

2017

BRANDES INVESTMENT FUNDS PLC



Brandes reports:

Interim Report &
Unaudited Financial
Statements

30 June 2017

BRANDES
INVESTMENT FUNDS PLC

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MANAGEMENT & ADMINISTRATION

Registered Office

Brandes Investment Funds plc
33 Sir John Rogerson's Quay
Dublin 2
Ireland

Investment Manager

Brandes Investment Partners (Europe) Limited
36 Lower Baggot Street
Dublin 2
Ireland

Registrar & Transfer Agent

State Street Fund Services (Ireland) Limited
78 Sir John Rogerson's Quay
Dublin 2
Ireland

Administrator

State Street Fund Services (Ireland) Limited
78 Sir John Rogerson's Quay
Dublin 2
Ireland

Depositary

State Street Custodial Services (Ireland) Limited
78 Sir John Rogerson's Quay
Dublin 2
Ireland

Auditor

KPMG
1 Harbourmaster Place
IFSC
Dublin 1
Ireland

Legal Advisor

United States

Dechert LLP
1775 I Street, N.W.
Washington D.C. 20006-2401
USA

Ireland

Dillon Eustace
33 Sir John Rogerson's Quay
Dublin 2
Ireland

Listing Sponsor

Dillon Eustace
33 Sir John Rogerson's Quay
Dublin 2
Ireland

Directors

John Mahon* (Irish)
Gerald Moloney* (Irish)
Oliver Murray
John Otis
Peter Sandys* (Irish)
Ian Sunder

* Independent Non-Executive Director

Distributors

Brandes Investment Partners, L.P.
11988 El Camino Real, Suite 500
San Diego, California 92130
USA

Allfunds Bank, S.A.
Estafeta 6, La Moraleja
Complejo Iaza de la Fuente
Alcobendas
Madrid
Spain

Allfunds International, S.A.
Le Dôme - Espace Pétrusse
Building C
2 Avenue Charles de Gaulle
L-1653 Luxembourg
Luxembourg

Banco Inversis, S.A.
Avenida de la Hispanidad, 6
28042 Madrid
Spain

Fund Channel (Suisse) S.A.
Chemin de Précossy 7-9
1260 Nyon
Switzerland

MFEX Mutual Funds Exchange AB
Linnégatan 9-11
SE-114 47 Stockholm
Sweden

Swisscanto Funds Centre Limited
4th Floor, 51 Moorgate,
London EC2R 6BH
United Kingdom

Tressis, Sociedad de Valores, S.A.
Calle Jorge Marique, 12
28006 Madrid
Spain

Secretary

Tudor Trust Limited
33 Sir John Rogerson's Quay
Dublin 2
Ireland

GENERAL INFORMATION

Brandes Investment Funds plc (the “Fund”) was incorporated in Ireland on 11 April 2002 and is an open-ended umbrella type investment Fund with variable capital established as an undertaking for collective investment in transferable securities under the laws of Ireland as a public limited company pursuant to the European Communities (Undertakings for Collective Investments in Transferable Securities) Regulations 2011 (as amended) and Regulations, 2015 (the “UCITS Regulations”) and any regulations or notices issued by the Central Bank of Ireland (the “Central Bank,”) made thereunder.

At 30 June 2017, the Fund comprised four separate portfolios of investments (“Sub-Funds”), each of which is represented by a separate series of Redeemable Participating Shares. These Sub-Funds are Brandes Global Value Fund which commenced operations on 24 September 2002, Brandes European Value Fund which commenced operations on 14 January 2003, Brandes U.S. Value Fund which commenced operations on 17 July 2003 and Brandes Emerging Markets Value Fund which commenced operations on 10 May 2012. The Fund has segregated liability between its Sub-Funds and accordingly any liability incurred on behalf of or attributable to any Sub-Fund shall be discharged solely out of the assets of that Sub-Fund.

At 30 June 2017, all of the active share classes are listed on the Irish Stock Exchange.

The following are active share classes except as noted in each of the respective Sub-Funds at the financial period end:

Sub-Fund	Share Class	Share Class Launch Date
Brandes Global Value Fund	US Dollar Class A	29 November 2002
	Euro Class A	29 November 2002
	Sterling Class A	29 November 2002
	Sterling Class A1	7 April 2010
	US Dollar Class I	24 September 2002
	Euro Class I	1 November 2002
	Sterling Class I	29 November 2002
	Sterling Class I1	18 April 2007
	Sterling Class X ¹	10 March 2016
Brandes European Value Fund	US Dollar Class A	12 February 2003
	Euro Class A	17 July 2003
	Euro Class A1	5 October 2015
	Sterling Class A	27 September 2005
	US Dollar Class I	14 January 2003
	Euro Class I	26 February 2003
	Euro Class I1	14 June 2016
	Sterling Class I	13 January 2004
	Sterling Class I1	10 June 2016
	Swiss Franc Class IH	29 November 2016
US Dollar Class IH	19 November 2015	
Brandes U.S. Value Fund	US Dollar Class A	17 July 2003
	Euro Class A	17 July 2003
	Sterling Class A	21 September 2005
	US Dollar Class I	16 April 2014
	Euro Class I	16 March 2011
Brandes Emerging Markets Value Fund	US Dollar Class A	27 February 2013
	Euro Class A	11 January 2013
	US Dollar Class I	10 May 2012
	Euro Class I	30 January 2014

¹ Share class terminated on 23 January 2017.

Across all four sub-funds:

Class I, I1 and IH relate to institutional investors and Class A, A1 and AH relate to retail investors.

Class A1 and I1 are distributing share classes, paying an annual dividend. All other classes are accumulating share classes.

Class AH and IH are hedged share classes whereby the share class currency is hedged against the base currency of the Sub-Fund.

LETTER FROM THE INVESTMENT MANAGER

Dear Clients and Friends,

Our Founder and Chairman, Charles Brandes, recently penned an opinion piece on his views on the growth of passive investing — <https://www.brandes.com/docs/default-source/publications/passive-investing-whitepaper.pdf>. Using passive investing as a catchall for capitalization-weighted indexing, smart beta and factor investing, Charles argues that none of these are really true investing, suggesting that these strategies are about *directing* capital as opposed to *investing* capital.

Charles writes: "With passive investment vehicles, money is *directed* to companies indiscriminately. With almost 50 years of investing experience, I say 'directed' because 'invested' means a *rational* case for investing has been made, including an assessment of expected earnings, profits, etc. Inflows based on size and liquidity—*decoupled* from fundamentals—lack the purposeful intent and informed choice necessary for 'investing.'"

Charles argues that when prices are decoupled from fundamentals, this often suggests that a financial bubble is brewing.

While we agree that passive "investing" offers clear benefits to investors and appreciate the argument that it's difficult to pick managers who consistently beat the market, we are concerned that the growth (and projected growth) of passive investing is distorting prices, thwarting the price discovery necessary for long-term market efficiency.

The past 10 years have been generally very good for passive investors and generally mediocre for active managers. Is this the new normal? Is it truly different this time? Not surprisingly, we don't think it's different this time. In our opinion, when prices detach from underlying fundamentals, financial gravity will eventually come into play and the gap between price and value will narrow.

We believe not many will argue with us or Charles on our observations. But what does the growth in passive investing really mean for investors? The simple answer is that we are all in uncharted territory and no one knows for sure what the future holds. However, in his opinion piece, Charles outlines some steps that have served fundamental investors like him well over many decades, and which may help all of us make informed, intelligent investment choices.

Regards,

Brandes Investment Partners

Please see important disclosure information on page 63.

INVESTMENT MANAGER'S REPORT

The Brandes Global Value Fund Class I USD (the "Fund") advanced 8.83% in the six months ended 30 June 2017, underperforming the MSCI World Index, which rose 10.66%.

A number of holdings bolstered performance, primarily those in telecommunication services, financials, pharmaceuticals and technology hardware, storage & peripherals.

Notable positive contributors included South Korea-based conglomerate Samsung, France-based pharmaceutical firm Sanofi and utility Engie, as well as U.S.-based computer data storage firm Western Digital.

Holdings in industrials, insurance and software hurt performance, as did lack of exposure to internet software & services. From a country standpoint, holdings in the United States, Japan and Russia detracted from returns.

The Fund's most significant performance detractors included U.K.-based food & staples retailer Tesco, as well as oil & gas holdings. Share prices of U.S.-based Apache Corp., and Russia-based Lukoil and Gazprom declined as oversupply concerns continued to pressure oil prices.

A significant headwind to relative returns in the period has been value stocks' underperformance versus growth stocks, as measured by the MSCI World Value Index and the MSCI World Growth Index. After posting strong returns in the second half of 2016, value stocks have lagged growth stocks thus far in 2017 by more than 600 basis points. This underperformance can be attributed to the following:

- *Strong gains in sectors typically home to companies with growth attributes, such as technology (up more than 17% in the period) and health care (up 16% and along with technology drove more than 40% of MSCI World Index returns).* Apple and Facebook led the tech sector's advance, together gaining over 25% in the period and resulting in a combined \$250 billion market-capitalization increase.
- *Underperformance (vs. the MSCI World Index) of sectors typically home to companies with value attributes, such as financials, telecommunication services and energy.* Among the three, energy posted negative absolute returns.

During the period, the Global Large-Cap Investment Committee purchased U.K.-based Kingfisher, Europe's largest and the world's third-largest home improvement retailer.

Kingfisher operates in 10 countries across Europe, where the company's most important markets are the United Kingdom, France and Poland. Kingfisher has faced challenges in the aftermath of the Brexit vote (the United Kingdom's decision to leave the European Union) and increased competition in key markets. We took advantage of Kingfisher's share-price decline to initiate a position in the company.

An industry leader in Europe, Kingfisher has nonetheless been less profitable than many of its peers in other regions, most notably U.S. home improvement stores Home Depot and Lowes. Additionally, the company also faces long-term challenges, most significantly from increasing competition from online and other brick-and-mortar retailers.

In 2008, Kingfisher appointed a new chief executive officer and began a restructuring effort to improve operations. The move has shown positive results, putting the company on course to pursue its long-term goals. We believe that while it is unlikely Kingfisher will be able to match its U.S. peers in terms of profitability, it has enough room for improvement to help offset the near-term cyclical issues in the United Kingdom.

Additionally, the Fund purchased shares in France-based advertising agency Publicis.

As the world's third-largest global ad agency holding company, Publicis owns many of the industry's most valuable brands such as Saatchi & Saatchi, Leo Burnett, Razorfish, ZenithOptimedia and Starcom MediaVest. Publicis has historically been a well-run company with a sound balance sheet and industry-leading margins.

In our view, the business model of ad agencies has attractive economics given their variable cost structure, as well as exposure to long-term ad spending and global gross domestic product growth. While the industry as a whole appears to be valued somewhat fully by the market, Publicis has been a recent exception due to concerns over slowing organic growth, a handful of recent account losses and its acquisition of Sapient (its largest acquisition to date), which was seen as expensive.

INVESTMENT MANAGER'S REPORT (Continued)

We believe excessive short-term pessimism centered on these recent missteps have created an attractive entry point in Publicis' shares for long-term focused investors. Historically, Publicis management has displayed, in our opinion, an admirable track record of profitability, earnings growth, operational execution and successful acquisition integration. We do not view recent client losses and the potential overpayment for Sapient as evidence of permanent structural changes in the business, and we believe Publicis is well positioned to return to growth levels in line with its peers. Given its strong free-cash-flow generation, we also expect the company will quickly de-lever its balance sheet.

Meanwhile, we divested our position in TIM Participacoes (TSU), the fourth-largest Brazilian telecommunications firm by sales and the second largest by wireless subscribers. A long-term holding in the Fund, TSU was first purchased as a small position in 2004. At that time, we found TSU's market valuation attractive, with 17% free cash flow yield. Moreover, the Brazilian telecommunications market was still in the early stages of growth, with wireless penetration at only 30%.

TSU's shares were under pressure due to market fear of unfavorable treatment of minority shareholders by TSU's controlling shareholder, Telecom Italia. Through multiple transactions over the last 10 years, the company was increasingly consolidated into Telecom Italia's Brazilian holdings. Many of the transactions were value destructive for minority shareholders, although not to the extent the market originally feared, in our opinion. Despite these challenges, we believed TSU's attractive price at the time of our purchase, combined with the potential growth in its underpenetrated market, warranted an investment.

Over time we added to our position, notably in 2008 and 2012 when company valuations became more attractive. We pared our allocation in early 2014 after TSU's share price appreciated significantly. In 2015 and 2016, the company endured a deep economic recession in Brazil, sending its share price to a level that was more than we thought was warranted based on fundamentals. We believed TSU shares traded at a significant discount to our estimate of intrinsic value and we increased our position.

In the past year, TSU enjoyed renewed investor interest due largely to improved operations, which enabled the company to grow its revenue, as well as positive industry developments and rumors of a possible acquisition. As TSU's shares became fully valued based on our analysis, we exited our position.

Another position sold was U.S.-based Corning, the world's largest manufacturer of LCD glass, after its share price appreciated to our estimate of intrinsic value following the company's strong 2016 performance.

We initially purchased Corning several years ago after its price declined on a variety of market concerns, including pricing pressure in the LCD TV glass market, fluctuation in the value of the Japanese yen (LCD glass is priced in yen), and overall growth prospects for Corning's business.

Despite these concerns, we believed the shares offered an attractive discount to our estimate of its long-term intrinsic value for a number of reasons:

- The company's strong technological know-how and economies of scale
- History of innovation
- Solid competitive position
- A healthy balance sheet
- Attractive capital return plan

Over the past several years, Corning has returned half of its free cash flow to shareholders through dividends and share buybacks, reflecting its commitment to increase shareholder value. Additionally, the company has benefited from growth in its Gorilla Glass business, which produces thin sheet glass used as a protective cover providing scratch resistance and durability. Finally, the LCD-TV glass market has moved from a cyclically depressed environment to a cyclically elevated one.

These factors led to market's enthusiasm for Corning's shares, and we sold our position as the stock price appreciated to our intrinsic-value estimate.

As of 30 June 2017, the Global Value Fund's valuation levels (e.g., price-to-book, price-to-earnings and price-to-cash flow ratios) remained more attractive than the MSCI World Index. The Fund also had a higher dividend yield than the index.

INVESTMENT MANAGER'S REPORT (Continued)

The Fund's largest country allocations were in the United States, the United Kingdom and France, with a significant overweight versus the index in the United Kingdom (8.2% higher than the MSCI World Index's weighting).

The investment committee uncovered a number of appealing opportunities in the United Kingdom as uncertainties over the ramifications of Brexit negotiations indiscriminately drove down prices of many European companies, even fundamentally sound ones.

Additionally, the investment committee found many compelling value opportunities in emerging markets. As of 30 June 2017, the Fund's weighting in emerging markets stood at approximately 18%.

At the industry level, the Fund's largest allocations were in pharmaceuticals, oil & gas and banks.

While U.S.-based companies represented some of the Fund's largest absolute weightings, our allocation remained significantly lower (about 25% less than the MSCI World Index). With the U.S. market's sustained upturn over the last several years, we continued to find limited value opportunities there.

We remain optimistic about the prospects for the Brandes Global Value Fund. As market dynamics constantly present challenges and opportunities, Brandes maintains a disciplined process of stock selection based on fundamental, detailed research on companies throughout the world. We are always focused on company valuations and margin of safety—because we believe this careful approach is the most prudent way to pursue growth for the Fund over the long term.

Please see important disclosure information on page 63.

SCHEDULE OF INVESTMENTS AS AT 30 JUNE 2017

Investment	Nominal Holding	Market Value‡ US\$	% of Net Assets
EQUITIES			
Austria (1.42%; 31 December 2016: 1.35%)			
Erste Group Bank AG	96,261	3,658,952	1.42
Brazil (1.90%; 31 December 2016: 3.22%)			
Embraer SA	1,071,200	4,892,166	1.90
Finland (1.12%; 31 December 2016: 0.85%)			
Nokia oyj	469,985	2,885,264	1.12
France (12.16%; 31 December 2016: 10.18%)			
Carrefour SA	106,289	2,688,965	1.04
Engie SA	434,452	6,557,405	2.55
Publicis Groupe SA	37,746	2,815,617	1.09
Sanofi	91,810	8,783,137	3.41
Schneider Electric SE	83,536	6,418,272	2.49
TOTAL SA	82,243	4,065,925	1.58
		31,329,321	12.16
Hong Kong (1.51%; 31 December 2016: 1.50%)			
China Mobile Ltd.	368,099	3,906,141	1.51
Italy (2.60%; 31 December 2016: 2.77%)			
ENI SpA	262,383	3,940,801	1.53
Telecom Italia SpA Savings Shares	3,745,120	2,754,702	1.07
		6,695,503	2.60
Japan (4.51%; 31 December 2016: 4.93%)			
Daiichi Sankyo Co., Ltd.	132,500	3,114,148	1.21
Honda Motor Co., Ltd.	141,100	3,842,536	1.49
Nissan Motor Co., Ltd.	470,100	4,668,608	1.81
		11,625,292	4.51
Malaysia (0.66%; 31 December 2016: 1.26%)			
Genting Malaysia Bhd	1,343,400	1,718,115	0.66
Mexico (1.00%; 31 December 2016: 0.84%)			
America Movil SAB de CV Sponsored ADR	161,775	2,577,076	1.00
Russia (2.43%; 31 December 2016: 3.62%)			
Gazprom PJSC Sponsored ADR	480,113	1,910,850	0.74
Lukoil PJSC Sponsored ADR	89,298	4,343,454	1.69
		6,254,304	2.43
South Korea (7.90%; 31 December 2016: 6.62%)			
Hyundai Mobis Co., Ltd.	19,243	4,196,241	1.63
Hyundai Motor Co.	47,375	6,604,302	2.56
KT&G Corp.	28,787	2,931,159	1.14
Samsung Electronics Co., Ltd.	317	658,298	0.26
Samsung Electronics Co., Ltd. Preference Shares	3,666	5,966,081	2.31
		20,356,081	7.90
Spain (1.14%; 31 December 2016: 1.37%)			
Repsol SA	191,892	2,935,774	1.14
Sweden (1.79%; 31 December 2016: 1.55%)			
Telefonaktiebolaget LM Ericsson	643,817	4,604,315	1.79
Switzerland (4.99%; 31 December 2016: 4.94%)			
Credit Suisse Group AG	335,284	4,846,216	1.88
Swiss Re AG	27,263	2,492,024	0.97
UBS Group AG	326,735	5,530,200	2.14
		12,868,440	4.99
United Kingdom (14.38%; 31 December 2016: 14.31%)			
Barclays plc	861,093	2,273,342	0.88
BP plc	1,136,739	6,555,854	2.54
GlaxoSmithKline plc	387,403	8,247,244	3.20

SCHEDULE OF INVESTMENTS (Continued) AS AT 30 JUNE 2017

Investment	Nominal Holding	Market Value‡ US\$	% of Net Assets
EQUITIES (continued)			
United Kingdom (14.38%; 31 December 2016: 14.31%) (continued)			
HSBC Holdings plc	371,325	3,442,010	1.34
J Sainsbury plc	1,199,086	3,930,922	1.53
Kingfisher plc	615,023	2,408,717	0.93
Marks & Spencer Group plc	913,065	3,963,674	1.54
Tesco plc	1,684,487	3,703,404	1.44
WM Morrison Supermarkets plc	806,542	2,529,557	0.98
		37,054,724	14.38
United States (34.02%; 31 December 2016: 36.57%)			
American International Group Inc.	63,697	3,982,973	1.55
Apache Corp.	36,457	1,747,384	0.68
Bank of America Corp.	244,950	5,942,487	2.31
Bank of New York Mellon Corp.	121,171	6,182,144	2.40
Citigroup Inc.	127,134	8,502,722	3.30
Emerson Electric Co.	74,876	4,464,107	1.73
Exelon Corp.	63,856	2,303,286	0.89
Express Scripts Holding Co.	86,283	5,507,444	2.14
Leucadia National Corp.	133,957	3,502,976	1.36
McKesson Corp.	35,522	5,845,145	2.27
Merck & Co., Inc.	73,215	4,692,349	1.82
Microsoft Corp.	73,682	5,078,164	1.97
PepsiCo Inc.	22,590	2,609,145	1.01
Pfizer Inc.	197,783	6,643,531	2.58
PNC Financial Services Group Inc.	41,398	5,167,712	2.00
State Street Corp.	76,179	6,835,542	2.65
Wells Fargo & Co.	106,830	5,920,519	2.30
Western Digital Corp.	30,840	2,732,424	1.06
		87,660,054	34.02
TOTAL EQUITIES		241,021,522	93.53
RIGHTS			
Spain (0.03%, 31 December 2016: 0.03%)			
Repsol SA– Rights	191,892	86,353	0.03
TOTAL RIGHTS		86,353	0.03
TOTAL INVESTMENTS		241,107,875	93.56
Other Assets less Liabilities		16,584,024	6.44
TOTAL VALUE OF SUB-FUND AS AT 30 JUNE 2017		257,691,899	100.00

‡ The market value of financial assets are priced at their current bid prices for financial statement purposes, in accordance with FRS 102.

