



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 e-mail 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

- **Not Applicable**

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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. We are beneficially owned by senior professionals of the firm and are not publicly traded.

The firm has two partners: Brandes Investment Partners, Inc., a California corporation, with a minority general partnership interest; and Brandes Worldwide Holdings, L.P., a Delaware limited partnership, with a majority limited partnership interest. Charles Brandes owns a more than 25% interest in Brandes Investment Partners, Inc. Brandes Investment Partners, Inc. owns a more than 25% general partnership interest in Brandes Worldwide Holdings, L.P.

As of September 30, 2011, our total assets under management were approximately \$34.2 billion, of which we managed approximately \$33.8 billion on a discretionary basis and approximately \$381 million on a non-discretionary basis. 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 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.

Under a SMA arrangement, you will pay a single or “wrap” fee 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. Upon request, we will work with you 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 without additional commissions, however our Trading Department usually has 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. Fixed-income transactions in an SMA program are generally executed with the program sponsor.

COMMINGLED VEHICLES

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

NON-DISCRETIONARY ADVISORY SERVICES

We occasionally provide non-discretionary investment advisory services to clients, including model portfolios, in which we provide a program sponsor 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 portfolio"). Our role is generally limited to providing research and portfolio recommendations, including a model portfolio, to the program sponsor. Program clients are clients of the program sponsor, not Brandes. In managing these non-discretionary relationships, 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. Program account performance may be adversely affected depending on when the advice was given or the actions taken on program accounts. The program sponsor may receive or act upon our model portfolio before, concurrently or after we take similar actions for our client accounts. As a result, the program sponsor and the firm may compete for execution quality, price or timing.

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 may manage certain accounts without an advisory fee, such as

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.

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.

SEPARATE ACCOUNT FEES

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.

We offer the following fee arrangements for separate accounts.

SEPARATE ACCOUNT FEE SCHEDULE		
Strategies	Account Assets	Annual Fee
<ul style="list-style-type: none"> ▪ Emerging Markets Equity ▪ Global Mid Cap Equity ▪ Global Small Cap Equity ▪ International Mid Cap Equity ▪ International Small Cap Equity 	From \$100,000 but less than \$1 million:	1.50%
	First \$500,000	1.25%
	Next \$499,999	
	From \$1 million up to \$10 million:	1.20%
	First \$5 million	1.10%
	Next \$5 million	
	From \$10 million and over:	1.15%
First \$10 million	1.00%	
Next \$10 million	0.90%	
Next \$30 million	0.80%	
Amounts over \$50 million		
<ul style="list-style-type: none"> ▪ Asia Ex-Japan Equity 	First \$25 million	1.04%
	Next \$25 million	0.90%
	Amounts over \$50 million	0.80%
<ul style="list-style-type: none"> ▪ Japan Equity 	First \$25 million	1.04%
	Next \$25 million	0.90%
	Next \$50 million	0.80%
	Amounts over \$100 million	0.60%
<ul style="list-style-type: none"> ▪ European Equity ▪ U.S. Small Cap Value Equity 	From \$100,000 but less than \$1 million:	1.50%
	First \$500,000	1.25%
	Next \$499,999	
	From \$1 million up to \$10 million:	1.00%
	First \$5 million	0.90%
	Next \$5 million	
	From \$10 million and over:	0.95%
	First \$10 million	0.90%
	Next \$10 million	0.80%
Next \$30 million	0.70%	
Amounts over \$50 million		

