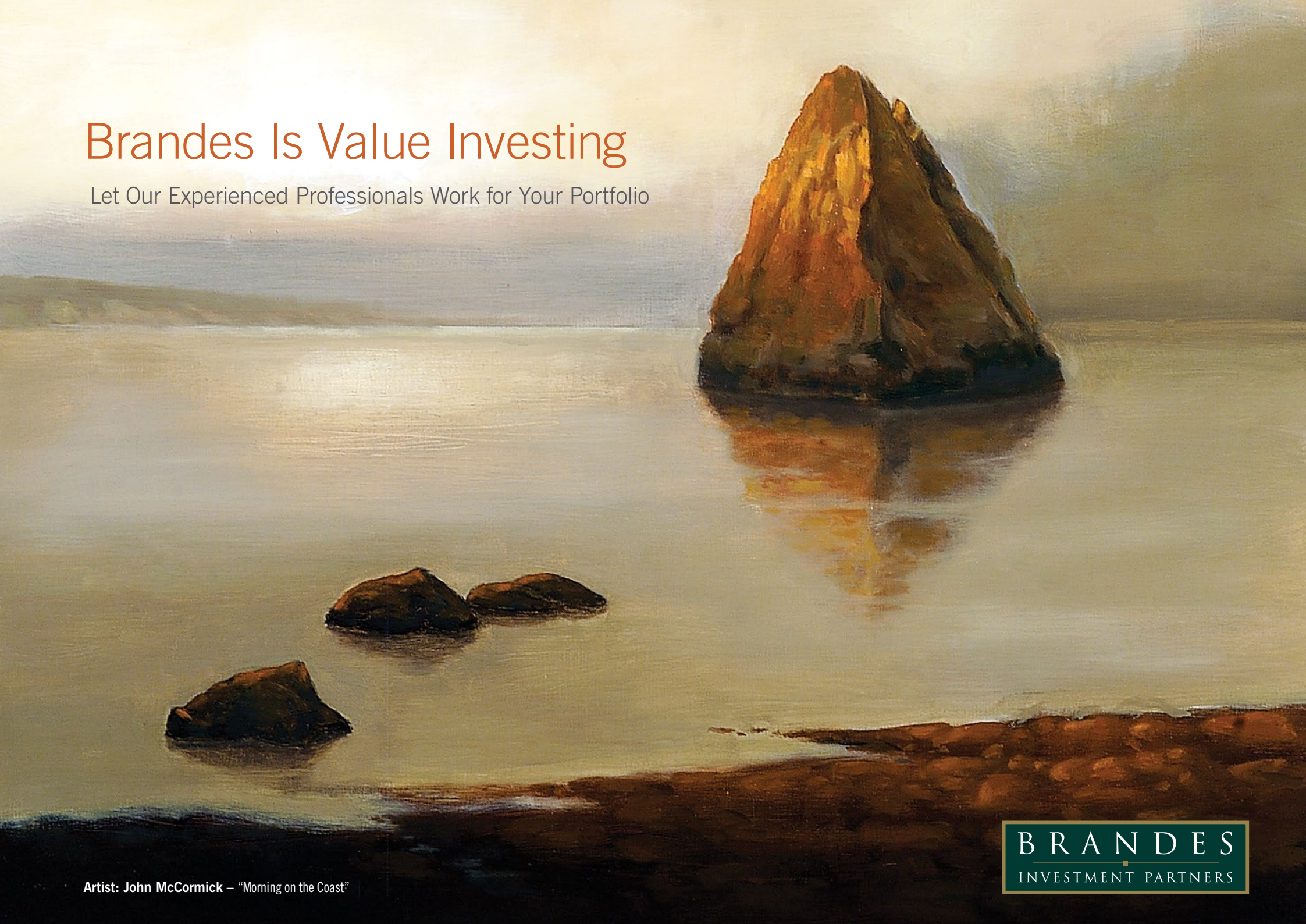


# Brandes Is Value Investing

Let Our Experienced Professionals Work for Your Portfolio



Artist: John McCormick – “Morning on the Coast”

BRANDES  
INVESTMENT PARTNERS





Artist: William Glen Crooks – “Taking the Long View”

## Point of View

### Why Does Value Investing Deserve a Place in Your Portfolio?

Because the price you pay for an investment today can matter greatly toward your pursuit of long-term investment gains. This is the true essence of value investing.

