



BRANDES INVESTMENT PARTNERS, L.P.
FORM ADV PART 2A

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This brochure provides information about the qualifications and business practices of Brandes Investment Partners, L.P. (hereafter referred to as "us", "we", "our", "the firm" or "Brandes"). If you have any questions about the contents of this brochure, please contact us at 858.755.0239 or send an email to clientservice@brandes.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about Brandes Investment Partners, L.P. also is available on the SEC's website at www.adviserinfo.sec.gov. Registration does not imply a certain level of skill or training.

ITEM 2: MATERIAL CHANGES

The following are the material changes for our Brochure since the firm's last update on March 16, 2018:

- **Item 4**
 - We updated our assets under management/assets under advisement through year-end 2018.
- **Item 5**
 - We have updated the Equity Strategies Fee Table to reflect our current fee structure.
 - We have added a new section, Other Compensation, which addresses additional compensation Brandes supervised persons may receive for the sale and promotion of Brandes products.
- **Item 7**
 - We have revised our recommended minimum account size for separate accounts to \$10 million.
- **Item 8**
 - We added discussions of Real Estate Investment Trust risk and Non-benchmark securities risk to the Equity Risks section.
- **Item 11**
 - We have added additional language describing elements of our Code of Ethics policy.
- **Item 12**
 - We have added additional language to the Equity Strategies – Directed Brokerage Accounts section to more fully describe how directed brokerage instructions may impact client accounts.
 - We have added additional detailed description of our Model Communication and Delivery policy.
- **Item 14**
 - We have added additional language addressing employee compensation for client referrals.

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ITEM 4: ADVISORY BUSINESS

OUR FIRM

Brandes Investment Partners, L.P. (“Brandes”) is an independent investment advisory firm founded in March 1974 and is a Delaware limited partnership.

The firm has two partners: Co-GP, LLC (“Co-GP”), a Delaware limited liability company, with a minority general partnership interest; and Brandes Worldwide Holdings, L.P. (“Brandes Worldwide”), a Delaware limited partnership, with a majority limited partnership interest. Glenn Carlson and Jeffrey Busby each own a 50% interest in Co-GP. Co-GP is also the managing general partner of Brandes Worldwide, owning a nominal partnership interest. Through Co-GP and Brandes Worldwide, we are 100% beneficially owned by senior members of the firm and are not publicly traded.

As of December 31, 2018, our total assets under management/assets under advisement were approximately \$24,080,200,000 of which we managed approximately \$22,104,900,000 on a discretionary basis and approximately \$1,975,300,000 for which we provide non-discretionary advisory services. Generally, non-discretionary assets reflect model investment strategies provided to program sponsors by Brandes.

INVESTMENT ADVISORY SERVICES

We use Graham & Dodd value principles with an emphasis on long-term total return. As a Graham & Dodd value-oriented, global investment adviser, we apply fundamental analysis to bottom-up security selection. We believe that consistently buying businesses at discounts to conservative estimates of their intrinsic value has the potential to produce competitive long-term results. Our goal is to outperform relevant benchmarks over the long term. See Item 8 for a further discussion of our Investment Strategies and related risks.

INSTITUTIONAL AND PRIVATE CLIENT SEPARATE ACCOUNTS

We provide primarily discretionary investment management, advisory and sub-advisory services to individuals and institutional investors, through separate accounts, mutual funds, private investment funds and collective investment trusts. We offer both equity and fixed income strategies that our clients may choose from to meet their needs. Upon request, we will work with you and may be able to accommodate your specific restrictions for your account.

SEPARATELY MANAGED ACCOUNTS (WRAP FEE)

We also participate in a number of wrap fee (or “separately managed account” or “SMA”) arrangements sponsored by certain unaffiliated brokers-dealers or program sponsors. The investment strategies that we use in managing SMA accounts are similar to those offered to our separate account clients. Portfolio management and trading activities for SMA accounts are carried out through our SMA Division, which was formally established on January 1, 2006.

NON-DISCRETIONARY ADVISORY SERVICES

We also provide non-discretionary advice to model portfolio/Unified Managed Account (UMA) programs, in which we provide a program sponsor or overlay manager with non-discretionary recommendations to assist the sponsor in the development of one or more portfolios that the sponsor may determine to be suitable for its clients (each a “model”). Our role is generally limited to providing portfolio recommendations, including a model, to the program sponsor. Program clients are clients of the program sponsor, not Brandes. In providing a model, we generally use the same sources of information and investment/research personnel as we use to manage our other client accounts that have similar investment objectives. However, models provided to sponsors or overlay managers may differ from those utilized for other clients that have similar investment objectives, depending on the nature, liquidity and availability of the securities recommended in the model. Changes to a model are made by the appropriate investment committee, taking into account such factors as the nature, liquidity and availability of the securities recommended, or other factors as appropriate. Program account performance may be adversely affected depending on when the model was given or the actions taken on program accounts. In general, material changes will not be communicated to model program sponsors until completion of aggregated trading for Brandes’ discretionary clients. As a result, the program sponsor sometimes will not achieve the same execution quality, price or timing. Depending on the particular circumstances surrounding an order, our discretionary clients will sometimes receive prices that are more favorable than those received by a client of a program sponsor although, in some cases, our discretionary client’s trades could experience less favorable executions. Please refer to Item 12 for more information regarding the communication and delivery of a model to program sponsors.

COMMINGLED VEHICLES

We serve as investment adviser or sub-adviser to a number of commingled vehicles such as proprietary and sub-advised mutual funds, a proprietary exchange-traded managed fund, proprietary private funds¹, and sub-advised collective investment trusts.

FOREIGN EXCHANGE (“FX”) TRANSACTIONS

We will generally arrange for our FX desk to handle all transactions in unrestricted currencies and arrange for execution of such transactions through the FX desk, typically at the client’s custodian or bank as the custodian may request. Under this type of arrangement, our FX desk is responsible for negotiating the rates at which the unrestricted currency transactions are effected. Because of various limitations regarding transactions in restricted currencies, transactions in restricted currencies will continue to be effected by each client’s custodian pursuant to standing instructions. We will also generally continue to issue standing instructions to each client’s custodian for all other types of FX transactions, such as those related to dividend and interest repatriation.

In cases where a client has not requested that we handle arrangements for settlement of transactions in non-U.S. securities, we will instruct the client’s custodian to effect the necessary FX transaction. This is done either through standing instructions

¹ In no event should this brochure be considered to be an offer of interests in a private fund or relied upon in determining to invest. It is also not an offer of, or agreement to provide, advisory services directly to any recipient.

communicated to the custodian when the account is established or at the time settlement instructions are sent to the custodian for a particular transaction. The custodian is responsible for executing FX transactions, including the timing and applicable rate, of such execution pursuant to its own internal processes. As clients often have arrangements with their custodian regarding the execution of FX transactions, such arrangements may impact the fees and expenses charged to the client by the custodian. Typically, all such foreign-exchange transactions are effected with the client's custodian, and we do not seek to obtain different FX rates from other sources.

ITEM 5: FEES AND COMPENSATION

Our advisory fees are generally based on a percentage of the current market value of the assets in your account and are set out in the agreement between you and the firm. See Item 6 for a discussion of performance-based fees. We reserve the right to negotiate fees and we manage certain accounts without an advisory fee, such as accounts of employees, former employees, employees' affiliates' or their relations. You may pay more or less than other clients depending on certain factors, such as if you have another account with us or if we negotiate different fees with you.

FEES FOR INVESTMENT ADVISORY SERVICES

Depending on the agreement between you and the firm, our fees may be billed monthly or quarterly, in advance or in arrears, based on the value of your account(s). We do not automatically deduct fees. If you or Brandes terminate the agreement, the fees described below will be pro-rated, and unearned fees paid in advance will be refunded to you. If you enter into an Investment Management Agreement with us, you will have the option to terminate this Agreement in its entirety exercisable at your sole option, and without penalty, for five days from the date of the signing of the Agreement; provided, however, that any investment action taken by the us with respect to the Account during such five day period in reliance upon the Agreement and prior to receipt of actual notice of your exercise of this right of termination, shall be solely at your risk. In addition to negotiating fees with clients, the firm also enters into a limited number of agreements with "Most Favored Nation Clauses" with certain institutional clients only.

We offer the following standard fee arrangements for equity and fixed income separate accounts.

EQUITY STRATEGIES FEE SCHEDULE		
Strategies	Account Assets	Annual Fee
<ul style="list-style-type: none"> ▪ Global Balanced ▪ U.S. Value Equity 	First \$25 million	0.65%
	Next \$25 million	0.55%
	Next \$50 million	0.45%
	Next \$50 million	0.40%
	Amounts over \$150 million	0.35%

<ul style="list-style-type: none"> ▪ European Equity ▪ Global Equity ▪ Global Equity Income ▪ International Equity 	First \$25 million Next \$25 million Next \$50 million Next \$50 million Amounts over \$150 million	0.75% 0.60% 0.50% 0.45% 0.40%
<ul style="list-style-type: none"> ▪ Emerging Markets Equity ▪ Emerging Markets Value Equity ▪ Japan Equity ▪ U.S. Small-Mid Cap Value Equity ▪ U.S. Small Cap Value Equity 	First \$25 million Next \$25 million Next \$100 million Amounts over \$150 million	0.95% 0.90% 0.80% 0.70%
<ul style="list-style-type: none"> ▪ Asia Pacific (ex-Japan) Equity ▪ Global Opportunities Value ▪ Global Small-Mid Cap Equity ▪ Global Small Cap Equity ▪ International Small-Mid Cap Equity ▪ International Small Cap Equity 	First \$25 million Next \$25 million Amounts over \$50 million	0.95% 0.90% 0.80%

FIXED-INCOME STRATEGIES FEE SCHEDULE		
Strategy	Account Assets	Annual Fee
<ul style="list-style-type: none"> ▪ Core Plus Fixed Income 	First \$20 million Next \$30 million Next \$50 million Next \$150 million Amounts over \$250 million	0.325% 0.25% 0.20% 0.175% 0.15%
<ul style="list-style-type: none"> ▪ Corporate Focus Fixed Income 	First \$20 million Next \$30 million Amounts over \$50 million	0.40% 0.30% 0.25%
<ul style="list-style-type: none"> ▪ Enhanced Fixed Income 	First \$25 million Next \$25 million Amounts over \$50 million	0.42% 0.35% 0.30%

FEES FOR SEPARATELY MANAGED ACCOUNTS (WRAP FEE)

Under a SMA arrangement, you will pay a single or “wrap” fee directly to the program sponsor. For this single fee, a program sponsor may recommend that you retain us as an investment adviser. We receive a portion of your wrap fee for our services as

investment adviser. Fees are negotiated on a program-to-program basis and tend to vary depending on the strategy, amount of assets managed by Brandes through the SMA program, and other criteria, but typically range between 0.35% and 0.50%. Some programs have negotiated additional breakpoints.

Upon request, we will work with you and may be able to accommodate your specific restrictions for your account. The program sponsor may monitor and evaluate our performance, execute your portfolio transactions without commission charge; and provide custodial services for your assets. We are not responsible for determining whether the program is suitable for you. For more information, please refer to the program sponsor's wrap fee program brochure.

Transactions for your SMA account may be effected through your program sponsor, who may or may not charge additional commissions, depending on your agreement with them. We typically request the ability to select brokers and dealers other than your program sponsor when it is necessary to fulfill our duty to seek best execution. In this instance, you will pay brokerage commissions in addition to your wrap-fee. In addition, in some cases there may be embedded commissions, in which case certain investment expenses would be reflected within the execution price of a security rather than expressed as a separate fee. Fixed-income transactions in an SMA program are generally executed with the program sponsor. (More information regarding SMA account transactions can be found in ITEM 12: Brokerage Practices.)

For more information, including fees, regarding any of the SMA programs offered by any of the program sponsors for which we advise, please see the specific program sponsor's Form ADV Part 2A, Appendix 1.