Analysis of Total Assets

	% Total Assets
Transferable securities admitted to official stock exchange listing	93.36
Other transferable securities of the type referred to in Regulation 68(1)(a), (b) and (c)	0.03
Cash and cash equivalents	6.10
Other assets	0.51
Total Assets	100.00

CONDENSED STATEMENT OF FINANCIAL POSITION

All amounts are expressed in US\$

As at 30 June 2017 and 31 December 2016

	<u>2017</u>	<u>2016</u>	
ASSETS			
<i>Financial assets at fair value through profit or loss</i>			
Transferable securities	241,107,875	263,852,220	
<i>Financial assets at amortised cost</i>			
Cash at bank	15,746,213	11,206,621	
Receivable for shares sold	518,229	55,449	
Receivable for securities sold	73,502	–	
Dividends and deposit interest income receivable	706,461	568,595	
TOTAL ASSETS	<u>258,152,280</u>	<u>275,682,885</u>	
LIABILITIES (AMOUNTS PAYABLE WITHIN ONE FINANCIAL YEAR)			
<i>Financial liabilities at amortised cost</i>			
Expenses payable	(198,778)	(210,395)	
Payable for shares redeemed	(261,603)	(373,942)	
TOTAL LIABILITIES	<u>(460,381)</u>	<u>(584,337)</u>	
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES (FOR FINANCIAL STATEMENT PURPOSES)	<u>257,691,899</u>	<u>275,098,548</u>	
ADJUSTMENT FROM BID PRICE TO SHAREHOLDER DEALING PRICES	310,133	(87,898)	
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES (FOR SHAREHOLDER DEALING PURPOSES)	<u>258,002,032</u>	<u>275,010,650</u>	
	<u>30 June</u>	<u>31 December</u>	<u>30 June</u>
	<u>2017</u>	<u>2016</u>	<u>2016</u>
US Dollar Class A			
Net asset value for shareholder dealing purposes (US\$)	15,841,538	15,348,151	15,021,550
Number of shares outstanding	722,103	760,306	828,853
Net asset value per share for shareholder dealing purposes (US\$)	21.94	20.19	18.12
Euro Class A			
Net asset value for shareholder dealing purposes (€EUR)	4,346,167	3,946,115	3,050,063
Number of shares outstanding	232,866	211,173	190,905
Net asset value per share for shareholder dealing purposes (€EUR)	18.66	18.69	15.98
Sterling Class A			
Net asset value for shareholder dealing purposes (£GBP)	300,135	301,706	243,624
Number of shares outstanding	11,514	11,882	11,514
Net asset value per share for shareholder dealing purposes (£GBP)	26.07	25.39	21.16
Sterling Class A1			
Net asset value for shareholder dealing purposes (£GBP)	18.66	18	14.78
Number of shares outstanding	1.13	1.00	1.109
Net asset value per share for shareholder dealing purposes (£GBP)	16.50	18.00	13.33
US Dollar Class I			
Net asset value for shareholder dealing purposes (US\$)	132,226,264	150,307,735	136,710,229
Number of shares outstanding	4,623,249	5,719,844	5,795,266
Net asset value per share for shareholder dealing purposes (US\$)	28.60	26.28	23.59
Euro Class I			
Net asset value for shareholder dealing purposes (€EUR)	56,900,697	61,664,945	54,101,533
Number of shares outstanding	2,547,800	2,769,311	2,853,136
Net asset value per share for shareholder dealing purposes (€EUR)	22.33	22.27	18.96
Sterling Class I			
Net asset value for shareholder dealing purposes (£GBP)	6,006,949	29	23.61
Number of shares outstanding	204,365	1	1
Net asset value per share for shareholder dealing purposes (£GBP)	29.39	29.00	23.61

The accompanying notes form an integral part of these financial statements

CONDENSED STATEMENT OF FINANCIAL POSITION (Continued)

	<u>30 June 2017</u>	<u>31 December 2016</u>	<u>30 June 2016</u>
Sterling Class I1			
Net asset value for shareholder dealing purposes (£GBP)	24,389,781	24,799,756	21,401,541
Number of shares outstanding	1,817,111	1,871,695	1,943,517
Net asset value per share for shareholder dealing purposes (£GBP)	13.42	13.25	11.01
Sterling Class X¹			
Net asset value for shareholder dealing purposes (£GBP)	–	7,587,774	6,280,640
Number of shares outstanding	–	575,989	575,989
Net asset value per share for shareholder dealing purposes (£GBP)	–	13.18	10.90

¹ Share Class terminated on 23 January 2017.

The accompanying notes form an integral part of these financial statements

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

All amounts are expressed in US\$

	Financial period ended 30 June 2017	Financial period ended 30 June 2016
INCOME		
Income from financial assets at fair value through profit or loss	4,053,581	4,425,297
Stock lending income	251,616	–
Interest income	33,636	–
Other income	–	51,592
	<u>4,338,833</u>	<u>4,476,889</u>
NET GAIN/(LOSS) ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	19,080,746	(13,141,853)
TOTAL INCOME/(LOSS)	<u>23,419,579</u>	<u>(8,664,964)</u>
EXPENSES		
Management fee	(891,814)	(876,722)
Operating expenses	(74,233)	(136,285)
Transaction costs	(94,179)	(82,651)
Administration fee	(68,017)	(71,272)
Distributor fee	(41,163)	(33,471)
Depository and trustee fee	(36,750)	(34,870)
Directors' fees and insurance	(8,152)	(12,163)
Interest expense	(1,813)	(3,299)
TOTAL EXPENSES	<u>(1,216,121)</u>	<u>(1,250,733)</u>
Withholding tax on dividends	<u>(346,605)</u>	<u>(358,345)</u>
NET INCOME/(EXPENSE) BEFORE FINANCE COSTS	21,856,853	(10,274,042)
Finance costs	<u>(504,356)</u>	<u>(551,409)</u>
TOTAL INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES FROM OPERATIONS FOR THE FINANCIAL PERIOD	<u>21,352,497</u>	<u>(10,825,451)</u>

There are no recognised gains or losses arising in the financial period other than those dealt with in the Condensed Statement of Comprehensive Income.

In arriving at the results of the financial period, all amounts above relate to continuing operations.

The accompanying notes form an integral part of these financial statements

CONDENSED STATEMENT OF CHANGES IN NET ASSETS

All amounts are expressed in US\$	Financial period ended 30 June 2017	Financial period ended 30 June 2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES AT THE BEGINNING OF THE FINANCIAL PERIOD (FOR FINANCIAL STATEMENT PURPOSES)	275,098,548	267,694,157
INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES FROM OPERATIONS FOR THE FINANCIAL PERIOD	21,352,497	(10,825,451)
CAPITAL TRANSACTIONS		
Proceeds from shares issued	15,945,172	29,294,702
Payments for shares redeemed	<u>(54,704,318)</u>	<u>(34,578,679)</u>
	<u>(38,759,146)</u>	<u>(5,283,977)</u>
DECREASE IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES FOR THE FINANCIAL PERIOD	<u>(17,406,649)</u>	<u>(16,109,428)</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES AT THE END OF THE FINANCIAL PERIOD (FOR FINANCIAL STATEMENT PURPOSES)	<u>257,691,899</u>	<u>251,584,729</u>

The accompanying notes form an integral part of these financial statements

The Brandes European Value Fund I EUR (the "Fund") declined 0.34% for the six months period ended 30 June 2017, underperforming the MSCI Europe Index, which advanced 6.68%.

Primary detractors included holdings in wireless telecommunication services, as well as those in Switzerland and Spain. Additionally, the Fund's overweights to oil, gas & consumable fuels and Russia hurt returns relative to the benchmark, as did an underweight to banks. Oversupply concerns continued to pressure oil prices during the period, negatively affecting the share prices of our oil & gas holdings.

At the company level, the largest detractor was Spanish bank Banco Popular Espanol, which is no longer held in the Fund (see commentary below). U.K.-based food & staples retailer Tesco and Russian holding company Sistema also weighed on returns.

Russian equities in general have suffered the brunt of volatile oil prices and news that the U.S. Senate may expand sanctions against Russia. For Sistema, the negative sentiment was aggravated by a lawsuit from Russian oil companies Rosneft and Bashneft. Sistema owned Bashneft until 2014, when it was seized by the Russian state before being sold to Rosneft in 2016.

The lawsuit involves allegations that Sistema stripped Bashneft's assets during its ownership, damaging the company's value. The value of the stripped assets was initially estimated at U.S. \$1.9 billion, which Rosneft later revised to U.S. \$3 billion. Furthermore, subsequent to Rosneft's initial claim, the Russian Defense Ministry filed a five-billion Russian ruble (approximately U.S. \$83 million) lawsuit against RTI, a small subsidiary of Sistema focusing on defense systems. We are closely monitoring the situation and believe the company continues to merit a measured allocation.

Other detractors included oil firms Lukoil (Russia) and ENI (Italy).

Meanwhile, positions in Greece, Austria and Finland boosted performance. Additionally, the Fund benefited from holdings in commercial services & supplies (e.g., British G4S), communications equipment (e.g., U.K. Spirent Communications) and real estate investment trusts (e.g., Greek Grivalia Properties).

In addition to its strong 2016 results, the market seemed to appreciate G4S's growth in North America and Europe, which was more robust than expected, as well as the improvement in its operating margin and financial leverage.

Other positive contributors included utility Engie and pharmaceutical firm Sanofi, both based in France.

In a relatively light period for activity, the investment committee initiated a position in Italian bank Intesa Sanpaolo (ISP).

ISP enjoys a leading market share in various segments of the Italian financial services sector, including customer loans and deposits, asset management and pension funds. The bank serves over 11 million clients in Italy through approximately 4,000 branches. Outside Italy, ISP operates approximately 1,200 branches, providing services to almost eight million clients in Central and Eastern Europe, as well as North Africa.

A conservative risk profile helped the bank weather the global financial crisis, the euro zone crisis and Italy's grueling double-dip recession. Our analysis shows that ISP's capital ratios have been among the strongest in Europe, enabling the company to pay out nearly 100% of net income to shareholders. Other factors that make ISP an appealing investment opportunity to us include:

- Italy's macro-economic environment is stable to slightly improving, with positive projected gross domestic product growth, better market sentiment and minor gains in employment level.
- Italy's banking industry is currently in the early stage of the credit cycle, marked by modest lending growth following the deleveraging period of 2012-2015.
- ISP has a strong fee-income generating business and has shown its commitment to shareholder returns through dividend payouts.

Investment risks associated with ISP include the possibility of political or economic crisis in Italy and the euro zone, as well as potentially poor mergers and acquisitions decisions by ISP's management, which has indicated its desire to acquire asset management, private banking, or insurance franchises, if opportunities arise.

INVESTMENT MANAGER'S REPORT (Continued)

While we believe ISP's positive attributes warrant an investment in the company, we take into account the associated risks through a measured allocation.

The investment committee exited the Fund's positions in U.K.-based Spirent Communications, whose share price appreciated to our intrinsic-value estimate, and Spanish Banco Popular Espanol.

In early June 2017, it was announced that Banco Santander, Spain's biggest lender, would take over Popular for a symbolic price of €1 after the European Central Bank stepped in to prevent the bank's failure.

We purchased shares of Popular within the last 12 months as we appreciated the company's strong banking franchise in Spain. While it had a very large book of non-performing assets, most of which related to Spanish real estate, our original investment thesis was that the substantial rights offerings in 2012 and 2016 (together raising €5 billion), combined with the gradual improvement in the Spanish economy and real-estate prices, had provided the bank with sufficient capital and a turnaround path.

Given the extremely low valuation at the time of our purchase, we saw upside potential for Popular's shares. However, we were cognizant of the significant risks involved, including the possibility for stock dilution from another rights offering, and accordingly, only made a small allocation to the company. Santander's acquisition effectively dissolved Popular's common stock and wiped out the value of approximately \$2 billion of its subordinated debt.

Our allocations from a country, sector and industry standpoint have not materially changed during the period.

The oil & gas and food & staples retailing industries remained key overweights. From a country perspective, we held our largest exposure to the United Kingdom, where the market's focus on negative headlines and the persistent uncertainties surrounding the *Brexit* process provided us with opportunities to uncover value.

We also continued to find attractive investments in emerging markets. As of 30 June 2017, emerging markets companies accounted for almost 11% of the Fund (maximum allocation is 10% at time of purchase).

The Fund maintained significant underweights to Germany and Switzerland, as well as to banks.

After its solid performance in the second half of 2016, the MSCI Europe Value Index underperformed the MSCI Europe Growth Index by nearly 500 basis points in the period.

The MSCI Europe Growth Index benefited from the strong advances of its consumer staples constituents, especially those in the food, beverages and personal products industries. Many of these companies are perceived as less volatile, which many investors tend to prefer amid a "yield-starved" environment such as the current one. While we think many of these businesses are strong franchises, albeit with little or no growth prospects, their lofty valuations have discouraged us from investing in them.

As market dynamics constantly present challenges and opportunities, Brandes maintains a disciplined process of stock selection based on fundamental, detailed research on European companies. We are always focused on company valuations and margin of safety—because we believe this careful approach is the most prudent way to pursue growth for our clients' assets over the long term.

Please see important disclosure information on page 63.

SCHEDULE OF INVESTMENTS AS AT 30 JUNE 2017

Investment	Nominal Holding	Market Value‡ €EUR	% of Net Assets
EQUITIES			
Austria (2.30%; 31 December 2016: 1.89%)			
Erste Group Bank AG	376,801	12,539,937	1.37
Vienna Insurance Group Wiener Versicherung Gruppe	342,479	8,442,108	0.93
		20,982,045	2.30
Belgium (1.53%; 31 December 2016: 1.93%)			
D'ieteren SA	222,140	9,066,644	1.00
Groupe Bruxelles Lambert SA	57,783	4,865,329	0.53
		13,931,973	1.53
Finland (1.73%; 31 December 2016: 1.52%)			
Nokia oyj	2,931,949	15,759,226	1.73
France (19.14%; 31 December 2016: 17.75%)			
Carrefour SA	1,213,779	26,885,205	2.95
Cie de St-Gobain	243,330	11,382,977	1.25
Engie SA	2,504,716	33,099,822	3.63
Orange SA	1,432,694	19,892,956	2.18
Publicis Groupe SA	242,884	15,862,754	1.74
Renault SA	176,160	13,957,157	1.53
Sanofi	370,639	31,044,723	3.40
Savencia SA	87,786	7,156,315	0.78
Schneider Electric SE	228,301	15,357,808	1.68
		174,639,717	19.14
Germany (0.94%; 31 December 2016: 1.01%)			
Draegerwerk AG & Co KGaA	122,375	8,566,250	0.94
Hungary (1.03%; 31 December 2016: 1.23%)			
Magyar Telekom Telecommunications plc	6,178,078	9,401,644	1.03
Ireland (2.14%; 31 December 2016: 1.53%)			
C&C Group	6,083,877	19,526,270	2.14
Italy (8.77%; 31 December 2016: 7.28%)			
Buzzi Unicem Savings Shares	776,326	9,572,100	1.05
Danieli & C Officine Meccaniche SpA	689,969	10,784,215	1.18
ENI SpA	1,948,780	25,626,457	2.81
Intesa Sanpaolo	4,788,686	13,283,815	1.46
Telecom Italia SpA Savings Shares	32,233,516	20,758,384	2.27
		80,024,971	8.77
Luxembourg (0.57%; 31 December 2016: 0.73%)			
Ternium SA Sponsored ADR	210,926	5,185,660	0.57
Netherlands (1.96%; 31 December 2016: 2.12%)			
Aegon NV	3,539,044	15,823,065	1.73
Arcadis	130,707	2,067,785	0.23
		17,890,850	1.96
Russia (5.75%; 31 December 2016: 5.88%)			
Gazprom OAO	5,294,402	9,291,470	1.02
Lukoil OAO	513,130	21,853,605	2.39
Sistema JSFC	39,036,754	7,058,126	0.77
Surgutneftegas OAO	33,836,888	14,293,260	1.57
		52,496,461	5.75
Spain (2.19%; 31 December 2016: 2.55%)			
Repsol YPF SA	1,490,024	19,958,871	2.19
Sweden (1.83%; 31 December 2016: 1.50%)			
Telefonaktiebolaget LM Ericsson	2,661,446	16,664,691	1.83
Switzerland (8.08%; 31 December 2016: 6.73%)			
Credit Suisse Group AG	1,957,989	24,778,629	2.71
Swatch Group	236,807	15,135,486	1.66
Swiss Re AG	145,756	11,664,930	1.28
UBS Group AG	1,493,683	22,135,062	2.43
		73,714,107	8.08

