

Five Reasons to Invest in Brandes Core Plus Fixed Income

If your clients are falling short of long-term fixed-income return targets, it may be time to add a *value bond* component to their portfolios to potentially boost total return.¹ Consider a strategy that seeks:

1. **Above-benchmark income**
2. **Excess investment return**
3. **Potential insulation against rising interest rates**
4. **Flexibility to invest differently than peers**
5. **Simplicity via a focused, transparent and concentrated portfolio**

Brandes Core Plus Fixed Income

Pursues Higher Current Income

Built with a carefully researched portfolio of potentially undervalued corporate bonds and other fixed-income securities, the strategy seeks higher current income than that of the Bloomberg U.S. Aggregate Bond Index.

Targets Excess Investment Return

The strategy seeks to outperform the benchmark by investing in underpriced bonds with the potential to appreciate as they move closer to our estimates of their true worth.

As in the firm's value stock-picking process, Brandes bond managers look for debt securities they believe are temporarily misunderstood, overlooked or underappreciated by the market.

Aims for Potential Insulation Against Rising Interest Rates

Some value bonds may offer significant opportunities for price increases, which can help cushion against the negative effects that rising interest rates, and inflation, can have on fixed-income securities.

Has the Flexibility to Invest Differently than Peers

Unconstrained by the benchmark, the strategy has the freedom to explore opportunities outside the Bloomberg U.S. Aggregate Bond Index. This means the strategy can tap into potential sources of extra yield in its quest to find mispriced securities.

Seeks Simplicity via a Focused, Transparent and Concentrated Portfolio

Clients always know what they own in Brandes Core Plus Fixed Income, which typically holds about 60 to 110 positions and has never used exotic instruments such as options, futures, credit default swaps and leverage.²

Averaging more than 15 years of experience, the Brandes fixed-income investment team has navigated up and down markets through the consistent application of a time-tested, Graham-and- Dodd bottom-up investment process centered on finding undervalued securities.

It May Be Time to Add Value to Your Bond Strategy

Contact us to learn more about the Brandes Core Plus Fixed Income and other value bond strategies we offer.

¹ Value bonds: Bonds selling at a discount to our estimates of their intrinsic value.

² The Core Plus Fixed Income Strategy investment guidelines permit the use of derivatives, including futures, options, swaps and structured product. See Form ADV Part 2A for information.

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

The Bloomberg U.S. Aggregate Bond Index is a broad-based benchmark that measures the investment-grade, U.S. dollar-denominated, fixed-rate taxable bond market. This index is a total return index which reflects the price changes and interest of each bond in the index.

Unlike bonds issued or guaranteed by the U.S. government or its agencies, stocks and other bonds are not backed by the full faith and credit of the United States. Stock and bond prices will experience market fluctuations. Please note that the value of government securities and bonds in general have an inverse relationship to interest rates. Bonds carry the risk of default, or the risk that an issuer will be unable to make income or principal payment. There is no assurance that private guarantors or insurers will meet their obligations. The credit quality of the investments in the portfolio is no guarantee of the safety or stability of the portfolio. Investments in asset-backed and mortgage-backed securities include additional risks that investors should be aware of such as credit risk, prepayment risk, possible illiquidity and default, as well as increased susceptibility to adverse economic developments.

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