FEES FOR MODELS

Under a model arrangement, program participants will pay a single fee directly to the program sponsor. We receive a portion of that fee in exchange for providing the program sponsor with a model which may or may not be exercised by the program sponsor in their discretion. Our fees for providing a model to the program sponsor are negotiated on a program-to-program basis and tend to vary depending on the strategy, amount of assets managed by Brandes through the program, and other criteria, but typically range between 0.25% and 0.40%.

FEES FOR COMMINGLED VEHICLES

The investment advisory fees that we receive as a service provider to certain commingled vehicles are described in the registration statements of those vehicles. The private investment funds that we advise pay us a management fee. This fee is described in the private offering memorandum and the investment advisory agreement between us and each of the funds. .

OTHER COMPENSATION

In addition to their base salary, supervised persons of Brandes receive additional compensation from Brandes based on the sale and promotion of Brandes products to third-party broker-dealers and, in some circumstances, directly to clients. Such additional

compensation is paid from Brandes' profits and is not paid out of client assets or out of fees embedded in Brandes products.

OTHER FEES OR EXPENSES

You may bear other expenses in addition to the fees you pay to Brandes. For example, you may pay costs such as brokerage commissions, transaction fees, custodial fees, wire transfer fees, and other fees and taxes charged to brokerage accounts and securities transactions, which are unrelated to the fees we collect. Such fees or expenses may be embedded in the execution price of the securities as reported to you rather than itemized or reflected separately on any confirmation or statement. Item 12 provides more information on our brokerage practices. Mutual funds and exchange-traded managed funds also charge internal management fees, which are disclosed in a fund's prospectus and/or financial filings. We do not charge an advisory fee to clients on their assets which are invested in any of our proprietary funds or proprietary private funds held in a separate account or separately managed account.

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

We receive performance-based fees from a limited number of clients. The terms of such performance-based fees are negotiated with a client at the time of the opening of an account. The receipt of performance-based fees for certain accounts creates a conflict of interest, in that we could be viewed as having an incentive to make investments that are riskier than would be the case without a performance-based fee. Performance fees also create an incentive to direct the best investment opportunities to an account that pays a performance-based fee or allocate trades in favor of such an account. If that occurred, our compensation would be larger than it would otherwise be because our fee would be based on account performance in addition to a percentage of assets under management.

The firm mitigates potential conflicts in this area by the use of firm-wide investment committees who are responsible for the determination of target holdings and weightings for each strategy. The decisions of the investment committees are communicated to portfolio managers responsible for implementing those decisions at an account level. We have implemented trade allocation policies and procedures designed to ensure that all clients are treated equally and fairly over time in the allocation of investment opportunities.

ITEM 7: TYPES OF CLIENTS

TYPES OF CLIENTS

We provide investment advisory services to individuals and institutional investors, including corporations, registered investment companies, private investment funds, banks or thrift institutions, collective investment trusts, educational institutions, foreign or

domestic government entities, insurance companies, pension and profit-sharing plans and trusts, estates, and charitable organizations.

MINIMUM INVESTMENTS

The recommended minimum account size to open a separate account directly with Brandes is \$10 million.

The minimum investment requirements vary by client, strategy, and program. At our discretion, we may lower or waive the minimum requirements.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

In providing discretionary investment management services and in providing recommendations to non-discretionary clients, we use various investment strategies and methods of analysis, as described below. This Item 8 also contains a discussion of the primary risks associated with these investment strategies, although it is not possible to identify all of the risks associated with investing and the particular risks applicable to your account will depend on the nature of the account, its investment strategy or strategies and the types of securities you hold.

We have seven investment committees (six equity committees and one fixed-income committee) that are assigned to specific investment strategies. Investments for our various strategies are determined by each associated investment committee. The equity investment committees apply broad standards and practices established by our Investment Oversight Committee in analyzing and making portfolio selections.

While we seek to manage accounts so that risks are appropriate to the return potential for the strategy, it is often not possible or desirable to fully mitigate risks. Any investment includes the risk of loss and there can be no guarantee that a particular level of return will be achieved. You should understand that you could lose some or all of your investment and should be prepared to bear the risk of such potential losses.

You should be aware that certain strategies may be limited to certain types of securities (e.g., equities or fixed income) and therefore it is possible the strategy will not always be diversified. The strategies we provide are generally not intended to provide a complete investment program for you and we expect that the assets we manage do not represent all of your assets. You are responsible for appropriately diversifying your assets to help guard against the risk of loss. Note that diversification does not assure a profit or protect against loss in a declining market.

You should be aware that we sometimes invest client assets in different securities issued by the same issuer. For example, an equity investment committee may invest in common stock issued by a company, while a fixed-income investment committee may invest in bonds issued by the same company. Additionally, where appropriate for the strategy and consistent with your guidelines, the same committee may choose to invest

in multiple securities issued by the same issuer (i.e. common stock and bonds). Investing in different parts of a company's capital structure could create the potential for conflicts of interest among our clients. This could occur, for example, when such a company files for bankruptcy protection. In a bankruptcy proceeding, the interests of bondholders and equity shareholders may conflict, with the bondholders often supporting a plan of reorganization in which the equity shareholders get little, if any, value for the shares they hold. In order to mitigate the potential effects of such conflicts, we will exercise voting rights in the best interest of each respective client, which could contribute to certain clients achieving a favorable outcome and other clients not achieving a favorable outcome. In such cases, we will typically not otherwise actively engage in supporting the rights of creditors, including serving on a creditors committee. Each investment committee makes investment decisions it believes are in the best interest of the clients in that strategy.

EQUITY STRATEGIES

We are committed to using the Graham & Dodd investment approach, as introduced in the classic book, *Security Analysis*. As a Graham & Dodd value-oriented, global investment adviser, we apply fundamental analysis to bottom-up security selection. We believe that consistently buying businesses at discounts to our conservative estimates of their intrinsic value has the potential to produce competitive long-term results. Our goal is to outperform relevant benchmarks over the long term.

We have applied Graham & Dodd principles globally, investing in both developed countries and those developing countries known as emerging and frontier markets. We do not attempt to match the security allocations of stock market indices but seek to identify what we believe to be the most attractively priced securities wherever they may be available.

By choosing stocks that we believe are priced below our estimates of their intrinsic values, we aim to create a margin of safety. The margin of safety for any security is defined as the discount of its current market price to what we believe is the intrinsic value of that security. Over time, as other investors recognize a company's value, this margin may decrease and the stock could appreciate. We seek to sell securities as they reach or exceed our estimate of the intrinsic value of the security. The time needed for value to be recognized in the stock market may be lengthy – 3 to 5 years or longer. This is generally why we only purchase stocks for the long term. And even over the long term, there is no guarantee that the stock market will recognize our estimate of the value of a security.

We believe that by following this long-term investment approach, risk may be decreased and potential reward may be increased for the investor who is patient enough to wait for the process to work. Although our equity strategies invest for the long term, in certain circumstances we will sell investment securities without regard to the length of time we have held them. Investing in securities always involves the risk of loss that you should understand and be prepared to bear.

EQUITY DIVERSIFICATION

We generally expect the strategies to be invested in the equity securities of approximately 35-85 issuers, depending on the availability of stocks meeting our selection criteria at any given time. Within that range, single country strategies are more likely to be at the lower end in terms of number of issuers, and multi-country strategies (particularly those focused on smaller capitalization issuers) will likely be at the upper end.

If an account becomes unbalanced as a result of price movement, we will not necessarily adjust it, and might choose to continue holding the stock until it reaches our estimate of its intrinsic value or until other sales criteria are met. As a result, such accounts might not be as diversified as other accounts we manage. Capital withdrawals you make could cause an adjustment to the value of your account.

Our general goal is for our equity strategies to be fully invested. However, there can be times in which cash is elevated as we transition holdings, or due to an investment committee preferring to hold cash or cash equivalents pending identification of new investment candidates. Typically, cash balances will average less than 5-10% during a full market cycle, and we are able to accommodate lower limits requested by clients. As noted below, our Global Opportunities Value strategy has been designed to have greater flexibility to hold cash balances. Typically, cash (and cash equivalent) balances will average less than 20% for the Global Opportunities Value strategy.

BRANDES OFFERS THE FOLLOWING EQUITY STRATEGIES:

The **Brandes International Equity Strategy** seeks long-term capital appreciation by investing primarily in the equity securities of non-U.S. issuers whose equity market capitalizations exceed \$5 billion at the time of purchase. Typically, we will not invest more than 5% of the value of total strategy assets in any one issuer. We will typically invest up to the greater of either (a) 20% of total strategy assets in any particular country or industry or (b) 1.5x the weight of a particular country or industry as represented in the Morgan Stanley Capital International ("MSCI") EAFE Index. We will not generally invest more than 30% of the value of the strategy's total assets in securities of companies located in emerging and frontier securities markets throughout the world. Each of these diversification percentages are measured at the time of purchase.

The **Brandes International Small-Mid Cap Equity Strategy** seeks long-term capital appreciation by investing primarily in equity securities of non-U.S. issuers with equity market capitalizations greater than \$1.5 billion but no greater than \$7.5 billion at the time of purchase. Typically, we will not invest more than 5% of the value of total strategy assets in any one issuer. We will typically invest up to the greater of either (a) 20% of total strategy assets in any particular country or industry or (b) 1.5x the weight of a particular country or industry as represented in the MSCI EAFE SMID Cap Index. We will not generally invest more than 30% of the value of the strategy's total assets in securities of companies located in emerging and frontier securities markets throughout the world. Each of these diversification percentages are measured at the time of purchase.

The **Brandes International Small Cap Equity Strategy*** seeks long-term capital appreciation by investing primarily in equity securities of non-U.S. issuers with equity market capitalizations of \$2.5 billion or less at the time of purchase. Typically, we will not invest more than 5% of the value of total strategy assets in any one issuer. We will typically invest up to the greater of either (a) 20% of total strategy assets in any particular country or industry or (b) 1.5x the weight of a particular country or industry as represented in the S&P Developed Ex-U.S. SmallCap Index. We will not generally invest more than 30% of the value of the strategy's total assets in securities of issuers located in emerging and frontier securities markets throughout the world. Each of these diversification percentages are measured at the time of purchase.

*As of the publication date of this document, the Brandes International Small Cap Equity Strategy is soft-closed to new investors. No new investors will be accepted for this strategy, but investors with existing accounts may continue to add to their positions.

The **Brandes Emerging Markets Equity Strategy** seeks long-term capital appreciation by investing primarily in equity securities of issuers located or active mainly in emerging and frontier country markets. Typically, we will not invest more than 5% of the value of total strategy assets in any one issuer. We will typically invest up to the greater of either (a) 20% of total strategy assets in any particular country or industry or (b) 1.5x the weight of a particular country or industry as represented in the MSCI Emerging Markets Index. Each of these diversification percentages are measured at the time of purchase.

The **Brandes Emerging Markets Value Equity Strategy** seeks long-term capital appreciation by investing primarily in equity securities of issuers located or active mainly in emerging and frontier country markets with equity market capitalizations of \$3 billion or more at the time of purchase. Typically, we will not invest more than 5% of the value of total strategy assets in any one issuer. We will typically invest up to the greater of either (a) 20% of total strategy assets in any particular country or industry or (b) 1.5x the weight of a particular country or industry as represented in the MSCI Emerging Markets Index. Each of these diversification percentages are measured at the time of purchase.

The **Brandes Global Equity Strategy** seeks long-term capital appreciation by investing primarily in the equity securities of both U.S. and non-U.S. issuers whose equity market capitalizations exceed \$5 billion at the time of purchase. Typically, we will not invest more than 5% of the value of total strategy assets in any one issuer. We will typically invest up to the greater of either (a) 20% of total strategy assets in any particular country or industry or (b) 1.5x the weight of a particular country or industry as represented in the MSCI World Index. We will not generally invest more than 30% of the value of the strategy's total assets in securities of issuers located in emerging and frontier securities markets throughout the world. Each of these diversification percentages are measured at the time of purchase.

