



Could Inflation be a Tailwind for Value Stocks?

Dear Clients and Friends,

The last few months have been encouraging for value investors, with the Russell 1000 Value Index outperforming the Russell 1000 Growth Index by over 5% year to date and by over 13% for the six months ending February 28, 2021.¹ After a decade of very tepid economic growth and low or declining inflation in many parts of the world, an increasing number of economists are now expecting more robust growth thanks to the potential for further economic reopening, record government stimulus and increased consumption from pent-up demand during the pandemic. Many economists are also expecting higher levels of inflation, with some debate as to the magnitude or duration of this inflation.²

At Brandes, we do not base our investment decisions on macroeconomic forecasts such as interest rates or inflation predictions. However, it's interesting to note that based on historical data, periods of above-average or increasing inflation have tended to benefit value stocks' relative performance vs. growth stocks, as well as the performance of Brandes' U.S., Global and International portfolios relative to their benchmarks.

Can increasing inflation help sustain value's recent recovery? We believe so.

Today's Environment and Historical Perspective

Beyond the increase in COVID-19 vaccinations and an improving economic backdrop, we believe rising inflation/interest rates could provide a tailwind to value stocks. Additionally, a material increase in interest rates may be a risk to the broader equity market as well as to fixed income, which in the past has generally provided some offset during equity market pullbacks. In a recent survey by Bank of America, global fund managers cited higher-than-expected inflation as the biggest risk to the overall equity and bond markets.³

We are now starting to see rising bond yields, with inflation breakeven⁴ in the bond market also signaling increased inflation expectations. Given their historical correlations with inflation and, interest rate movements, we believe the current environment bodes well for value stocks, and investors may benefit from increasing their value allocation. Exhibits 1 and 2 on the next page show the positive relationship between the U.S. Consumer Price Index, interest rates and global value stocks.

¹ Source: Russell via FactSet as of 2/28/21.

² Source: *Third Covid-19 Stimulus Package Could Jolt U.S. Growth, Revive Inflation in 2021*; The Wall Street Journal; published 3/10/21.

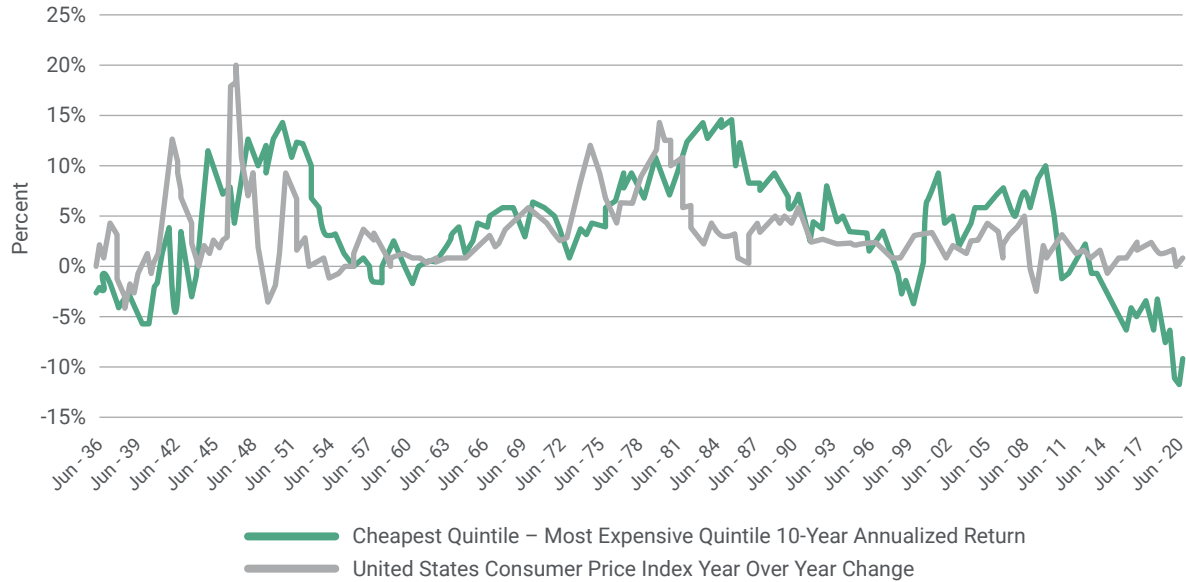
³ Source: Bank of America Global Fund Manager Survey, published March 16, 2021.

⁴ Difference between nominal and inflation linked yields - Market expected inflation.

