALESPERSONS' USE ONLY. NOT FOR DISTRIBUTION TO INVESTORS. Distributed by Brandes Investment Partners & Co., 6 Adelaide Street East, Suite 900, Toronto, ON, M5C 1H6. This communication is for information purposes only and should not be regarded as a sales communication or as advice regarding any financial product or services.