The **Brandes Global Opportunities Value Strategy** seeks long-term capital appreciation by investing primarily in the equity securities of both U.S. and non-U.S. issuers irrespective of equity market capitalizations. We expect the strategy to be invested in the equity securities of approximately 50-90 issuers. Typically, we will not invest more than 5% of the value of total strategy assets in any one issuer. The strategy may typically invest up to the greater of either (a) 25% of total portfolio assets in any particular country or industry at the time of purchase or (b) 3x the weight of a particular

country or industry as represented by the MSCI ACWI (All Country World Index). With respect to investments in emerging and frontier markets issuers, the strategy may typically invest up to the greater of either (a) 40% of total assets in emerging and frontier markets issuers, at the time of purchase or (b) 2x the weight of non-developed markets issuers in the MSCI ACWI (All Country World Index), at the time of purchase. The strategy will have the ability to hold up to 15% of total assets (at the time of purchase) in non-equity securities, including fixed income and convertible bonds, and up to 10% of total assets (at the time of purchase) in exchange traded funds, mutual funds or closed end funds, including other Brandes managed mutual funds or other pooled vehicles. This Strategy has greater flexibility to hold cash than most of our equity products—see “Equity Diversification” above.

The **Brandes Global Equity Income Strategy** seeks current income and long-term capital appreciation by investing primarily in the equity securities of both U.S. and non-U.S. issuers whose equity market capitalizations exceed \$3 billion at the time of purchase. The strategy typically focuses on companies with attractive dividend yields relative to the Morgan Stanley World Index (“MSCI World”), based on either current dividend yields or forecasted dividend levels over the next three to five years. Typically, we will not invest more than 5% of the value of total strategy assets in any one issuer. We will typically invest up to the greater of either (a) 30% of total strategy assets in any particular country or industry or (b) 1.5x the weight of a particular country or industry as represented in the MSCI World. We will not generally invest more than 30% of the value of the strategy’s total assets in securities of issuers located in emerging and frontier securities markets throughout the world. Each of these diversification percentages are measured at the time of purchase.

The **Brandes Global Small-Mid Cap Equity Strategy** seeks long-term capital appreciation by investing primarily in equity securities of U.S. and non-U.S. issuers with equity market capitalizations greater than \$1.5 billion but no greater than \$7.5 billion at the time of purchase. Typically, we will not invest more than 5% of the value of total strategy assets in any one issuer. We will typically invest up to the greater of either (a) 20% of total strategy assets in any particular country or industry or (b) 1.5x the weight of a particular country or industry as represented in the MSCI World SMID Cap Index. We will not generally invest more than 30% of the value of the strategy’s total assets in securities of issuers located in emerging and frontier securities markets throughout the world. Each of these diversification percentages are measured at the time of purchase.

The **Brandes Global Small Cap Equity Strategy*** seeks long-term capital appreciation by investing primarily in equity securities of U.S. and non-U.S. issuers with equity market capitalizations of \$2.5 billion or less at the time of purchase. Typically, we will not invest more than 5% of the value of total strategy assets in any one issuer. We will typically invest up to the greater of either (a) 20% of total strategy assets in any particular country or industry or (b) 1.5x the weight of a particular country or industry as represented in the S&P Developed SmallCap Index. We will not generally invest more than 30% of the value of the strategy’s total assets in securities of issuers located in emerging and frontier securities markets throughout the world. Each of these diversification percentages are measured at the time of purchase.

*As of the publication date of this document, the Brandes Global Small Cap Equity Strategy is soft-closed to new investors. No new investors will be accepted for this strategy, but investors with existing accounts may continue to add to their positions.

The **Brandes Global Balanced Strategy** seeks long-term capital appreciation and current income by investing primarily in a combination of equity securities and fixed income securities. The benchmark for the strategy is 70% MSCI World Index with net dividends and 30% Citigroup U.S. Broad Investment Grade Bond Index. It primarily invests in equity securities of issuers whose equity market capitalization exceeds \$1 billion, short- to intermediate-maturity bonds, and cash equivalents. The strategy will typically have between 60% and 80% of its total assets invested in equity securities (determined at the time of purchase), depending upon Brandes' ability to find individual issuers meeting its investment criteria. Typically, we will not invest more than 5% of the value of total strategy assets in any one issuer. With respect to equity investments in any particular country or industry, the strategy may typically invest up to the greater of (a) 20% of total strategy assets or b) the product of total strategy assets and 1.5x the weight of such country or industry as represented in the MSCI World Index. The fixed income component is generally predominantly invested in securities issued by the U.S. Treasury and U.S. government agencies (principally Fannie Mae and Freddie Mac) having less than 10 years until maturity, but may invest in other types of fixed income securities as well. In addition, a portion of the fixed income investments for certain products may be held in a mutual fund (Separately Managed Account Reserve Trust, or "SMART") that is available only within the Brandes Income Strategies program. SMART is generally predominantly invested in corporate debt, including non-dollar denominated and non-investment grade debt obligations, but is permitted to invest in other types of securities as well. The duration of the fixed income portion of the strategy will typically fall between 2 and 4 years. We will generally not invest more than 30% of the value of the strategy's total assets in securities of issuers located in emerging and frontier securities markets throughout the world. Each of these diversification percentages are measured at the time of purchase.

The **Brandes U.S. Value Equity Strategy** seeks long-term capital appreciation by investing primarily in the equity securities of U.S. issuers with equity market capitalizations that exceed \$5 billion at the time of purchase. Typically, we will not invest more than 5% of the value of total strategy assets in any one issuer. We will typically invest up to the greater of either (a) 20% of total strategy assets in any particular industry or (b) 1.5x the weight of a particular industry as represented in the S&P 500 Index. Each of these diversification percentages are measured at the time of purchase.

The **Brandes U.S. Small-Mid Cap Value Equity Strategy** seeks long-term capital appreciation by investing primarily in the equity securities of U.S. issuers with equity market capitalizations greater than \$1.5 billion but no greater than \$7.5 billion at the time of purchase. Typically, we will not invest more than 5% of the value of total strategy assets in any one issuer. We will typically invest up to the greater of either (a) 20% of total strategy assets in any particular industry or (b) 1.5x the weight of a particular industry as represented in the Russell 2500 Index. Each of these diversification percentages are measured at the time of purchase.

The **Brandes U.S. Small Cap Value Equity Strategy** seeks long-term capital appreciation by investing primarily in the equity securities of U.S. issuers with equity market capitalizations of \$2.5 billion or less at the time of purchase. Typically, we will not invest more than 5% of the value of total strategy assets in any one issuer. We will typically invest up to the greater of either (a) 20% of total strategy assets in any particular industry or (b) 1.5x the weight of a particular industry as represented in the Russell 2000 Index. Each of these diversification percentages are measured at the time of purchase.

The **Brandes European Equity Strategy** seeks long-term capital appreciation by investing primarily in equity securities of European issuers. Up to 10% of the strategy assets, measured at the time of purchase, may be invested in securities of issuers located in emerging European markets, including countries that were former members of the Eastern Bloc or included within the former USSR. Typically, we will not invest more than 5% of the value of total strategy assets in any one issuer. We will typically invest up to the greater of either (a) 20% of total strategy assets in any particular country or industry or (b) 1.5x the weight of a particular country or industry as represented in the MSCI Europe Index. Each of these diversification percentages are measured at the time of purchase.

The **Brandes Japan Equity Strategy** seeks long-term capital appreciation by investing primarily in equity securities of Japanese issuers. Typically, we will not invest more than 5% of the value of total strategy assets in any one issuer. We will typically invest up to the greater of either (a) 20% of total strategy assets in any particular industry or (b) 1.5x the weight of a particular industry as represented in the MSCI Japan Index. Each of these diversification percentages are measured at the time of purchase.

The **Brandes Asia Pacific (ex-Japan) Equity Strategy** seeks long-term capital appreciation by investing primarily in equity securities of Asian issuers other than Japanese issuers as well as issuers from Australia and New Zealand. Typically, we will not invest more than 5% of the value of total strategy assets in any one issuer. We will typically invest up to the greater of either (a) 20% of total strategy assets in any particular country or industry or (b) 1.5x the weight of a particular country or industry as represented in the MSCI All-Country Asia Pacific ex-Japan Index. Each of these diversification percentages are measured at the time of purchase.

TYPES OF SECURITIES HELD IN EQUITY STRATEGIES

The equity strategies are permitted to invest in a combination of securities, including without limitation, common stocks, preferred stocks, securities convertible into stocks, publicly listed Real Estate Investment Trusts (REITs), mutual funds, including other Brandes managed mutual funds or other pooled vehicles, shares of closed end investment companies, participating shares, savings shares, non-voting shares, options contracts, and exchange-traded funds (ETFs). We can also hold cash or cash equivalents as well as, on occasion, fixed-income securities.

We may also use derivative securities including, without limitation, participation/participatory notes (P-Notes) and/or Low Exercise Price Options (LEPOs),

collectively known as Synthetic Equities, where the use of such securities is consistent with the strategy's and client's investment objectives and policies. A strategy may use Synthetic Equities primarily to gain access to securities that may be otherwise inaccessible to foreign investors or too costly for direct access to the underlying securities primarily due to market registration issues. These are synthetic instruments that attempt to replicate ownership of an underlying equity security in foreign stock markets where non-resident shareholders are unable to own shares directly or find it advantageous to own shares through this indirect vehicle. Synthetic Equities are created by financial intermediaries such as investment banks and commercial banks and these instruments represent an unsecured obligation of the financial intermediary. As such, this is a direct obligation of the counterparty and the non-resident investor has no direct claim with the issuer of the underlying security. In conjunction with these possible investments, the firm has established general counterparty risk monitoring procedures.

We may also acquire an interest in a foreign company on your behalf in the form of Depositary Receipts ("DRs"), instead of acquiring the ordinary shares of the company when we believe that the fundamental investment attributes of the foreign company are attractive notwithstanding the limitations that may be imposed on DRs.

EQUITY RISKS

You should consider these risks before opening an account with us.

Value securities risk – There is no guarantee that our judgments about the intrinsic value and potential appreciation of a particular asset class or individual security are correct. **Our emphasis on Graham & Dodd value principles results in a concentration in value securities. Such value securities, by their nature, tend to be out-of-favor with many investors, and their market price and liquidity may exhibit periods of higher volatility than non-value securities. In addition, the market may experience periods where investors' concerns about risk cause value securities as a whole to generally fall in or out of favor, causing our investment performance to vary widely from that of the benchmark.** Even if our assessment of the intrinsic value of a security is correct, it may take a long period of time for the security to realize that intrinsic value and there is no guarantee that the stock market will recognize our estimate of the value of a security.

Concentration risk – Some strategies concentrate their investments in a small number of securities and therefore, the securities in which they invest may not be diversified across many sectors. They also might be concentrated in specific regions or countries. The value of your account will vary considerably in response to changes in the market value of each individual security, potentially resulting in higher volatility.

Counterparty risk – There is a risk that counterparties will not make payments on the securities they issue. Some of our strategies may own Synthetic Equities. These investments are discussed in greater detail in the "Types of Equity Securities" section above. These investments are direct obligations of the issuing counterparty and the investor has no direct claim with the issuer of the underlying security.

Currency risk – Certain strategies are valued in U.S. dollars. When we buy foreign securities, they are purchased with foreign currency, which will fluctuate against the U.S.

dollar. You may benefit from changes in exchange rates, or an unfavorable change in exchange rates may reduce, or even eliminate, any return on a U.S. dollar basis. While most of our strategies are not subject to any specific geographic diversification requirements, we diversify investments among countries where appropriate to reduce currency risk. We generally do not hedge against changes in currency rates, but may do so where appropriate for certain accounts.