<ul style="list-style-type: none"> ▪ U.S. Mid Cap Value Equity 	<p>From \$100,000 but less than \$1 million: First \$1 million From \$1 million up to \$10 million: Amounts up to \$10 million From \$10 million and over: First \$10 million Next \$10 million Next \$30 million Amounts over \$50 million</p>	<p>1.00% 0.85% 0.85% 0.80% 0.70% 0.60%</p>
<ul style="list-style-type: none"> ▪ U.S. Value Equity 	<p>From \$100,000 but less than \$1 million: First \$1 million From \$1 million up to \$10 million: Amounts up to \$10 million From \$10 million and over: First \$10 million Next \$10 million Next \$30 million Amounts over \$50 million</p>	<p>1.00% 0.75% 0.75% 0.70% 0.60% 0.50%</p>
<ul style="list-style-type: none"> ▪ International Equity ▪ Global Balanced ▪ Global Equity 	<p>From \$100,000 but less than \$1 million: First \$500,000 Next \$499,999 From \$1 million up to \$10 million: First \$5 million Next \$5 million From \$10 million and over: First \$10 million Next \$10 million Next \$30 million Amounts over \$50 million</p>	<p>1.50% 1.25% 1.00% 0.90% 0.95% 0.80% 0.60% 0.50%</p>
<ul style="list-style-type: none"> ▪ Core Fixed Income (existing clients only) 	<p>First \$20 million Next \$30 million Next \$50 million Next \$150 million Amounts over \$250 million Minimum Annual Fee:</p>	<p>0.28% 0.20% 0.15% 0.125% 0.10% \$56,000</p>
<ul style="list-style-type: none"> ▪ Core Plus Fixed Income 	<p>First \$20 million Next \$30 million Next \$50 million Next \$150 million Amounts over \$250 million Minimum Annual Fee:</p>	<p>0.33% 0.25% 0.20% 0.175% 0.15% \$66,000</p>
<ul style="list-style-type: none"> ▪ Corporate Focus Fixed Income 	<p>First \$20 million Next \$30 million Amounts over \$50 million Minimum Annual Fee:</p>	<p>0.40% 0.30% 0.25% \$80,000</p>

<ul style="list-style-type: none"> ▪ Enhanced Fixed Income 	First \$25 million	0.42%
	Next \$25 million	0.35%
	Amounts over \$50 million	0.30%
	Minimum Annual Fee:	\$105,000

SEPARATELY MANAGED ACCOUNT /MODEL PORTFOLIO FEES

Under an SMA or model portfolio arrangement, you will pay your fee directly to your program sponsor. Under the agreement between the program sponsor and the firm, a program sponsor usually pays us a monthly or quarterly fee for our investment advisory services. Our fees for non-discretionary management services are negotiable. 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.

COMMINGLED VEHICLES FEES

The investment advisory fees that we receive as a service provider to certain mutual funds are described in the registration statements of those funds. 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 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. (Item 12 provides more information on our brokerage practices.) Mutual funds and exchange traded 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 for a limited number of separate accounts. The receipt of performance-based fees for certain accounts may create a conflict of interest, in that we may have an incentive to make investments that are riskier than would be the case without a performance-based fee. We may have 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. Our compensation may 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, or charitable organizations.

MINIMUM INVESTMENT

We recommend the following minimums to open an account. The minimum investment requirements vary by client and by strategy. At our discretion, we may lower the minimum requirements.

MINIMUM INVESTMENT REQUIREMENTS		
Account Type	Strategies	Minimum investment (in cash and/or assets)
Private client accounts	European Equity Global Balanced Global Equity Global Mid Cap Equity International Equity U.S. Mid Cap Value Equity U.S. Small Cap Value Equity U.S. Value Equity	\$100,000
	Emerging Markets International Mid Cap Equity	\$250,000
	Global Small Cap Equity International Small Cap Equity	\$500,000
	Core Plus Fixed Income Corporate Focus Fixed Income	\$20,000,000
	Enhanced Income	\$25,000,000
	Institutional accounts	Any equity investment product

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 different 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.

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, including through diversification.

You should be aware that certain strategies may be limited to certain types of securities (e.g., equities or fixed income) and may not 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 guard against the risk of loss.

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 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 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 which we believe are priced at a discount 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. 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 may sell investment securities from time to time 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 stock market will recognize our estimate of the value of a security.

Investments for our various strategies are determined by each associated investment committee. The investment committees apply broad standards and practices established by our Investment Oversight Committee in analyzing and making portfolio selections.

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 small or mid cap issuers) will likely be at the upper end. If there are insufficient issues which meet our value criteria, a strategy may hold cash reserves temporarily. Such assets will still be subject to our fee, which may be in excess of returns earned on amounts committed to cash.

If an account becomes unbalanced as a result of price movement, we will not necessarily adjust it, and may choose to continue holding the stock until it reaches our estimate of its intrinsic value. 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.