EXHIBIT 1

Inflation and U.S. Value Have Been Correlated for 90 Years

Inflation Increases as a Potential Catalyst



JUNE 30, 1936 TO DECEMBER 31, 2020 | Source: BLS, Ken French Data Library. Ken French universe includes all listed U.S. stocks. Cheapest quintile represents the 20% of the universe with the highest book to market ratio. Most expensive quintile represents the 20% of the universe with the lower book to market ratio. Past performance is not a guarantee of future results. Please note that all indices are unmanaged and are not available for direct investment. See full index definitions located at the end of the letter.

EXHIBIT 2

10-Year Treasury Yield Has Correlated with Global Value's Relative Performance

Interest Rate Increases as a Potential Catalyst



DECEMBER 31, 2003 TO DECEMBER 31, 2020 | Source: FactSet, MSCI. 1=12/31/2003. Cumulative returns of MSCI World Value were divided by the cumulative returns of MSCI World Growth. Values above 1 indicate the value index outperformed. Past performance is not a guarantee of future results. Please note that all indices are unmanaged and are not available for direct investment. See full index definitions located at the end of the letter. The period is non-standard because we want to highlight the aftermath of the tech bubble, as it is analogous to today.

When we delved further into periods of above-average or increasing inflation, we found the following interesting data points:

1. Globally, value has outperformed growth in periods of above-average or increasing inflation by an annual average of 100 to 220 basis points since 1985.

Global Value Stocks Have Outperformed Global Growth Stocks During Inflationary Environments Since 1985

MSCI World Value Index—MSCI World Growth Index, 1985 to 2019

	MSCI World Value – MSCI World Growth
Increasing Global Inflation	+2.2% (1988, 1990-91, 1994, 2000-01, 2003-08, 2010-11, 2016-18)
Decreasing Global Inflation	-2.1% (1986-87, 1989, 1992-93, 1995-99, 2002, 2009, 2012-15, 2019)
Above-Average Global Inflation	+1.0% (1985-98, 2008)
Below-Average Global Inflation	-0.5% (1999-2007, 2009-19)
Above-Average or Increasing Global Inflation	+1.9% (1985-98, 2000-01, 2003-08, 2010-11, 2016-18)
Below-Average and Decreasing Global Inflation	-5.7% (1999, 2002, 2009, 2012-15, 2019)

Source: MSCI, World Bank, 12/31/1984 to 12/31/2019. Average annual relative performance. Past performance is not a guarantee of future results. One cannot invest directly in an index. Global inflation represented by inflation in the consumer price index from the World Bank. Average inflation rate is for the period 12/31/1984 to 12/31/2019. Annual returns from the MSCI World Growth Index were subtracted from annual returns of the MSCI Value Index. A positive result indicates the value index outperformed and a negative result indicates the growth index outperformed. It is possible for one index to outperform another but still experience a negative absolute return. The MSCI World Growth and Value Indices were launched Dec 08, 1997. Data prior to the launch date is back-tested (i.e., calculations of how the index might have performed over that time period had the index existed). There are frequently material differences between back-tested performance and actual results. Annualized returns for 12/31/1984 to 12/31/2019: MSCI World Growth 9.67%; MSCI World Value 10.32%.

2. Similarly, in the United States, value stocks have outperformed in periods of above-average or rising inflation since 1979.

U.S. Value Stocks Have Outperformed U.S. Growth Stocks During Inflationary Environments Since 1979

Russell 1000 Value Index Less Russell 1000 Growth Index. 1979 to 2019

	Russell 1000 Value – Russell 1000 Growth
Above-Average U.S. Inflation	+2.7% (1979-85, 1987-93, 1996, 2000, 2005-06, 2008, 2011)
Below-Average U.S. Inflation	-3.2% (1986, 1994-95, 1997-99, 2001-04, 2007, 2009-10, 2012-19)
Above-Average or Increasing U.S. Inflation	+0.9% (1979-85, 1987-93, 1995-96, 1999-2000, 2003-06, 2008, 2010-11, 2014, 2016-18)
Below-Average and Decreasing U.S. Inflation	-3.2% (1986, 1994, 1997-98, 2001-02, 2007, 2009, 2012-13, 2015, 2019)

Source: FTSE Russell, World Bank, as of 12/31/2019. Average annual relative performance. U.S. inflation represented by inflation in the consumer price index from the World Bank. Average inflation rate is for the period 12/31/1978 to 12/31/2019. Annual returns from the Russell 1000 Growth Index were subtracted from annual returns of the Russell 1000 Value Index. A positive result indicates the value index outperformed and a negative result indicates the growth index outperformed. It is possible for one index to outperform another but still experience a negative absolute return. The Russell 1000 Growth and Value Indices were launched January 31, 1987. Data prior to the launch date is back-tested. Annualized returns for 12/31/1978 to 12/31/2019: Russell 1000 Growth 11.60%; Russell 1000 Value 11.99%.