Depository Receipt (DR) risk – DRs may be subject to certain of the risks associated with direct investments in the securities of foreign companies, such as currency risk, political and economic risk and market risk, because their values depend on the performance of the non-dollar denominated underlying foreign securities. Certain countries may limit the ability to convert DRs into the underlying foreign securities and vice versa, which may cause the securities of the foreign company to trade at a discount or premium to the market price of the related DR. In addition, holders of unsponsored DRs generally bear all the costs of such facilities and the depository of an unsponsored facility frequently is under no obligation to distribute shareholder communications received from the issuer of the deposited security or to pass through voting rights to the holders of such DRs in respect of the deposited securities. DR holders may not enjoy all the rights and benefits of the holders of ordinary shares, in that they may have a limited ability to participate in corporate actions and vote proxies; they may incur additional fees and may have differing tax consequences from the holders of ordinary shares. Certain strategies may also be offered in an American Depositary Receipt (“ADR”)-only format. An ADR-only format may present certain limitations with respect to the range of possible investments and available issuers as opposed to other formats. The ADR-only format may result in added issuer risk and less account diversification.

Emerging and frontier markets risk – Securities markets in emerging and frontier market countries may be smaller than those in more developed countries, making it more difficult to sell securities in order to take profits or avoid losses. Companies in these markets may have limited product lines, markets or resources, making it difficult to measure the value of the company. Potential political instability and corruption, as well as lower standards of regulation for business practices, increase the possibility of fraud and other legal problems. Public information may be limited with respect to emerging and frontier markets issuers and emerging and frontier markets issuers may not be subject to uniform accounting, auditing and financial standards and requirements comparable to those applicable to U.S. companies. Therefore, the value of strategies that invest in emerging and frontier markets may rise and fall substantially.

Foreign market risk – Some strategies invest in securities sold outside of the U.S. The value of foreign securities may fluctuate more than U.S. investments because companies outside of the U.S. are not subject to the same regulations, standards, reporting practices and disclosure requirements that apply in the U.S. Public information may be limited with respect to foreign issuers and foreign issuers may not be subject to uniform accounting, auditing and financial standards and requirements comparable to those applicable to U.S. companies. Some foreign markets may not have laws to protect investor rights. Political instability, social unrest or diplomatic developments in foreign countries could affect the securities or result in their loss. There is a chance that foreign securities may be highly taxed or that government-imposed exchange controls may prevent investors from taking money out of the country.

Liquidity risk – Some companies are not well known, have few shares outstanding, or can be significantly affected by political and economic events. Securities issued by these companies may be difficult to buy or sell and the value of strategies that buy these securities may rise and fall substantially. Smaller companies may not be listed on a stock market or traded through an organized market. They may be hard to value because they are developing new products or services for which there is not yet an established market or revenue stream.

Market risk – Companies issue equities, or stocks, to help finance their operations and future growth. Investors who purchase these equities become part owners in these companies. The value of these equities varies according to how the market reacts to factors relating to the company, market activity, or the economy in general. For example, when the economy is expanding, the market tends to attach positive outlooks to companies and the value of their stocks tends to rise. The opposite is also true. Market value does not always reflect the intrinsic value of a company.

Non-benchmark securities risk – We do not generally attempt to closely match the securities held by the strategy to those in the stated benchmark. In addition, we regularly invest in securities which are not eligible for inclusion in the benchmark, typically because such issues are not publicly issued or do not meet the minimum rating or minimum issue size requirements of the benchmark provider. Such non-benchmark securities can entail higher risk than similar, benchmark-eligible securities. As a result, the performance of the strategy may differ materially from the performance of the benchmark.

Real Estate Investment Trusts risk – The value of real estate investment trusts and similar REIT-like entities (“REITs”) may be affected by the condition of the economy as a whole and changes in the value of the underlying real estate, the creditworthiness of the issuer of the investments, property taxes, interest rates, liquidity of the credit markets and the real estate regulatory environment. REITs that concentrate their holdings in specific businesses, such as apartments, offices or retail space, will be affected by conditions affecting those businesses.

Smaller capitalization issuer risk – Certain strategies will invest in securities of issuers with relatively small equity market capitalizations. Smaller capitalization securities involve greater issuer risk than larger capitalization securities, and the markets for such securities may be more volatile and less liquid. Specifically, small capitalization companies often have limited product lines, markets or financial resources and may be dependent on one person or a few key persons for management. The securities of such companies may be subject to more volatile market movements than securities of larger, more established companies, both because the securities typically are traded in lower volume and because the issuers typically are more subject to changes in earnings and prospects.

FIXED INCOME STRATEGIES

We use a value investment discipline in managing the fixed-income strategies. The key to successful investing in this approach is to buy securities that, in our estimation, are currently priced below their actual value as determined by our fundamental analysis. Our

objective is to outperform the total return of the appropriate index benchmark for each strategy over the long term. The aim of the value discipline is to achieve this objective primarily through security selection. While selection of value securities should be the most important contributor to long-term returns, we may also select securities for other reasons so we can manage portfolio characteristics including, but not limited to, average maturity, average rating, duration, and liquidity.

By choosing securities that we believe are priced at a discount to our estimate of their actual value, we aim to create a margin of safety. The margin of safety for any security is defined as the discount of its market price to what we believe is the intrinsic value of that security. We generally measure this intrinsic value by the expected difference between the yield on the security and the yield of a U.S. Treasury security of similar duration. Over time, as other investors recognize a security's value, this margin of safety may decrease and the security could appreciate relative to the risk-free equivalent. Securities are generally sold as they reach or exceed our estimate of their intrinsic value. The time needed for value to be recognized in the bond market may be lengthy – 2 to 5 years or longer. This is generally why we only purchase securities for the long term. We believe that by following this long-term investment approach, risk may be decreased and potential reward may be increased for the investor who is patient enough to wait for the process to work. Although the fixed income strategies invest for the long term, in certain circumstances we may sell investment securities without regard to the length of time we have held them. Investing in securities always involves the risk of loss that you should understand and be prepared to bear. There is no guarantee that the market will recognize our estimate of the value of a security.

Our emphasis on value principles leads us to focus on issuers who have fallen out of favor with many investors. Such securities may offer the potential for large movements up or down in price and as a result we often find such securities attractive for investment despite the potential for additional adverse developments and increased financial risk, including the risk of ratings downgrades or default. We believe our fixed income approach is generally considered to be aggressive with regard to certain risks listed below, especially credit risk.

Investments are determined by our fixed income investment committee, which reviews research provided by our fixed income analysts.

BRANDES OFFERS THE FOLLOWING FIXED INCOME STRATEGIES:

The **Brandes Core Plus Fixed Income Strategy** seeks long-term returns in excess of its benchmark (the Bloomberg Barclays U.S. Aggregate Bond Index) by investing primarily in U.S. government and agency debt, U.S. and non-U.S. corporate debt, mortgage-backed securities ("MBS") and asset-backed securities ("ABS"). The strategy will be invested in a total of up to 25% in each of non-dollar denominated debt instruments and non-investment grade debt obligations, with the total combination of these two categories not exceeding 35% of the strategy's assets as measured at the time of purchase. A minimum of 75% of the investments must be rated investment grade

by a nationally recognized rating agency at the time of purchase. We expect the strategy to be invested in approximately 60-110 issues. There is no limitation on the strategy's investment in U.S. government securities, but investment in each of MBS, ABS and corporate debt obligations will be limited to 60% of the overall investments. In order to achieve this portfolio structure within a Separately Managed Account (Wrap Fee) structure, most fixed income investments in securities other than U.S. government and agency obligations are held in a mutual fund (Separately Managed Account Reserve Trust, or "SMART") that is available only within the Brandes Income Strategies program. SMART is generally predominantly invested in corporate debt, including non-dollar denominated and non-investment grade debt obligations, but may invest in other types of securities as well.

The **Brandes Corporate Focus Fixed Income Strategy** seeks long-term returns in excess of its benchmark (the Bloomberg Barclays Intermediate U.S. Credit Index) by investing primarily in corporate debt and high-quality United States government and agency securities. The strategy will be predominately invested in corporate debt obligations issued by U.S. and non-U.S. corporations. A minimum of 50% of the investments must be rated investment grade by a nationally recognized rating agency at the time of purchase. An additional 30% may be invested in non U.S. dollar denominated debt instruments measured at the time of purchase. We expect the strategy to be invested in approximately 60-150 issues. With the exception of United States Treasury securities, typically no more than 30% of the value of total strategy assets will be invested in any single U.S. agency at the time of purchase. No more than 10% of the value of a strategy's assets may be invested in any other single issuer at the time of purchase.

The **Brandes Enhanced Income Strategy** seeks to achieve current income and long-term capital appreciation in excess of its benchmark (70% Bloomberg Barclays U.S. Aggregate Bond Index and 30% S&P Developed \$25 Billion Plus Index) by investing primarily in a combination of equity and fixed income securities of both U.S. and non-U.S. issuers. It primarily invests in United States government and agency debt, corporate debt obligations, and cash equivalents, plus equity securities of issuers whose market capitalization ranks in the top 250 companies worldwide.

The typical proportion of equity to fixed income securities is expected to be 30% equity to 70% fixed income. While we have some flexibility to vary this proportion, and market price action may also impact the ratio, the equity proportion of the strategy is likely to remain in the range of 25% to 35%. In order to achieve this portfolio structure, most fixed income investments in securities other than United States government and agency obligations are held in a mutual fund (Separately Managed Account Reserve Trust, or "SMART") that is available only within the Brandes Income Strategies program. SMART is generally predominantly invested in corporate debt, including non-dollar denominated and non-investment grade debt obligations, but may invest in other types of securities as well.

The equity investment approach is generally the same one used to manage the firm's Global Equity Portfolio, but focused on the world's largest companies by market capitalization. With respect to equity investments in any particular country or industry,

the Portfolio may typically invest its equity component up to the greater of either (a) 35% in any particular country or industry at the time of purchase or (b) 2x the weight of such country or industry as represented in the S&P Developed \$25 Billion Plus Index at the time of purchase. Generally, no more than 10% of the value of the Portfolio's total assets, measured at the time of purchase, may be invested in securities of companies located in emerging securities markets throughout the world.

Note that all the fixed-income strategies, and the fixed-income portion of the Enhanced Income strategy are managed so that the fixed-income portfolio duration is generally within a 20% margin (higher or lower) of its benchmark index duration.

TYPES OF SECURITIES HELD IN FIXED INCOME STRATEGIES

The fixed-income strategies may invest in a combination of securities, including:

- Corporate debt of U.S. or non-U.S. issuers
- U.S. Government and Agency securities
- Foreign Government and Agency securities
- Commercial paper and other cash equivalents
- Mortgage-backed securities
- Asset-backed securities
- Bank loans
- Certificates of deposit
- Hybrid securities, which are typically deeply subordinated and may have some equity-like characteristics
- Debt securities which are convertible into equity securities of the issuer
- Debt issued by states, municipalities, or other regional authorities
- Preferred stock
- Derivatives, including futures, options, swaps and structured product

FIXED INCOME RISKS

You should consider these risks before opening an account with us.

Value securities risk – There is no guarantee that our judgments about the intrinsic value and potential appreciation of a particular asset class or individual security are correct. Even if our assessment of the intrinsic value of a security is correct, it may take a long period of time for the security to realize that intrinsic value. **Our emphasis on Graham & Dodd value principles results in a concentration in value securities. The issuers of such securities tend to have recently experienced events or financial developments that may result in financial stress of varying amount and duration. Such value securities tend to be out of favor with many investors, and their market price and liquidity may exhibit periods of higher volatility than non-value securities. In addition, the market may experience periods where investors' concerns about risk cause value securities as a whole to generally fall in or out of favor, causing our investment performance to vary widely from that of the benchmark.**

Bank debt risk – Investments in bank debt involve credit risk, interest rate risk, liquidity risk and other risks, including the risk that any loan collateral may become impaired or that we may obtain less than the full value for the loan interests when sold. .

Credit risk – There is a risk that issuers and counterparties will not make payments on the securities they issue. In addition, the credit ratings of securities may be lowered if an issuer's financial condition changes. Lower credit quality may lead to greater volatility in the price of a security that may affect liquidity and our ability to sell the security. Some of our strategies often own securities rated below-investment grade by rating agencies. These securities generally have higher yields than investment grade securities, but also have higher credit risk. Our focus on value securities may result in a higher risk of ratings downgrades or defaults than a strategy that does not contain such value securities.