SCHEDULE OF INVESTMENTS (Continued) AS AT 30 JUNE 2017

Investment	Nominal Holding	Market Value‡ €EUR	% of Net Assets
EQUITIES			
United Kingdom (33.56%; 31 December 2016: 32.55%)			
AstraZeneca plc	145,317	8,509,321	0.93
Balfour Beatty plc	4,074,732	12,559,812	1.38
Barclays plc	5,527,346	12,776,398	1.40
BP plc	5,049,843	25,499,023	2.79
Countrywide plc	5,894,029	11,244,658	1.23
De La Rue plc	2,219,206	16,879,575	1.85
Debenhams plc	23,697,097	11,619,880	1.27
G4S plc	2,045,096	7,612,055	0.83
GlaxoSmithKline plc	1,550,614	28,901,918	3.17
HSBC Holdings plc	1,708,676	13,867,390	1.52
ITE Group plc	7,261,215	12,730,998	1.40
J Sainsbury plc	7,161,295	20,554,780	2.25
Kingfisher plc	5,616,371	19,258,713	2.11
LSL Property Services plc	3,705,845	9,297,110	1.02
Marks & Spencer Group plc	6,255,588	23,776,148	2.61
Mitie Group plc	2,779,431	8,763,732	0.96
Premier Foods plc	16,192,270	7,441,334	0.82
Tesco plc	12,417,568	23,902,704	2.62
Willis Towers Watson plc	76,446	9,738,557	1.07
WM Morrison Supermarkets plc	7,753,658	21,291,250	2.33
		306,225,356	33.56
TOTAL EQUITIES		834,968,092	91.52
REAL ESTATE INVESTMENT TRUSTS "(REIT)"			
Greece (2.02%; 31 December 2016: 1.49%)			
Grivalia Properties REIC	2,036,393	18,470,085	2.02
Spain (1.01%; 31 December 2016: 0.77%)			
Lar Espana Real Estate Socimi	1,144,559	9,209,122	1.01
TOTAL REAL ESTATE INVESTMENT TRUSTS "(REIT)"		27,679,207	3.03
RIGHTS			
Spain (0.06%; 31 December 2016: 0.03%)			
Repsol YPF SA - Rights	1,490,024	587,069	0.06
TOTAL RIGHTS		587,069	0.06
CONVERTIBLE SECURITIES			
Germany (0.33%; 31 December 2016: 0.47%)			
Draegerwerk AG & Co KGaA	661,900	2,985,169	0.33
TOTAL CONVERTIBLE SECURITIES		2,985,169	0.33
INVESTMENT FUNDS			
Luxembourg (3.51%; 31 December 2016: 0.00%)			
Amundi Money Market Fund	32,000,000	32,000,000	3.51
TOTAL INVESTMENT FUNDS		32,000,000	3.51

SCHEDULE OF INVESTMENTS (Continued) AS AT 30 JUNE 2017**FINANCIAL DERIVATIVE INSTRUMENTS**

Open Forward Foreign Currency Exchange Contracts ((0.01)%, 31 December 2016: 0.00%)

<u>Maturity Date</u>	<u>Counterparty</u>		<u>Amount Bought</u>		<u>Amount Sold</u>	<u>Unrealised Gain/(Loss) €EUR</u>	<u>% of Net Assets</u>
24/7/2017	State Street Bank & Trust Company	CHF	43	EUR	39	–	0.00
24/7/2017	State Street Bank & Trust Company	EUR	1	CHF	1	–	0.00
24/7/2017	State Street Bank & Trust Company	EUR	15,595	USD	17,500	288	0.00
24/7/2017	State Street Bank & Trust Company	EUR	164,464	USD	187,398	549	0.00
24/7/2017	State Street Bank & Trust Company	USD	5,763,303	EUR	5,135,558	(94,451)	(0.01)
Unrealised gain on open forward foreign currency exchange contracts						837	0.00
Unrealised loss on open forward foreign currency exchange contracts						(94,451)	(0.01)
Net unrealised loss on open forward foreign currency exchange contracts						(93,614)	(0.01)

TOTAL INVESTMENTS**898,125,923** **98.44**

Other Assets less Liabilities

14,229,358 1.56

TOTAL VALUE OF SUB-FUND AS AT 30 JUNE 2017**912,355,281** **100.00****Analysis of Total Assets**

	% Total Assets
Transferable securities admitted to official stock exchange listing	94.31
Other transferable securities of the type referred to in Regulation 68(1)(a), (b) and (c)	0.06
Investment funds	3.49
Cash and cash equivalents	0.94
Other assets	1.20
Total Assets	100.00

‡ The market value of financial assets are priced at their current bid prices for financial statement purposes, in accordance with FRS 102.

CONDENSED STATEMENT OF FINANCIAL POSITION

All amounts are expressed in €EUR

As at 30 June 2017 and 31 December 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
<i>Financial assets at fair value through profit or loss</i>		
Transferable securities	898,220,374	720,775,142
<i>Financial assets at amortised cost</i>		
Cash at bank	8,615,296	95,320,988
Receivable for shares sold	3,753,684	17,174,316
Receivable for securities sold	2,295,857	–
Dividends and deposit interest income receivable	4,928,121	2,001,606
TOTAL ASSETS	<u>917,813,332</u>	<u>835,272,052</u>
LIABILITIES (AMOUNTS PAYABLE WITHIN ONE FINANCIAL YEAR)		
<i>Financial liabilities at fair value through profit or loss</i>		
Financial Derivative Instruments	(94,451)	(34,830)
<i>Financial liabilities at amortised cost</i>		
Expenses payable	(1,012,616)	(811,723)
Payable for shares redeemed	(4,324,834)	(688,564)
Payables for securities purchased	(26,150)	(23,514,147)
TOTAL LIABILITIES	<u>(5,458,051)</u>	<u>(25,049,264)</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES (FOR FINANCIAL STATEMENT PURPOSES)	<u>912,355,281</u>	<u>810,222,788</u>
ADJUSTMENT FROM BID PRICE TO SHAREHOLDER DEALING PRICES	2,091,051	(910,593)
TRADE DATE ADJUSTMENT	–	5,131
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES (FOR SHAREHOLDER DEALING PURPOSES)	<u>914,446,332</u>	<u>809,317,326</u>

	<u>30 June 2017</u>	<u>31 December 2016</u>	<u>30 June 2016</u>
US Dollar Class A			
Net asset value for shareholder dealing purposes (US\$)	6,927,181	6,112,077	6,643,064
Number of shares outstanding	240,845	228,991	269,917
Net asset value per share for shareholder dealing purposes (US\$)	28.76	26.69	24.61
Euro Class A			
Net asset value for shareholder dealing purposes (€EUR)	115,834,854	139,668,806	125,618,306
Number of shares outstanding	4,449,319	5,326,040	5,476,979
Net asset value per share for shareholder dealing purposes (€EUR)	26.03	26.21	22.94
Euro Class A1			
Net asset value for shareholder dealing purposes (€EUR)	13,093,396	8,591,297	6,382,470
Number of shares outstanding	1,241,817	800,942	680,445
Net asset value per share for shareholder dealing purposes (€EUR)	10.54	10.73	9.38
Sterling Class A			
Net asset value for shareholder dealing purposes (£GBP)	7,035,434	25.80	28,551
Number of shares outstanding	321,308	1,204	1,580
Net asset value per share for shareholder dealing purposes (£GBP)	21.90	21.42	18.07
US Dollar Class I			
Net asset value for shareholder dealing purposes (US\$)	4,343,142	2,972,087	2,093,066
Number of shares outstanding	138,704	102,570	78,620
Net asset value per share for shareholder dealing purposes (US\$)	31.31	28.98	26.62

The accompanying notes form an integral part of these financial statements

CONDENSED STATEMENT OF FINANCIAL POSITION (Continued)

	30 June 2017	31 December 2016	30 June 2016
Euro Class I			
Net asset value for shareholder dealing purposes (€EUR)	747,942,821	636,485,017	368,081,182
Number of shares outstanding	19,759,653	16,755,182	11,117,300
Net asset value per share for shareholder dealing purposes (€EUR)	37.85	37.98	33.11
Euro Class I1¹			
Net asset value for shareholder dealing purposes (€EUR)	4,999,471	2,703,740	44,234
Number of shares outstanding	434,899	234,300	4,400
Net asset value per share for shareholder dealing purposes (€EUR)	11.50	11.54	10.05
Sterling Class I			
Net asset value for shareholder dealing purposes (£GBP)	3,787,561	3,418,496	2,703,211
Number of shares outstanding	125,279	115,680	107,527
Net asset value per share for shareholder dealing purposes (£GBP)	30.23	29.55	25.14
Sterling Class I1²			
Net asset value for shareholder dealing purposes (€EUR)	4,886,367	3,697,739	96,093
Number of shares outstanding	400,852	309,815	9,450
Net asset value per share for shareholder dealing purposes (€EUR)	12.19	11.94	10.17
Swiss Franc Class IH³			
Net asset value for shareholder dealing purposes (€EUR)	41.10	80,184	–
Number of shares outstanding	3.87	7,500	–
Net asset value per share for shareholder dealing purposes (€EUR)	10.62	10.69	–
US Dollar Class IH			
Net asset value for shareholder dealing purposes (US\$)	5,475,409	5,167,132	181,016
Number of shares outstanding	528,996	501,164	20,266
Net asset value per share for shareholder dealing purposes (US\$)	10.35	10.31	8.93

¹ Share Class launched on 14 June 2016.

² Share Class launched on 10 June 2016.

³ Share Class launched on 29 November 2016.

The accompanying notes form an integral part of these financial statements

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Financial period ended 30 June 2017	Financial period ended 30 June 2016
All amounts are expressed in €EUR		
INCOME		
Income from financial assets at fair value through profit or loss	20,369,771	9,651,170
Stock lending income	6,234	–
Interest income	10,992	13,585
Other income	–	18,557
	<u>20,386,997</u>	<u>9,683,312</u>
NET LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	<u>(21,443,322)</u>	<u>(32,530,041)</u>
TOTAL LOSS	<u>(1,056,325)</u>	<u>(22,846,729)</u>
EXPENSES		
Management fee	(3,358,545)	(1,432,949)
Operating expenses	(273,943)	(179,037)
Transaction costs	(935,866)	(821,116)
Administration fee	(227,774)	(111,466)
Distributor fee	(633,817)	(518,671)
Depositary and trustee fee	(132,016)	(46,707)
Directors' fees and insurance	(27,741)	(20,580)
Interest expense	(86,206)	(38,503)
TOTAL EXPENSES	<u>(5,675,908)</u>	<u>(3,169,029)</u>
Withholding tax on dividends	<u>(840,948)</u>	<u>(345,455)</u>
NET EXPENSE BEFORE FINANCE COSTS	<u>(7,573,181)</u>	<u>(26,361,213)</u>
Finance costs	(96,968)	(699)
TOTAL DECREASE IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES FROM OPERATIONS FOR THE FINANCIAL PERIOD	<u>(7,670,149)</u>	<u>(26,361,912)</u>

There are no recognised gains or losses arising in the financial period other than those dealt with in the Condensed Statement of Comprehensive Income.

In arriving at the results of the financial period, all amounts above relate to continuing operations.

CONDENSED STATEMENT OF CHANGES IN NET ASSETS

	Financial period ended 30 June 2017	Financial period ended 30 June 2016
All amounts are expressed in €EUR		
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES AT THE BEGINNING OF THE FINANCIAL PERIOD (FOR FINANCIAL STATEMENT PURPOSES)	810,222,788	298,826,602
DECREASE IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES FROM OPERATIONS FOR THE FINANCIAL PERIOD	(7,670,149)	(26,361,912)
CAPITAL TRANSACTIONS		
Proceeds from shares issued	309,503,099	286,896,162
Payments for shares redeemed	(199,700,457)	(48,848,207)
	<u>109,802,642</u>	<u>238,047,955</u>
INCREASE IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES FOR THE FINANCIAL PERIOD	<u>102,132,493</u>	<u>211,686,043</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES AT THE END OF THE FINANCIAL PERIOD (FOR FINANCIAL STATEMENT PURPOSES)	<u>912,355,281</u>	<u>510,512,645</u>

The accompanying notes form an integral part of these financial statements

INVESTMENT MANAGER'S REPORT

For the six months ended 30 June 2017, the Brandes U.S. Value Fund Class I USD (the "Fund") advanced 7.74%, underperforming the S&P 500 Index, which rose 9.34%.

Holdings in financials, consumer discretionary and software boosted absolute returns.

Most notable performance contributors were companies that reported strong first-quarter earnings. Technology firms Western Digital and Oracle saw their share prices advance, as did homebuilder MDC Holdings and medical supplies distributor McKesson.

The Fund's underweight position to the technology and industrials sectors as well as position in the insurance industry hurt relative returns.

Following their strong performance in 2016, energy holdings Apache Corporation and Chevron detracted from performance, as their share prices declined amid oversupply concerns that continued to weigh on oil prices.

Additionally, technology distributor Avnet hurt returns. Its shares declined after announcing some revenue loss due to supplier consolidation and the implementation of a new enterprise resource planning system (ERP), which will take two years to complete. The announcement led to a decrease in the company's short-term earnings guidance. However, we believe the share-price decline was an overreaction, as it didn't fully incorporate cost reductions and future ERP efficiency improvements.

A significant headwind to relative performance this year has been value stocks' significant underperformance versus growth stocks, as measured by the S&P 500 Value Index and the S&P 500 Growth Index. After posting strong returns in the second half of 2016, value stocks have lagged growth stocks thus far in 2017 by more than 9%. This underperformance can be attributed to the following:

- *Strong gains in sectors typically home to companies with growth attributes, such as technology (up more than 17% YTD) and health care (up 16% and together with technology drove about 60% of S&P 500 Index returns YTD).* Apple, Amazon, Google, Microsoft and Facebook—the top 5% by market capitalization—led the tech sector's advance, each gaining more than 15% YTD and resulting in a combined \$500 billion market-cap increase. While these five companies accounted for 12% of the S&P 500 Index weight as of 30 June, they nonetheless captured 30% of index returns YTD.
- *Underperformance (vs. the general market) of sectors typically home to companies with value attributes, such as financials, telecommunication services and energy.* The energy and telecommunication services sectors of the S&P 500 declined YTD (-11% and -8%).

Another factor that dampened relative returns included the Fund's underweight to some of the stronger-performing industries, including health care technology, life science and health care equipment. Health care exposure adversely affected performance in an advancing market: Year to date, pharmacy-benefit manager Express Scripts was down, hurting relative returns.

Higher-than-index allocations to the financials sector, which has underperformed after a strong second half in 2016, also weighed on relative performance.

In a fairly busy period for buys and sells, the Fund's investment committee purchased a number of health-care and health-care related companies, including retailer CVS Health, biopharmaceutical firm Gilead Sciences, HCA Healthcare and Amgen.

Our increased activity during the period was the result of us finding value in several well-positioned businesses that traded at a discount to the overall market while offering much more attractive economics than the average business. The U.S. market continued to appreciate in the first half of 2017, extending several years of upturn and leading to what we considered elevated valuation levels in general. We pared or sold several stocks that had outperformed and reached or exceeded our fair-value estimates while investing in several attractive companies that had recently underperformed the broader market.

For instance, CVS, along with a number of other health-care related firms, has underperformed the market over the past few years despite its strong position in the retail pharmacy business and as a leading pharmacy benefit manager. In our view, the company's strong competitive position has allowed it to generate strong cash flow, earn attractive returns on capital, and achieve significant recurring revenue. Trading at just 13x forward earnings as of 30 June, we believe the shares offer an attractive investment opportunity. In comparison, the median S&P 500 company traded at approximately 20x forward earnings.

INVESTMENT MANAGER'S REPORT (Continued)

HCA Healthcare is the largest for-profit hospital operator in the United States, where it has operations across 20 states and a 5% share of total hospital admissions. It also has a presence in the United Kingdom.

The company has been weighed down by the uncertainty surrounding U.S. health care policy as well as reimbursement pressures for care and services. However, we hold the view that these concerns have been more than priced into HCA, which traded at 12x free cash flow as of 30 June. We believe the company is an attractive investment due to its strong cash flow and returns on capital. Additionally, we appreciate the company's stable and recurring earnings and reasonable growth prospects.

Biotechnology firm Amgen traded at a mere 14x forward earnings as of 30 June 2017, an attractive level, in our opinion, for a company with a strong balance sheet and above-average growth prospects compared to the U.S. market in general, which continues to appear fully valued.

Aside from health care companies, additional purchases included Alphabet Inc. and Cal-Maine.

Alphabet (the parent company of Google) is the world's leading internet advertising company. It has a dominant competitive position in search, a leading player in display advertising, and the largest mobile platform globally with its Android operating system. Alphabet has a strong balance sheet, generates attractive cash flow and returns on capital due to its strong competitive position.

Moreover, Alphabet continues to grow at a significantly above market rate, yet it currently trades at around a market multiple expected earnings after excluding net cash. The company is also invested in a variety of "moon shot" projects like self-driving cars which provide significant option value to the overall business. As the market rotated into so-called Trump trades following the election, some steady growers like Alphabet underperformed the market and gave us an opportunity to purchase an above-average company at an average price.

Cal-Maine is the largest producer and distributor of fresh eggs in the United States. Its shares dropped significantly over the past year following a cyclical decline in the egg commodity price. Despite short-term earnings concerns as a result of lower egg prices, we found value in the company due to its strong balance sheet and net-cash position.

Meanwhile, the investment committee divested a number of positions including glass maker Corning, clinical lab-services firm Quest Diagnostics, medical technology firm Varian Medical Systems and call-center software and cybersecurity company Verint Systems.

We initially purchased Corning, the world's largest manufacturer of LCD glass, several years ago after its price declined on a variety of market concerns, including pricing pressure in the LCD TV glass market, concerns about currency fluctuation in the value of the Japanese yen (as LCD glass is priced in yen), and overall growth prospects for Corning's business.

Despite these concerns, we believed Corning offered an attractive discount to our estimate of its long-term intrinsic value for a number of reasons:

- The company's strong technological know-how and economies of scale
- History of innovation
- Solid competitive position
- A healthy balance sheet
- Attractive capital return plan

Over the past several years, Corning has given back half of its free cash flow to shareholders, reflecting its commitment to increase shareholder value. Additionally, the company has benefited from growth in its Gorilla Glass business, which produces thin sheet glass used as a protective cover providing scratch resistance and durability. Finally, the LCD-TV glass market has moved from a cyclically depressed environment to a cyclically elevated one. As a result of these factors and after the company increased its capital return to shareholders, Corning's stock price appreciated to our estimate of intrinsic value and we sold our position.