Importantly, we believe this is the best way we can deliver results.



Artist: John Sisko – “Goat”

*Featured art pieces are from the Brandes collection and are on display at our offices in San Diego, California.*

THE PRICE YOU PAY FOR AN INVESTMENT TODAY MATTERS TO LONG-TERM GAINS.



# Who We Are

## What We Can Do for You

Founded in 1974, we are a global investment advisory firm serving the needs of investors from all walks of life—including individuals, financial advisors, institutions, foundations and endowments.

Among the first investment firms to bring a global perspective to value investing, we manage a variety of equity and fixed-income strategies.



Artist: Italo Scanga – “Sculpture Piece”

BRANDES’ SINGULAR FOCUS ON VALUE INVESTING ENABLES US TO SERVE A VARIETY OF INVESTORS.



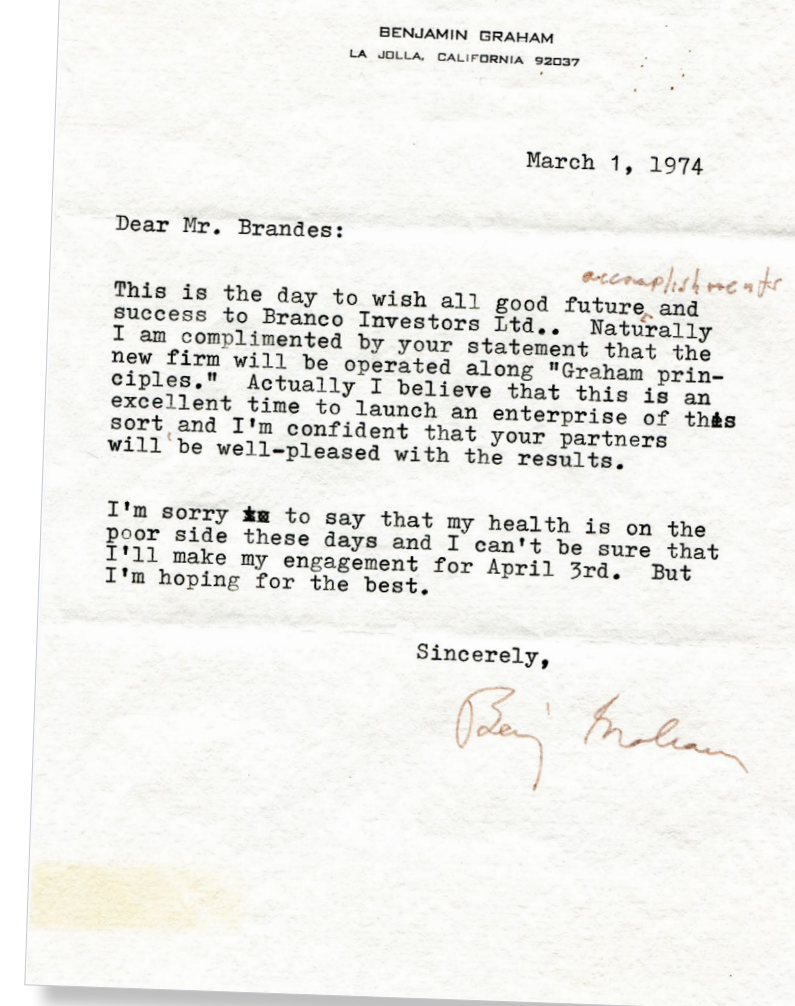
*“By maintaining a strict focus on the relationship between business value and stock price at the company-specific level and largely ignoring the broader market’s fascination with short-term developments, value investors can exploit market behavior in pursuit of long-term gains.”*

— Charles Brandes, CFA  
Founder and Chairman

# History

## How It All Began—When Charles Met Benjamin Graham

While taking a turn managing the front desk of a small brokerage firm in La Jolla, California, a young Charles Brandes met Benjamin Graham, the father of value investing and mentor to Warren Buffett. Inspired by Graham, Charles ventured out and started his own firm in 1974, armed with a solid conviction: To be a true value investor he would have to free himself from the pursuit of short-term profits and insulate himself from the industry’s widespread “hot dot” mentality.



