



# Brandes

## analyzes:

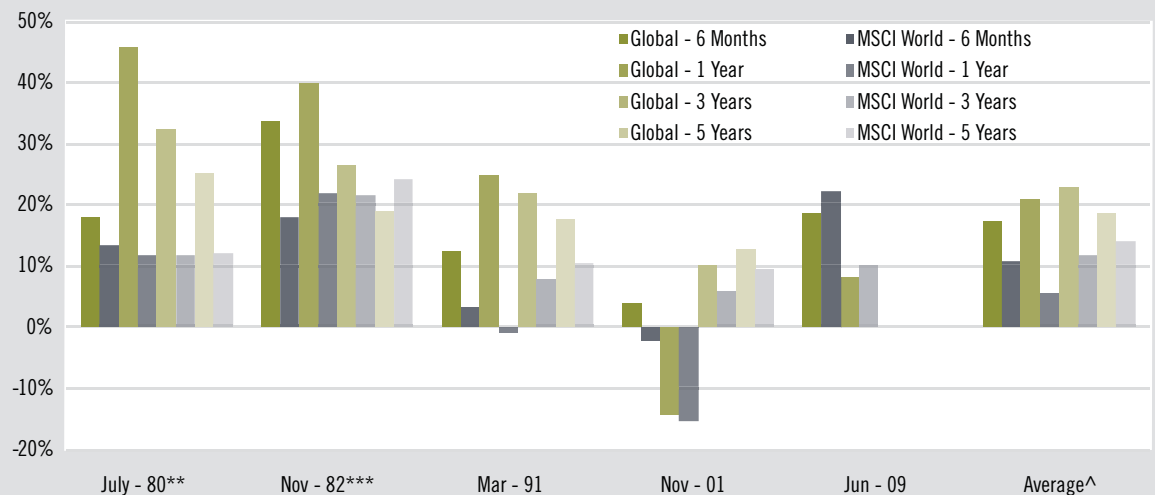
### Global Performance Following a Recession

The cause and severity of the recent recession and market decline are different than previous recessions. However, the recent decline has a lot in common with previous downturns and periods of market volatility. Our 37 years of experience tells us that while challenging and uncomfortable, it is not uncommon for periods of underperformance to be followed by extended periods of robust and sustained outperformance. While past performance is not a guarantee of future results, this history – combined with our commitment to a disciplined, price-sensitive, investment process – gives us confidence in our ability to generate satisfactory returns in future periods. We believe periods of underperformance are often cyclical, and view them as opportunities to add undervalued securities that meet our strict investment criteria and have, in our opinion, excellent appreciation potential.

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The chart below illustrates the gains and losses for the Brandes Global Equity Portfolio and MSCI World Index for the 6-month, 1-, 3-, and 5-year periods following a recession.

Brandes Global Equity Tends to Outperform Following a Recession\*



Source: Brandes Investment Partners, L.P. and MSCI. Past Performance is not a guarantee of future results.

\*Based on net composite figures. 1-, 3-, and 5-year performance data are annualized while 6-month returns are cumulative. Performance shown is supplemental to the accompanying Global Equity composite performance pages.

\*\*June 1980 used for data availability.

\*\*\*December 1982 used for data availability.

^3-year and 5-year figures do not include data from the most recent recession (December 2007 – June 2009).

The MSCI World Index with net dividends is an unmanaged, free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets. As of May 27, 2010 the MSCI World Index consisted of 24 developed market country indices. This index includes dividends and distributions net of withholding taxes, but does not reflect fees, brokerage commissions, or other expenses of investing.

The information provided in this material should not be considered a recommendation to purchase or sell any particular security. It should not be assumed that any security transactions, holdings, or sectors discussed were or will be profitable, or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance discussed herein. International and emerging markets investing is subject to certain risks such as currency fluctuation and social and political changes; such risks may result in greater share price volatility. Strategies discussed herein are subject to change at any time by the investment manager in its discretion due to market conditions or opportunities. Please note that all indices are unmanaged and are not available for direct investment.

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Brandes Investment  
Partners, L.P.  
11988 El Camino Real,  
Suite 500  
P.O. Box 919048  
San Diego, CA  
92191-9048  
858.755.0239