As of 30 June 2017, the U.S. Value Fund's valuations, based on price-to-earnings, price-to-book, and price-to-cash flow ratios, remained significantly more attractive than the index.

From a sector perspective, the Fund's largest allocations were in financials (banks and capital markets), information technology and health care (health care providers & services).

INVESTMENT MANAGER'S REPORT (Continued)

As a result of our bottom-up fundamental analysis, we have significantly increased allocations to financials throughout the period. As of 30 June 2017, the Fund's weighting in the sector was 15% higher than that of the S&P 500 Index. We believe current valuations of many U.S. banks remain attractive and offer a compelling risk/reward proposition.

The Fund's most significant underweight positions were in technology, Industrials and consumer discretionary.

After having an overweight in technology for several years, largely in what we called "boring" or mature U.S.-based technology companies, the Fund is now underweight the sector. Several companies from this group had strong share-price appreciation and moved closer to or exceeded our intrinsic-value estimates. Technology has been the market's strongest performing sector, up 17% year to date and up 34% over the past 12 months.

While our recent tech underweight has hurt relative performance, it is not surprising that we are starting to find fewer value opportunities in a sector that has performed so well. Interestingly, while technology is an area not traditionally known as "value" given the growth characteristics of many of the businesses, it is where we had found a lot of value. However, the sustained upturn resulted in the sector now accounting for over 22% of the S&P 500 Index (its highest level since September 2000), versus 18% in 2013.

As market conditions constantly change, Brandes maintains a disciplined process of stock selection based on fundamental, detailed research. We are always focused on company valuations and margin of safety—because we believe this careful approach is the most prudent way to pursue growth for our clients' assets over the long term.

Please see important disclosure information on page 63.

SCHEDULE OF INVESTMENTS AS AT 30 JUNE 2017

Investment	Nominal Holding	Market Value‡ US\$	% of Net Assets
EQUITIES			
Guernsey (1.48%; 31 December 2016: 0.00%)			
Amdocs Ltd.	24,307	1,566,829	1.48
Singapore (0.00%; 31 December 2016: 0.76%)			
United States (88.41%; 31 December 2016: 81.57%)			
Aaron's Inc.	29,645	1,152,894	1.08
Alphabet Inc.	2,175	1,976,314	1.86
AMERCO	4,533	1,653,276	1.56
American International Group Inc.	37,056	2,317,112	2.18
Amgen Inc.	6,918	1,191,418	1.12
Apache Corp.	22,926	1,098,843	1.03
Avnet Inc.	63,786	2,479,362	2.33
Bank of America Corp.	130,256	3,160,011	2.97
Bank of New York Mellon Corp.	55,314	2,822,120	2.66
BB & T Corp.	51,196	2,324,298	2.19
Briggs & Stratton Corp.	114,574	2,760,088	2.60
Cal-Maine Foods Inc.	28,762	1,136,099	1.07
Chevron Corp.	20,742	2,164,220	2.04
Cisco Systems Inc.	44,717	1,399,642	1.32
Citigroup Inc.	56,095	3,751,634	3.53
Cognizant Technology Solutions Corp.	38,148	2,533,027	2.38
CVS Health Corp.	15,387	1,238,346	1.17
Emerson Electric Co.	39,342	2,345,570	2.21
Exelon Corp.	35,887	1,294,444	1.22
Express Scripts Holding Co.	45,538	2,906,691	2.74
Fifth Third Bancorp	23,624	613,043	0.58
Gilead Sciences Inc.	17,582	1,244,278	1.17
HCA Healthcare Inc.	19,391	1,690,120	1.59
Johnson & Johnson	15,414	2,039,426	1.92
JPMorgan Chase & Co.	17,429	1,593,185	1.50
Laboratory Corp of America Holdings	16,281	2,509,391	2.36
Leucadia National Corp.	90,074	2,355,435	2.22
Loews Corp.	23,120	1,082,247	1.02
McKesson Corp.	22,860	3,761,613	3.54
MDC Holdings Inc.	63,058	2,227,840	2.10
Merck & Co., Inc.	32,411	2,077,221	1.95
Microsoft Corp.	36,962	2,547,421	2.40
Old Republic International Corp.	53,610	1,046,467	0.98
Oracle Corp.	44,031	2,207,714	2.08
PepsiCo Inc.	13,054	1,507,737	1.42
Pfizer Inc.	107,330	3,605,215	3.39
PNC Financial Services Group Inc.	20,475	2,555,894	2.40
Procter & Gamble Co.	12,051	1,050,245	0.99
Rent-A-Center Inc.	58,949	690,293	0.65
St Joe Co.	71,774	1,338,585	1.26
State Street Corp.	34,203	3,069,035	2.89
Twenty-First Century Fox Inc. (Non-Voting)	24,441	692,414	0.65
Twenty-First Century Fox Inc. (Voting Rights)	32,719	911,551	0.86
US Bancorp Preference Shares	71,317	1,715,174	1.61
Varex Imaging Corp.	10,081	340,536	0.32
Wal-Mart Stores Inc.	22,626	1,712,109	1.61
Wells Fargo & Co.	56,920	3,154,506	2.97
Western Digital Corp.	13,000	1,151,800	1.08
World Fuel Services Corp.	45,433	1,746,444	1.64
		93,942,348	88.41
TOTAL EQUITIES		93,942,348	88.41
TOTAL INVESTMENTS		93,942,348	88.41
Other Assets less Liabilities		10,743,992	10.11
TOTAL VALUE OF SUB-FUND AS AT 30 JUNE 2017		104,686,340	100.00

‡ The market value of financial assets are priced at their current bid prices for financial statement purposes, in accordance with FRS 102.

SCHEDULE OF INVESTMENTS (Continued) AS AT 30 JUNE 2017

	% Total Assets
Analysis of Total Assets	
Transferable securities admitted to official stock exchange listing	89.42
Cash and cash equivalents	10.43
Other assets	0.15
Total Assets	<u>100.00</u>

CONDENSED STATEMENT OF FINANCIAL POSITION

All amounts are expressed in US\$

As at 30 June 2017 and 31 December 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
<i>Financial assets at fair value through profit or loss</i>		
Transferable securities	95,509,177	93,649,837
<i>Financial assets at amortised cost</i>		
Cash at bank	11,145,530	19,115,154
Receivable for shares sold	62,582	1,603,072
Dividends and deposit interest income receivable	95,565	97,666
TOTAL ASSETS	<u>106,812,854</u>	<u>114,465,729</u>
LIABILITIES (AMOUNTS PAYABLE WITHIN ONE FINANCIAL YEAR)		
<i>Financial liabilities at amortised cost</i>		
Expenses payable	(259,602)	(251,036)
Payable for shares redeemed	(300,083)	(461,533)
TOTAL LIABILITIES	<u>(559,685)</u>	<u>(712,569)</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES (FOR FINANCIAL STATEMENT PURPOSES)	<u>106,253,169</u>	<u>113,753,160</u>
ADJUSTMENT FROM BID PRICE TO SHAREHOLDER DEALING PRICES	23,854	(5,431)
TRADE DATE ADJUSTMENT	–	(1,505)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES (FOR SHAREHOLDER DEALING PURPOSES)	<u>106,277,023</u>	<u>113,746,224</u>

	<u>30 June 2017</u>	<u>31 December 2016</u>	<u>30 June 2016</u>
US Dollar Class A			
Net asset value for shareholder dealing purposes (US\$)	61,950,318	64,717,977	49,750,013
Number of shares outstanding	3,110,134	3,489,927	3,080,023
Net asset value per share for shareholder dealing purposes (US\$)	19.92	18.54	16.15
Euro Class A			
Net asset value for shareholder dealing purposes (€EUR)	24,905,251	36,012,770	22,308,170
Number of shares outstanding	1,294,661	1,851,071	1,387,811
Net asset value per share for shareholder dealing purposes (€EUR)	19.24	19.45	16.07
Sterling Class A			
Net asset value for shareholder dealing purposes (£GBP)	178,373	45,244	36,447
Number of shares outstanding	8,810	2,273	2,273
Net asset value per share for shareholder dealing purposes (£GBP)	20.25	19.90	16.03
US Dollar Class I			
Net asset value for shareholder dealing purposes (US\$)	3,616,017	3,066,080	2,886,795
Number of shares outstanding	273,295	249,606	270,684
Net asset value per share for shareholder dealing purposes (US\$)	13.23	12.28	10.66
Euro Class I			
Net asset value for shareholder dealing purposes (€EUR)	10,535,259	7,597,534	1,780,508
Number of shares outstanding	406,721	290,910	82,732
Net asset value per share for shareholder dealing purposes (€EUR)	25.90	26.12	21.52

The accompanying notes form an integral part of these financial statements

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

All amounts are expressed in US\$

	Financial period ended 30 June 2017	Financial period ended 30 June 2016
INCOME		
Income from financial assets at fair value through profit or loss	918,092	1,087,216
Stock lending income	19,422	–
Interest income	37,762	–
Other income	<u>1,381</u>	<u>21,678</u>
	976,657	1,108,894
NET GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	<u>7,870,303</u>	<u>1,678,140</u>
TOTAL INCOME	<u>8,846,960</u>	<u>2,787,034</u>
EXPENSES		
Management fee	(386,288)	(386,818)
Operating expenses	(47,001)	(70,359)
Transaction costs	(19,128)	(28,690)
Administration fee	(30,223)	(32,270)
Distributor fee	(361,427)	(373,646)
Depository and trustee fee	(13,935)	(11,845)
Directors' fees and insurance	(3,562)	(13,335)
Interest expense	<u>(9,638)</u>	<u>(6,520)</u>
TOTAL EXPENSES	<u>(871,202)</u>	<u>(923,483)</u>
Withholding tax on dividends	<u>(139,334)</u>	<u>(154,573)</u>
TOTAL INCREASE IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES FROM OPERATIONS FOR THE FINANCIAL PERIOD	<u><u>7,836,424</u></u>	<u><u>1,708,978</u></u>

There are no recognised gains or losses arising in the financial period other than those dealt with in the Condensed Statement of Comprehensive Income.

In arriving at the results of the financial period, all amounts above relate to continuing operations.

The accompanying notes form an integral part of these financial statements

CONDENSED STATEMENT OF CHANGES IN NET ASSETS

All amounts are expressed in US\$	Financial period ended 30 June 2017	Financial period ended 30 June 2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES AT THE BEGINNING OF THE FINANCIAL PERIOD (FOR FINANCIAL STATEMENT PURPOSES)	113,753,160	132,604,171
INCREASE IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES FROM OPERATIONS FOR THE FINANCIAL PERIOD	7,836,424	1,708,978
CAPITAL TRANSACTIONS		
Proceeds from shares issued	32,771,034	28,451,297
Payments for shares redeemed	(48,107,449)	(83,359,421)
	<u>(15,336,415)</u>	<u>(54,908,124)</u>
DECREASE IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES FOR THE FINANCIAL PERIOD	<u>(7,499,991)</u>	<u>(53,199,146)</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES AT THE END OF THE FINANCIAL PERIOD (FOR FINANCIAL STATEMENT PURPOSES)	<u>106,253,169</u>	<u>79,405,025</u>

The accompanying notes form an integral part of these financial statements

INVESTMENT MANAGER'S REPORT

The Brandes Emerging Markets Value Fund I USD (“the Fund”) gained 13.64% for the six months ended 30 June 2017, underperforming the MSCI Emerging Markets Index, which increased 18.60%.

Holdings in consumer discretionary, real estate investment trusts (REITs), banks and specialty retail helped performance. From a country standpoint, positions in Mexico aided returns, along with overweights in Turkey and Brazil.

Notable contributors included Luxembourg-domiciled steelmaker Ternium, Brazilian water utility Companhia de Saneamento Basico (Sabesp), Austria-based Erste Group Bank, South Korean Samsung Electronics and Indonesian telecommunication services provider XL Axiata. Ternium holds its operations predominantly in Latin America while Erste Group Bank derives the majority of its revenues from emerging European countries.

Holdings in energy and information technology (IT) weighed on performance, as did positions in India and South Korea. Additionally, the Fund’s lack of exposure to semiconductors & semiconductor equipment and an underweight to Taiwan hurt returns relative to the benchmark.

A number of holdings in Russia also performed poorly, most notably Gazprom, Lukoil and Sberbank. Russian equities in general have suffered the brunt of volatile oil prices and news that the U.S. Senate may expand sanctions against Russia following claims that the Kremlin interfered in last year’s U.S. presidential election.

Other detractors included Brazilian integrated oil firm Petrobras and India-based IT services provider Tech Mahindra (TechM).

The first half of the year marked an active period for buys and sells. Positions sold included Brazilian telecommunication services provider TIM Participacoes (TSU) and footwear company Alpargatas, Argentina-based McDonald’s franchisee Arcos Dorados, Turkish bank Haci Omer Sabanci, Panamanian airline Copa Holdings and South Korean KB Financial Group.

TSU is the fourth-largest Brazilian telecommunications firm by sales and the second largest by wireless subscribers. A long-term holding in the Fund, TSU was first purchased as a small position in 2004. At that time, we found TSU’s market valuation attractive, with 17% free cash flow yield. Moreover, the Brazilian telecommunications market was still in the early stages of growth, with wireless penetration at only 30%.

TSU’s shares were under pressure due to market fear of unfavorable treatment of minority shareholders by TSU’s controlling shareholder, Telecom Italia. Through multiple transactions over the last 10 years, the company was increasingly consolidated into Telecom Italia’s Brazilian holdings. Many of the transactions were value destructive for minority shareholders, although not to the extent the market originally feared, in our opinion. Despite these challenges, we believed TSU’s attractive price at the time of our purchase, combined with the potential growth in its underpenetrated market, warranted an investment.

Over time we added to our position, notably in 2008 and 2012 when company valuations became more attractive. We pared our allocation in early 2014 after TSU’s share price appreciated significantly. In 2015 and 2016, the company endured a deep economic recession in Brazil, sending its share price to a level that was more than we thought was warranted based on fundamentals. We believed TSU shares traded at a significant discount to our estimate of intrinsic value and we increased our position.

In the past year, TSU enjoyed renewed investor interest due largely to improved operations, which enabled the company to grow its revenue, as well as due positive industry developments and rumors of a possible acquisition. As TSU’s shares became fully valued based on our analysis, we exited our position.

Meanwhile, new purchases included India-based IT services providers Infosys and TechM, South Africa-based bank Barclays Africa, Russian mobile phone operator MegaFon and Spanish payment services company Prosegur Cash.

Originally created as a joint venture between Indian Mahindra & Mahindra and British BT Group, TechM provides IT services, networking technology solutions and business process outsourcing primarily to the telecommunications sector.

Over the years, TechM has grown its business through a number of acquisitions. Recently, the company has been experiencing integration issues, resulting in depressed operating margins. It has also lagged behind its competitors in the automation space, further contributing to margin compression. Nonetheless, in addition to its strong presence in the telecommunications sector, TechM has been able to successfully penetrate other industry markets because of its strong network management capabilities. These capabilities have allowed TechM to become a preferred partner for many cutting edge IoT (internet of things) platform providers such as GE, Bosch and IBM.

INVESTMENT MANAGER'S REPORT (Continued)

TechM's investment thesis hinges upon its ability to enhance margins and operational efficiency. After its failed integration of U.S.-based Lightbridge Communications (LCC), which the company acquired in 2014, the market questioned TechM's competence to increase margins and execute its growth strategy effectively. However, we have observed signs of a turnaround. While a disruption by cloud computing may present a headwind for TechM, we believe the company should be among the least negatively affected Indian IT services players because it is focused primarily on network management (more a facilitator of the cloud technology than a victim of it).

Additionally, TechM and other Indian IT services providers such as Infosys have recently seen their stock prices fall on the specter of proposed protectionist policies in the United States. This provided us with a good opportunity to invest in both TechM and Infosys, as we believe they will be able to adjust their pricing and service models to minimize the potential impact of such policies on their earnings.

As of 30 June 2017, Brazil continued to represent the Fund's largest country allocation, even after we sold or trimmed a number of our positions there. While the composition of our Brazilian holdings remains well diversified, the companies we now own are mostly domestic oriented, with the exception of export-focused Embraer. Other key areas of exposure included South Korea and Russia.

From a sector and industry perspective, the Fund held its largest weightings in financials (specifically banks), consumer discretionary, wireless telecommunication services and REITs.

Compared to the MSCI Emerging Markets (EM) Index, the Fund had larger allocations to consumer discretionary and Brazil, while maintaining lower allocations to information technology (even after the additions of Infosys and TechM during the period) and China.

Even with the strong performance of EM stocks over the past 18 months, we believe there is still ample opportunity in the asset class. Our analysis shows that valuations for EM equities remain attractive relative to those in developed markets, especially the United States.

We are also optimistic about the prospects for value stocks. Although EM value stocks rebounded strongly in 2016, the solid performance did not carry through in the first half of 2017. Boosted by strong gains among technology companies, the MSCI EM Growth Index outperformed the MSCI EM Value Index by 10% in the period. Amid this challenging environment, we are encouraged by value stocks' attractive valuations, especially when compared with growth stocks. As of 30 June 2017, EM growth stocks traded at a fairly significant premium to their 10-year forward price-to-earnings average, while value stocks continued to trade in line with their long-term average. This disparity bodes well for value stocks in the long run, in our opinion.

As market dynamics constantly present challenges and opportunities, Brandes maintains a disciplined process of stock selection based on fundamental, detailed research in emerging markets. We are always focused on company valuations and margin of safety—because we believe this careful approach is the most prudent way to pursue growth for our clients' assets over the long term.

Please see important disclosure information on page 63.

