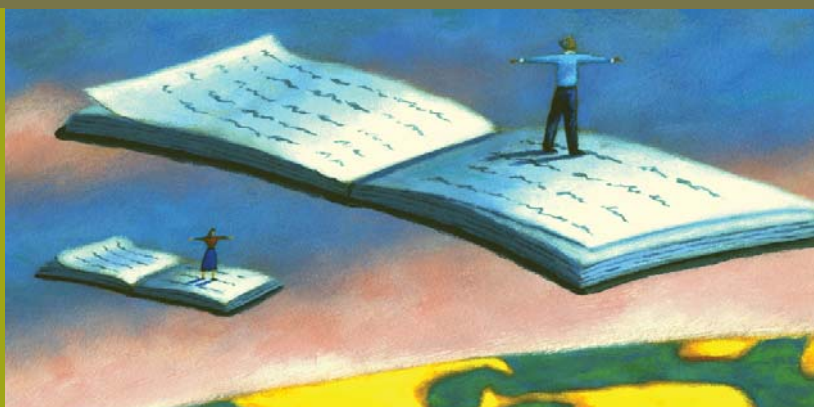


**BRANDES**  
INVESTMENT PARTNERS



**Mission Statement**

*“Be an exceptional firm which provides superior investment advisory services in an atmosphere of accomplishment and enjoyment.”*

# AN INTRODUCTION TO BRANDES INVESTMENT PARTNERS, L.P.

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Brandes Investment Partners® is a leading investment advisory firm, managing assets for institutions and high-net-worth individuals around the world. Since our inception in 1974, we have consistently applied the value investing approach to security selection, which was pioneered by Benjamin Graham. One of the first firms to bring a global perspective to value investing, we offer a variety of investment strategies. As of June 30, 2005, we manage approximately \$95 billion and employ more than 500 people.

## **Our Clients**

Institutional assets represent a majority (62%) of our assets under management as of June 30, 2005. While public pension plans, mutual funds, and ERISA clients represent the most significant portions of these assets, our institutional clients also include corporate pension plans, unions, foundations, and endowments. Private client assets represent the balance of assets under management.

## **Our 100-Year Vision**

“We manage our firm like we manage our portfolios: with a long-term perspective.” *Charles H. Brandes, CFA – Chairman*

All of our business activities – from day-to-day operations to far-reaching strategic decisions – are guided by our 100-year vision, a clearly defined image of the firm we want to be through the next century and beyond.

At the foundation of our 100-year vision is a commitment to remaining an independent, employee-owned organization. This structure allows us to act in clients’ best interests consistently, to stay focused on value investing, and to continue supporting a positive atmosphere for our employees. Indeed, we believe independence is critical to the successful pursuit of our mission: to be an exceptional firm which provides superior investment advisory services in an atmosphere of accomplishment and enjoyment.

## Equity Analyst Summer Internship Program

Our equity analyst summer internship program offers MBA candidates the opportunity to perform fundamental company and industry research, gain familiarity with a variety of valuation techniques, and present two formal company valuation reports to our investment committees. Analyst interns will work with a high degree of independence, but with the benefit of mentoring from more experienced analysts.

Interviews for our internship program are open to first-year MBA candidates. Substantial professional experience in a complex analytical role (e.g., accounting, finance, management consulting, law, etc.) and a passion for investing are preferred. English fluency is a requirement; other language skills are a plus.

### **Amelia Morris, CFA, Director – Investments**

*MBA, The University of Chicago*

“Through direct involvement in the investment process at Brandes, our summer analyst interns are responsible for meaningful analytic projects and enjoy interaction with Brandes investments professionals at an advanced level. Additionally, the summer program allows our interns to experience the Brandes culture and gain insight into the value investing philosophy.”



### **Seth Merrill, CMA, Analyst - Basic Materials Research Team**

*MBA, Stanford University*

*Summer Intern 2002*

“Summer analyst interns become true members of the research team, and their work undergoes the same rigorous review accorded all our investment ideas. As a result of my internship experience, my expectations were crystal clear when I started work full-time as an analyst with Brandes.”