Behind the Correlation

So what drove the positive correlation between value stocks' performance and interest rate and inflation movements? We believe there are a variety of reasons:

1. **Financials:** Financial firms are the largest component of many value indices, and generally benefit from a higher and more upwardly sloping yield curve because:
 - a. They are able to borrow short duration (deposits) and lend longer duration, potentially boosting the spread between the rates they pay on their liabilities (deposits) and the rates they earn on their assets (e.g., mortgages, loans, other investments).
 - b. Higher rates have the potential to benefit their shorter-term investments.
2. **Cyclical stocks:** Value stocks in general (including financials but also industrials, energy, etc.) tend to be economically sensitive. A rising rate environment has tended to *correlate* with a strengthening economy, which in turn has historically been good for the economically sensitive value stocks.
3. **Sentiment:** Based on our observations, during times of significant economic uncertainty, such as those experienced during a trade war and a pandemic, investors are willing to pay a premium for the visibility/prospects provided by growth stocks, which tend to be less economically sensitive than value stocks. As the economy strengthens (and inflation rises), investors typically become more comfortable buying economically sensitive value stocks as their prospects improve.
4. **Discount Rate:** Rising interest rates typically increase the discount rate with which long-duration growth stocks⁵ are valued. A higher discount rate used in calculating the present value of distant cash flows for growth companies means those cash flows are worth incrementally less compared to value stocks' more immediate cash flows.

Brandes Strategies During Periods of Rising Inflation

Historically, Brandes strategies have tended to outperform their benchmarks during periods of rising inflation.

1. Brandes U.S. Value has had stronger relative performance in periods of above average or increasing U.S. inflation.

Brandes Has Outperformed the Broader Market During Inflationary Environments

Brandes U.S. Value Equity (Net) Less S&P 500 Index, 1992 to 2019 (All Calendar Years Since U.S. Value Equity Inception)

	Brandes U.S. Value Equity (Net) – S&P 500
Above-Average U.S. Inflation	+3.2% (1992-96, 2000-01, 2004-08, 2011, 2018)
Below-Average U.S. Inflation	-3.2% (1997-99, 2002-03, 2009-10, 2012-17, 2019)
Above-Average or Increasing U.S. Inflation	+1.3% (1992-96, 1999-2001, 2003-08, 2010-11, 2014, 2016-18)
Below-Average and Decreasing U.S. Inflation	-3.2% (1997-98, 2002, 2009, 2012-13, 2015, 2019)

Source: S&P, World Bank, as of 12/31/2019. Average annual relative performance net of management fees. Please see the accompanying U.S. Value Equity composite performance presentation. U.S. inflation represented by inflation in the consumer price index from the World Bank. Average inflation is for the period 12/31/1991 to 12/31/2019. Annual returns of the S&P 500 were subtracted from annual returns of the Brandes U.S. Value Equity composite. A positive result indicates the strategy outperformed and a negative result indicates the benchmark outperformed. It is possible for a strategy to outperform its benchmark but still experience a negative absolute return.

⁵ The present value estimate of growth stocks tends to be mostly driven by earnings/cash flow far into the future (due to the respective companies' high growth or potentially not earning anything in the short term), which makes these stocks long duration.

2. Brandes Global Equity has also done better in periods of increasing or above average inflation.

Brandes Has Outperformed the Broader Market During Inflationary Environments

Brandes Global Equity (Net) Less MSCI World Index, 1985 to 2019

	Brandes Global Equity (Net) – MSCI World
Above-Average Global Inflation	+1.7% (1985-1997, 2008)
Below-Average Global Inflation	+0.8% (1998-2007, 2009-2019)
Above-Average or Increasing Global Inflation	+2.5% (1985-98, 2000-01, 2003-08, 2010-11, 2016-18)
Below-Average and Decreasing Global Inflation	-3.6% (1999, 2002, 2009, 2012-15, 2019)

Source: MSCI, World Bank, as of 12/31/2019. Average annual relative performance net of management fees. Please see the accompanying Global Equity composite performance presentation. Global inflation represented by inflation in the consumer price index from the World Bank. Average global inflation for the period 12/31/1984 to 12/31/2019. Annual returns of the MSCI World Index were subtracted from annual returns of the Brandes Global Equity composite. A positive result indicates the strategy outperformed and a negative result indicates the benchmark outperformed. It is possible for a strategy to outperform its benchmark but still experience a negative absolute return.