BRANDES EMERGING MARKETS VALUE FUND
SCHEDULE OF INVESTMENTS AS AT 30 June 2017

Investment	Nominal Holding	Market Value‡ US\$	% of Net Assets
EQUITIES			
Argentina (0.92%; 31 December 2016: 1.03%)			
YPF SA Sponsored ADR	21,613	472,893	0.92
Austria (2.81%; 31 December 2016: 2.67%)			
Erste Group Bank AG	38,042	1,446,005	2.81
Brazil (16.00%; 31 December 2016: 18.82%)			
AES Tiete Energia SA	59,600	245,567	0.48
Banco Bradesco SA Preference Shares	52,797	448,461	0.87
Banco do Brasil SA	34,000	274,943	0.54
Cia Brasileira de Distribuicao Preference Shares	97,100	1,905,422	3.70
Cia Paranaense de Energia	14,300	82,013	0.16
Cia Paranaense de Energia Preference Shares	46,090	340,851	0.66
Embraer SA Sponsored ADR	73,991	1,390,292	2.70
Estacio Participacoes SA	162,000	714,425	1.39
Kroton Educacional SA	175,400	786,756	1.53
Marfrig Global Foods SA	378,300	769,641	1.50
Petroleo Brasileiro SA Preference Shares	105,000	391,741	0.76
Petroleo Brasileiro SA Sponsored ADR	56,587	422,705	0.82
Telefonica Brasil SA Preference Shares	25,400	343,865	0.67
Telefonica Brasil SA Sponsored ADR	8,492	114,472	0.22
		8,231,154	16.00
Chile (2.97%; 31 December 2016: 3.91%)			
Empresa Nacional de Telecomunicaciones SA	45,656	495,195	0.96
Enel Chile SA	9,461,820	1,031,810	2.01
		1,527,005	2.97
China (2.29%; 31 December 2016: 2.37%)			
Dongfeng Motor Group Co., Ltd.	832,000	982,528	1.91
Weiqiao Textile Co.	273,500	195,471	0.38
		1,177,999	2.29
Colombia (1.76%; 31 December 2016: 1.71%)			
Grupo Aval Acciones y Valores SA Preference Shares	1,514,467	623,680	1.21
Grupo Aval Acciones y Valores SA Sponsored ADR	33,798	279,848	0.55
		903,528	1.76
Cyprus (0.00%; 31 December 2016: 0.76%)			
Czech Republic (0.59%; 31 December 2016: 0.54%)			
Telefonica O2 Czech Republic AS	25,692	304,788	0.59
Greece (1.89%; 31 December 2016: 1.54%)			
Hellenic Telecommunications Organization SA	80,661	970,097	1.89
Hong Kong (10.87%; 31 December 2016: 10.99%)			
Bosideng International Holdings Ltd.	4,362,000	368,740	0.72
China Mobile Ltd.	127,750	1,355,639	2.64
Chow Tai Fook Jewellery Group Ltd.	503,800	531,712	1.03
First Pacific Co., Ltd.	1,059,000	779,928	1.52
Lifestyle China Group Ltd.	495,000	164,843	0.32
Lifestyle International Holdings Ltd.	514,000	705,746	1.37
Luk Fook Holdings International Ltd.	192,000	655,374	1.27
Universal Medical Financial & Technical Advisory Services Co., Ltd.	608,000	485,157	0.94
Yue Yuen Industrial Holdings Ltd.	132,000	543,558	1.06
		5,590,697	10.87
India (5.05%; 31 December 2016: 2.27%)			
Infosys Ltd.	52,346	756,552	1.47
Reliance Infrastructure Ltd.	94,662	729,251	1.42
Reliance Infrastructure Ltd. GDR	4,689	108,259	0.21
Tech Mahindra Ltd.	169,040	1,001,622	1.95
		2,595,684	5.05
Indonesia (2.22%; 31 December 2016: 1.24%)			
XL Axiata Tbk PT	4,509,625	1,143,690	2.22
Luxembourg (1.37%; 31 December 2016: 1.52%)			
Adecoagro SA	18,972	189,530	0.37
Ternium SA Sponsored ADR	18,424	517,346	1.00
		706,876	1.37

SCHEDULE OF INVESTMENTS (Continued) AS AT 30 JUNE 2017

Investment	Nominal Holding	Market Value‡ US\$	% of Net Assets
EQUITIES (Continued)			
Malaysia (0.00%; 31 December 2016: 1.02%)			
Mexico (3.04%; 31 December 2016: 3.13%)			
Cemex SAB de CV Sponsored ADR	153,152	1,442,692	2.80
Urbi Desarrollos Urbanos SAB de CV	355,018	123,825	0.24
		1,566,517	3.04
Pakistan (0.51%; 31 December 2016: 0.53%)			
Nishat Mills Ltd.	173,000	261,686	0.51
Panama (1.61%; 31 December 2016: 1.80%)			
Banco Latinoamericano de Comercio Exterior SA	30,270	828,490	1.61
Russia (10.98%; 31 December 2016: 11.53%)			
Gazprom PJSC	200,587	402,062	0.78
Gazprom PJSC Sponsored ADR	68,809	273,860	0.53
Lukoil PJSC Sponsored ADR	23,376	1,137,009	2.21
MegaFon PJSC	72,784	659,945	1.28
Mobile TeleSystems PJSC	253,144	1,005,849	1.96
Sberbank of Russia PJSC Sponsored ADR	117,260	1,215,986	2.36
Sistema PJSC FC	1,082,088	223,196	0.43
Surgutneftgas OJSC ADR	11,387	55,910	0.11
Surgutneftgaz OJSC Preference Shares	1,403,444	677,110	1.32
		5,650,927	10.98
Singapore (0.29%; 31 December 2016: 0.24%)			
China Yuchai International Ltd.	8,244	149,958	0.29
South Africa (1.93%; 31 December 2016: 0.00%)			
Barclays Africa Group Ltd.	90,376	992,150	1.93
South Korea (13.84%; 31 December 2016: 13.87%)			
Hana Financial Group Inc.	13,932	550,388	1.07
Hyundai Mobis Co., Ltd.	4,849	1,057,401	2.06
Hyundai Motor Co. Preference Shares	13,112	1,283,524	2.49
Kia Motors Corp.	25,747	858,496	1.67
KT&G Corp.	15,385	1,566,536	3.04
POSCO	2,004	501,810	0.98
Samsung Electronics Co., Ltd.	392	814,047	1.58
Shinhan Financial Group Co., Ltd.	11,305	487,119	0.95
		7,119,321	13.84
Spain (1.11%; 31 December 2016: 0.00%)			
Prosegur Cash SA	219,114	569,344	1.11
Thailand (3.70%; 31 December 2016: 3.99%)			
Bangkok Bank NVDR	159,900	868,459	1.69
Jasmine Broadband Internet Infrastructure Fund	1,554,100	503,241	0.98
Kasikornbank PCL	82,500	484,508	0.94
Kasikornbank PCL NVDR	7,800	45,579	0.09
		1,901,787	3.70
Turkey (3.69%; 31 December 2016: 4.07%)			
Akbank TAS	204,765	570,335	1.11
Turkiye Garanti Bankasi AS	203,614	566,551	1.10
Turkiye Vakiflar Bankasi Tao	414,227	761,713	1.48
		1,898,599	3.69
United Kingdom (1.07%; 31 December 2016: 1.75%)			
ITE Group plc	273,839	548,367	1.07
TOTAL EQUITIES		46,557,562	90.51

SCHEDULE OF INVESTMENTS (Continued) AS AT 30 JUNE 2017

Investment	Nominal Holding	Market Value‡ US\$	% of Net Assets
REAL ESTATE INVESTMENT TRUSTS (REIT)			
Mexico (5.78%; 31 December 2016: 5.21%)			
Fibra Uno Administracion de CV	558,499	1,056,759	2.05
Macquarie Mexico Real Estate Management SA de CV	713,720	840,006	1.63
PLA Administradora Industrial S de RL de CV	587,511	1,079,929	2.10
		2,976,694	5.78
Turkey (2.13%; 31 December 2016: 2.32%)			
Emlak Konut Gayrimenkul Yatirim Ortakligi AS	1,310,297	1,094,878	2.13
		4,071,572	7.91
WARRANTS			
United Kingdom (0.67%; 31 December 2016: 0.00%)			
HSBC Bank	42,856	306,490	0.59
HSBC Bank WTS	4,902	40,416	0.08
		346,906	0.67
TOTAL WARRANTS		346,906	0.67
TOTAL INVESTMENTS		50,976,040	99.09
Other Assets less Liabilities		465,629	0.91
TOTAL VALUE OF SUB-FUND AS AT 30 JUNE 2017		51,441,669	100.00

‡ The market value of financial assets are priced at their current bid prices for financial statement purposes, in accordance with FRS 102.

Analysis of Total Assets

	% Total Assets
Transferable securities admitted to official stock exchange listing	98.98
Cash and cash equivalents	0.64
Other assets	0.38
Total Assets	100.00

CONDENSED STATEMENT OF FINANCIAL POSITION

All amounts are expressed in US\$

As at 30 June 2017 and 31 December 2016

	<u>2017</u>	<u>2016</u>	
ASSETS			
<i>Financial assets at fair value through profit or loss</i>			
Transferable securities	50,976,040	47,115,324	
<i>Financial assets at amortised cost</i>			
Cash at bank	328,683	1,188,962	
Receivable for shares sold	5,692	205,506	
Receivable for securities sold	170,248	1,926,501	
Receivable for fund reimbursement	–	8,108	
Dividends and deposit interest income receivable	20,349	–	
TOTAL ASSETS	<u>51,501,012</u>	<u>50,444,401</u>	
LIABILITIES (AMOUNTS PAYABLE WITHIN ONE FINANCIAL YEAR)			
<i>Financial liabilities at amortised cost</i>			
Expenses payable	(54,241)	(52,796)	
Payables for shares redeemed	(5,102)	(2,644,511)	
Dividends and deposit interest income payable	–	(75,169)	
TOTAL LIABILITIES	<u>(59,343)</u>	<u>(2,772,476)</u>	
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES (FOR FINANCIAL STATEMENT PURPOSES)	<u>51,441,669</u>	<u>47,671,925</u>	
ADJUSTMENT FROM BID PRICE TO SHAREHOLDER DEALING PRICES	83,407	8,250	
ORGANISATIONAL EXPENSES ADJUSTMENT	(3,908)	732	
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES (FOR SHAREHOLDER DEALING PURPOSES)	<u>51,521,168</u>	<u>47,680,907</u>	
	<u>30 June 2017</u>	<u>31 December 2016</u>	<u>30 June 2016</u>
US Dollar Class A			
Net asset value for shareholder dealing purposes (US\$)	2,037,205	974,143	479,281
Number of shares outstanding	197,501	106,972	55,465
Net asset value per share for shareholder dealing purposes (US\$)	10.31	9.11	8.64
Euro Class A			
Net asset value for shareholder dealing purposes (€EUR)	5,109,248	3,523,586	3,954,464
Number of shares outstanding	424,632	305,488	381,068
Net asset value per share for shareholder dealing purposes (€EUR)	12.03	11.53	10.38
US Dollar Class I			
Net asset value for shareholder dealing purposes (US\$)	30,797,578	34,907,604	34,121,400
Number of shares outstanding	2,532,794	3,262,254	3,372,666
Net asset value per share for shareholder dealing purposes (US\$)	12.16	10.71	10.12
Euro Class I			
Net asset value for shareholder dealing purposes (€EUR)	11,251,466	7,685,416	355,378
Number of shares outstanding	866,600	619,968	31,936
Net asset value per share for shareholder dealing purposes (€EUR)	12.98	12.40	11.13

The accompanying notes form an integral part of these financial statements

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

All amounts are expressed in US\$

	Financial period ended 30 June 2017	Financial period ended 30 June 2016
INCOME		
Income from financial assets at fair value through profit or loss	714,150	452,698
Interest income	2,388	497
	<u>716,538</u>	<u>453,195</u>
NET GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	6,247,650	3,888,286
TOTAL INCOME	<u>6,964,188</u>	<u>4,341,481</u>
EXPENSES		
Management fee	(217,351)	(112,064)
Operating expenses	(38,096)	(29,377)
Transaction costs	(63,915)	(39,265)
Administration fee	(21,524)	(16,292)
Distributor fee	(28,981)	(13,599)
Depositary and trustee fee	(12,737)	(5,167)
Directors' fees and insurance	(1,528)	(1,335)
Interest expense	(194)	(205)
TOTAL EXPENSES	<u>(384,326)</u>	<u>(217,304)</u>
Fund reimbursement	(19,151)	(2,724)
Withholding tax on dividends	(159,965)	(42,453)
TOTAL INCREASE IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES FROM OPERATIONS FOR THE FINANCIAL PERIOD	<u><u>6,400,746</u></u>	<u><u>4,079,000</u></u>

There are no recognised gains or losses arising in the financial period other than those dealt with in the Condensed Statement of Comprehensive Income.

In arriving at the results of the financial period, all amounts above relate to continuing operations.

The accompanying notes form an integral part of these financial statements

CONDENSED STATEMENT OF CHANGES IN NET ASSETS

All amounts are expressed in US\$	Financial period ended 30 June 2017	Financial period ended 30 June 2016
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES AT THE BEGINNING OF THE FINANCIAL PERIOD (FOR FINANCIAL STATEMENT PURPOSES)	47,671,925	25,604,703
INCREASE IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES FROM OPERATIONS FOR THE FINANCIAL PERIOD	6,400,746	4,079,000
CAPITAL TRANSACTIONS		
Proceeds from shares issued	10,232,789	14,028,463
Payments for shares redeemed	(12,863,791)	(4,537,653)
	<u>(2,631,002)</u>	<u>9,490,810</u>
INCREASE IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES FOR THE FINANCIAL PERIOD	<u>3,769,744</u>	<u>13,569,810</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES AT THE END OF THE FINANCIAL PERIOD (FOR FINANCIAL STATEMENT PURPOSES)	<u>51,441,669</u>	<u>39,174,513</u>

The accompanying notes form an integral part of these financial statements

CONDENSED AGGREGATE STATEMENT OF FINANCIAL POSITION

All amounts are expressed in US\$

As at 30 June 2017 and 31 December 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
<i>Financial assets at fair value through profit or loss</i>		
Transferable securities	1,413,495,189	1,163,341,635
<i>Financial assets at amortised cost</i>		
Cash at bank	37,060,383	131,850,415
Receivable for shares sold	4,873,772	19,942,578
Receivable for investment sold	2,865,962	1,926,501
Fund reimbursement receivable	–	8,108
Dividends and deposit interest income receivable	6,451,028	2,773,252
TOTAL ASSETS	<u>1,464,746,334</u>	<u>1,319,842,489</u>
LIABILITIES (AMOUNTS PAYABLE WITHIN ONE FINANCIAL YEAR)		
<i>Financial liabilities at fair value through profit or loss</i>		
Financial Derivative Instruments	(107,877)	(36,664)
<i>Financial liabilities at amortised cost</i>		
Expenses payable	(1,669,180)	(1,368,689)
Payable for shares redeemed	(5,506,396)	(4,204,804)
Payables for securities purchased	(29,867)	(24,752,177)
Dividends and deposit interest income payable	–	(75,169)
TOTAL LIABILITIES	<u>(7,313,320)</u>	<u>(30,437,503)</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES (FOR FINANCIAL STATEMENT PURPOSES)	<u>1,457,433,014</u>	<u>1,289,404,986</u>
ADJUSTMENT FROM BID PRICE TO SHAREHOLDER DEALING PRICES	2,805,687	(1,043,615)
TRADE DATE ADJUSTMENT	–	3,895
ORGANISATIONAL EXPENSES ADJUSTMENT	(3,908)	732
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES (FOR SHAREHOLDER DEALING PURPOSES)	<u>1,460,234,793</u>	<u>1,288,365,998</u>

The accompanying notes form an integral part of these financial statements

CONDENSED AGGREGATE STATEMENT OF COMPREHENSIVE INCOME

	Financial period ended 30 June 2017	Financial period ended 30 June 2016
All amounts are expressed in US\$		
INCOME		
Income from financial assets at fair value through profit or loss	27,942,083	16,664,077
Stock lending income	277,849	–
Interest income	85,796	15,557
Other Income	1,381	93,841
	<u>28,307,109</u>	<u>16,773,475</u>
NET GAIN /LOSS) ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	9,769,464	(43,628,662)
TOTAL INCOME/(LOSS)	<u>38,076,573</u>	<u>(26,855,187)</u>
EXPENSES		
Management fee	(5,165,040)	(2,964,109)
Operating expenses	(458,643)	(411,680)
Transaction costs	(1,199,761)	(1,060,859)
Administration fee	(368,633)	(243,400)
Distributor fee	(1,124,087)	(995,692)
Depositary and trustee fee	(207,664)	(103,659)
Directors' fees and insurance	(43,552)	(49,647)
Interest expense	(105,835)	(52,707)
TOTAL EXPENSES	<u>(8,673,215)</u>	<u>(5,881,753)</u>
Fund reimbursement	(19,151)	(2,724)
Withholding tax on dividends	<u>(1,564,734)</u>	<u>(938,327)</u>
NET INCOME /(EXPENSE) BEFORE FINANCE COSTS	27,819,473	(33,677,991)
Finance costs	<u>(610,304)</u>	<u>(552,184)</u>
TOTAL INCREASE /(DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES FROM OPERATIONS FOR THE FINANCIAL PERIOD	<u>27,209,169</u>	<u>(34,230,175)</u>

There are no recognised gains or losses arising in the financial period other than those dealt with in the Condensed Aggregate Statement of Comprehensive Income.

In arriving at the results of the financial period, all amounts above relate to continuing operations.

The accompanying notes form an integral part of these financial statements

CONDENSED AGGREGATE STATEMENT OF CHANGES IN NET ASSETS

	Financial period ended 30 June 2017	Financial period ended 30 June 2016
All amounts are expressed in US\$		
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES AT THE BEGINNING OF THE FINANCIAL PERIOD (FOR FINANCIAL STATEMENT PURPOSES)	1,289,404,986	750,652,782
NOTIONAL EXCHANGE ADJUSTMENT	77,573,718	7,094,699
INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES FROM OPERATIONS FOR THE FINANCIAL PERIOD	27,209,169	(34,230,175)
CAPITAL TRANSACTIONS		
Proceeds from shares issued	397,115,849	389,815,018
Payments for shares redeemed	<u>(333,870,709)</u>	<u>(176,626,742)</u>
	63,245,140	213,188,276
INCREASE IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES FOR THE FINANCIAL PERIOD	<u>90,454,309</u>	<u>178,958,101</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES AT THE END OF THE FINANCIAL PERIOD (FOR FINANCIAL STATEMENT PURPOSES)	<u>1,457,433,014</u>	<u>936,705,582</u>

The accompanying notes form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDING 30 JUNE 2017

1. SIGNIFICANT ACCOUNTING POLICIES

These unaudited condensed interim financial statements have been prepared for the financial period ended 30 June 2017.

Statement of compliance

These unaudited condensed interim financial statements have been prepared in accordance with the Financial Reporting Standard 104 'Interim Financial Reporting' ("FRS 104"), and should be read in conjunction with the Fund's annual audited financial statements for the financial year ended 31 December 2016 which were prepared in accordance with FRS 102, Irish Statutes comprising the Companies Act 2014 (as amended), the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 as amended (the "UCITS Regulations"), and the Listing Rules of the Irish Stock Exchange. These condensed financial statements are consistent with the accounting policies in preparing the prior annual financial statements. There has been no significant change to any accounting policy or estimation techniques during the financial period.