Currency risk – We may own securities denominated in currencies other than the U.S. dollar. Non-U.S. dollar denominated bonds are subject to currency exchange rate fluctuations. We may sometimes hedge against currency fluctuation, but at other times choose to leave these exposures unhedged.

Duration risk – The longer the maturity of a fixed income security, the more its price will vary as levels of interest rates change. Our strategies may hold securities with long-dated maturities. Duration is a measure of how sensitive a security or portfolio is to moves in interest rates. When strategies have significantly longer duration than their benchmark index, they are likely to be more volatile when market interest rates move materially.

Emerging and frontier markets risk – Securities markets in emerging and frontier market countries may be smaller than those in more developed countries, making it more difficult to sell securities in order to take profits or avoid losses. Companies in these markets may have limited product lines, markets or resources, making it difficult to measure the value of the company. Potential political instability and corruption, as well as lower standards of regulation for business practices, increase the possibility of fraud and other legal problems. Public information may be limited with respect to emerging and frontier markets issuers and emerging and frontier markets issuers may not be subject to uniform accounting, auditing and financial standards and requirements comparable to those applicable to U.S. companies. Therefore, the value of strategies that invest in emerging and frontier markets may rise and fall substantially.

Equity market risk – The fixed-income strategies may invest in preferred stocks. The values of equity securities fluctuate in response to the activities of individual companies and general stock market and economic conditions.

Foreign market risk – Some strategies invest in securities sold outside of the U.S. The value of foreign securities may fluctuate more than U.S. investments because companies outside of the U.S. are not subject to the same regulations, standards, reporting practices and disclosure requirements that apply in the U.S. Public information may be limited with respect to foreign issuers and foreign issuers may not be subject to uniform accounting, auditing and financial standards and requirements comparable to those applicable to U.S. companies. Some foreign markets may not have laws to protect investor rights. Political instability, social unrest or diplomatic developments in foreign countries could affect the securities or result in their loss. There is a chance that foreign

securities may be highly taxed or that government-imposed exchange controls may prevent investors from taking money out of the country.

Interest rate risk – Fixed income securities increase or decrease in value based on changes in interest rates. If rates increase, the value of fixed income securities generally declines. On the other hand, if rates fall, the value of the fixed income securities generally increases. Securities denominated in currencies other than U.S. dollars generally have interest rate risk based on interest rates in countries or regions outside of the U.S. Such non-U.S. interest rates may behave much differently than interest rates in the U.S. potentially causing the price of such securities to fall at a time when interest rates in the U.S are causing the price of U.S. dollar denominated debt to rise.

Liquidity risk – Some issuers are not well known or have limited amounts of debt securities outstanding. Securities issued by these entities may be difficult to buy or sell at times. Our focus on value securities may result in lower liquidity than a strategy that does not contain such value securities

Non-benchmark securities risk – We do not generally attempt to closely match the securities held by the strategy to those in the stated benchmark. In addition, we regularly invest in securities which are not eligible for inclusion in the benchmark, typically because such issues are not publicly issued or do not meet the minimum rating or minimum issue size requirements of the benchmark provider. Such non-benchmark securities may entail higher credit risk and lower liquidity than similar, benchmark-eligible securities. As a result, the performance of the strategy may differ materially from the performance of the benchmark.

Structured instrument risk – Structured instruments include securities backed by mortgages or other assets, for example pools of credit card receivables. These instruments may be less liquid than other debt securities, and their price may be more volatile.

U.S. Government obligations risk – U.S. Government obligations may be adversely impacted by changes in interest rates, and may not be backed by the full faith and credit of the U.S. Government.

ITEM 9: DISCIPLINARY INFORMATION

None

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Brandes Investment Partners, L.P. (“Brandes”) is under common control with Brandes Investment Partners & Co. (“BIP&Co”), a company formed under the laws of Nova Scotia, Canada. BIP&Co is registered as a portfolio manager and exempt market dealer

in all Canadian provinces and territories. BIP&Co is also registered as an investment fund manager in Ontario and a mutual fund dealer in all Canadian provinces and territories except Quebec and is exempt from the requirement to join the Mutual Fund Dealers' Association of Canada.

BIP&Co. has entered into an investment subadvisory agreement with us delegating certain contractual investment advisory responsibilities to us. BIP&Co. is the manager of the Bridgehouse Funds, a series of Canadian mutual funds offered to retail and institutional investors in Canada. We are subadvisor to certain of the Bridgehouse Funds. BIP&Co. is also the manager of, and we are subadvisor to, unregistered investment trusts sold only in Canada to institutional investors and high net-worth individuals and we subadvise certain separate accounts for institutional investors.

Brandes is also under common control with sister entities Brandes Investment Partners (Europe) Limited, a company incorporated under the laws of Ireland ("Brandes Europe"), and Brandes Investment Partners (Asia) Pte. Ltd., a private company limited by shares formed under the laws of Singapore ("Brandes Asia"). Brandes Europe was incorporated in Ireland in 2012 and is authorized by the Central Bank of Ireland as a UCITS management company pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 as amended. Pursuant to this authorization, Brandes Europe is authorized to carry out collective portfolio management and individual portfolio management. Brandes Asia holds a Capital Markets Services License for Fund Management from the Monetary Authority of Singapore. Brandes Investment Partners, L.P. provides research, portfolio construction, trading, and operational support to these entities and earns fees for doing so.

Brandes acts as a distributor of Brandes Investment Funds plc, an open-ended umbrella type investment company incorporated under the laws of Ireland and authorized by the Central Bank of Ireland. Brandes Investment Funds plc is an undertaking for the collective investment of transferable securities (UCITS fund).

We serve as investment adviser to the Brandes Investment Trust, a registered open-end investment company, and the Brandes Institutional Equity Trust and Brandes Institutional Fixed Income Trust, each of which is an unregistered private fund.

Certain of our personnel are registered representatives of a non-affiliated broker-dealer for the purpose of promoting our proprietary mutual funds and exchange-traded managed fund, as well as certain other funds offered by the broker-dealer.

Brandes acts as a service provider to Metis Global Partners, LLC ("Metis"), providing certain trading, operational and systems support in exchange for certain quantitative research services provided by Metis. Metis is a California-based investment adviser firm. Brandes has a minority ownership interest in Metis. The trade execution services we provide for Metis clients may create a conflict of interest, in that we may purchase or sell the same securities for Brandes and Metis clients on the same trade day. The firm mitigates potential conflicts in this area by adhering to the order separation policy and procedures. We have implemented trade distribution procedures amongst our traders. These procedures are designed to ensure that Metis and Brandes orders are not

merged, but are traded separately by different trading employees. The operational services we provide for Metis clients also may create a conflict of interest, in that we may have competing resource demands. The firm mitigates these potential conflicts by monitoring daily and seasonal activity trends and adjusting resources to ensure service levels are consistently met for both Metis and Brandes requests.

Except as disclosed above, we do not believe these services and affiliations create material conflicts of interest between Brandes and our clients.

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

CODE OF ETHICS AND PERSONAL TRADING

We have adopted a Code of Ethics setting out our standard of business conduct as a fiduciary and outlining our practices surrounding personal trading in securities. All active Brandes employees are subject to the Code of Ethics. You can obtain a copy of our Code of Ethics by sending a request to:

Brandes Investment Partners, L.P.
Attention: Client Service
11988 El Camino Real, Suite 600
San Diego, CA 92130

clientservice@brandes.com

The Code of Ethics contains provisions reasonably necessary to prevent persons from engaging in acts in violation of the law and rules and to assure that our clients' interests are considered first. The Code of Ethics also establishes procedures reasonably necessary to prevent violation of the Code of Ethics.

Per the Code of Ethics, we regularly monitor our employees' trading activity to assure compliance with the firm's policy. We make use of a restricted list of securities with which the firm is currently active or considering action. Employees are generally restricted from trading in such securities. The firm also enforces minimum required holding periods for purchased securities, and monitors all employee-related brokerage accounts for trading activity.

In addition, the Code of Ethics contains policies and procedures concerning the misuse of material non-public information and concerning political activities and contributions. It also provides restrictions on the receipt of gifts by employees. All of our employees are required to accept in writing the terms of the Code of Ethics upon employment, on amendment of the Code of Ethics and annually. Any employee who becomes aware of an apparent violation of the Code of Ethics is required to promptly report such apparent violation to the Legal/Compliance department.

PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

The firm does not buy securities from, or sell securities to, any investment advisory client.

We recommend to clients the purchase or sale of the Brandes Investment Trust, Brandes Institutional Equity Trust and Brandes Institutional Fixed Income Trust (collectively “Brandes funds”). Please see Item 10 for a discussion of the Brandes funds. We receive a management fee based on fund assets, therefore potential conflicts of interest exist. We do not charge an advisory fee to clients on their assets which are invested in the Brandes funds to reduce this potential for conflict.

The firm, the firm’s partners, and the firm’s employees may invest directly in the Brandes funds or in separate accounts advised by Brandes. Subject to the requirements of the Code of Ethics, employees may also invest directly in the Brandes funds or securities that may have been recommended to clients. Other than as described in the Code of Ethics, we do not believe this creates a conflict of interest between the firm and our advisory clients.

ITEM 12: BROKERAGE PRACTICES

BEST EXECUTION AND BROKER SELECTION

For Equity Trading:

Brandes takes into account a range of variables in order to monitor the efforts to seek best execution. Typically, the following are taken into consideration in regards to best execution:

- execution price
- implicit costs
- explicit (commission) costs

The above list is not exhaustive. The relevance of these and other factors are weighted in a review process that takes into consideration criteria such as the issuer market cap, trade volatility, liquidity, and instructions from portfolio management.

Execution Price

We compare price slippage against common benchmarks such as Interval Volume Weighted Average Price (IVWAP) and Full Day Volume Weighted Average Price (VWAP). The fact that a trade appears, after the fact, not to have been executed at the best possible price relative to one of the benchmarks does not by itself necessarily constitute a violation of the duty to seek best execution.

Implicit Costs

We define implicit costs as the market impact of order execution. Implicit costs result from how a trade is executed (for example, immediately or worked over a period of time;

aggregated with other orders or not). A trade may appear more expensive in terms of explicit costs, but may be less expensive when potential implicit costs are considered.

Unlike explicit costs, the impact of implicit costs can only be assessed after a trade is completed and even then, implicit costs are difficult to quantify and are heavily dependent on granular data that may or may not be available². As a result, we exercise judgment about the weight of likely implicit costs on the execution of an order, and take what we believe are reasonable steps to manage them.

Explicit costs

Explicit costs are comprised of commissions, fees, taxes, clearing and settlement costs. With the exception of commissions, there is little control the firm may exert on these costs. The best execution obligation does not require that we execute with the broker with the lowest commission. We are able however, to negotiate consistent rates across all of our brokers for a particular market (i.e., developed versus emerging) and touch type (cash, program, or electronic). Default commission and fee schedules are maintained in the Order Management System (OMS) and automatically applied once the order is complete for the day.

Monitoring Framework

Brandes subscribes to an execution quality analysis software package provided by IHS Markit. The firm may also supplement its monitoring efforts with broker-provided reports and/or data for analysis that require more granular data (i.e., order routing, assessment of venue quality).

Equity Strategies – Discretionary Brokerage Authority

Where we place trades for your account and when you grant us discretionary brokerage authority we will determine, without your specific consent, the broker or dealer for securities transactions in your account. Our objective in selecting brokers and dealers when buying or selling securities for your account is to seek to obtain best execution.

We believe broker selection is an integral component of the best execution process. In selecting a broker-dealer, no single factor is necessarily determinative, and seeking to obtain best execution for all client trades must take precedence over all other considerations. Selection will occur after review of criteria applicable to a particular trade, including the following:

- **Price of asset** - The actual price to be paid for the underlying asset shares. The ability of a broker-dealer to obtain the best overall price for a transaction and to sell or buy a security or currency with minimal disruption in the market price.