3. Brandes International Equity has seen much stronger performance during periods of above average or increasing inflation.

Brandes Has Outperformed the Broader Market During Inflationary Environments

Brandes International Equity (Net) Less MSCI EAFE Index, 1991 to 2019 (All Calendar Years Since International Equity Inception)

	Brandes International Equity (Net) – MSCI EAFE
Above-Average Global Inflation	+10.1% (1991-1997, 2008)
Below-Average Global Inflation	+1.9% (1998-2007, 2009-2019)
Above-Average or Increasing Global Inflation	+5.4% (1991-1998, 2000-2001, 2003-2008, 2010-2011, 2016-2018)
Below-Average and Decreasing Global Inflation	+0.9% (1999, 2002, 2009, 2012-2015, 2019)

Source: MSCI, World Bank, as of 12/31/2019. Average annual relative performance net of management fees. Please see the accompanying International Equity composite performance presentation. Global inflation represented by inflation in the consumer price index from the World Bank. Average global inflation is for the period 12/31/1990 to 12/31/2019. Annual returns of the MSCI EAFE Index were subtracted from annual returns of the Brandes International Equity composite. A positive result indicates the strategy outperformed and a negative result indicates the benchmark outperformed. It is possible for a strategy to outperform its benchmark but still experience a negative absolute return.

As bottom-up investors we do not select our investments based on a macroeconomic scenario, but rather on each company's fundamental characteristics. This being said, should inflation rise, we believe our portfolios are well positioned due to their value-oriented nature.

Looking Ahead

After a long and difficult period for value investing, the overall economic environment seems to be favoring value. The past several months have seen returns for value stocks outpace returns for growth stocks as interest rates have climbed.⁶ While the prospects of our portfolios do not rely on the directions of interest rates or inflation, we believe the current environment bodes well for value stocks given their historical correlations with inflation and interest rates, and more importantly, their current valuations compared to growth stocks. Even after their recent outperformance, value stocks continue to trade at what we consider appealingly high discounts compared to growth stocks.⁷ We believe there is still room to go for value's performance relative to growth.

Additionally, the potential of increased regulations for *high-flying* technology companies remains a distinct possibility. As technology companies make up a significant portion of growth indices, their share-price movements can greatly affect the overall returns of these indices.⁸ Therefore, while inflation may indeed provide a welcome tailwind for value investments, there are other compelling reasons to consider value investments and Brandes' portfolios at this time.

Thank you,
Brandes Investment Partners

⁶ MSCI and FactSet, <https://www.treasury.gov/>. Growth and value stocks represented by MSCI ACWI Growth Index and MSCI ACWI Value Index for the period 08/30/2020 to 02/28/2021. Interest rates represented by 10 Year US Treasury Rate for the period 8/4/2020 to 3/9/2021.

⁷ Source: MSCI via FactSet as of 2/28/21. Value stocks: MSCI ACWI Value; growth stocks: MSCI ACWI Growth. Valuations based on price/earnings (value 20.9x vs. growth 41.0x), price/book (value 1.8x vs. growth 6.4x) and price/cash flow (value 10.9x vs. growth 25.0x).

⁸ As of 2/28/21, the technology sector accounted for 45% of Russell 1000 Growth and 34% of MSCI ACWI Growth. Source: Russell, MSCI via FactSet.

Basis Point: 1/100 of 1%.

Correlation: A measure of the extent to which two variables move in relation to each other.

Discount rate: Interest rate used in cash flow analysis to determine present value of future cash flows.

Price/Book: Price per share divided by book value per share.

Price/Cash Flow: Price per share divided by cash flow per share.

Price/Earnings: Price per share divided by earnings per share.

Yield: Annual income from the investment (dividend, interest, etc.) divided by the current market price of the investment.

Yield Curve: A graphical comparison of the relationship between interest rates for loans of various maturities with similar credit quality. A typical yield curve slopes upward to reflect higher interest rates for longer maturities.

The U.S. Consumer Price Index is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services.

The consumer price index used by World Bank reflects the annual percentage change in the cost to the average consumer of acquiring a basket of goods and services that may be fixed or changed at specified intervals, such as yearly. The Laspeyres formula is generally used.

The MSCI EAFE Index with net dividends captures large and mid cap representation of developed market countries excluding the U.S. and Canada

The MSCI World Index with net dividends captures large and mid cap representation of developed markets.