THE MARKETS MAY HAVE EVOLVED, BUT THE FUNDAMENTALS BEHIND VALUE INVESTING ARE THE SAME TODAY AS THEY WERE IN BEN’S DAYS.

# Culture of Independence

## Independent—in Thinking and in Investing

As a 100% employee-owned firm, we have the courage to think differently and are able to think long term in our investment decisions. This independence also means our firm is free of any outside influence that could cloud our investment decisions, or impede the pursuit of investment management and client service excellence to our clients. At all times, we align our corporate interests with our clients’ interests.

COMMITMENT TO OUR CLIENTS. CONVICTION IN OUR STRATEGIES.

Artist: Duane Brant – “Standing Figure”





# Philosophy

## An Enduring Commitment to Fundamental Value Investing

Amid constantly changing markets and shifting investor preferences, there is value in partnering with a specialised, active asset manager with an unwavering belief in value investing as the best way to build wealth over the long term.

Guided by the principles of Benjamin Graham, widely considered the father of value investing, we seek to take advantage of market irrationality and short-term security mispricing by buying stocks and bonds that we believe are undervalued based on our estimates of their true worth.

Applying a fundamental, bottom-up investment process, our investment teams scour the globe for attractively priced companies with the potential to appreciate in price over time.



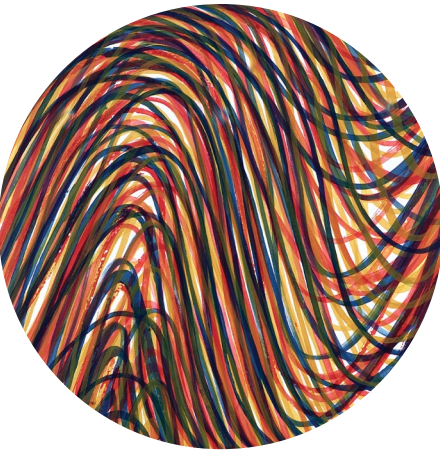
Artist: William Glen Crooks – “Ambition”

OUR FIRM’S INDEPENDENCE AND A TEAM APPROACH TO MANAGING PORTFOLIOS KEEP US SOLIDLY  
FOCUSED ON HELPING CLIENTS PURSUE THEIR INVESTMENT GOALS OVER THE LONG TERM.