### **Louis Lau, Analyst - Financial Institutions Research Team**

*MBA, The Wharton School, University of Pennsylvania*

*Summer Intern 2003*

“The ideal combination of valuing important, high profile companies worldwide, and experiencing San Diego via various intern social events marked an extremely rewarding summer. The Brandes internship not only matured my own investment thinking, but also enabled me to hit the ground running once I joined the firm full-time.”



If you are interested in growing professionally within a highly respected firm, we invite you to explore this excellent opportunity by speaking with your school’s career services group or e-mailing [careers@brandes.com](mailto:careers@brandes.com). We value diversity in our workplace. EOE M/F/V/D

## The Brandes Value Philosophy

Because of the manic-depressive nature of the overall market – where sentiment can shift between sweeping, carefree optimism and overwhelming fear and uncertainty seemingly overnight – prices of securities tend to fluctuate much more than the intrinsic values of the companies they represent. This irrationality can materialize on the upside, lifting prices to dangerously lofty heights. It can also appear on the downside, dragging prices for select securities to bargain levels.

As value investors, we target the latter situation, purchasing out-of-favor securities that are trading at discounts to our estimates of their fair values, and then holding these securities until the market recognizes their inherent worth. By confidently approaching the short-term vagaries of the market with rational, objective analysis, we aim to identify compelling investment opportunities and deliver superior long-term results.

## Value Investing: A Historical Context

A wide range of academic research has suggested that value investing, with its emphasis on out-of-favor companies, has outperformed “growth” strategies, which tend to focus on companies that are expected to enjoy substantial increases in metrics such as revenues, earnings, and book value. For example, finance professor Kenneth French of Dartmouth’s Tuck School of Business compiles historical value-versus-growth returns, using price-to-book ratios to distinguish between value stocks and growth stocks.

An analysis of French’s data reveals that, in both the large- and small-cap asset classes, value stocks have returned substantially more than growth stocks over the last 40 years. In addition, value stocks have outperformed with less annual volatility, with a smaller dip in the 1973-74 bear market, and with a less painful “worst 12 months.”

Performance histories of Brandes Investment Partners strategies are available on the “Investors” portion of our website, [www.brandes.com](http://www.brandes.com).

	Annualized return 1961-2001	Annualized standard deviation	1973-74 return	Worst 12-month loss
Large Growth	9.9%	16.7%	- 44.6%	- 45.8%
Small Growth	8.7%	24.7%	- 63.1%	- 50.8%
Large Value	13.5%	15.5%	- 26.2%	- 32.9%
Small Value	18.3%	18.8%	- 40.6%	- 34.4%

Source: [mba.tuck.dartmouth.edu/pages/faculty/ken.french](http://mba.tuck.dartmouth.edu/pages/faculty/ken.french)

Brandes Investment Partners: as of 12/31/04

## Our Investment Process

Persistent screening of our investment universe yields hundreds of potentially undervalued companies that deserve a thorough examination. Often, these companies are out-of-favor at the moment, with a stock price that has been depressed by recent bad news. In other cases, a company might belong to an unexciting industry that the investment community has largely ignored.

To gain a comprehensive understanding of each of these businesses, our analysts and research associates draw on resources ranging from published financial statements to personal company visits. Remember, our objective is to find and purchase shares of businesses that are selling at a significant discount to our estimate of their true worth. Accordingly, our research team members first work to determine an estimate of the value of each company they recommend. From there, analysts present the most compelling opportunities to our firm's investment committees, where valuation estimates are agreed upon and purchase decisions are made.

Our investment committees consist of senior analysts and other experienced investment professionals. In a typical meeting, the analyst responsible for a given company submits an extensive valuation report and answers questions posed by committee members. The members of the committee then work together to agree on what they believe the business is worth, and whether, at the right price, the stock should enter our portfolios.



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