The MSCI World Value Index captures large and mid cap securities across developed market countries exhibiting value style characteristics, defined using book value to price, 12-month forward earnings to price, and dividend yield.

The MSCI World Growth Index captures large and mid cap securities across developed market countries exhibiting growth style characteristics, defined using long-term forward earnings per share (EPS) growth rate, short-term forward EPS growth rate, current internal growth rate, long-term historical EPS growth trend, and long-term historical sales per share growth trend.

The MSCI ACWI Value Index captures large and mid cap securities across developed and emerging markets exhibiting value style characteristics, defined using book value to price, 12-month forward earnings to price and dividend yield.

The MSCI ACWI Growth Index captures large and mid cap securities across developed and emerging market countries defined using long-term forward earnings per share (EPS) growth rate, short-term forward EPS growth rate, current internal growth rate, long-term historical EPS growth trend, and long-term historical sales per share growth trend

The Russell 1000 Value Index with gross dividends measures performance of the large cap segment of the U.S. equity universe. Securities are categorized as growth or value based on their relative book-to-price ratios, historical sales growth, and expected earnings growth.

The Russell 1000 Growth Index with gross dividends measures performance of the large cap growth segment of the U.S. equity universe. Securities are categorized as growth or value based on their relative book-to-price ratios, historical sales growth, and expected earnings growth.

The S&P 500 Index measures equity performance of 500 of the top companies in leading industries of the U.S. economy.

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Past performance is not a guarantee of future results. One cannot invest directly in an index.

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BRANDES INVESTMENT PARTNERS, L.P.**Global Equity Annual Performance Presentation**

As of December 31 Period End

Reporting Currency: USD

Period	Annual Performance %			Composite Characteristics				Total Firm Assets \$ Millions	Annualized 3 Year Standard Deviation % (2)	
	Composite Gross*	Composite Net*	Benchmark (a)	Assets \$ Millions	Number of Accounts	Internal Dispersion (1)	Non-Fee Paying Accounts (%)		Composite Gross	Benchmark (a)
2019	18.20	17.52	27.67	1,386	183	0.71	4	21,451	11.90	11.14
2018	-9.76	-10.28	-8.71	1,393	243	0.40	2	22,106	10.52	10.38
2017	17.69	17.04	22.40	1,907	309	0.72	10	25,578	10.79	10.23
2016	8.18	7.62	7.51	2,941	347	0.52	<1	22,971	11.34	10.92
2015	-2.33	-2.84	-0.87	3,040	408	0.68	1	20,666	11.46	10.80
2014	2.65	2.04	4.94	3,670	492	0.40	4	20,722	11.26	10.23
2013	32.99	32.21	26.68	4,031	528	0.65	4	21,464	13.84	13.54
2012	12.58	11.92	15.83	4,278	599	0.40	3	22,171	16.46	16.74
2011	-4.77	-5.32	-5.54	6,532	803	0.39	2	26,658	20.47	20.15
2010	9.71	9.06	11.76	7,871	978	1.05	2	38,659	26.08	23.72

(1) The measure of dispersion is the asset-weighted standard deviation for annual period gross returns in USD of all portfolios in the composite for the full reporting period. Beginning in 2017, dispersion is not presented for periods with less than 2 accounts in the composite. Prior to 2017, dispersion is not presented for periods with less than 6 accounts in the composite.

(2) The three-year annualized ex-post standard deviation measures the variability of the monthly gross composite returns and the benchmark returns over the preceding 36-month period. It is not presented for periods with less than 36 monthly composite returns.

* The net and gross annual returns, calculated in USD, presented for the Brandes Global Equity composite were calculated on a time-weighted and asset-weighted, total return basis, including reinvestment of all dividends, interest and income, realized and unrealized gains or losses and are net of brokerage commissions, execution costs, and any applicable foreign withholding taxes, without provision for federal and state income taxes, if any. Securities transactions are accounted for on the trade date. Dividend and interest income is accounted for on an accrual basis. Cash and cash equivalents are included in performance returns. Returns for some accounts in the composite reflect the deduction of a broker fee that includes transaction costs and may include advisory, custody, and other administrative fees.

Beginning January 1, 2018, Brandes Investment Partners includes Brandes Investment Partners, L.P., Brandes Investment Partners (Europe) Limited, Brandes Investment Partners (Asia) Pte Ltd. and the Brandes Investment Partners & Co. assets sub-advised by Brandes Investment Partners, L.P. For the period from 1/1/06-12/31/17 the SMA Division of Brandes was excluded from the GIPS firm definition. The firm was redefined to reflect the dissolution of the SMA Division and the firm bringing those former SMA Division assets into compliance with the GIPS Standards.