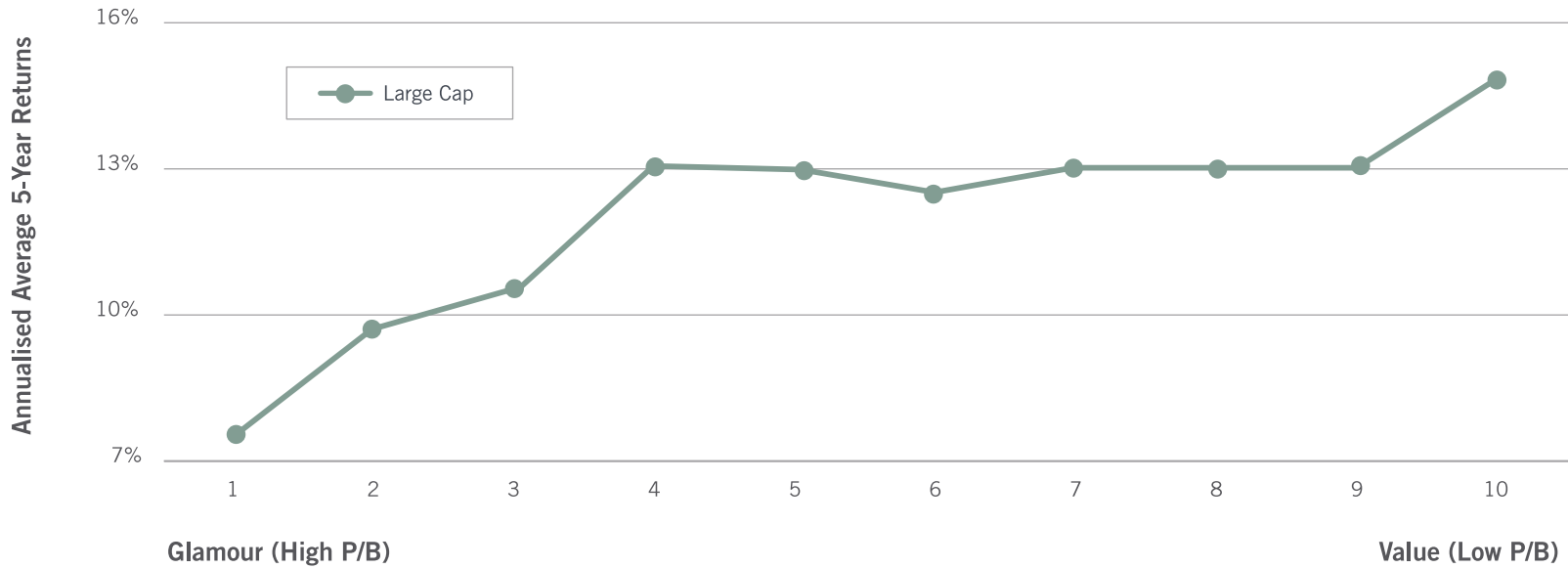
# Value by the Numbers

## Value Stocks vs. Glamour Stocks: Non-U.S. Results

*Annualised Average 5-Year Returns*  
(P/B Deciles, 30 June 1980 – 30 June 2016)



Artist: Sol LeWitt – “Wavy Brushstrokes Superimposed #3”



Source: Worldscope via FactSet, as of 30/6/15. Returns were calculated by examining the performance of large cap non-U.S. stocks from 30 June 1980 through 30 June 2016. The smallest 50% of all companies in the Worldscope database were excluded—yielding a sample more representative of a typical investor’s investable universe. Remaining stocks were divided into deciles based on their price-to-book (P/B); the decile with the lowest P/B representing value stocks and the decile with the highest P/B representing glamour stocks. Aggregate performance of each decile was tracked over the next five years. New deciles were formed and the process repeated each year. Annualised returns were then averaged to compare value and glamour stocks over the entire study. Past performance is not a guarantee of future results. Price/Book: Price per share divided by book value per share.

# Long-Term Focused Investment Process

## Seeking to Build Wealth Together—One Company at a Time

### Equity Investment Process: Focus on Mispricing Opportunities

With the goal of pursuing above-benchmark returns, we build Brandes equity strategies from the bottom up, using a disciplined investment process centered on buying companies at discounts to our estimate of their true worth and selling when we no longer see value.

### Fixed-Income Investment Process: Harness the Value in Bonds

Our approach to fixed-income investing is straightforward, transparent and focused. Our dedicated team of fixed-income professionals analyses bond investments one at a time using a time-tested bottom-up value process. Experience and discipline combine to identify securities that are selling at a discount to the team’s estimates of their true worth and credit worthiness. Investment decisions are based on proprietary research and internal ratings. The result is an easy-to-understand portfolio with typically little direct reliance on third-parties.

### Brandes Investment Teams: A Deep Bench of Seasoned Professionals

Our investment teams are composed of experienced professionals, who have managed through extreme market cycles.

### Team Approach to Managing Portfolios—in Contrast to a “Star” Culture Approach

In addition, we believe this team approach allows us to develop future leaders and better serve our clients over decades.