² Brandes relies on calculations performed by one of IHS Markit companies (formerly known as Quantitative Services Group (QSG)). Accurate data may not be available from some of the global exchanges for all trades. In such instances those trades may not be analyzed. IHS Markit measures the impact of each execution using price changes. Their technique tracks these price changes by comparing each of our executions to the previous trade price. For example, if the prior execution occurred at \$40 and we buy at \$40.05, our impact for this individual trade is \$.05 per share. They then track this individual impact through the rest of our executions to see how long this individual impact stays in the stock price. In a way IHS Markit is measuring the permanent impact of each of our executions for the particular trading day. This persistence of each impact in the stock price is aggregated into a cumulative impact number they call Cumulative Liquidity Charge.

- Market familiarity and access to global markets - The broker-dealer's knowledge of the market and market regulations for the particular security.
- Reliability - In the past, has the broker-dealer been able to provide support to the trader when placing a difficult trade in this stock/ currency pair, or a similar asset? If a broker-dealer has successfully assisted Brandes with past trades, that broker is more likely to be selected for future trades.
- Integrity (ability to maintain confidentiality) - Particularly when executing large orders and/or orders for illiquid securities or currencies, traders do not want to divulge their interest to the market. If a broker-dealer has demonstrated the ability to provide discrete execution of orders, that broker-dealer is more likely to be selected.
- Commission rates* - Brandes will consider commission rates as a factor in the trading decision and will, wherever possible, use its knowledge of the market and its buying power to negotiate a favorable commission for its clients. Nevertheless, commission rates alone ordinarily will not be determinative in selecting a broker.
- Trade settlement (settlement risk) - The trader may take into account a broker-dealer's ability to ensure that the underlying asset will be delivered on settlement date.
- High volume transaction - The trader will select a broker-dealer that it believes can handle a large order.
- Financial condition – Where relevant, the trading desk will take into account the financial condition of a broker-dealer, and may choose not to utilize a particular broker-dealer due to uncertainty regarding a broker's financial status.
- Technology infrastructure and operational capabilities - The trading desk generally selects a broker-dealer only if he or she believes that the broker-dealer has the infrastructure and operational capabilities to execute and settle the trade.
- Venue selection: Venue selection is under the control of brokers, and therefore it is the broker's responsibility to monitor a venue for liquidity, toxicity and reversion to ensure that the venue was suited to an order. The trading desk may elect to use/not use a broker based on the brokers ability and willingness to share venue related information when requested. Brokers are expected to take steps to select the appropriate venue(s) for Brandes order flow.
- Willingness to commit capital - In certain instances, a broker-dealer may be selected based on its willingness to purchase or sell shares for or from its own inventory.

Research budget/rankings* - If a broker meets the other criteria for best execution, Trading Management may consider the brokerage firm's research capabilities when choosing a broker.³ In making this determination, the broker must be capable of providing best execution (factoring in the value of the research) in order for this factor to play a role in the selection of a broker. Trading Management may also review analyst rankings to ascertain which brokerage research departments provide the most value to the investment process. For further information on Soft Dollars, see the section called *RESEARCH AND SOFT DOLLAR BENEFITS*.

We have procedures in place to monitor broker performance and execution.

Equity Strategies – Directed Brokerage Accounts

You are free to choose or change broker-dealers at your discretion, unless there is reason to believe that your chosen brokerage firm cannot offer adequate service. In that case, we might not be able to accept management of your account.

If you establish a custodial account with a broker-dealer, you may direct us to effect all portfolio transactions through that broker-dealer at a commission rate agreed upon between you and the broker. If you do so, Brandes may not be able to obtain best execution for trades in your account and you may be subject to certain disadvantages including:

- you will forego any benefit from savings on execution costs that Brandes could obtain for its clients through negotiating volume discounts on batched transactions;
- no attempt to negotiate commissions will be made on your behalf. As a result, you may pay more in commissions as compared to other clients and/or receive less favorable execution of some transactions;
- you will not be able to participate in an allocation of a new issue if that new issue is provided by another broker;
- Brandes may be restricted from receiving research-related products and services available from other brokers;
- when trades are aggregated, Brandes will not begin to execute client securities transactions with these broker-dealers which have been directed by clients until all non-directed brokerage orders are completed;
- clients directing brokerage may not generate returns equal to clients that do not direct the use of a particular broker.

Clients with directed brokerage relationships may be included in aggregated transactions which are traded with institutional brokers if the directed broker permits us to trade away from them ("step out") and where we believe that this is consistent with our duty to seek to obtain best execution. In such cases, additional commissions and/or fees are typically charged by the institutional broker who executes the stepped-out trade and such costs will typically be embedded in the trade execution price in the nature of an extra

³ As discussed further in the *Research and Soft Dollar Benefits* section, research will only be considered when executing agency or certain riskless principal trades.

*Not Applicable to Fixed Income or Foreign Exchange.

commission or cents per share mark-up or mark-down, which would not otherwise be incurred by wrap-fee accounts if traded with the directed broker. These commissions or mark-ups/mark-downs are netted into the price received for a security and will not be reflected as individual items on the client trade confirmation. We believe the use of step-out and/or a give-up trading benefits the directed brokerage account client by allowing Brandes to make a trade in a more efficient manner with less disruption in the marketplace as the Trading Department will have control of the entire trade. Neither the designated broker nor the executing broker is obligated to participate in these arrangements. Clients with directed brokerage relationships are excluded from aggregated transactions where the directed broker charges transaction fees for step-out trades.

Where step-out trades are not permitted by a client or a directed broker, where a directed broker charges a fee for step-out trades, or where we do not believe we need to step out to seek to obtain best execution, transactions for such clients will be effected through the directed broker. Executions will be directed to the client's directed broker and will be subject to the disadvantages listed above.

Equity Strategies – SMA (Wrap Fee) Accounts

We participate in wrap fee programs sponsored by certain unaffiliated broker-dealers or Program Sponsors. In a SMA program, you pay an all-inclusive fee for investment management, trade execution and administrative and recordkeeping services. In these programs, Brandes has the option to execute portfolio trades with the SMA sponsor ("Program Sponsor") or step-out from a Program Sponsor and include SMA accounts in such step-out trades. For certain programs, due to restrictions applied by the SMA sponsor, Brandes is not able to step-out or give-up.

For SMA (wrap fee) accounts, brokerage commissions and other charges for transactions not effected through the wrap fee program sponsors are generally charged to the client, whereas the wrap fee covers the cost of brokerage commissions and other transaction fees on transactions effected through the program sponsors. To the extent possible, we will seek to obtain best execution on such trades through step out trades, where we "step out" the appropriate portion of the trade to such sponsor for clearing and settlement at the execution price obtained through the executing broker. Additional commissions and/or fees are typically charged by the institutional broker who executes the stepped-out trade and such costs will typically be embedded in the trade execution price in the nature of an extra commission or cents per share mark-up or mark-down, which would not otherwise be incurred by wrap-fee accounts if traded with the Program Sponsor. These commissions or mark-ups/mark-downs are netted into the price received for a security and will not be reflected as individual items on the client trade confirmation.

Where step-out trades are not permitted by a program sponsor, where a program sponsor charges a fee for step out trades, or where we do not believe we need to step out to seek to obtain best execution, transactions for such clients will be effected through the program sponsor. Executions will be directed to the client's directed broker and will be subject to the disadvantages listed above.

In evaluating the wrap fee arrangement, you should recognize that brokerage commissions for the execution of transactions in your account through the Sponsor Firm are solely determined by the Sponsor Firm. It is our understanding that these transactions are generally executed without commissions and a portion of the wrap fee is generally considered as being in lieu of brokerage commissions.

Trade Types

We typically perform two types of trades for our clients. One type of trade is called a **"firm-wide"** trade and is the purchase or sale of securities for most or all of our portfolios in one or more investment strategies. By its nature, a firm-wide trade will affect many client accounts at once. The second type of trade is referred to as a **"maintenance"** trade. Maintenance trading reflects individual activity in a client's account such as initial investment positioning, rebalancing due to additions or withdrawals of cash or securities, account liquidations, or other account-specific transactions such as client-directed tax transactions.

For Directed Brokerage accounts that allow step-out trades, Brandes will consider the broker selection and execution factors listed in the Best Execution and Broker Selection section above in determining whether to direct the trades to a client's directed broker or Program Sponsor, or to **"step-out"** from a client's directed broker in order to seek best execution.

Firm-wide trades are frequently stepped-out from the client's directed broker for best execution purposes. If the firm-wide trade is liquid and represents a small percentage of the average daily trading volume, a step-out strategy may not be needed, in which case the trade would be executed with a client's directed broker. Maintenance trades will generally be executed as orders with the client's broker at the current market price at the time of the trade.

Conflict of Interest with Directed Brokerage

In certain circumstances (e.g., when the client has come to Brandes through the broker-dealer), Brandes has a conflict of interest between its duty to obtain best execution and its desire to obtain future referrals from the broker-dealer. Brandes mitigates this conflict by adhering to our policy in respect of best execution. Where we place trades for your account and have discretionary brokerage authority, we do not take into consideration client referrals from a broker-dealer or third party in selecting broker-dealers to execute securities transactions. In following our policy to seek to obtain best execution, we may execute securities transactions through broker-dealers, including a broker-dealer that may have referred you to us.

Fixed-Income Strategies

The duty to seek best execution generally applies to all of our portfolio transactions, including those relating to fixed-income securities. Certain factors outlined above with respect to the ability of a broker to provide best execution are also considered when we manage our fixed-income portfolios. However, certain factors would not be considered with respect to a broker's ability to provide best execution with respect to fixed-income securities. These factors may include our knowledge of the negotiated commission rates currently available, other current transaction costs, and the ability and willingness of a

broker-dealer to facilitate transactions by acting as principal and utilizing its own capital to facilitate trades. These, and other similar considerations, are not applicable to the best execution analysis utilized in trading fixed-income securities due to the nature of fixed-income securities and the way such securities are traded.

RESEARCH AND SOFT DOLLAR BENEFITS

Where we execute portfolio transactions for your account and when it is consistent with our duty to seek best execution, we may execute securities transactions for your account with broker-dealers who provide us with research and brokerage products and services. When we receive research services from broker-dealers in connection with brokerage commissions generated with respect to client accounts, we receive a benefit in that we are not required to pay for from our own resources or produce on our own.

The research services may include tangible research products as well as access to analysts, companies, and traders. These services can be either proprietary or provided by a third party.

In accordance with Section 28(e) of the Securities Exchange Act of 1934, the brokerage commissions we use to acquire research are known as soft dollars. We utilize soft dollars in two ways:

- Full service broker-dealers who provide research and trade execution services in exchange for brokerage commission generated by executing trades with that broker-dealer. The amount of indirect compensation we may receive from these broker-dealers is estimated as there is no invoice or agreed upon value on the research provided. The commission amounts paid to full service broker-dealers is understood to be distributed between research and execution services as 50% (for research) and 50% (for trade execution).
- Full service broker-dealers who provide research and trade execution services and participate in Client Commission Arrangements (CCA). These broker-dealers accumulate the CCA-eligible commissions and pay research providers, including 3rd party providers, based on our instructions. The amount of indirect compensation we receive from research providers is tracked in detail and can be provided to CCA participant clients upon request. 3rd party research providers are utilized for our research process as they deliver valuable services to Brandes; however, some of them do not have a trade execution desk or their trade execution capabilities are either limited or do not meet our best execution and/or operational requirements. Unless otherwise directed by clients, all non-ERISA⁴ institutional clients will participate in the CCA program. Our institutional clients that are subject to ERISA will not participate in the CCA program unless they direct otherwise. The CCA program applies to equity trades only, and does not apply to fixed-income trades.

The research we obtain with soft dollars is not necessarily used for the specific account that generated the soft dollars. We do not usually attempt to allocate the relative costs or

⁴ ERISA accounts are those subject to The Employee Retirement Income Security Act of 1974.

benefits of research among client accounts because we believe that, in the aggregate, the research we receive benefits clients and assists us in fulfilling our overall duty to you. You may benefit from the research and other services obtained by us even if your account contains mandates that do not permit investments in such securities or prohibit third-party commission arrangements. Conversely, if your account generates soft dollars, research obtained with soft dollars will be used to benefit clients, including non-discretionary model clients, directed brokerage clients, and fixed-income or wrap clients with respect to which we do not or cannot earn soft dollar credits.