Basis of preparation

The financial statements are prepared under the historical cost convention as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss. The Valuation Point is close of business on the New York Stock Exchange which is usually 4pm New York time on the relevant Dealing Day. The Dealing Day is any business day excluding those days on which either the New York Stock Exchange or Irish Stock Exchange is closed.

The format and wording of certain line items on the primary statements contain departures from the Guidelines under Schedule 3 Part II of the Companies Act 2014 (as amended) so that, in the opinion of the Directors, they more appropriately reflect the nature of the Fund's structure as an investment fund.

In addition, the Fund has availed of the exemption available to open-ended investment funds under FRS 102 to not present a cash flow statement.

All references to net assets throughout the documents refers to Net Assets Attributable to Holders of Redeemable Participating Shares unless otherwise stated.

These interim financial statements are unaudited. We note that the statutory auditor's report in the Fund's annual audited financial statements for the year ended 31 December 2016 was unqualified.

Foreign Exchange Translation

Functional and Presentation Currency

The functional and presentation currency is U.S. Dollar (US\$) in the case of Brandes Global Value Fund, Brandes U.S. Value Fund and Brandes Emerging Markets Value

Fund and Euro (EUR) in the case of Brandes European Value Fund. These are considered to be the currencies of the primary economic environments of the Sub-Funds. The presentation currency of the Aggregate Financial Statements is U.S. Dollar (US\$).

Transactions and Balances

Assets and liabilities denominated in currencies other than the functional currency of the Sub-Fund are translated into the functional currency at the rate of exchange prevailing at the reporting date. Transactions in currencies other than the functional currency of the Sub-Fund are translated into the functional currency at the rate of exchange prevailing at the dates of the transactions.

Gains and losses on foreign exchange transactions are recognised in the Statement of Comprehensive Income in determining the result for the financial period.

Proceeds from subscriptions and amounts paid for redemptions of redeemable participating shares in currencies other than the functional currency are translated into the functional currency at the rates prevailing on the dates of the transactions.

The Statement of Financial Position is translated using exchange rates at the financial period end and the Statement of Comprehensive Income and Statement of Changes in Net Assets are translated at an average rate for Brandes European Value Fund for inclusion in the Aggregate Financial Statements of the Fund. See note 7 for further details.

Critical accounting judgements and estimates

Management may make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of income and expenses during the financial period. The resulting accounting estimates will, by definition, seldom equal the actual results.

2. SOFT COMMISSIONS

Brandes Investment Partners, L.P. (the "firm") may execute brokerage transactions for Brandes Investment Funds plc with full service brokers who provide the firm with research and brokerage products and services. In addition, the firm currently maintains a limited number of soft-dollar arrangements with several brokers for the provision of third-party research (Client Commission Arrangements or "CCAs").

The Fund participates in the CCA programme of the firm and has entered into soft commission arrangements involving commissions of the Fund for the provision of third party research or services during the financial period.

Notes continue on the next page

3. FINANCIAL RISK MANAGEMENT

Strategy in using Financial Instruments

In pursuing its investment objective, the Fund is exposed to a variety of financial risks: market risk (including price risk, currency risk and to a lesser extent interest rate risk), credit risk and liquidity risk that could result in a reduction in the Fund's net assets. The Fund's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Sub-Funds' financial performance.

The risks, and the Directors' approach to the management of those risks, are as follows.

Price Risk

Price risk is the risk that the future fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. At 30 June 2017 and 31 December 2016, the exposure of the Fund to financial instruments is disclosed in the schedule of investments on pages 7-8 for Brandes Global Value Fund, pages 15-17 for Brandes European Value Fund, pages 25-26 for Brandes U.S. Value Fund and pages 32-34 for Brandes Emerging Markets Value Fund.

The Sub-Funds' security investments consist of quoted equities, real estate investments trusts, fixed income, forwards, rights, and convertible securities for which the values are determined by market forces. All security investments present a risk of loss of capital. The Investment Manager moderates this risk through a careful selection of securities within specified limits. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. The Board of Directors manages the price risks inherent in the investment portfolios by ensuring full and timely access to relevant information from the Investment Manager. The Board meets regularly and at each meeting reviews investment performance and overall market positions, monitors the Investment Manager's compliance with the Fund's objectives and is responsible for investment strategy and asset allocation. There were no material changes to the Fund's policies and processes for managing price risk and the methods used to measure risk since the financial period end.

The Sub-Funds' security investments are susceptible to market price risk arising from uncertainties about future prices of the instruments. The Fund's market price risk is managed through diversification of the investment portfolio.

At 30 June 2017 and 31 December 2016 the Fund's market risk is affected by two main components: changes in actual security prices and foreign currency movements. Foreign currency movements are covered in the note that follows.

Currency Risk

Currency risk is the risk that the future fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Certain of the Sub-Funds' assets, liabilities and income are denominated in currencies other than the functional currency of the Sub-Fund. Therefore, they are exposed to currency risk as their value will fluctuate due to changes in foreign exchange rates. Income and expenses denominated in foreign currencies are converted to the functional currency of the Sub-Fund.

In accordance with the Fund's policy, the Investment Manager monitors the Fund's currency position on a daily basis and the Board of Directors reviews it on a quarterly basis with reference to the schedule of investments analysed by country and appropriate commentary provided by the Investment Manager. However, it is not the policy for the Fund to hedge currency positions that arise as a result of investment decisions by the Investment Manager. There were no material changes to the Fund's policies and processes in respect of currency risk and the methods used to measure risk since the financial period end.

As the Classes of Shares are denominated in different currencies, the Sub-Funds may engage in currency hedging operations in relation to Classes AH and IH with a view to mitigating, so far as practicable, the effect of adverse currency movements between the currency of denomination of each of the Classes of Shares and the base currency of the relevant Sub-Funds. The benefits, losses and expenses relating to such hedging transactions shall be for the account of the relevant Class. At no stage will such hedging exceed 100% of the Net Asset Value of the relevant Class.

Interest Rate Risk

The majority of the Sub-Funds' financial assets and liabilities are non-interest bearing. As a result, the Sub-Funds are not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. Typically, excess cash is held in an interest bearing account custodied at State Street Custodial Services (Ireland) Limited, where interest earned is the prevailing short term market interest rate. Exception is on Brandes Global Value Fund, Brandes U.S. Value Fund, Brandes Emerging Markets Value Fund which purchased U.S. Government notes with excess cash for approximately 6%, 7%, 1% of Sub-Funds' total net asset value respectively.

This excess cash held with the Depositary may achieve a negative interest rate on deposits invested. Effects of negative interest rates on interest-bearing financial assets relate to changed business circumstances according to which some depositaries used by the Depositary charged negative interest rates on deposits held by the Depositary with those banks.

Notes continue on the next page

3. FINANCIAL RISK MANAGEMENT (Continued)

Credit Risk

The Sub-Funds take on exposure to credit risk, which is the risk that a counterparty or an issuer will be unable to pay amounts in full when due.

The Sub-Funds invest in financial assets, which have an investment grade as rated by a well-known rating agency. For unrated assets a rating is assigned using an approach that is consistent with rating agencies.

The majority of the Sub-Funds' financial assets are non-interest bearing equity securities. As a result, they are not subject to significant amounts of credit risk.

The Sub-Funds' securities are maintained within the Depository custodial network in segregated accounts. The Depository will ensure that any agent it appoints to assist in safekeeping the assets of the Fund will segregate the assets of the Fund. Thus in the event of insolvency or bankruptcy of the Depository, the Fund's assets are segregated and protected. This further reduces counterparty risk. The Sub-Funds' will, however, be exposed to the risk of the Depository or certain depositories used by the Depository, in relation to the Fund's cash held by the Depository. In the event of insolvency or bankruptcy of the Depository, the Sub-Funds' will be treated as a general creditor of the Depository in relation to cash holdings of the Sub-Funds.

Credit risk resulting from securities lending activity is managed in the context of the appointment of a securities lending agent and the Fund's oversight of the securities lending programme. The Board of Directors approves each counterparty for inclusion in the Fund's agency securities lending program based on a list of eligible counterparties provided by State Street Bank International GmbH, the Fund's securities lending agent.

All eligible counterparties have previously been reviewed by the Credit Department of State Street Bank International GmbH for its own internal credit review purposes as well as the financials sector research team of Brandes Investment Partners, L.P. prior to becoming an eligible counterparty.

In addition, all lending transactions are fully collateralised per terms established in the Fund's lending agreement with the agent. The Fund is indemnified for the replacement value of lent securities in the event of a borrower's failure to return such securities.

In accordance with the Fund's policy, the Investment Manager monitors the Sub-Funds' credit position on a daily basis, and the Board of Directors reviews it on a quarterly basis. There were no material changes to the Fund's policies and processes for managing credit risk and the methods used to measure risk since the financial period end.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with short term financial liabilities. The Sub-Funds are exposed to

daily cash redemptions of redeemable participating shares. The Sub-Funds invest the majority of their assets in equities and other financial instruments that are traded in an active market and can be readily disposed of. At any particular time, they invest only a limited proportion of their assets in investments not actively traded on a stock exchange.

The Sub-Funds' listed securities are considered readily realisable as they are listed on a stock exchange.

Per the Prospectus, the maximum amount that should be invested in any one holding is 5% of the Sub-Funds' total assets at the time of purchase.

In accordance with the Fund's policy, the Investment Manager monitors the Sub-Funds' liquidity positions on a daily basis, and the Board of Directors reviews it on a quarterly basis. There were no material changes to the Fund's policies and processes for managing liquidity risk and the methods used to measure risk since the financial period end.

4. FAIR VALUE HIERARCHY

FRS 102 Section 11.27 on "Fair Value: Disclosure" requires disclosure relating to the fair value hierarchy in which fair value measurements are categorised for assets and liabilities. The disclosures are based on a three-level fair value hierarchy for the inputs used in valuation techniques to measure fair value.

The fair value hierarchy as required under FRS 102 is based on the valuation inputs used to fair value the financial assets and liabilities and consideration of the market activity for each individual financial asset and liability. The definitions for Levels 1, 2 and 3 are set out below.

Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date. This category includes instruments valued using quoted prices in active markets for similar instruments; quoted prices for identical similar instruments in markets that are considered less than active; or valuation techniques for which all significant inputs are directly or indirectly observable from market data.

Level 2: Inputs other than quoted prices included within Level 1 that are observable (ie developed using market data) for the asset or liability, either directly (ie as prices) or indirectly (i.e. derived from prices).

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instruments valuation (ie for which market data is unavailable) for the asset or liability.

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4. FAIR VALUE HIERARCHY (Continued)

The level in the fair value hierarchy within which the fair value measurement was categorised in its entirety was determined on the basis of the lowest level input that was significant to the fair value measurement in its entirety. For this purpose, the significance of an input was assessed against the fair value measurement in its entirety. If a fair value measurement used observable inputs that required significant adjustment based on unobservable inputs, that measurement was a Level 3 measurement. Assessing the significance of a particular

input to the fair value measurement in its entirety required judgement, considering factors specific to the asset or liability. The determination of what constituted “observable” required significant judgement by the Investment Manager.

The Investment Manager considered observable data to be market data that was readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following tables provide an analysis of the fair value hierarchy of the Fund’s financial assets, measured at fair value at 30 June 2017:

Brandes Global Value Fund, US\$	Level 1	Level 2	Level 3	Total Fair Value 30 June 2017
Financial assets designated at fair value through profit or loss:				
Listed equity securities	241,021,522	–	–	241,021,522
Rights	86,353	–	–	86,353
Total financial assets	241,107,875	–	–	241,107,875

Brandes European Value Fund, €	Level 1	Level 2	Level 3	Total Fair Value 30 June 2017
Financial assets designated at fair value through profit or loss:				
Listed equity securities	834,968,092	–	–	834,968,092
Rights	587,069	–	–	587,069
Real estate investment trusts	27,679,207	–	–	27,679,207
Convertible securities	2,985,169	–	–	2,985,169
Investment Funds	32,000,000	–	–	32,000,000
Unrealised gain on open forward foreign currency exchange contracts	–	837	–	837
Total financial assets	898,219,537	837	–	898,220,374
Financial liabilities at fair value through profit or loss:				
Unrealised loss on open forward foreign currency exchange contracts	–	(94,451)	–	(94,451)
Total financial liabilities	–	(94,451)	–	(94,451)

Brandes U.S. Value Fund, US\$	Level 1	Level 2	Level 3	Total Fair Value 30 June 2017
Financial assets designated at fair value through profit or loss:				
Listed equity securities	95,509,177	–	–	95,509,177
Total financial assets	95,509,177	–	–	95,509,177

Brandes Emerging Markets Value Fund, US\$	Level 1	Level 2	Level 3	Total Fair Value 30 June 2017
Financial assets designated at fair value through profit or loss:				
Listed equity securities	46,362,091	195,471	–	46,557,562
Real estate investment trusts	4,071,572	–	–	4,071,572
Warrants	346,906	–	–	346,906
Total financial assets	50,780,569	195,471	–	50,976,040

During the financial period ended 30 June 2017, there were no transfers between levels of the fair value hierarchy for financial assets on Brandes Global Value Fund, Brandes European Value Fund or Brandes U.S. Value Fund. For Brandes Emerging Markets Value Fund there was a transfer from Level 1 to Level 2 during the period and is reflected as Level 2 in the table above.

None of the Sub-Funds had any Level 3 positions during the financial period ended 30 June 2017.

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4. FAIR VALUE HIERARCHY (Continued)

The following tables provide an analysis of the fair value hierarchy of the Fund's financial assets, measured at fair value at 31 December 2016:

Brandes Global Value Fund, US\$	Level 1	Level 2	Level 3	Total Fair Value 31 December 2016
Financial assets designated at fair value through profit or loss:				
Listed equity securities	263,753,688	–	–	263,753,688
Rights	98,532	–	–	98,532
Total financial assets	263,852,220	–	–	263,852,220

Brandes European Value Fund, €	Level 1	Level 2	Level 3	Total Fair Value 31 December 2016
Financial assets designated at fair value through profit or loss:				
Listed equity securities	698,372,950	–	–	698,372,950
Rights	363,274	–	–	363,274
Real estate investment trusts	18,253,068	–	–	18,253,068
Convertible securities	3,785,850	–	–	3,785,850
Total financial assets	720,775,142	–	–	720,775,142
Financial liabilities at fair value through profit or loss:				
Unrealised loss on open forward foreign currency exchange contracts	–	(34,830)	–	(34,830)
Total financial liabilities	–	(34,830)	–	(34,830)

Brandes U.S. Value Fund, US\$	Level 1	Level 2	Level 3	Total Fair Value 31 December 2016
Financial assets designated at fair value through profit or loss:				
Listed equity securities	93,649,837	–	–	93,649,837
Total financial assets	93,649,837	–	–	93,649,837

Brandes Emerging Markets Value Fund, US\$	Level 1	Level 2	Level 3	Total Fair Value 31 December 2016
Financial assets designated at fair value through profit or loss:				
Listed equity securities	43,521,299	–	–	43,521,299
Real estate investment trusts	3,594,025	–	–	3,594,025
Total financial assets	47,115,324	–	–	47,115,324

During the financial year ended 31 December 2016, there were no transfers between levels of the fair value hierarchy for financial assets on Brandes Global Value Fund, Brandes European Value Fund, Brandes U.S. Value Fund. Brandes Emerging Markets Value Fund held two level 3 investments at 31 December 2015. During the year one of the investments was sold, namely; Viver Incorporadora e Constructora and Urbi Desarrollos Urbanos SAB de CV is now priced using observable inputs and therefore is classified as level 1 for the financial year ended 31 December 2016.

Reconciliation of movements in Level 3 financial instruments measured at fair value

The following table shows a reconciliation of all movements in the fair value of financial instruments categorised within level 3 between the beginning and the end of the financial year ended 31 December 2016.

Brandes Emerging Markets Value Fund, US\$	Total
Opening balance	7,996
Gains recognised during the financial period	240,722
Purchases	310,290
Sales	(467,397)
Transfers into level 3	–
Transfers out of level 3	336,439
Movement in unrealised gains and losses	(336,328)
Realised gains and losses	(91,722)
Closing Balance	–

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5. SHARE CAPITAL AND REDEEMABLE PARTICIPATING SHARES

Management Shares and Redeemable Participating Shares

The authorised share capital of the Fund is €38,091 divided into 38,091 Management Shares of €1.00 each and 500,000,000,000 Shares of no par value initially designated unclassified shares.

The issued management share capital of the Fund is €38,091 divided into 38,091 Management Shares of €1.00 each of which €9,525 has been paid up and which are beneficially owned by Brandes Investment Partners, L.P. Management Shares do not entitle the holders to any dividend and on a winding down entitle the holder

to receive the amount paid up thereon but not otherwise to participate in the assets of the Fund.

The Net Assets Attributable to Holders of Redeemable Participating Shares are at all times equal to the Net Asset Value of the Fund. The Redeemable Participating Shares are in substance a liability of the Fund to its shareholders, under FRS 102, as they can be redeemed at the option of the shareholder.

During the financial period under review the Fund issued shares representing different classes of shares as a consequence of different fee structures in relation to Distribution fees, dividend policy and currency hedging policy applied to each share class.

Share Activity during the financial period ended 30 June 2017:

Brandes Global Value Fund	US Dollar Class A Number	Euro Class A Number	Sterling Class A Number	Sterling Class A1 Number
Balance at beginning of the financial period	760,306	211,173	11,882	1
Issued during the financial period	15,457	127,032	–	–
Redeemed during the financial period	(53,660)	(105,339)	(368)	–
Balance at end of the financial period	722,103	232,866	11,514	1

	US\$	US\$	US\$	US\$
Subscriptions during the financial period	304,955	2,470,890	–	–
Redemptions during the financial period	(1,057,477)	(2,077,374)	(11,178)	–

Brandes Global Value Fund	US Dollar Class I Number	Euro Class I Number	Sterling Class I Number	Sterling Class I1 Number
Balance at beginning of the financial period	5,719,844	2,769,311	1	1,871,694
Issued during the financial period	62,367	146,530	204,364	145
Redeemed during the financial period	(1,158,962)	(368,041)	–	(54,728)
Balance at end of the financial period	4,623,249	2,547,800	204,365	1,817,111

	US\$	US\$	US\$	US\$
Subscriptions during the financial period	1,610,137	3,425,702	6,926,097	2,360
Redemptions during the financial period	(29,794,978)	(8,589,211)	–	(943,785)

Brandes Global Value Fund	Sterling Class X¹ Number
Balance at beginning of the financial period	575,989
Issued during the financial period	–
Redeemed during the financial period	(575,989)
Balance at end of the financial period	–

	US\$
Subscriptions during the financial period	–
Redemptions during the financial period	(9,530,349)

¹ Share Class terminated on 23 January 2017.