*“Thinking about the bigger issues is a part of our process, but most important for us is looking at the company level. Contrast this with many investors’ preoccupation with short-term macroeconomic themes, which have little impact if any on the long-term potential of the companies we invest in to generate wealth for shareholders.”*

— Kenneth Little, CFA  
Managing Director,  
Investments Group

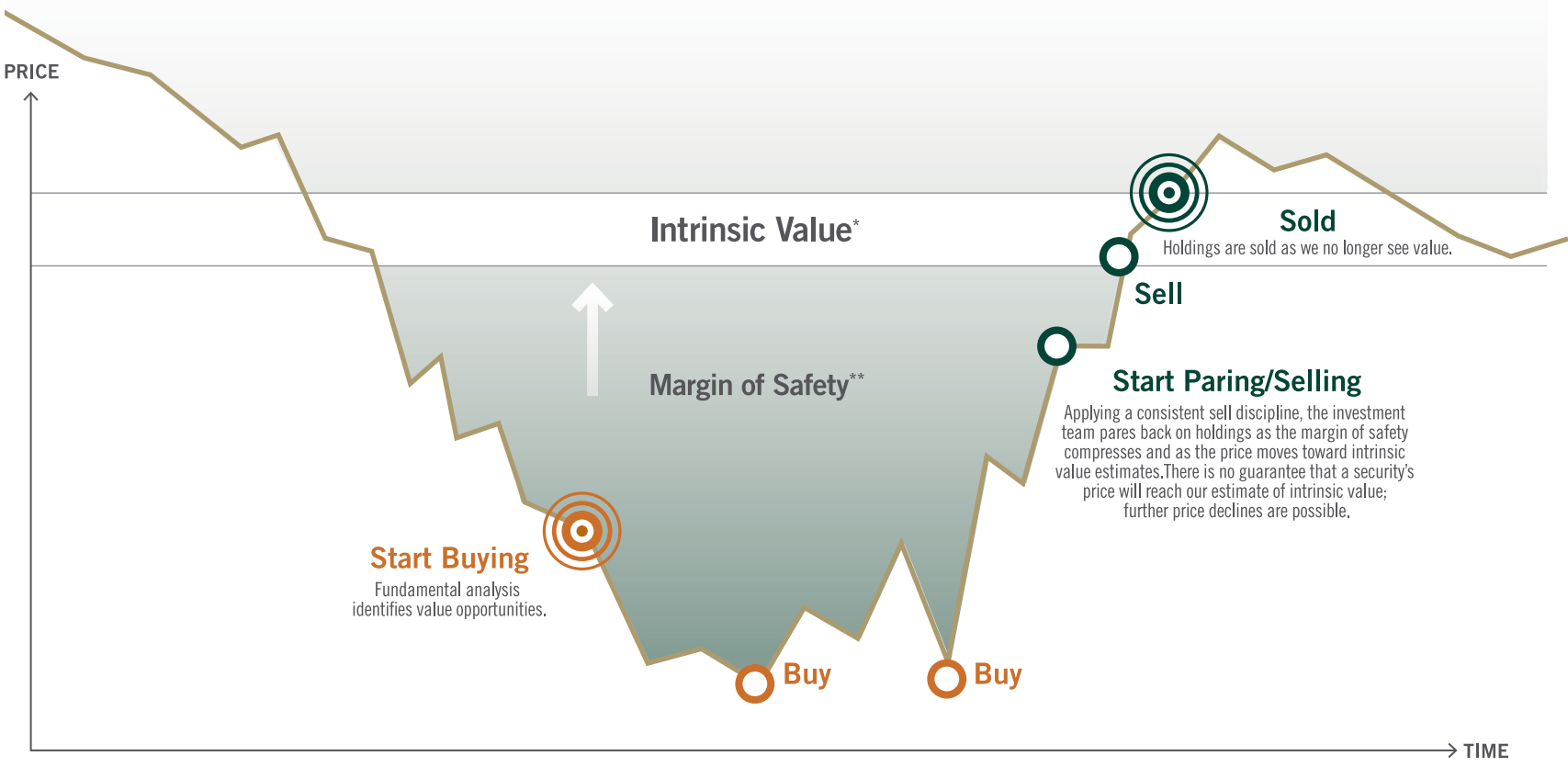
Artist: Peter Ambrose – “Negresse”



