Beyond the United States:
Four Compelling Reasons for Brandes International Equity

An increasingly concentrated U.S. market has raised concerns about overexposure. Moreover, international stocks' strong comeback this year has been a good reminder of the importance of diversification. Here are four compelling reasons why investors should consider the Brandes International Equity Strategy.

1. DIVERSIFIER: Our benchmark-agnostic approach creates portfolios that differ from the indexes, offering potentially strong diversification for U.S.-heavy or passive strategies.

TOP 10 CONTRIBUTORS TO RETURN YEAR-TO-DATE JUNE 30, 2025

MSCI EAFE	MSCI EAFE VALUE	MSCI USA	BRANDES INTERNATIONAL
SAP	Banco Santander	NVIDIA	Alibaba
Rheinmetall	HSBC	Microsoft	BNP Paribas
Banco Santander	Allianz	Meta Platforms	Embraer
Nestle	UniCredit	Broadcom	Heidelberg Materials
Spotify Technology	Roche Holding	Netflix	Orange
Rolls-Royce	Banco Bilbao Vizcaya Argentaria	JPMorgan Chase	Heineken
Siemens	Nestle	Palantir Technologies	Intesa Sanpaolo
HSBC	BNP Paribas	GE Aerospace	Rolls-Royce
Novartis	Siemens	Philip Morris International	Fibra Uno
Commonwealth Bank of Australia	Iberdrola	Oracle	STMicroelectronics

- 4 overlapping names with MSCI EAFE Value
- 3 contributors from the industrials sector and 3 from the financials sector *(highlighted)*

- 4 overlapping names with MSCI EAFE
- 6 contributors *(highlighted)* from the financials sector

- Top 10 contributors drove 86% of index return
- 7 contributors *(highlighted)* are tech-related companies

- Diverse return drivers (top 10 are in 8 different sectors)
- Only 2 names overlap with indexes

BRANDES INTERNATIONAL EQUITY

90%

10-Yr Average Active Share
(vs. MSCI EAFE)

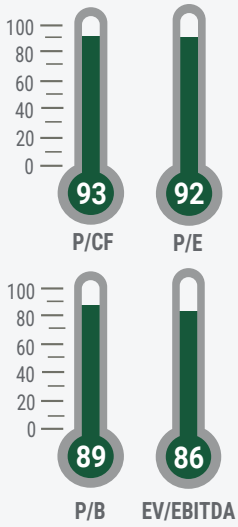
33%

Off-Benchmark Allocation

Source: MSCI via FactSet. All portfolio holdings are subject to change. Past performance is not indicative of future results. The performance relates to a single account deemed by Brandes to be generally representative of the strategy.

2. LEVERAGE TO VALUE: Even after value outperformance, we believe valuations continue to be compelling, leading us to remain optimistic about value stocks. Historically, our strategy has outperformed peers when value has led.

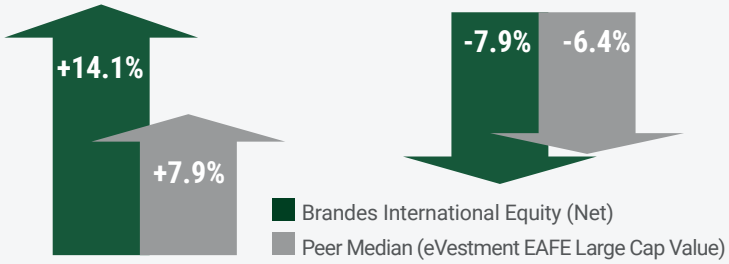
VALUATION DISCOUNTS PERCENTILE RANK – 100 = CHEAPEST
(MSCI EAFE Value vs. MSCI EAFE Growth)



10-YEAR AVERAGE MONTHLY ANNUALIZED ALPHA (VS. MSCI EAFE)

When Value Outperformed
(MSCI EAFE Value vs. MSCI EAFE)

When Growth Outperformed
(MSCI EAFE Growth vs. MSCI EAFE)



When value outperformed on a 5-year basis, Brandes outperformed the benchmark **98% of the time.***