Brandes European Value Fund	US Dollar Class A Number	Euro Class A Number	Euro Class A1 Number	Sterling Class A Number
Balance at beginning of the financial period	228,991	5,325,905	800,942	1
Issued during the financial period	48,095	772,499	696,004	321,307
Redeemed during the financial period	(36,241)	(1,649,220)	(255,129)	–
Balance at end of the financial period	240,845	4,449,184	1,241,817	321,308

	€EUR	€EUR	€EUR	€EUR
Subscriptions during the financial period	1,237,482	159,340,257	7,432,626	8,120,447
Redemptions during the financial period	(924,868)	(44,032,544)	(2,778,847)	–

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5. SHARE CAPITAL AND REDEEMABLE PARTICIPATING SHARES (Continued)

Brandes European Value Fund	US Dollar Class I Number	Euro Class I Number	Euro Class I1 Number	Sterling Class I Number
Balance at beginning of the financial period	102,570	16,755,182	234,300	115,680
Issued during the financial period	94,148	6,856,390	254,199	13,644
Redeemed during the financial period	(58,014)	(3,851,919)	(53,600)	(4,045)
Balance at end of the financial period	138,704	19,759,653	434,899	125,279

	€EUR	€EUR	€EUR	€EUR
Subscriptions during the financial period	2,679,575	262,911,811	2,946,821	469,627
Redemptions during the financial period	(1,620,698)	(145,981,800)	(632,916)	(136,067)

Brandes European Value Fund	Sterling Class I1 Number	Swiss Franc Class IH Number	US Dollar Class IH Number
Balance at beginning of the financial period	309,815	7,500	501,164
Issued during the financial period	105,811	4	99,382
Redeemed during the financial period	(14,774)	(7,500)	(71,550)
Balance at end of the financial period	400,852	4	528,996

	€EUR	€EUR	€EUR
Subscriptions during the financial period	1,490,547	39	959,248
Redemptions during the financial period	(208,923)	(75,119)	(669,184)

Brandes U.S. Value Fund	US Dollar Class A Number	Euro Class A Number	Sterling Class A Number	US Dollar Class I Number
Balance at beginning of the financial period	3,489,927	1,851,071	2,273	249,606
Issued during the financial period	404,704	595,330	6,543	40,979
Redeemed during the financial period	(784,497)	(1,151,740)	(6)	(17,290)
Balance at end of the financial period	3,110,134	1,294,661	8,810	273,295

	US\$	US\$	US\$	US\$
Subscriptions during the financial period	7,729,821	12,528,604	165,823	515,000
Redemptions during the financial period	(14,924,071)	(24,314,761)	(148)	(218,047)

Brandes U.S. Value Fund	Euro Class I Number
Balance at beginning of the financial period	290,910
Issued during the financial period	423,328
Redeemed during the financial period	(307,517)
Balance at end of the financial period	406,721

	US\$
Subscriptions during the financial period	11,881,493
Redemptions during the financial period	(8,698,626)

Brandes Emerging Markets Value Fund	US Dollar Class A Number	Euro Class A Number	US Dollar Class I Number	Euro Class I Number
Balance at beginning of the financial period	106,972	305,488	3,262,254	619,968
Issued during the financial period	139,537	149,752	292,513	247,046
Redeemed during the financial period	(49,008)	(30,608)	(1,021,973)	(414)
Balance at end of the financial period	197,501	424,632	2,532,794	866,600

	US\$	US\$	US\$	US\$
Subscriptions during the financial period	1,388,317	1,934,530	3,402,323	3,507,619
Redemptions during the financial period	(494,929)	(412,485)	(11,950,754)	(5,623)

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6. TAXATION

Under current law and practice, the Fund qualifies as an investment undertaking as defined in S739B(1) of the Taxes Consolidation Act, 1997, as amended. It is not chargeable to Irish tax on its income or capital gains. However, Irish tax may arise on the happening of a “chargeable event”. A chargeable event includes distribution payments to shareholders or encashments, redemptions, cancellations, transfers of shares or the 8 year anniversary of holding shares in the Fund. Any tax arising on a chargeable event is a liability of the shareholder, albeit it is paid by the Fund (although if the Fund fails to deduct the tax or the correct amount of tax it becomes ultimately a liability of the Fund). No tax will arise on the Fund in respect of chargeable events in respect of:

- (i) a shareholder who is neither Irish resident nor ordinarily resident in Ireland for tax purposes, at the time of the chargeable event, provided the necessary signed statutory declarations are held by the Fund, and;
- (ii) an exempt Irish resident shareholder (as defined in section 739D of the Taxes Consolidation Act, 1997 (as amended)) who has provided the Fund with the necessary signed statutory declarations.

Dividend interest and capital gains (if any) received on investments made by the Fund may be subject to withholding taxes imposed by the country from which the investment income/gains are received and such taxes may not be recoverable by the Fund or its shareholders.

Transaction costs

Transactions costs are incurred on the acquisition or disposal of financial assets or liabilities at fair value through profit or loss. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial assets or liabilities. They include fees and commissions paid to agents, advisors, brokers or dealers. Transaction costs, when incurred are expensed immediately

7. EFFICIENT PORTFOLIO MANAGEMENT

The Sub-Funds may employ investment techniques and instruments for efficient portfolio management (“EPM”) purposes and/or for short-term investment purposes under the conditions and limits set out by the Central Bank under the UCITS Regulations, 2015 (as amended) and in the Prospectus. These techniques and instruments may include investment in financial derivative instruments (“FDIs”). The Sub-Funds may enter into swap agreements, futures, forwards, options, and contracts for difference, repurchase and reverse repurchase agreements and securities lending agreements for EPM purposes, hedging purposes, to reduce portfolio risk or to obtain in a more efficient way exposure that would otherwise be obtained by direct investment in securities in accordance with the investment objectives. Transactions for EPM purposes may be undertaken with a view to achieving a reduction in risk and/or a reduction in costs and may not be speculative in nature. New techniques and instruments may be developed which may be suitable for use by a Sub-Fund and the Investment Manager may employ such techniques and instruments. The Sub-Funds may enter into repurchase agreements and reverse repurchase agreements for EPM purposes. There are no material revenues arising from the use of repurchase agreements or reverse repurchase agreements. During the financial period, the European Value Fund entered into foreign exchange forward contracts for hedging purposes in the Euro Class IH and Euro FD Class IH. For FDIs that were entered into during the financial period which remained open at period end and the resulting amount of commitments/exposures. The value of FDIs has been calculated using the commitment approach.

8. EXCHANGE RATES

The exchange rates per U.S. Dollar (US\$) at 30 June 2017 and 31 December 2016 used in this report are as follows:

	<u>2017</u>	<u>2016</u>
Brazilian Real	3.3129	3.2547
British Pound	0.7678	0.8114
Chilean Peso	663.8250	669.7950
Columbian Peso	3,047.4850	–
Czech Koruna	22.8692	25.6705
Euro	0.8755	0.9500
Ghana Cedi	4.3990	–
Hong Kong Dollar	7.8075	7.7545
Hungarian Forint	270.4111	293.7872
Indian Rupee	64.6375	67.8700
Indonesian Rupiah	13,327.5000	13,472.5000
Japanese Yen	112.4750	116.8750
Malaysian Ringgit	4.2927	4.4860
Mexican Peso	18.1488	20.7297
Pakistan Rupee	104.8500	104.3750
South African Rand	13.0825	–
South Korean Won	1,144.1500	1,207.8000
Swedish Krona	8.4247	9.1106
Swiss Franc	0.9589	1.0183
Thailand Baht	33.9700	35.8105
Turkish Lira	3.5185	3.5269

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8. EXCHANGE RATES (Continued)

The exchange rates per Euro (€EUR) at 30 June 2017 and 31 December 2016 used in this report are as follows:

	2017	2016
British Pound	0.8769	0.8541
Hungarian Forint	308.8499	309.2552
Russian Rouble	67.3583	64.5748
Swedish Krona	9.6223	9.5903
Swiss Franc	1.0952	1.0719
US Dollar	1.1421	1.0527

A notional currency adjustment of US\$ 77,573,718 (31 December 2016: US\$ 35,910,435) arises from the translation of the opening net assets, the Statement of Comprehensive Income and the Statement of Changes in Net Assets on the Brandes European Value Fund from Euro, which is the presentation currency of the Sub-Fund, to US Dollar which is the presentation currency of the Aggregate Financial Statements. The average exchange rate used for this purpose was EUR1=US\$ 1.0926 (31 December 2016: EUR1 = US\$ 1.007). The spot rates used was 30 June 2017: EUR1=US\$ 1.1421 (31 December 2016: EUR1=US\$ 1.0527).

9. STOCK LENDING ACTIVITIES

During the financial period ended 30 June 2017, the Fund engaged in approved stock lending transactions whereby it may dispose of securities to a counterparty in return for which it is agreed that securities of the same kind and amount should be transferred back to the Fund at a later date. The stock lending activities for the period were conducted through State Street Global Markets. Stock lending transactions have the substance of a loan of the Fund's securities in return for collateral. The Fund receives a fee in return for this loan of its securities.

The aggregate value of securities on loan and the value of collateral held by the Funds as at 30 June 2017 and 31 December 2016 are disclosed in the tables below.

Value of Securities on Loan		
	2017	2016
	US\$	US\$
Brandes Global Value Fund	–	3,177,628
Brandes European Value Fund	–	11,289,248
Brandes U.S. Value Fund	1,125,040	–

Value of Collateral Held		
	2017	2016
	US\$	US\$
Brandes Global Value Fund	–	3,378,739
Brandes European Value Fund	–	12,003,743
Brandes U.S. Value Fund	1,166,556	–

The income earned together with the related expenses, for the financial period ended 30 June 2017, is disclosed in the table below.

Income and Expenses of Securities on Loan			
	Brandes Global Value Fund	Brandes European Value Fund	Brandes U.S. Value Fund
30 June 2017	US\$	US\$	US\$
Stock Lending Income (Gross)	335,488	9,082	25,896
Agency Fees	(83,872)	(2,270)	(6,474)
Stock Lending Income (Net)	251,616	6,812	19,422

The income earned together with the related expenses, for the year ended 31 December 2016, is disclosed in the table below.

Income and Expenses of Securities on Loan			
	Brandes Global Value Fund	Brandes European Value Fund	Brandes U.S. Value Fund
31 December 2016	US\$	US\$	US\$
Stock Lending Income (Gross)	69,083	7,144	28,647
Agency Fees	(17,271)	(1,786)	(7,162)
Stock Lending Income (Net)	51,812	5,358	21,485

10. RELATED PARTIES' AND CONNECTED PARTY TRANSACTIONS

FRS 102 "Related Party Disclosures" requires the disclosure of information relating to material transactions with parties who are deemed to be related to the reporting entity.

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

The Fund's connected and related parties include the Directors, the Administrator, the Investment Manager and the Depository. Amounts incurred during the period and amounts due as at the Statement of Financial Position date in relation to these parties are detailed in notes 3 and 5.

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10. RELATED PARTIES' AND CONNECTED PARTY TRANSACTIONS (Continued)

- (i) Oliver Murray and Ian Sunder are members of Brandes Investment Partners, L.P. ("Brandes LP"), the Fund's Distributor and sister company to the Investment Manager Brandes Investment Partners (Europe) Limited. As Distributor, Brandes LP earned a fee of US\$ 1,124,087 for the period ended 30 June 2017 (30 June 2016: US\$1,001,460), of which US\$ 555,682 (31 December 2016: US\$484,528) was outstanding at the financial period end. These fees are paid to certain Sub-Distributors in accordance with the outstanding agreements between the Fund and those Sub-Distributors.
- (ii) John Otis is an employee of Brandes Investment Partners (Europe) Limited ("Brandes Europe"), the Fund's Investment Manager. As Investment Manager, Brandes Europe earned a fee of US\$5,165,040 during the financial period (30 June 2016: US\$2,736,875), of which US\$1,645,063 (31 December 2016: US\$710,435) was outstanding at the period end.
- (iii) As of 30 June 2017 Gerald Moloney, an independent non-executive Director held 9,000 shares in Brandes U.S. Value Fund Euro Class I and 4,000 shares in Brandes Emerging Markets Value Fund Euro Class I.
- (iv) The Fund incurred Directors' and officers' indemnity and Fund reimbursement liability insurance for the period ended 30 June 2017 of US\$28,193 (30 June 2016: US\$14,920).
- (v) As at 30 June 2017 Brandes Investment Partners LP held 9,525 management shares.

The Board of Directors is not aware of any transactions with connected persons during the financial period ended 30 June 2017 other than those disclosed in these financial statements.

Regulation 41 of the UCITS Regulations "Restrictions of transactions with connected persons" states that "A responsible person shall ensure that any transaction between a UCITS and a connected person is conducted a) at arm's length; and b) in the best interest of the unit-holders of the UCITS".

As required under UCITS Regulation 78.4, the Directors, as responsible persons are satisfied that there are in place arrangements, evidenced by written procedures, to ensure that the obligations that are prescribed by Regulation 41(1) are applied to all transactions with a connected party; and all transactions with a connected party that were entered into during the financial period to which the report relates complied with the obligations that are prescribed by Regulation 41(1).

11. COMPARATIVE FIGURES

The comparative figures stated in the financial statements are those for the financial year ended 31 December 2016 for the Condensed Statement of Financial Position and for the financial period ended 30 June 2016 for the Condensed Statement of Comprehensive Income and the Condensed Statement of Changes in Net Assets.

12. MATERIAL CHANGES TO THE PROSPECTUS DURING THE FINANCIAL PERIOD

There was no material changes to the Prospectus during the financial period.

13. CONTINGENT ASSETS AND LIABILITIES

The Brandes U.S. Value Fund is a named defendant, along with thousands of other entities and individuals, in a claim brought by creditors of a U.S. company, Tribune Company, in connection with the tendering or converting of shares of such company in a leveraged buyout. The formal proceeding occurring in the United States (with a formal complaint issued in June 2011) relates to a proposed claim by certain creditors of a now bankrupt U.S. company as against all prior named and unnamed shareholders of that company for the return of proceeds paid by the company to its shareholders on a share repurchase that occurred in 2007. The proceeding is currently at the pleadings stage. Following the U.S. Second Circuit Court of Appeals prior affirmation of the trial court's dismissal of certain state law claims of plaintiffs as pre-empted by the U.S. federal bankruptcy laws (but not impacting remaining U.S. federal claims brought by a creditor committee), the plaintiffs have recently filed a writ of certiorari with the United States Supreme Court challenging the dismissal, which was opposed. It is uncertain whether the Supreme Court will agree to hear the writ of certiorari. A stay of most discovery remains in effect and no trial date has been set. The Brandes U.S. Value Fund had approximately 23,517 such shares repurchased by this company in 2007 for total proceeds of approximately US\$799,578. As at the date hereof, Brandes is unable to assess the merits of this potential claim and will continue to monitor the proceedings but expects that any such claim against the Brandes U.S. Value Fund will be contested. Except with respect to certain matters, including notices of appearance, dispositive motion practice, and limited discovery, no action is required by any defendant to the multidistrict litigation until further order of the Court.

There were no contingent assets or contingent liabilities as at 30 June 2017, 31 December 2016 and 30 June 2016.

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14. SIGNIFICANT EVENTS AFFECTING THE COMPANY DURING THE FINANCIAL PERIOD

Sterling Class X Shares terminated in the Brandes Global Value Fund on 23 January 2017.

There have been no other significant events affecting the Fund during the financial period.

15. SUBSEQUENT EVENTS

A new Prospectus was published on 12 July 2017 for the Fund.

Brandes launched 8 new share classes on 12 July 2017:

Sub-Fund	Share Class
Brandes Global Value Fund	US Dollar Class A1
	US Dollar Class I1
Brandes European Value Fund	US Dollar Class A1
	US Dollar Class I1
Brandes U.S. Value Fund	US Dollar Class A1
	US Dollar Class I1
Brandes Emerging Markets Value Fund	US Dollar Class A1
	US Dollar Class I1

16. APPROVAL OF THE FINANCIAL STATEMENTS

The Board of Directors approved the interim report and unaudited condensed financial statements on 17 August 2017.

PORTFOLIO CHANGES – ALL ACQUISITIONS

In accordance with the UCITS Regulations the interim report needs to document material changes that have occurred in the disposition of the assets of the Sub-Funds during the financial period. A material change is defined as aggregate purchases of a security exceeding 1 per cent of the total value of purchases for the financial period or aggregate disposals greater than 1 per cent of the total value of sales. If there were fewer than 20 purchases that met the material changes definition, the Funds shall disclose those purchases and such number of the next largest purchases so that at least 20 purchases are disclosed. If there are fewer than 20 sales that met the material changes definition, the Funds shall disclose those sales and such number of the next largest sales so that at least 20 sales are disclosed.

The purchases and sales of the Sub-Fund in relation to Money Market Instruments for cash management purposes have been excluded from the below.

Schedule of material acquisitions of investments for the financial period ended 30 June 2017.

	<u>Nominal</u>	<u>Value US\$</u>
Publicis Groupe SA	37,746	2,557,772
KT&G Corp.	28,787	2,473,341
Kingfisher plc	615,023	2,389,347
Express Scripts Holding Co.	14,684	909,012
J Sainsbury plc	201,764	630,938
Marks & Spencer Group plc	101,446	419,746
McKesson Corp.	2,642	367,212
Engie SA	27,735	329,699
Carrefour SA	11,777	280,050
China Mobile Ltd.	24,000	260,733
Honda Motor Co., Ltd.	9,200	258,670

PORTFOLIO CHANGES – MATERIAL DISPOSALS

In accordance with the UCITS Regulations the interim report needs to document material changes that have occurred in the disposition of the assets of the Sub-Funds during the financial period. A material change is defined as aggregate purchases of a security exceeding 1 per cent of the total value of purchases for the financial period or aggregate disposals greater than 1 per cent of the total value of sales. If there were fewer than 20 purchases that met the material changes definition, the Funds shall disclose those purchases and such number of the next largest purchases so that at least 20 purchases are disclosed. If there are fewer than 20 sales that met the material changes definition, the Funds shall disclose those sales and such number of the next largest sales so that at least 20 sales are disclosed.

The purchases and sales of the Sub-Fund in relation to Money Market Instruments for cash management purposes have been excluded from the below.

Schedule of material disposals of investments for the financial period ended 30 June 2017.