# Brandes Value: Investing in Stocks and Bonds

**Margin of Safety**—Investing in companies with a high margin of safety helps Brandes to manage risk of capital loss while simultaneously capturing potential stock-price appreciation.

**Portfolio Diversification**—Since investors won’t know in advance which assets will perform better, diversifying investments across asset classes can potentially minimise the impact of periodic general market downturns.



This is a hypothetical illustration of value investing concepts. It does not represent the performance of any specific security. It assumes intrinsic value changes over time. Actual results will vary. No investment strategy can assure a profit or protect against loss.  
\*Intrinsic value: “In general terms it is understood to be that value which is justified by the facts, e.g., the assets, earnings, dividends, definite prospects, as distinct, let us say, from market quotations established by artificial manipulation or distorted by psychological excess”— Security Analysis, 1934, page 17.  
\*\*The margin of safety for any security is defined as the discount of its market price to what the firm believes is the intrinsic value of that security.



# Why Brandes for Value Investing

## Diversity in Product Offerings to Meet Your Needs

Since our firm's inception in 1974, we have applied the value-investing approach pioneered by Benjamin Graham to evaluate opportunities around the world. We seek to take advantage of market irrationality and short-term security mispricing by buying securities that we believe are underpriced but have the potential to increase over time toward our estimate of their intrinsic business value.

Among the first investment firms to bring a global perspective to value investing, we manage a variety of investment strategies that include:

- Core Plus Fixed Income
- Corporate Focus Fixed Income
- Emerging Markets Equity
- Emerging Markets Opportunities Equity
- Enhanced Income
- European Equity
- International (non-U.S.) Equity
- International Small Cap Equity
- International Small-Mid Cap Equity
- Global Balanced
- Global Equity
- Global Opportunities Value
- Global Small Cap Equity
- Global Small-Mid Cap Equity
- U.S. Small Cap Value Equity
- U.S. Small-Mid Cap Value Equity
- U.S. Value Equity



Artist: Steve Jensen – “Island Float”

*“Consistent with our culture, we believe in thinking long term, in being independent, and doing things that we think are right, rather than are popular in a particular point in time.”*

– Brent Woods, CFA  
Chief Executive Officer



Artist: Faiya Fredman – “Untitled”

## Brandes: Your Value Investing Specialist

### Inspired by the Pursuit of Value

Finding value for our clients inspires Brandes just as much today as it did when we started over 40 years ago. After navigating four decades of market ebbs and flows, we continue to believe true value investing is the only way to seek meaningful, long-term growth potential for our clients.