All research services knowingly acquired in connection with broker-dealer transactions constitute eligible research for purpose of Section 28(e) of the Securities Exchange Act of 1934. If the product or service we obtain is a “mixed use” item (products or services that provide both research and non-research benefits), we may use soft dollars for the 28(e) eligible portion and pay cash for the non-eligible portion. We will make a good faith effort to allocate between soft dollars and cash and will prepare records of any such allocations and payments.

The receipt of research in exchange for soft dollars creates conflicts of interest. The firm receives a benefit because we can, at no cost to us, supplement our own research and analysis activities, receive the views and information of individuals and research staff of other securities firms, and gain access to persons having special expertise on certain companies, industries, areas of the economy and market factors. We may have an incentive to select a broker-dealer based on a desire to receive research, rather than based on your interest to receive most favorable execution. We do select broker-dealers based on their ability to provide quality executions and our belief that the research, information and other services provided by such broker-dealer may benefit client accounts. Accordingly, we may pay higher commissions if we determine in good faith the value of the brokerage and/or research services provided is reasonable in relation to another broker.

To address the conflict, our traders select brokers based on where they believe they can obtain best execution. We compare the brokerage commissions paid by comparable investors to determine the reasonableness of the brokerage commissions paid in connection with portfolio transactions. We will not enter into any agreement or understanding with any broker-dealer which would obligate us to direct a specific amount of brokerage transactions or commissions in return for such services. However, certain broker-dealers may state in advance the amount of brokerage commissions they require for certain services and the applicable cash equivalent. Research services provided by sell-side brokerages are periodically reviewed by every analyst in a formal commission allocation poll. The feedback includes commentary from our analysts on particular sell-side analysts’ assistance with evaluating specific companies, and to a lesser extent, other help with stock selection, provided by a given broker. Points are allocated by each analyst to quantify the value provided by each brokerage.

The research and brokerage services we acquired with soft dollars within our last fiscal year include, among other things:

- reports on the economy, industries, sectors and individual companies or issuers;

- registration fees or attendance at conferences or seminars;
- statistical information;
- reports on legal developments affecting portfolio securities;
- credit analyses

Broker-Dealers who may provide research as a result of the trade execution services requested by and provided to the firm during 2018.* This list of brokers may change from time to time and other brokers not identified may also be utilized:

Allen & Company	ICAP Securities Ltd.	Oppenheimer & Co.
Auerbach Grayson	Investec	OutSet Global LLC
Autonomous Research	Investment Advisory Services	Penserra Securities LLC
Banco Itau	ITG Posit	Pershing Wrap
Barclays	JP Morgan Chase & Co.	RBC Capital Markets
Berenberg Bank	Janney Montgomery Scott	RBC Wealth Management
Bernstein	Jefferies Group	Redburn
BMO Capital Markets	Jones & Associates	RenCap Securities, Inc.
Bradesco Securities Inc.	Keefe Bruyette & Woods	REORIENT Financial Markets Ltd.
BTG Pactual	Kepler Cheuvreux	Robert W. Baird & Co. Inc.
BTIG LLC	Knight Securities	Rosenblatt
Cabrera Capital Markets	Leerink Partners	Santander
Cantor Fitzgerald	Liquidnet	Sberbank CIB USA, Inc.
CastleOak Securities LP	Lockwood-Pershing (SMA)	Scotiabank
Charles Schwab	Lockwood-Schwab (SMA)	Scott & Stringfellow Inc.
Citigroup	Loop Capital Markets	SG Americas
CLSA Credit Lyonnais	LPL Financial Corp.	SMBC Nikko Securities
Cowen	Luminex Trading & Analytics LLC	Smith Barney
Credit Suisse	Macquarie Securities	Sova Capital Limited
D.A. Davidson & Co.	MainFirst Bank AG	Sterne Agee CRT
Daiwa Securities	Merrill Lynch Consults	Stifel Nicolaus Inv. Banking
Davy Capital Markets	Miller, Tabak & Co. LLC	Stuart Frankel & Co. Inc.
Decker & Co.	Mirae Asset Daewoo	T.D. Ameritrade
Deutsche Bank	Mischler Financial Group	T.D. Waterhouse Pvt. Inv. Advice
Envestnet (Fidelity) (SMA)	Mitsubishi UFJ Securities	Themis Trading LLC
Envestnet (PMC & ENP) (SMA)	Mizuho Securities	UBS Financial Services Inc.
Evercore ISI	ML/Bank of America Securities	Wedbush Securities, Inc.
Exane	Morgan Keegan & Co. Inc.	Weeden
FSC Securities	Morgan Stanley	Wells Fargo
Goldman Sachs	National Financial Services Corp.	XP Securities, LLC
Helvea Inc.	Nomura Securities Int'l	
HSBC Securities Ltd.	Numis Securities	

*In regard to determining the amount of commission fees being allocated towards indirect compensation (i.e., research), the industry norm for estimating percentage breakdown between execution and research is approximately 50%. Actual commission amounts will be listed on a client's commission detail report (provided upon request). Of the trades listed on the commission detail report, only the full service commission fees should be considered for the indirect compensation calculation.

AGGREGATION AND ALLOCATION

Although we manage each client account individually, we will often aggregate, for execution as a single transaction, orders for the purchase or sale of a particular security when we are provided the discretion to direct brokerage. This helps enable us to prevent information leakage by directing the entire order to a discreet institutional broker(s), leverage the large order size to get in touch with large sellers/buyers, reduce our foot print in the market, utilize principal trading when needed, and negotiate better commission rates. Clients who are generally able to participate in an aggregated transaction include discretionary institutional and private client accounts as well as directed brokerage and SMA wrap fee accounts who provide us discretion to aggregate and execute trades through an institutional broker. We treat all accounts within this group the same way regardless of the account type, including but not limited to: related accounts, mutual funds, pool funds, affiliated/proprietary accounts, and performance fee based accounts.

We frequently will execute aggregated transactions first as step-out trades. Clients in an aggregated transaction each generally receive the same price per share or unit. If more than one price is paid for securities in an aggregated transaction executed by the same broker, each client will typically receive the average price paid for the securities in the same aggregated transaction on that day.

If in a given day we receive a partial fill of the aggregated transaction, we will normally allocate the partially filled transaction to clients based on an equitable rotational system that considers a random or prorated assignment of client accounts in our order management system. Accounts are typically divided into two groups, which have different trading and settlement procedures arising from the brokerage settlement instructions provided by such account. The two groups alternate in priority with each aggregated order.

The first group consists of accounts where trades must be settled through a specified brokerage firm. Such accounts are grouped together by brokerage firm name and allocation sequencing rotates alphabetically. The first firm to receive the allocation (i.e. the starting firm) changes for every aggregated order to the next broker in the rotation in alphabetical ascending order. Once Brandes completes the allocation to the starting brokerage firm, the remaining firms receive share allocations in the specified rotation order until the firm-wide order is completed or killed⁵. Shares will not be allocated to the next brokerage firm on the list until the previous brokerage firm's order is completely

⁵ Frequently, aggregated orders can be "killed," which means that the unexecuted portion of the order is deleted. This could be due to price movements in the market, a change in an investment committee's view of the stock, changing priorities in the portfolios, etc. When an aggregated order is killed, the rotation is also deleted. When a new aggregated order is generated, a brand new rotation sequence is assigned, which is not associated with the previously killed aggregated order.

allocated. Partial executions for a given brokerage firm are allocated across client accounts on a random basis.

The second group consists of accounts where trades settle with the client's custodian bank. For such accounts, generally if 50% or more of the order is completed, partial executions will be allocated in the accounts on a pro-rata basis. If less than 50% of the order is completed, in order to avoid repeated costs of settling small trades across many accounts, the shares will generally be allocated to these accounts first on a pro-rata basis by each strategy participating in the trade, and then on a random basis amongst the participating accounts within each participating strategy.

We will generally apply the above criteria unless we believe it achieves an inequitable result, in which case we will select another methodology which we deem fair and equitable in the circumstances.

For SMA accounts, partial executions for a particular brokerage firm are allocated across client accounts on a random or pro-rata basis depending on the methodologies of the sponsor firm.

We will elect not to aggregate your trades where we feel it is not in your best interest. In addition, if you have highly particularized investment policies or restrictions, you may not be able to participate in aggregated transactions for certain issues. You may only be invested after guideline compliance has been established for acceptability of the investment. In this instance, you may receive a less favorable price on such transactions. If we determine that including your account in an aggregated transaction could adversely impact our broader client group, you may not be able to participate in aggregated transactions for most issues. Your trades may be placed later in the order placement process, and you may regularly receive different prices on trade executions compared to the accounts with fewer restrictions.

We will elect not to aggregate orders where there are differing client, Portfolio Manager, or Investment Committee instructions. Such instructions may include, but are not limited to, product, limit price, brokerage direction and trade urgency. The determination to aggregate or to execute trades separately is made based on several factors such as block order size vs. the individual order size, limit price, market impact, liquidity, free float, spread, and volatility of the security.

Once trading has been completed for aggregated transactions or if we elect not to aggregate, transactions are placed for accounts that have not been aggregated. Clients who will consistently be included in non-aggregated transactions include those accounts who have directed brokerage and SMA wrap fee accounts whose broker-dealers do not allow us to execute trades through an institutional broker.

Non-aggregated trades may also include transactions for discretionary institutional and private client accounts as well as directed brokerage and SMA wrap fee accounts who provide us discretion to aggregate and execute trades through an institutional broker where we have elected not to aggregate such transactions. While we seek to treat all clients fairly in connection with execution process, due to the differences in order

placement time, accounts in an aggregated transaction and accounts in a non-aggregated transaction may not receive the same execution prices.

Open non-aggregated transactions are generally grouped by brokerage firm and placed in random order deemed fair and equitable by us, taking into consideration factors including, but not limited to: the market(s) that are open at the time of order placement, the policies and the technical capabilities of the sponsor firms, the time sensitivity of the order, and the proximity of market price of the security vs. the limit price determined by the investment committee.

Communication of an order to the broker is considered to be complete upon order placement. Traders are not required to wait for the execution price of the trade before placing the order for the next firm. Trades are placed directly on the program sponsor system or communicated via email or FIX message if no system is provided.

Communication of Model changes will typically occur after completion of aggregated transactions.

For fixed-income trades, the policy is to identify all participating products and accounts and make an allocation on a pre-trade basis. If we cannot purchase or sell the amount contemplated on our pre-trade allocation (which includes all eligible accounts), we either allocate to all participating accounts on a pro-rata basis (in the event that we can transact in an amount that we think is material), look for a different trading partner who can transact in our desired quantity, or in the event that we cannot execute in adequate size, decline to execute the transaction. This policy reduces transaction volume, portfolio dispersion, and results in the fairest allocations across accounts and products.

IPO ALLOCATION

Brandes may, from time to time, be invited by an underwriter or a selling group member to participate in an initial public offering ("IPO") or secondary offering (together with IPO, "Public Offering"). Brandes is typically allocated only a portion of any Public Offering and, historically, participation in Public Offerings has been relatively small as a percentage of total trading volume.

It is Brandes' policy to allocate Public Offerings in a fair and equitable manner. Each portfolio management team will determine the accounts that we consider suitable for such transactions, taking into consideration, among other things, available cash, client guidelines, custodial restrictions, investment objectives and restrictions on eligible offerees. Brandes may determine that, in such circumstances, the only accounts suitable are Brandes' larger, more highly diversified institutional accounts, some of which pay Brandes a performance-based fee. As a result, Brandes may have an added benefit in allocating Public Offering shares to these accounts.

Accounts of "restricted persons" as defined under FINRA Rule 5130 are prohibited from participating in IPOs, except as permitted by the Rule (a "5130 restricted person"). In order for a client account to be eligible to participate in IPOs, we must have a copy of the client's Investor Certificate indicating that the account is not a restricted person.