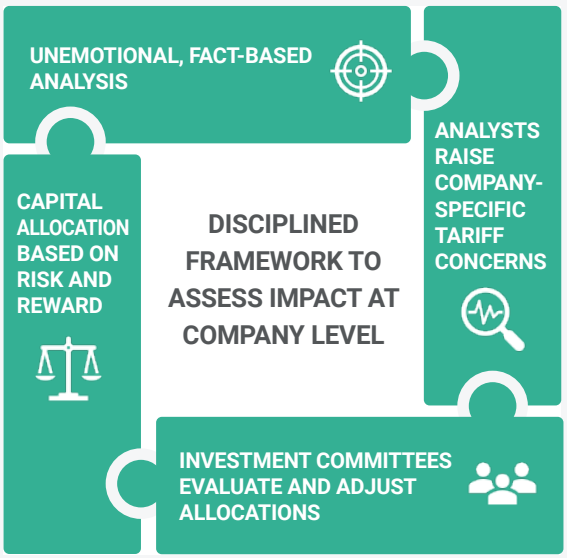
98%

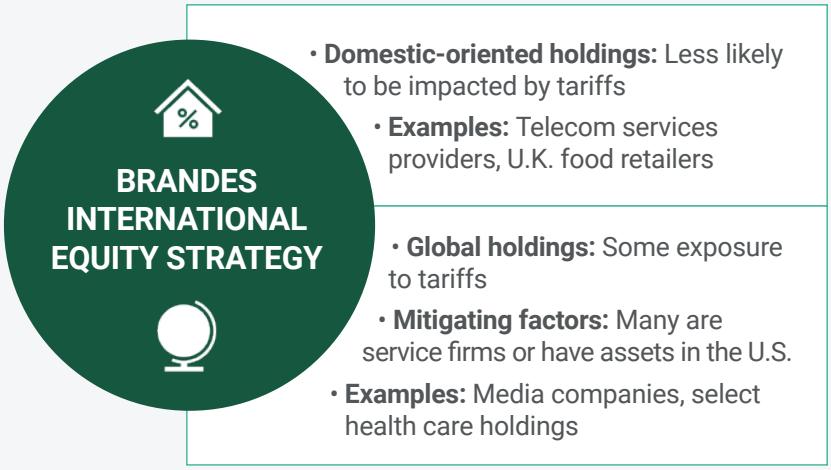
**Since strategy inception observed quarterly.*

ANNUALIZED TOTAL RETURN AS OF JUNE 30, 2025	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, eVestment. Net of management fees. eVestment International Large Cap Value Peer Median represented by the universe in the eVestment database. Average monthly annualized alpha is the average of the monthly alpha of the represented time periods then annualized. Past performance is not a guarantee of future results. It is not possible to invest directly in an index.

3. APPROACH TO TARIFFS: With our 50+ years of experience in global markets, the strategy is well positioned to navigate tariff-related challenges, in our opinion.





AS OF JUNE 30, 2025 | Source: Brandes. The portfolio characteristics shown relate to a single account deemed by Brandes to be generally representative of the strategy as of date noted. Not every account will have these exact characteristics. The actual characteristics with respect to any particular account will vary based on a number of factors including but not limited to: (i) the size of the account; (ii) investment restrictions applicable to the account, if any; and (iii) market exigencies at the time of investment. Data is updated on a quarterly basis. Holdings are subject to change.

4. POSITIONING: We believe the strategy's positioning enables it to capture value opportunities in international markets, while balancing risk and return potential.

CONSUMER STAPLES (20%)
- Mix of domestic and global names
- COVID opened opportunities (no longer "expensive defensives")

HEALTH CARE (16%)
- Largest allocation to pharmaceuticals
- Mostly global companies with a diversified revenue base

CONSUMER DISCRETIONARY (13%)
- Global holdings across industries
- Recent opportunities in luxury goods amid industry downturn

TECHNOLOGY (11%)
- Largest weight increase in the past 3 years
- Semiconductor downturn in 2023 and recent pullbacks created entry points

FINANCIALS (10%)
- Strong sector performance in the past 5 years
- Exposure reduced after gains (especially in insurance); now a significant underweight position

INDUSTRIALS (8%)
- Select opportunities in aerospace & defense and machinery
- Significant underweight position

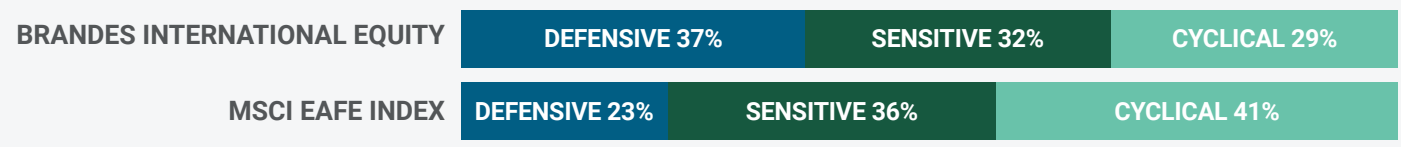
COMM. SERVICES (7%)
- Value in select media firms and telecom services in Europe and EM

ENERGY (6%)
- Preference for integrated oil companies
- Exposure reduced after solid performance

MATERIALS (4%)
- Value in select construction materials companies with global exposure

REAL ESTATE (2%)
- Smallest sector in the benchmark; limited opportunity

UTILITIES (1%)
- Limited opportunity; valuations inflated by AI-driven power need



AS OF JUNE 30, 2025 | Source: Brandes, MSCI. The portfolio characteristics shown relate to a single account deemed by Brandes to be generally representative of the strategy as of date noted. Not every account will have these exact characteristics. The actual characteristics with respect to any particular account will vary based on a number of factors including but not limited to: (i) the size of the account; (ii) investment restrictions applicable to the account, if any; and (iii) market exigencies at the time of investment. Data is updated on a quarterly basis. Holdings are subject to change.

Year-to-date 6/30/25, international stocks (the MSCI EAFE Index) returned 19.45%, compared to 6.12% for U.S. stocks (the Russell 1000 Index).

For term definitions, please refer to https://www.brandes.com/termdefinitions.

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 Value Index with gross 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 USA Index measure the performance of the large and mid cap segments of the U.S. equity market.

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Diversification does not assure a profit or protect against loss in a declining market.

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