Typically, we will not invest more than 5% of the value of total strategy assets in any one security. With the exception of single-country strategies, we will typically invest up to the greater of either (a) 20% of total strategy assets in any particular country or industry or (b) 150% of the weighting of a particular country or industry as represented in its relevant index. With the exception of the Brandes Emerging Markets Equity strategy, we will not generally invest more than 30% of the value of the strategy's total assets in securities of companies located in emerging securities markets throughout the world. Each of these diversification percentages are measured at the time of purchase.

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. The relevant index for diversification measurement is the Morgan Stanley Capital International ("MSCI") EAFE Index.

The **Brandes International 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. The relevant index for diversification measurement is the FTSE World EX-U.S. Mid Cap Index.

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 billion or less at the time of purchase. The relevant index for diversification measurement is the S&P Developed Ex-U.S. SmallCap Index.

The **Brandes Emerging Markets Equity Strategy** seeks long-term capital appreciation by investing primarily in equity securities of emerging country issuers. The relevant index for diversification measurement is the MSCI Emerging Markets Index.

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. The relevant index for diversification measurement is the MSCI World Index.

The **Brandes Global 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. The relevant index for diversification measurement is the FTSE World Mid Cap Index.

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 billion or less at the time of purchase. The relevant index for diversification measurement is the S&P Developed SmallCap Index.

The **Brandes Global Balanced Strategy** seeks long-term capital appreciation and current income by investing primarily in a combination of undervalued equity securities and fixed income securities of both U.S. and non-U.S. issuers. 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 40% and 75% of its total assets invested in equity securities (determined at the time of purchase), depending upon Brandes' ability to find individual companies meeting its investment criteria. The relevant index for diversification measurement is 50% MSCI World Index and 50% Citigroup U.S. Broad Investment Grade Bond Index.

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 \$1 billion at the time of purchase. The relevant index for diversification measurement is the S&P 500 Index.

The **Brandes U.S. 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. The relevant index for diversification measurement is the Russell Midcap Index.

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 billion or less at the time of purchase. The relevant index for diversification measurement is the Russell 2000 Index.

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 securities of issuers located in emerging European markets, including countries that were former members of the Eastern Bloc or included within the former USSR. The relevant index for diversification measurement is the MSCI Europe Index.

The **Brandes Japan Equity Strategy** seeks long-term capital appreciation by investing primarily in equity securities of Japanese issuers. The relevant index for diversification measurement is the MSCI Japan Index.

The **Brandes Asia Ex-Japan Equity Strategy** seeks long-term capital appreciation by investing primarily in equity securities of Asian issuers other than Japanese issuers. There is no limitation on the market capitalization of the issuers in which the strategy may invest. The relevant index for diversification measurement is the MSCI All-Country Asia Pacific ex-Japan Index.

EQUITY RISKS

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

Management 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 and there is no guarantee that the stock market will recognize our estimate of the value of a security.

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.

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 that individual security. This may result in higher volatility.

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 rate may reduce, or even eliminate, any return on a U.S. investment. 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 using options on fixed income securities, selling of currency on a spot basis, using forward contracts or swap arrangements, or transacting in securities on a when-issued or delayed-delivery basis.

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.

Emerging markets risk – Securities markets in emerging 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 markets issuers and emerging 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 markets may rise and fall substantially.

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.

Small and Mid-Cap 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.

TYPES OF EQUITY SECURITIES

The equity strategies may invest in any combination of equity securities, including common stocks, preferred stocks, securities convertible into stocks, equity interest in Real Estate Investment Trusts (REITs), shares of closed end investment companies, participation shares, savings shares, non-voting shares, and exchange-traded funds (ETFs). We may also hold cash or cash equivalents.

We may also acquire an interest in a foreign company on your behalf in the form of American Depositary Receipts ("ADRs"), European Depositary Receipts, or Global Depositary Receipts, (collectively with ADRs, "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. 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 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.

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 which 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 which we believe are priced at a discount, 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 risk-free 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 its 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 from time to time 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 Barclays Capital U.S. Aggregate Bond Index) by investing primarily in United States 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.

The **Brandes Core Fixed Income Strategy** seeks long-term returns in excess of its benchmark (the Barclays Capital U.S. Aggregate Bond Index) by investing primarily in United States government and agency debt, U.S. and non-U.S. corporate debt, mortgage-backed securities (“MBS”) and asset-backed securities (“ABS”). All 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 60-100 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 70% of the overall investments.