This composite was created in 1978.

Prior to April 2014 accounts were removed from the composite when an account's market value falls below US\$50,000 due to capital withdrawals.

The Brandes Global Equity Composite seeks to achieve long-term capital appreciation by investing in the equity securities of U.S. and non-U.S. issuers whose equity market capitalizations exceed \$5 billion at the time of purchase. Generally, no more than 30% of the composite total assets, measured at the time of purchase, may be invested in securities of companies located in emerging and frontier countries throughout the world.

The Brandes Global Equity composite results include all actual, fee-paying and non-fee-paying, fully discretionary Global Equity accounts that have substantially the same investment objectives, policies, techniques and restrictions.

From 2010 through 2018 the composite performance after management fee returns were determined by reducing the gross of fee returns monthly by the highest applicable fee schedule per account. For 2019, composite performance after management fee returns were determined by using the highest applicable fee schedule per account in January – September, and using actual fees in October – December, with the exception of select portfolios to which the applicable fee schedule was applied for the entire year to better reflect our typical management fees.

Standard fee schedule - First \$25 million 0.75%; Next \$25 million 0.60%; Next \$50 million 0.50%; Next \$50 million 0.45%; Amounts over \$150 million 0.40%. Brandes' investment advisory fees are detailed in Part 2A of its Form ADV.

Brandes claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Brandes has been independently verified for the annual periods 1995 through 2019. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Global Equity composite has been examined for the periods 1985 through year end 2019. The verification and performance examination reports are available upon request.

The complete list and description of Brandes' composites and additional information regarding policies for valuing portfolios, calculating performance and preparing compliant presentations are available upon request. Contact client service at 800-237-7119 or write 11988 El Camino Real, Suite 600, P.O. Box 919048, San Diego, California 92191-9048 or email info@Brandes.com.

Investors should not rely on prior performance results as a reliable indication of future results.

(a) The MSCI World Index with net dividends captures large and mid cap representation of developed markets. MSCI has not approved, reviewed or produced this report, makes no express or implied warranties or representations and is not liable whatsoever for any data in the report. You may not redistribute the MSCI data or use it as a basis for other indices or investment products. The benchmark returns are not covered by the report of independent verifiers.

BRANDES INVESTMENT PARTNERS, L.P.
International Equity Annual Performance Presentation

As of December 31 Period End

Reporting Currency: USD

Period	Annual Performance %			Composite Characteristics				Total Firm Assets \$ Millions	Annualized 3 Year Standard Deviation % (2)	
	Composite Gross*	Composite Net*	Benchmark (a)	Assets \$ Millions	Number of Accounts	Internal Dispersion (1)	Non-Fee Paying Accounts (%)		Composite Gross	Benchmark (a)
2019	15.43	14.88	22.01	5,590	245	0.75	<1	21,451	11.44	10.81
2018	-8.98	-9.43	-13.79	5,236	319	0.31	<1	22,106	10.94	11.24
2017	16.60	16.02	25.03	6,331	386	0.52	<1	25,578	12.33	11.83
2016	8.20	7.65	1.00	5,599	406	0.75	<1	22,971	13.06	12.46
2015	-1.17	-1.70	-0.81	5,121	461	0.46	<1	20,666	13.46	12.46
2014	-4.03	-4.59	-4.90	5,458	543	0.56	<1	20,722	13.48	13.03
2013	28.70	27.95	22.78	6,654	599	0.73	<1	21,464	15.82	16.25
2012	11.25	10.59	17.32	7,695	746	0.64	<1	22,171	17.84	19.37
2011	-10.10	-10.63	-12.14	9,649	1043	0.92	<1	26,658	20.96	22.43
2010	5.62	5.00	7.75	14,820	1272	0.97	<1	38,659	25.38	26.23

(1) The measure of dispersion is the asset-weighted standard deviation for annual period gross returns in USD of all portfolios in the composite for the full reporting period. Beginning in 2017, dispersion is not presented for periods with less than 2 accounts in the composite. Prior to 2017, dispersion is not presented for periods with less than 6 accounts in the composite.

(2) The three-year annualized ex-post standard deviation measures the variability of the monthly gross composite returns and the benchmark returns over the preceding 36-month period. It is not presented for periods with less than 36 monthly composite returns.