Brandes' general policy is to allocate shares purchased in a Public Offering fairly and equitably among its suitable and eligible clients within the relevant investment style/product. If an IPO is partially executed, the allocation will be done on a pro-rata basis, to the extent feasible under the circumstances without imposing undue costs on accounts for comparatively small or minute allocations, based upon available cash.

Directed Brokerage Accounts, Non-Give up Accounts, and Model Portfolios are consistently excluded from IPO allocations.

Accounts managed on behalf of Brandes' employees are not eligible to receive shares purchased through IPOs, and Brandes has specific prohibitions on employee IPO participation in its Code of Ethics.

CROSS TRANSACTIONS

On occasion we may order brokers to effect cross transactions between client accounts in which one client will purchase securities held by another client. The execution price for cross trades will typically be the closing price of the day. Such transactions are only entered into when:

- we believe the transaction is in the best interest of both clients
- we determine the price to be fair to both clients
- we believe the transaction constitutes "best execution" for both clients

Neither the firm nor any related party receives any compensation in connection with such cross transactions.

You may be charged a commission by the executing broker for a cross transaction. Other local transaction charges and fees may also apply. The total brokerage compensation you may pay in connection with such cross transactions will depend on:

- the commission rate we negotiated on the transaction (if any);
- the terms of your brokerage agreement with the participating broker; and/or
- any other local market regulations and/or practices.

ERISA and the Investment Company Act of 1940 each impose conditions and/or constraints on "cross" transactions. Private Client, SMA and UMA accounts are excluded from cross transactions. We also do not effect any cross transactions that may be deemed as principal transactions.

TRADE ERROR CORRECTION

Although we take all reasonable steps to avoid errors in our trading process, occasionally errors do occur. We seek to identify and correct the trading errors affecting any account as quickly as possible in order to put you in the position you would have been in had the error not occurred. A "trade error" is generally any transaction resulting in client funds being committed to an unintentional transaction. The firm may net the gains and losses resulting from trade errors and reimburse clients for losses after deducting gains.

MODEL COMMUNICATION AND DELIVERY

Model changes are approved by the appropriate investment committee. In general, approved changes will be communicated and delivered to model program sponsors in the manner specified by such program sponsor and agreed to by Brandes. In general, material changes will not be communicated to model program sponsors until completion of aggregated trading. The model program sponsor is responsible for executing portfolio transactions for its clients.

Model changes are submitted to program sponsors in a rotation process deemed fair and equitable by Brandes. The UMA program sponsors are categorized into two groups based on the model delivery method: Via email/spreadsheet or via direct entry into the web portal provided by the program sponsor. In the rotation process the email/spreadsheet delivery program sponsors are on top of the rotation on day one, and the web portal entry programs are on top of the rotation on day two, alternating daily. Within each group, the sponsor programs are rotated in alphabetical order, beginning with a new first letter each day. Model changes are considered placed upon the email being sent or upon the change being entered into the web portal. The rotation does not pause for confirmation of delivery or completion of the model change action by the sponsor. Overrides to the rotation are permissible due to deadlines imposed by the sponsor programs; however, such overrides are tracked and reported to the Compliance department.

ITEM 13: REVIEW OF ACCOUNTS

ACCOUNT REVIEWS

Your account is systematically reviewed by our automated compliance system when investment allocation changes are considered for your account. Your account will also be reviewed quarterly by your portfolio management team to make sure that stocks allocated to your account are in accordance with the policy guidelines established by the relevant investment committees for the strategy, and in accordance with your specific investment restrictions and policies. Our automated compliance system is not capable of monitoring certain types of client-imposed guidelines. Consequently, while we may accept these types of restrictions, we will monitor such guidelines manually on a periodic basis.

SMA accounts are monitored by SMA Account Analysts as orders are generated. Each day, the SMA Division verifies executions to ensure trades are properly booked. Allocations for aggregated trades are sent to sponsor firms through the sponsor firm's designated trading system or via fax. Sponsor firms are responsible for verifying and matching trade confirmations and reconciling your account.

Model Portfolio accounts are not reviewed by Brandes, but are the responsibility of the program sponsor.

CLIENT REPORTS

The nature and frequency of your client report is determined primarily by your particular needs. Generally, you will receive either quarterly or monthly written reports of all transactions for that period, current portfolio holdings and portfolio returns.

Client reports for SMA accounts and Model Portfolio accounts are provided by the program sponsor in accordance with your agreement with the sponsor.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

Other than the compensation described in Items 5, 6, 10, and 12, Brandes does not receive an economic benefit from anyone other than our clients for providing investment advice or other advisory services to our clients.

We actively seek to educate consultants, broker-dealers, and other financial advisors (collectively, "Financial Professionals") about our advisory services. Brandes sponsors educational events where its representatives meet with Financial Professionals and in some instances their clients. Brandes may pay some of the costs associated with educational events, which provide Brandes representatives with an opportunity to meet with Financial Professionals and clients. Such costs may include meeting materials, travel, lodging, and entertainment. These costs are paid by Brandes from its own resources. Additionally, Brandes may at times make charitable donations in connection with events involving personnel or clients of entities that distribute our products and/or services. Clients should confer with their Financial Professional regarding the details of the cost payments they may receive from Brandes.

While we do not currently have any such arrangements in place, we may compensate unrelated third parties for client referrals in accordance with Rule 206(4)-3 under the Investment Adviser's Act of 1940. The compensation paid to any such third party will typically consist of a cash payment stated as a percentage of our advisory fee. Brandes may pay its employees an amount in addition to their base salary for referring clients to the firm.

ITEM 15: CUSTODY

We do not have physical custody of client assets or provide custodial services. In order to use our services, you must establish a custodial account with another institution, such as a brokerage firm, bank, trust company or other qualified custodian from a specific list of custodians with which we will work.

You will generally receive statements directly from your custodian at least quarterly. We urge you to review such statements carefully and compare them to the client reports that we provide to you. The information in our client reports may differ from your custodial statements based on accounting procedures, reporting dates, or valuation

methodologies of certain securities. Please contact us if you do not receive a timely statement from your custodian.

We may be deemed to have “custody” over certain of the private funds we manage for purposes of Rule 206(4)-2 of the Advisers Act (“Custody Rule”). To comply with this Rule, we provide each investor in such private fund audited financial statements within 120 days following the private fund’s fiscal year end. If you have invested in the private funds and have not received audited financial statements timely, please contact us immediately.

If we, through no effort of our own, inadvertently receive client funds or securities, we will forward those funds or securities to the client within three business days, and in some limited cases (e.g. tax refunds, class action settlements, stock certificates or dividend checks) we may forward the funds to the client within five business days as per the Custody Rule.

Brandes has a relationship with two broker firms where the contracts allow the brokers to deduct advisory fees from the clients’ accounts. While Brandes is not authorized under such arrangements to withdraw client funds or securities, the documentation between the clients and their broker firm generally provides that the broker firm is authorized to pay our fees upon receipt of an invoice from Brandes without the need to verify or validate the appropriateness of such invoice. Therefore, we take steps to comply with the requirements of Rule 206(4)-2.

ITEM 16: INVESTMENT DISCRETION

We usually only accept new accounts when we are given full investment discretion to make investment decisions for your account without your prior consultation. This authority is granted to us in the agreement between you and Brandes. However, our discretionary authority may be limited in certain circumstances. For example, you may place restrictions or prohibitions on transactions in certain types of securities or industries or with socially responsible criteria. Any limitations you wish to place on your account must be agreed upon in advance in writing.

For Model Portfolio accounts, discretion to make investment decisions for your account resides with the program sponsor, not with Brandes.

ITEM 17: VOTING CLIENT SECURITIES

Generally, we vote proxies for securities that we select and are held in your account, unless you direct us to the contrary in writing. Our policy and practice includes the responsibility, among other things, to i) monitor and act on corporate actions as appropriate and in the best interest of your account and holdings; ii) received and vote client proxies; and iii) disclose any potential conflicts of interest. In addition, the firm will, upon request, provide you information about the voting of proxies for your portfolio securities. We generally do not vote proxies for securities held in your account which we

did not select, or where we are not vested with discretionary authority. If you retain the right to vote proxies, you should make arrangements with your custodian to directly receive proxy solicitations. We do not accept instructions from clients on individual solicitations.

Voting proxies with respect to shares of foreign companies may involve significantly greater effort and corresponding cost due to the variety of regulatory schemes and corporate practices in foreign countries with respect to proxy voting. Logistical problems in voting foreign proxies include the following:

- Each country has its own rules and practices regarding shareholder notification, voting restrictions, registration conditions, and share blocking.
- To vote shares in some countries, the shares may be “blocked” by the custodian or depository (or bearer shares deposited with a specified financial institution) for a specified number of days (usually five or fewer but sometimes longer) before or after the shareholder meeting. When blocked, shares typically may not be traded until the day after the blocking period. Brandes may refrain from voting shares of foreign stocks subject to blocking restrictions where, in Brandes’ judgment, the benefit from voting the shares is outweighed by the interest of maintaining client liquidity in the shares. This decision generally is made on a case-by-case basis based on relevant factors, including the length of the blocking period, the significance of the holding, and whether the stock is considered a long-term holding.
- Often it is difficult to ascertain the date of a shareholder meeting because certain countries do not require companies to publish announcements in any official stock exchange publication.
- Time frames between shareholder notifications, distribution of proxy materials, book-closure and the actual meeting date may be too short to allow timely action.
- Language barriers will generally mean that an English translation of proxy information must be obtained or commissioned before the relevant shareholder meeting.
- Some companies and/or jurisdictions require that, in order to be eligible to vote, the shares of the beneficial holders be registered in the company’s share registry.
- Lack of a “proxy voting service” by custodians in certain countries. In countries in which custodians do not offer a “proxy voting service”, Brandes will attempt, on a best efforts basis, to lodge votes in such countries.
- Presence of voting fees in countries in which custodians do not offer a “proxy voting service”, may limit Brandes’ ability to lodge votes in such countries.
- Due to limited voting ability of some ADR programs, Brandes will attempt on a best efforts basis to vote when it is prudent to do so and if the Depositary offers a path to submit our vote instructions.

Because the cost of voting on a particular proxy proposal could exceed the expected benefit to a client (including an ERISA Plan), Brandes may weigh the costs and benefits of voting on proxy proposals relating to foreign securities and make an informed decision on whether voting a given proxy proposal is prudent.

The financial interest of our clients is the primary consideration in determining how proxies should be voted. In the case of social, political, and environmental responsibility issues that in our view do not primarily involve financial considerations, it is not possible to represent fairly the diverse views of our clients and, thus, unless you have provided other instructions, we generally vote in accordance with the recommendations of management and/or a third-party proxy service provider, although, on occasion we may abstain from voting on these issues.

Conflicts of interest may arise in the proxy decision-making process. We are committed to resolving all conflicts in our clients' best interests and will generally vote pursuant to our Proxy Voting Guidelines when conflicts of interest arise. When there are proxy voting proposals that give rise to conflicts of interest that are not addressed by the Proxy Voting Guidelines, each will be evaluated on a case-by-case basis by the Corporate Governance Committee, in consultation with the Global Head of Compliance. The steps taken to address the issue will be documented in writing.

Possible resolutions of such conflicts may include:

- voting in accordance with the guidance of an independent consultant or outside counsel;
- erecting information barriers around the person or persons making voting decisions;
- designating a person or committee to vote that has no knowledge of any relationship between Brandes and the issuer, its officers or directors, director candidates, or proxy proponents; or
- voting in other ways that are consistent with our obligation to vote in our clients' best interests.

When making proxy-voting decisions, we generally adhere to our Proxy Voting Guidelines, which have been developed with reference to the positions of certain third party proxy service providers, and which set forth our positions on recurring issues and criteria for addressing non-recurring issues.

You may obtain a copy of our proxy voting policies and procedures, information regarding votes we cast with regards to your securities, or information about specific proxy solicitations by sending a written request to:

Brandes Investment Partners, L.P.
Attention: Proxy Inquiries
11988 El Camino Real, Suite 600
San Diego, CA 92130
proxyinquiries@brandes.com

ITEM 18: FINANCIAL INFORMATION

Not applicable.