The **Brandes Corporate Focus Fixed Income Strategy** seeks long-term returns in excess of its benchmark (the Barclays Capital 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 and investment in each of MBS and ABS will be limited to 40% of the strategy's assets at time of purchase.

The **Brandes Enhanced Income Strategy** seeks to achieve current income and long-term capital appreciation by investing primarily in a combination of undervalued 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 capitalization ranks in the top 250 companies worldwide. The strategy is not subject to any specific geographic diversification requirements. 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%.

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.

FIXED INCOME RISKS

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

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.

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.

Management 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 which 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.

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 which 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 which does not contain such value securities.

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.

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 which 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.

Non-benchmark securities – 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.

Emerging markets / foreign markets risk – Securities markets in foreign countries, including emerging markets, 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 markets issuers and emerging 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 markets may rise and fall substantially. 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

TYPES OF FIXED INCOME SECURITIES

The fixed income strategies may invest in any combination of fixed income 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**

ITEM 9: DISCIPLINARY INFORMATION

Not applicable.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

The firm owns 100% of Brandes International Partners, Ltd., a company domiciled in the Cayman Islands with a branch office in Geneva, Switzerland.

The firm 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 in all Canadian provinces and territories as an adviser and exempt market dealer; registered in all Canadian provinces and territories, except Quebec, as a mutual fund dealer exempt from Mutual Fund Dealers’ Association of Canada; and registered in Ontario as an investment fund manager.

BIP & Co. has entered into an investment sub-advisory agreement with us delegating certain contractual investment advisory responsibilities to us. BIP & Co. is the manager of, and we are sub-adviser to, the Brandes Funds, a series of fourteen Canadian mutual funds established in July 2002 offered to retail and institutional investors in Canada. BIP & Co. is also the manager of, and we are sub-adviser to, unregistered investment trusts sold only in Canada to institutional investors and high net-worth individuals.

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, both unregistered private funds.

We serve as investment adviser to Brandes Investment Funds Plc, an open-ended investment company with variable capital established as an undertaking for collective investment in transferable securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 1989, and since February 13, 2004, subject to the European Communities (Undertaking for Collective Investment in Transferable Securities) Regulations, 2003 as amended.

Certain of our personnel are registered representatives of a broker-dealer.

We do not believe these services 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. You may 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 500
San Diego, CA 92130
clientservice@brandes.com

Generally, the Code of Ethics provides that:

- **Except for U.S. government securities or open-ended mutual funds that the firm does not advise, employees must pre-clear all personal trades for their own accounts or accounts over which they have an interest or control (“employee-related accounts”)**

- **Pre-clearance requests will not be granted for trades in securities that are under consideration for a client account or are the subject of an unexecuted order for a client account**
- **Brokerage statements and confirmations for all employee-related accounts must be sent to the firm**
- **Employees may not purchase and sell the same security for a gain within any 60-day period (these restrictions may be waived where appropriate by the compliance department based on individual circumstances)**
- **Limitations exist on Brandes personnel’s ability to participate in initial public offerings and private placements; however Brandes personnel may invest in Brandes managed portfolios**
- **Employees must report personal securities transactions in all employee-related accounts quarterly**

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.

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 may invest directly in the Brandes funds. 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 section above, we do not believe this creates a conflict of interest between the firm and our advisory clients.

ITEM 12: BROKERAGE PRACTICES

BROKER SELECTION AND BEST EXECUTION

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 and in buying or selling securities for your account is to seek to obtain the best combination of price and execution. The best net price, taking into consideration brokerage commissions and other costs is one important

factor we consider in seeking best execution. We may also consider the nature of the security being traded, size and type of transaction, the nature and character of the markets, desired timing of the trade, activity existing and expected in the market for the particular security, and confidentiality. We may also consider broker-specific factors, including the broker's execution, clearance and settlement capabilities, our knowledge of actual or apparent operational problems of a broker-dealer, the broker-dealer's execution services rendered on a continuing basis and in other transactions, and the reasonableness of commissions. We may also consider the quality of research provided by executing brokers or dealers and its usefulness in the management of client accounts. See "Research and Soft Dollar Benefits" below. We have procedures in place to monitor broker performance and execution.