* The net and gross annual returns, calculated in USD, presented for the Brandes International Equity composite were calculated on a time-weighted and asset-weighted, total return basis, including reinvestment of all dividends, interest and income, realized and unrealized gains or losses and are net of brokerage commissions, execution costs, and any applicable foreign withholding taxes, without provision for federal and state income taxes, if any. Securities transactions are accounted for on the trade date. Dividend and interest income is accounted for on an accrual basis. Cash and cash equivalents are included in performance returns. Returns for some accounts in the composite reflect the deduction of a broker fee that includes transaction costs and may include advisory, custody, and other administrative fees.

Beginning January 1, 2018, Brandes Investment Partners includes Brandes Investment Partners, L.P., Brandes Investment Partners (Europe) Limited, Brandes Investment Partners (Asia) Pte Ltd. and the Brandes Investment Partners & Co. assets sub-advised by Brandes Investment Partners, L.P. For the period from 1/1/06-12/31/17 the SMA Division of Brandes was excluded from the GIPS firm definition. The firm was redefined to reflect the dissolution of the SMA Division and the firm bringing those former SMA Division assets into compliance with the GIPS Standards.

This composite was created in 1990.

Prior to April 2014 accounts were removed from the composite when an account's market value falls below US\$50,000 due to capital withdrawals.

The Brandes International Equity Composite seeks to achieve 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. Generally, no more than 30% of the composite total assets, measured at the time of purchase, may be invested in securities of companies located in emerging and frontier countries throughout the world.

The Brandes International Equity composite results include all actual, fee-paying and non-fee-paying, fully discretionary International Equity accounts that have substantially the same investment objectives, policies, techniques and restrictions.

From 2010-2014 and from 2017-2018, composite performance after management fee returns were determined by reducing the gross of fee returns monthly by the highest applicable fee schedule per account. From 2015-2016 composite performance after management fee returns were calculated using actual fees. For 2019, composite performance after management fee returns were determined by using the highest applicable fee schedule per account in January – September, and using actual fees in October – December, with the exception of select portfolios to which the applicable fee schedule was applied for the entire year to better reflect our typical management fees. The composite may include accounts with performance-based fees.

Standard fee schedule - First \$25 million 0.75%; Next \$25 million 0.60%; Next \$50 million 0.50%; Next \$50 million 0.45%; Amounts over \$150 million 0.40%. Brandes' investment advisory fees are detailed in Part 2A of its Form ADV.

Brandes claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Brandes has been independently verified for the annual periods 1995 through 2019. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The International Equity composite has been examined for the periods since inception through year end 2019. The verification and performance examination reports are available upon request.

The complete list and description of Brandes' composites and additional information regarding policies for valuing portfolios, calculating performance and preparing compliant presentations are available upon request. Contact client service at 800-237-7119 or write 11988 El Camino Real, Suite 600, P.O. Box 919048, San Diego, California 92191-9048 or email info@Brandes.com.

Investors should not rely on prior performance results as a reliable indication of future results.

(a) The MSCI EAFE Index with net dividends captures large and mid cap representation of developed market countries excluding the U.S. and Canada. MSCI has not approved, reviewed or produced this report, makes no express or implied warranties or representations and is not liable whatsoever for any data in the report. You may not redistribute the MSCI data or use it as a basis for other indices or investment products. The benchmark returns are not covered by the report of independent verifiers.

BRANDES INVESTMENT PARTNERS, L.P.
U.S. Value Equity Annual Performance Presentation

As of December 31 Period End

Reporting Currency: USD

Period	Annual Performance %				Composite Characteristics					Annualized 3 Year Standard Deviation % (2)		
	Composite Gross*	Composite Net*	Benchmark (a)	Benchmark (b)	Assets \$ Millions	Number of Accounts	Internal Dispersion (1)	Non-Fee Paying Accounts (%)	Total Firm Assets \$ Millions	Composite Gross	Benchmark (a)	Benchmark (b)
2019	23.53	22.77	31.49	26.54	264	39	1.03	3	21,451	12.09	11.93	11.85
2018	-5.64	-6.48	-4.38	-8.27	219	43	0.59	14	22,106	11.51	10.80	10.82
2017	15.60	14.92	21.83	13.66	238	55	0.41	14	25,578	10.31	9.92	10.20
2016	19.35	18.63	11.96	17.34	260	69	0.79	11	22,971	10.63	10.59	10.77
2015	-3.82	-4.36	1.38	-3.83	259	64	0.34	10	20,666	10.45	10.47	10.68
2014	14.19	13.45	13.69	13.45	352	76	0.47	8	20,722	9.73	8.97	9.20
2013	38.56	37.60	32.39	32.53	199	75	0.99	13	21,464	13.85	11.94	12.70
2012	19.40	18.54	16.00	17.51	115	67	0.46	18	22,171	17.06	15.09	15.51
2011	-0.29	-1.04	2.11	0.39	107	126	0.54	21	26,658	24.92	18.71	20.69
2010	16.84	15.95	15.06	15.51	129	201	0.78	14	38,659	31.72	21.85	23.18