	<u>Nominal</u>	<u>Value US\$</u>
Tim Participacoes SA Sponsored ADR	255,671	3,958,336
Western Digital Corp.	43,369	3,361,658
Genting Malaysia Bhd	2,077,700	2,776,146
Corning Inc.	107,150	2,736,648
Lukoil PJSC Sponsored ADR	35,887	1,941,479
Samsung Electronics Co., Ltd. Preference Shares	1,403	1,911,593
WM Morrison Supermarkets plc	547,686	1,661,910
Merck & Co., Inc.	21,569	1,385,509
Honda Motor Co., Ltd.	40,100	1,238,820
Citigroup Inc.	20,484	1,236,747
Microsoft Corp.	18,325	1,193,101
BP plc	194,526	1,094,638
Bank of America Corp.	44,002	1,085,803
Repsol SA	72,261	1,067,683
UBS Group AG	62,968	1,019,872
Leucadia National Corp.	42,286	1,010,416
Samsung Electronics Co., Ltd.	607	961,040
Erste Group Bank AG	26,829	815,863
American International Group Inc.	12,142	787,668
GlaxoSmithKline plc	35,533	728,249
Barclays plc	246,893	721,136
Sanofi	8,421	714,046
TOTAL SA	12,840	658,057
Pfizer Inc.	18,141	609,985
Embraer SA	98,300	585,160
Wells Fargo & Co.	9,798	570,265
Hyundai Motor Co., Ltd.	4,345	563,053
State Street Corp.	6,987	562,794
Schneider Electric SE	7,662	532,454
Bank of New York Mellon Corp.	11,114	527,803
McKesson Corp.	3,258	492,059
PNC Financial Services Group Inc.	3,797	483,952
Express Scripts Holding Co.	6,567	465,299

PORTFOLIO CHANGES – MATERIAL ACQUISITIONS

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The purchases and sales of the Sub-Fund in relation to Money Market Instruments for cash management purposes have been excluded from the below.

Schedule of material acquisitions of investments for the financial period ended 30 June 2017.

	<u>Nominal</u>	<u>Value €</u>
Kingfisher plc	2,881,055	11,245,596
Intesa Sanpaolo SpA	4,788,686	10,641,043
Carrefour SA	450,509	9,912,732
C&C Group plc	2,719,639	9,824,940
Tesco plc	4,308,695	9,708,063
Marks & Spencer Group plc	2,255,169	8,822,183
BP plc	1,527,359	8,318,920
UBS Group AG	562,415	8,293,285
LUKOIL PJSC	141,000	6,950,824
GlaxoSmithKline plc	359,889	6,726,882
Publicis Groupe SA	102,500	6,509,530
Eni SpA	436,715	6,467,509
Engie SA	544,995	6,256,883
AstraZeneca plc	125,100	6,246,680
Credit Suisse Group AG	438,895	6,181,913
Telecom Italia SpA	8,602,317	5,618,402
Sistema JSFC	21,521,493	5,467,146
Debenhams plc	9,019,979	5,442,210
Repsol SA	372,337	5,201,371
Renault SA	58,500	4,833,770
Orange SA	327,502	4,768,791
Aegon NV	962,200	4,712,344
Danieli & C Officine Meccaniche SpA	270,887	4,179,627
Surgutneftgaz OJSC Preference Shares	8,117,910	4,115,418
Vienna Insurance Group AG Wiener Versicherung Gruppe	179,488	4,079,487
Grivalia Properties REIC	495,892	3,985,522
J Sainsbury plc	1,284,800	3,898,707
Sanofi	48,863	3,844,155
Gazprom PJSC	1,711,700	3,818,999
Countrywide plc	1,942,366	3,709,532
LSL Property Services plc	1,379,414	3,381,312
Swiss Re AG	37,200	3,150,404
Wm Morrison Supermarkets PLC	1,052,000	2,853,520
Balfour Beatty PLC	899,000	2,782,136
ITE Group PLC	1,495,600	2,740,853
Mitie Group PLC	1,123,591	2,663,528
Telefonaktiebolaget LM Ericsson	482,700	2,632,659
Premier Foods PLC	5,350,000	2,628,161
Nokia OYJ	589,942	2,593,393

PORTFOLIO CHANGES – MATERIAL DISPOSALS

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The purchases and sales of the Sub-Fund in relation to Money Market Instruments for cash management purposes have been excluded from the below.

Schedule of material disposals of investments for the financial period ended 30 June 2017.

	<u>Nominal</u>	<u>Value €</u>
G4S plc	2,726,783	9,684,787
Spirent Communications plc	6,041,047	8,388,465
AstraZeneca plc	134,179	8,193,440
Arcadis NV	255,340	4,161,097
Ternium SA	148,451	3,689,422
Willis Towers Watson plc	25,557	3,430,651
Cie de Saint-Gobain	71,942	3,412,247
Buzzi Unicem SpA	232,453	3,148,098
Swatch Group AG	42,384	2,962,838
GlaxoSmithKline plc	146,200	2,787,685
Publicis Groupe SA	41,100	2,737,328
Mitie Group plc	720,000	2,326,316
Renault SA	28,700	2,300,969
Nokia oyj	360,610	2,060,243
Erste Group Bank AG	47,847	1,572,578
Savencia SA	16,831	1,490,886
BP plc	264,600	1,363,596
Groupe Bruxelles Lambert SA	15,855	1,291,009
Draegerwerk AG & Co KGaA	15,519	1,223,444
UBS Group AG	62,500	924,441
Telecom Italia SpA/Milano	1,422,000	916,974
Engie SA	67,100	915,669
Carrefour SA	41,200	915,589
Orange SA	64,400	914,831
HSBC Holdings PLC	117,700	914,439

PORTFOLIO CHANGES – MATERIAL ACQUISITIONS

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Schedule of material acquisitions of investments for the financial period ended 30 June 2017.

	Nominal	Value US\$
Alphabet Inc.	2,281	1,849,610
World Fuel Services Corp.	47,048	1,730,867
US Bancorp Preference Shares	74,800	1,713,068
AMERCO	4,533	1,699,021
HCA Healthcare Inc.	19,391	1,617,692
CVS Health Corp.	16,138	1,287,130
Gilead Sciences Inc.	17,582	1,168,974
Cal-Maine Foods Inc.	28,762	1,092,275
Laboratory Corp of America Holdings	8,250	1,079,442
Amgen Inc.	6,918	1,075,961
State Street Corp.	8,277	638,739
Wal-Mart Stores Inc.	7,365	496,158
Cognizant Technology Solutions Corp.	5,632	297,972
McKesson Corp.	2,100	292,843
Chevron Corp.	2,632	292,215
Apache Corp.	5,000	289,882
Avnet Inc.	5,172	234,593
Wells Fargo & Co.	4,100	233,041
Johnson & Johnson	1,550	175,760
American International Group Inc.	2,700	174,912

PORTFOLIO CHANGES – MATERIAL DISPOSALS

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The purchases and sales of the Sub-Fund in relation to Money Market Instruments for cash management purposes have been excluded from the below.

Schedule of material disposals of investments for the financial period ended 30 June 2017.

	<u>Nominal</u>	<u>Value US\$</u>
Varian Medical Systems Inc.	26,704	2,579,107
Corning Inc.	100,598	2,550,164
Western Digital Corp.	26,846	2,152,287
Verint Systems Inc.	52,291	2,134,440
Quest Diagnostics Inc.	15,526	1,562,687
Flex Ltd.	60,224	965,119
McKesson Corp.	5,108	788,135
JPMorgan Chase & Co.	8,654	748,757
Emerson Electric Co.	11,567	709,650
Oracle Corp.	16,282	708,619
Microsoft Corp.	10,285	694,935
Johnson & Johnson	5,162	692,087
Aaron's Inc.	16,307	568,412
Regions Financial Corp.	36,936	540,635
Cognizant Technology Solutions Corp.	8,454	524,079
BB & T Corp.	10,767	495,114
MDC Holdings Inc.	15,675	481,969
State Street Corp.	5,475	444,949
Citigroup Inc.	6,369	365,803
Wells Fargo & Co.	6,395	349,634
Bank of America Corp.	15,243	347,434
Cisco Systems Inc.	9,300	302,643
Twenty-First Century Fox Inc.	9,500	293,108
PepsiCo Inc.	2,525	289,161
PNC Financial Services Group Inc.	2,396	282,071
Briggs & Stratton Corp.	12,881	276,755
American International Group Inc.	4,160	267,360
Chevron Corp.	2,256	254,430

PORTFOLIO CHANGES – MATERIAL ACQUISITIONS

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The purchases and sales of the Sub-Fund in relation to Money Market Instruments for cash management purposes have been excluded from the below.

Schedule of material acquisitions of investments for the financial period ended 30 June 2017.

	<u>Nominal</u>	<u>Value US\$</u>
Tech Mahindra Ltd.	169,040	1,146,409
Barclays Africa Group Ltd.	90,376	947,381
Infosys Ltd.	52,346	799,923
MegaFon PJSC	72,784	733,585
Sberbank of Russia PJSC Sponsored ADR	47,223	546,387
Universal Medical Financial & Technical Advisory Services Co., Ltd.	608,000	517,025
KT&G Corp.	5,760	506,476
YPF SA Sponsored ADR	21,613	475,040
Prosegur Cash SA	219,114	469,408
Petroleo Brasileiro SA Preference Shares	91,200	391,060
Banco Latinoamericano de Comercio Exterior SA	13,130	367,825
XL Axiata Tbk PT	1,612,100	364,766
Fibra Uno Administracion SA de CV	236,797	347,602
Sistema PJSC FC	1,082,088	266,135
AES Tiete Energia SA	59,600	249,513
HSBC Bank	42,856	237,475
Samsung Electronics Co., Ltd.	114	192,010
China Mobile Ltd.	14,000	157,901
Hellenic Telecommunications Organization SA	16,426	149,812
Yue Yuen Industrial Holdings Ltd.	40,500	147,852
Reliance Infrastructure Ltd. GDR	18,071	137,663
Emlak Konut Gayrimenkul Yatirim Ortakligi AS	143,149	116,718

PORTFOLIO CHANGES – MATERIAL DISPOSALS

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The purchases and sales of the Sub-Fund in relation to Money Market Instruments for cash management purposes have been excluded from the below.

Schedule of material disposals of investments for the financial period ended 30 June 2017.

	<u>Nominal</u>	<u>Value US\$</u>
Arcos Dorados Holdings Inc	100,291	864,217
Tim Participacoes SA Sponsored ADR	40,406	652,956
Genting Malaysia Bhd	479,522	586,518
Samsung Electronics Co., Ltd.	286	570,092
KB Financial Group Inc	10,165	472,641
PLA Administradora Industrial S de RL de CV	284,260	463,438
Chow Tai Fook Jewellery Group Ltd.	466,400	450,936
Empresa Nacional de Telecomunicaciones SA	38,155	438,846
PC Jeweller Ltd.	50,736	396,990
Copa Holdings SA	3,878	379,606
Globaltrans Investment plc Sponsored GDR	57,630	369,059
Turkiye Vakiflar Bankasi Tao	204,190	335,865
Standard Chartered plc	29,308	295,870
Alpargatas SA Preference Shares	75,745	293,107
Reliance Infrastructure Ltd. GDR	10,585	279,804
Luk Fook Holdings International Ltd.	85,000	266,766
Banco do Brasil SA	22,500	241,084
Surgutneftegas OJSC ADR	39,478	221,761
Mobile TeleSystems PJSC	45,610	216,796
Cemex SAB de CV Sponsored ADR	22,425	193,669
Lifestyle International Holdings Ltd.	134,000	187,673
Shinhan Financial Group Co., Ltd.	4,284	186,638
Dongfeng Motor Group Co., Ltd.	150,000	177,548
Kasikornbank PCL NVDR	32,600	176,764
Haci Omer Sabanci Holding AS	56,406	174,508
Erste Group Bank AG	5,323	173,431
Banco Bradesco SA Preference Shares	15,400	158,503
Sberbank of Russia PJSC Sponsored ADR	12,880	140,750
Cia Brasileira de Distribuicao Preference Shares	7,800	138,911
Enel Chile SA	1,293,443	132,537
Hana Financial Group Inc.	3,750	131,354
Ternium SA ADR	4,940	130,976
Hellenic Telecommunications Organization SA	14,101	128,811
XL Axiata Tbk PT	540,300	126,475
Bangkok Bank PCL NVDR	23,600	122,926
Cia Paranaense de Energia Preference Shares	10,900	120,195
Emlak Konut Gayrimenkul Yatirim Ortakligi AS	140,539	119,162

TOTAL EXPENSE RATIO

For the financial period ended 30 June 2017 and financial year ended 31 December 2016

	<u>30 June 2017</u>	<u>31 December 2016</u>
Brandes Global Value Fund		
US Dollar Class A	1.01%	1.04%
Euro Class A	1.65%	1.68%
Sterling Class A	1.45%	1.51%
Sterling Class A1	–	1.78%
US Dollar Class I	0.87%	0.89%
Euro Class I	0.86%	0.90%
Sterling Class I	0.81%	N/A [‡]
Sterling Class I1	0.87%	0.90%
Brandes European Value Fund		
US Dollar Class A	1.55%	1.57%
Euro Class A	1.59%	1.60%
Euro Class A1	1.53%	1.55%
Sterling Class A	0.86%	1.38%
US Dollar Class I	0.85%	0.88%
Euro Class I	0.86%	0.89%
Euro Class I1 ⁽²⁾	0.84%	0.88%
Sterling Class I	0.86%	0.88%
Sterling Class I1 ⁽³⁾	0.84%	0.90%
US Dollar Class IH	0.92%	0.95%
Swiss Franc Class IH ⁽⁴⁾	0.92%	0.90%
Brandes U.S. Value Fund		
US Dollar Class A	1.62%	1.65%
Euro Class A	1.68%	1.72%
Sterling Class A	1.29%	1.66%
US Dollar Class I	0.93%	0.93%
Euro Class I	0.92%	0.94%
Brandes Emerging Markets Value Fund*		
US Dollar Class A	1.94%	1.95%
Euro Class A	1.96%	2.00%
US Dollar Class I	1.25%	1.25%
Euro Class I	1.18%	1.20%

Total Expense Ratios are based on the trailing 12 months preceding the dates listed above.

[‡] Share class consisted of 1 share and therefore is too small to calculate the total expense ratio.

* The Investment Manager has agreed to cap the total expense ratio at 1.25% for Class I Shares and 2.25% for Class A Shares of Brandes Emerging Markets Value Fund.

⁽¹⁾ Share Class launched on 10 March 2016. Expenses are not charged to the assets of Class X shares, but rather they are invoiced separately to investors.

⁽²⁾ Share Class launched on 14 June 2016.

⁽³⁾ Share Class launched on 10 June 2016.

⁽⁴⁾ Share Class IH launched on 29 November 2016.

SECURITIES FINANCING TRANSACTIONS

Article 13 of Regulation (EU) 2015/2365 on transparency of securities financing transactions (SFTs) and of reuse and amending Regulation (EU) No 648/2012, requires UCITS investment companies to provide the following information on the use made of SFTs and total return swaps (TRSs).

Securities Lending

Below is the market value of assets engaged in securities financing transactions at 30 June 2017:

Sub Fund	Market Value	% of Net Assets
Brandes US Value Fund	95,131,493	90%

Below is the market value of securities on loan as % of Total Lendable Assets

Sub Fund	Market Value	% of Total Lendable Assets
Brandes US Value Fund	1,125,040	1%

Listed below are the top 10 Counterparties used for each type of Securities Lending at 30 June 2017*

Counterparty	Rating	Value of outstanding transactions	Country of Establishment
Societe Generale SA	A2	1,125,040	France

*There is only one counterparty to report

Settlement/clearing for securities lending:

The settlement of the securities lending is done by State Street

Maturity tenor of the securities on loan:

Less than 1 day	–
1 day to 1 week	–
1 week to 1 month	–
1 to 3 months	–
3 months to 1 year	–
Greater than 1 year	–
Open Maturity	1,125,040

Type and Quality of the Collateral:	Rating	Currency of Collateral:
Bond	Investment grade	USD

Maturity tenor of the securities lending:

Less than 1 day	–
1 day to 1 week	–
1 week to 1 month	–
1 to 3 months	–
3 months to 1 year	–
Greater than 1 year	1,166,556
Open Maturity	–

Ten largest Collateral Issuers*

Collateral Issuer	US Treasury
Volume of collateral received USD	1,166,556

*There is only one counterparty to report

Safe-keeping of Collateral

Number of Depositories	1
Depository	State Street Custodial Services Ireland Ltd
Stock Collateral USD	1,166,556
Cash Collateral USD	Nil

*There is only one collateral issuer to report

SECURITIES FINANCING TRANSACTIONS (Continued)**Returns and costs of the Securities Lending (USD) ****

Income received:

Sub Fund	Manager	Lending Agent
Brandes Global Value Fund*	1,341	447
Brandes European Value Fund*	5,108	1,703
Brandes US Value Fund	7,033	2,344

* Brandes Global Value Fund and Brandes European Value Fund did not have any securities on loan as at the financial period ended 30 June 2017

** Other related costs and gains/losses required to be split out under the Securities Financing Transactions Regulation are not separately identifiable under the securities lending agreement.

INVESTMENT MANAGER'S DISCLOSURES (UNAUDITED)

Capital Ratio: A measure of a financial institution's capital strength based on the amount of its capital relative to its assets.

Free Cash Flow: Total cash flow from operations less capital expenditures.

Free Cash Flow Yield: An overall return evaluation ratio of a stock, which standardizes the free cash flow per share a company is expected to earn against its market price per share.

Intrinsic Value: The actual value of a company or an asset based on an underlying perception of its true value.

Margin of Safety: The discount of a security's market price to what the firm believes is the intrinsic value of that security.

Operating Margin: Operating income divided by net sales; used to measure a company's operating efficiency.

Return on Capital/Return on Invested Capital: Net income minus dividends divided by total capital; used to assess a company's efficiency at allocating the capital under its control to profitable investments.

These commentaries do not constitute an offer to subscribe for shares in the Brandes Investments Funds plc (the "Fund"). Full details regarding the Fund are set out in the Prospectus for the Fund and a copy of the same can be obtained without cost from the Administrator for the Fund, your financial representative or the Fund's website at www.brandes.com/ucits. The foregoing Letter from the Investment Manager and Investment Manager's Reports (collectively the "Reports") reflects the thoughts and opinions of Brandes Investment Partners exclusively and is subject to change without notice.

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Past performance is not a guarantee of future results. No investment strategy can assure a profit or protect against loss. 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.

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Registration number 510203
Brandes Investment Partners (Europe) Limited
36 Lower Baggot Street,
Dublin 2, Ireland
+ 353 1 618 2700



FUND REGISTERED OFFICE

Brandes Investment Funds plc
33 Sir John Rogerson's Quay
Dublin 2, Ireland

INVESTMENT MANAGER

Brandes Investment Partners (Europe) Limited
36 Lower Baggot Street
Dublin 2, Ireland
Ph. +353.1.618.2700
Email UCITS@brandes.com