Where we 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.

RESEARCH AND SOFT DOLLAR BENEFITS

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. The brokerage commissions we use to acquire research are known as soft dollars. Broker-dealers typically provide a bundle of services including research and execution of transactions. The research provided can be either proprietary (created and provided by the broker-dealer, including tangible research products as well as access to analysts and traders) or third-party (created by a third party, but provided by a broker-dealer).

We may use soft dollars to acquire either type of research. 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 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 soft dollar transactions. 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.

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, we compare the brokerage commissions paid by other investors of comparable size and type 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.

We currently maintain arrangements to obtain third-party research or other products or services using soft dollars with several broker-dealers. This allows us to obtain particular product(s) or service(s) with available soft dollar credits and pay cash to make up any difference. 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 research portion and pay cash for the non-research 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 research and brokerage services we acquired with soft dollars within our last fiscal year include:

- **reports on the economy, industries, sectors and individual companies or issuers;**
- **statistical information;**
- reports on legal developments affecting portfolio securities;
- **credit analyses**

DIRECTED BROKERAGE, AGGREGATED TRADES AND ALLOCATIONS

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 open a custodial account with a bank trust company and grant us discretion to select a broker-dealer, we will use our best efforts to obtain the best brokerage commission rate possible under the circumstances. If you establish a custodial account with a broker-dealer, you will typically direct us to effect all portfolio transactions through that broker-dealer at a rate agreed upon between you and the broker.

If you direct the use of a broker-dealer, you may be subject to certain disadvantages regarding allocation of new issues and aggregation of orders. 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 for the accounts of several clients that have the same brokerage firm as custodian. Similarly, when possible, we will aggregate orders when we have discretion to direct brokerage. This may enable us to prevent information leakage by directing the entire order to a trusted 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 in an aggregated transaction each receive the same price per share or unit. If more than one price is paid for securities in an aggregated transaction, each client will typically receive the average price paid for the securities in the same aggregated transaction on that day. If 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. After we have determined which client accounts are able to participate in an aggregated transaction, we use an allocation methodology that helps ensure, over time, that no one account receives trading priority over any other account.

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 in such issues after guideline compliance has been established for acceptability of the issue and permissible amounts. In this instance, you may receive a less favorable price on such transactions. If we determine that including you in an aggregated transaction or in the normal trade rotation could adversely impact our broader client group, you may not be able to participate in aggregated transactions for most issues and/or may be consistently traded toward the end of our trade rotation. You may regularly receive less favorable prices on account transactions.

Occasionally, we may 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 Offerings"). We are typically allocated only a portion of any Public Offering. Since certain Public Offerings may involve higher risks and may involve restrictions on eligibility, we may determine that the only accounts suitable for Public Offerings are our larger, more highly diversified institutional accounts, some of which pay us a performance-based fee. As a result, we may have an added benefit in allocating Public Offering shares to these accounts. Our general policy is to allocate shares purchased in a Public Offering fairly and equitably among our suitable and eligible clients within the relevant product on a pro rata basis, without imposing undue costs on accounts for comparatively small or minute allocations, based upon available cash. Accounts managed on behalf of our employees are not eligible to receive shares purchased through IPOs.

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. 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 may 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.

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. In no case where client money was at risk will we benefit economically from the resolution of a trade error.

ITEM 13: REVIEW OF ACCOUNTS

ACCOUNT REVIEWS

Separate accounts are reviewed by a portfolio manager or associate portfolio manager when changes are made to the account. Your account will also be reviewed monthly 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.

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 are then sent to sponsor firms through the firm's designated trading system or via fax. Sponsor firms are responsible for verifying and matching trade confirmations and reviewing your account.

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 reports of all transactions for that period, current portfolio holdings and portfolio returns.

Client reports for SMA accounts are provided by the SMA sponsor in accordance with our agreement with the sponsor.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

Other than the compensation described in Items 5 and 6, Brandes does not receive an economic benefit from anyone other than our clients. 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.

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.

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.

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. 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.

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 500
San Diego, CA 92130
proxyinquiries@brandes.com

ITEM 18: FINANCIAL INFORMATION

Not applicable.