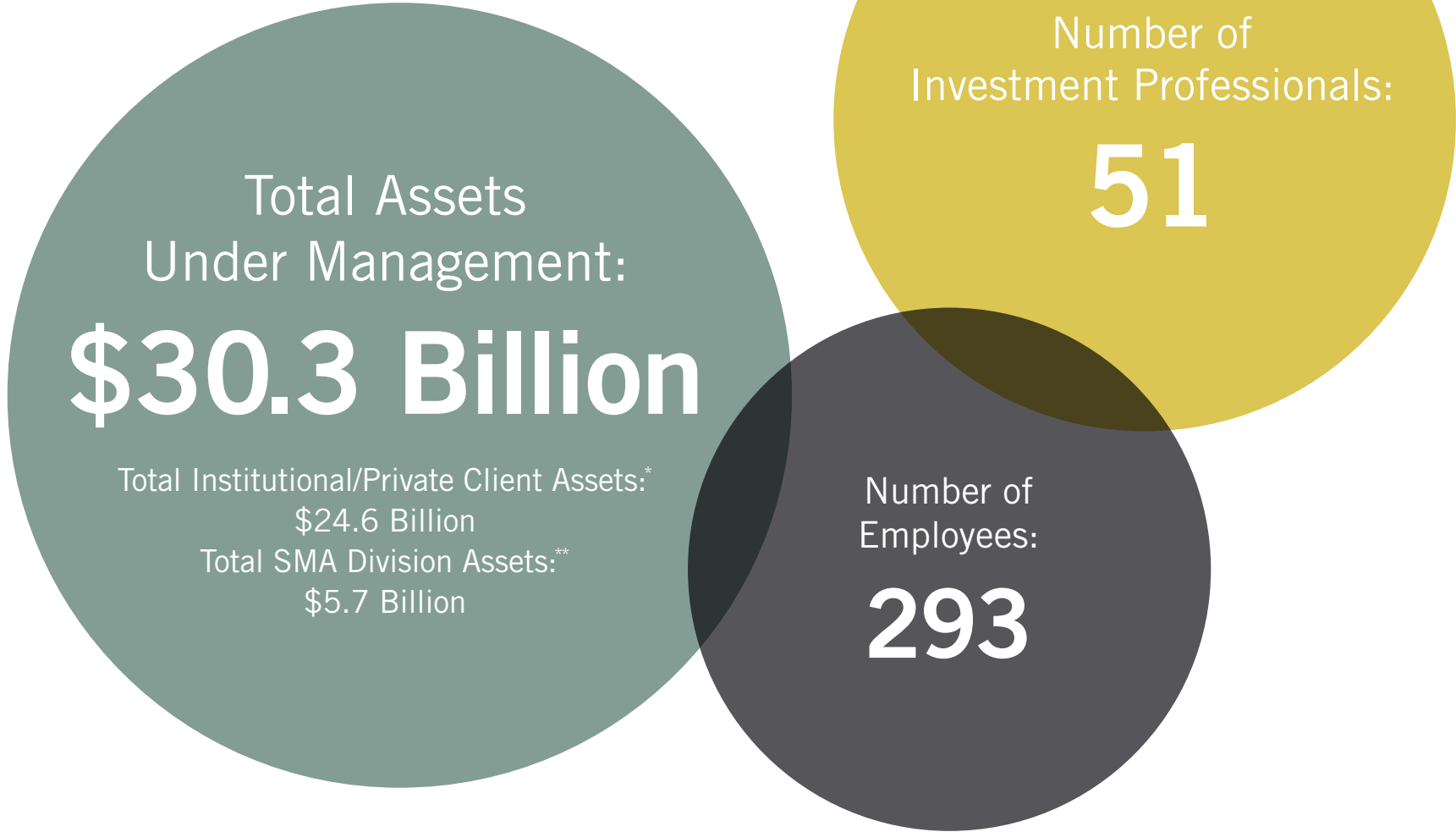
The Brandes Institute, a division of Brandes Investment Partners, strives to challenge assumptions and raise awareness on diverse aspects of investing and portfolio management. Collaborating with progressive thinkers, the Institute provides a forum for investment insights and their practical application.