(1) The measure of dispersion is the asset-weighted standard deviation for annual period gross returns in USD of all portfolios in the composite for the full reporting period. Beginning in 2017, dispersion is not presented for periods with less than 2 accounts in the composite. Prior to 2017, dispersion is not presented for periods with less than 6 accounts in the composite.

(2) The three-year annualized ex-post standard deviation measures the variability of the monthly gross composite returns and the benchmark returns over the preceding 36-month period. It is not presented for periods with less than 36 monthly composite returns.

* The net and gross annual returns, calculated in USD, presented for the Brandes U.S. Value Equity composite were calculated on a time-weighted and asset-weighted, total return basis, including reinvestment of all dividends, interest and income, realized and unrealized gains or losses and are net of brokerage commissions, execution costs, and any applicable foreign withholding taxes, without provision for federal and state income taxes, if any. Securities transactions are accounted for on the trade date. Dividend and interest income is accounted for on an accrual basis. Cash and cash equivalents are included in performance returns. Returns for some accounts in the composite reflect the deduction of a broker fee that includes transaction costs and may include advisory, custody, and other administrative fees.

Beginning January 1, 2018, Brandes Investment Partners includes Brandes Investment Partners, L.P., Brandes Investment Partners (Europe) Limited, Brandes Investment Partners (Asia) Pte Ltd. and the Brandes Investment Partners & Co. assets sub-advised by Brandes Investment Partners, L.P. For the period from 1/1/06-12/31/17 the SMA Division of Brandes was excluded from the GIPS firm definition. The firm was redefined to reflect the dissolution of the SMA Division and the firm bringing those former SMA Division assets into compliance with the GIPS Standards.

This composite was created in 1991.

Prior to April 2014 accounts were removed from the composite when an account's market value falls below US\$50,000 due to capital withdrawals.

The Brandes U.S. Value Equity Composite seeks to provide long-term capital appreciation by investing primarily in the equity securities of U.S. issuers with equity market capitalizations that exceed \$5 billion at the time of purchase.

The Brandes U.S. Value Equity composite results include all actual, fee-paying and non-fee-paying, fully discretionary U.S. Value Equity accounts that have substantially the same investment objectives, policies, techniques and restrictions.

From 2010-2014 composite performance after management fee returns were determined by reducing the gross of fee returns monthly by the highest applicable fee schedule per account. From 2015-2018 composite performance after management fee returns were calculated using actual fees. For 2019, composite performance after management fee returns were determined by using the highest applicable fee schedule per account in January – September, and using actual fees in October – December, with the exception of select portfolios to which the applicable fee schedule was applied for the entire year to better reflect our typical management fees.

Standard fee schedule - First \$25 million 0.65%; Next \$25 million 0.55%; Next \$50 million 0.45%; Next \$50 million 0.40%; Amounts over \$150 million 0.35%. Brandes' investment advisory fees are detailed in Part 2A of its Form ADV.

Brandes claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Brandes has been independently verified for the annual periods 1995 through 2019. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The U.S. Value Equity composite has been examined for the periods 1992 through year end 2019. The verification and performance examination reports are available upon request.

The complete list and description of Brandes' composites and additional information regarding policies for valuing portfolios, calculating performance and preparing compliant presentations are available upon request. Contact client service at 800-237-7119 or write 11988 El Camino Real, Suite 600, P.O. Box 919048, San Diego, California 92191-9048 or email info@Brandes.com.

Investors should not rely on prior performance results as a reliable indication of future results.

(a) The S&P 500 Index with gross dividends measures equity performance of 500 of the top companies in leading industries of the U.S. economy. The benchmark returns are not covered by the report of independent verifiers.

(b) The Russell 1000 Value Index with gross dividends measures performance of the large cap segment of the U.S. equity universe. Securities are categorized as growth or value based on their relative book-to-price ratios, historical sales growth, and expected earnings growth. The benchmark returns are not covered by the report of independent verifiers. The secondary benchmark was added in 2018 for an additional comparison against a value-constituent index.