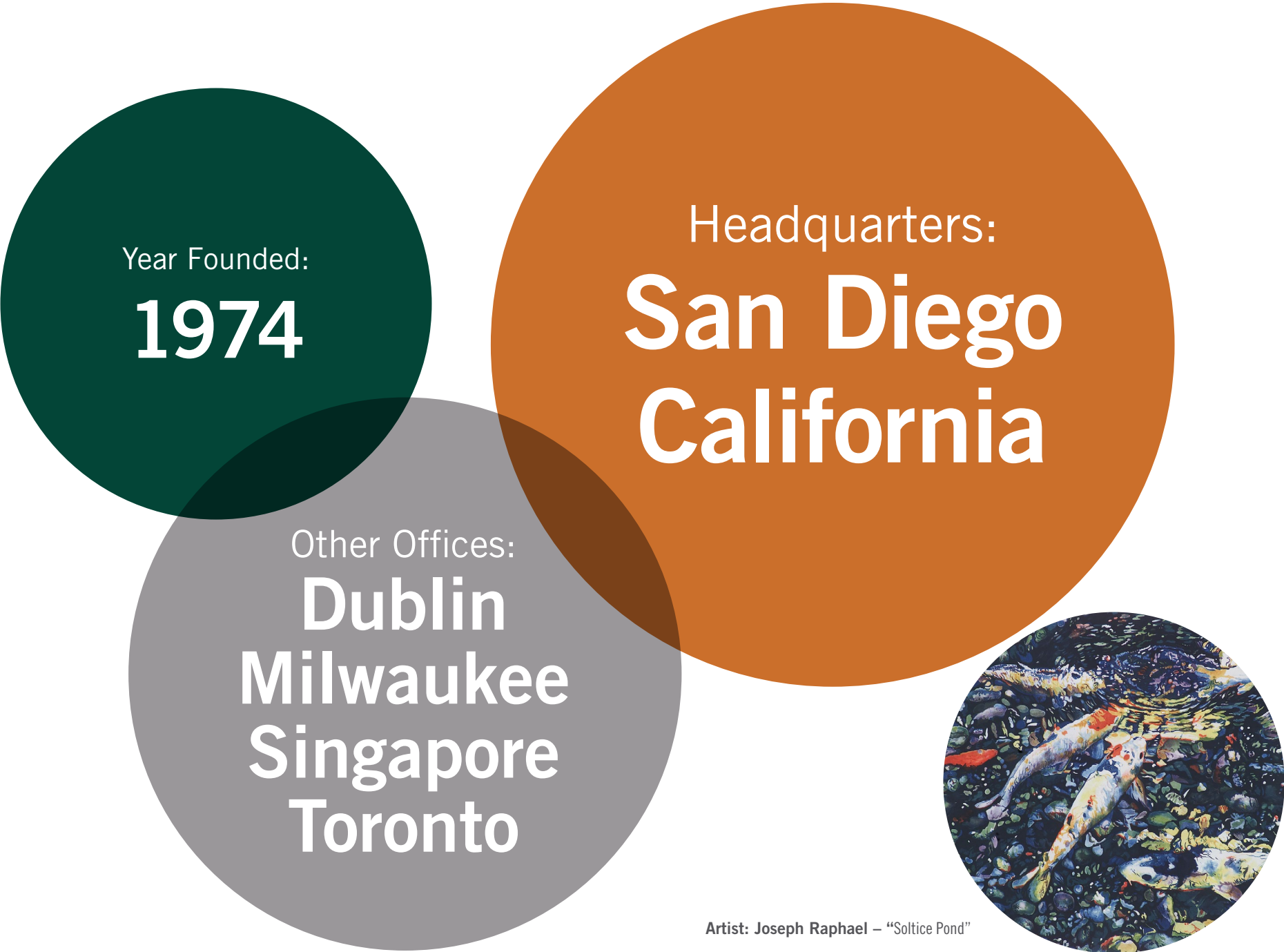


# Brandes at a Glance

As of 30 September 2017



\*Assets include institutional accounts, pooled investment vehicles, and high net worth accounts outside of SMA ("wrap-fee") programs.  
\*\*The SMA Division encompasses the firm's "Separately Managed Account" business (subadvisory "wrap-fee" business with brokerage firms). Also includes UMA ("unified managed account") assets.



Artist: Joseph Raphael – "Soltice Pond"





# Invest in Value with Brandes

CALL US TODAY. +353.1.618.2700

**Artist: Kirk Lybecker** – “Bird of Paradise”

No investment strategy can assure a profit or protect against loss.

The margin of safety for any security is defined as the discount of its market price to what the firm believes is the intrinsic value of that security.

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 realise that intrinsic value and there is no guarantee that the stock market will recognise our estimate of the value of a security.

Diversification does not assure a profit or protect against a loss in a declining market.

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