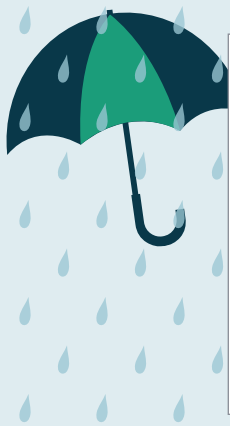


The Turmoil and Opportunities in

BRAZIL

Brazil's recent economic and political saga has put the country's image in a negative spotlight and its equity market under pressure. But having invested in emerging markets for more than 30 years, Brandes knows that "crises" are part and parcel of investing in the asset class and have often presented attractive opportunities for long-term investors.

THE MARKET SEEMS TO FOCUS ON...



CONCERN-TRIGGERING Headlines

"Brazil's Fall: **Disaster** Looms for Latin America's Biggest Economy" – THE ECONOMIST, 1/2/16

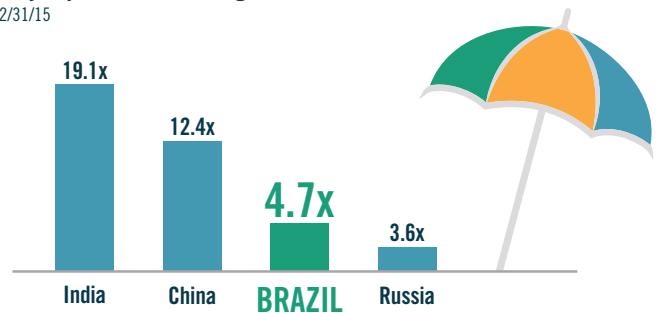
"Brazil's **GDP Slips** for Third-Consecutive Quarter"  – THE WALL STREET JOURNAL, 12/1/15

"Brazil Goes from Crisis to Crisis as **Impeachment Bid Begins**" – BLOOMBERG, 12/2/15

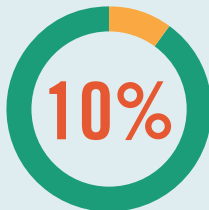
BUT, CONSIDER THESE...

Potentially Attractive VALUATION

Cyclically-Adjusted Price/Earnings⁶
As of 12/31/15



 **LOW** President APPROVAL¹



High INFLATION¹ 



Based on WSJ Article from 12/15/15

Sovereign Credit Rating **DOWNGRADE**²

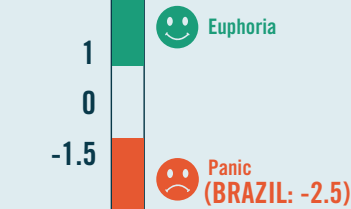
(Standard & Poor's and Fitch)
As of 12/31/15

BBB- INVESTMENT GRADE



NEGATIVE Investor Sentiment³

Risk/Love Sentiment by Bank of America
As of 9/30/15



 Consumer Confidence **LOWER** than Latin American Crisis⁴



Business Confidence **DEPRESSED**⁴

 **2015**

-41%

-34%

MSCI BRAZIL (USD) ANNUAL INDEX RETURN⁵

BRAZILIAN REAL ANNUAL DECLINE VS. USD⁵

As of 12/31/15

China-Related Risk **OVERBLOWN?**









Export to China <2.5% of 2014 GDP⁷

As of 12/31/14. GDP: Gross Domestic Product

PRIOR CRISES were Followed by **STRONG RETURNS**⁸

As of 12/31/15

Financial Crises	Calendar-Year Returns		Subsequent 3-Year Annualized Returns
2002 LATIN AMERICAN CRISIS	-31%		66%
	-6%		38%
2008 GLOBAL FINANCIAL CRISIS	-56%		24%
	-53%		20%
2015 CURRENT TURMOIL	-41%		?%
	-15%		?%

 MSCI Brazil  MSCI Emerging Markets

Past performance is not a guarantee of future results. Indices are unmanaged and not available for direct investment.

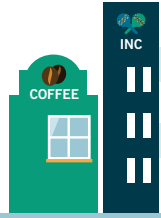
Brandes' Quest for Value in

BRAZIL



While many investors seem to paint all Brazilian companies with the same brush, our opportunity-focused investment process has enabled us to identify businesses whose shares trade below our estimates of their true worth.

ALLOCATIONS to BRAZILIAN Companies⁹



Fund	Allocation	Fund	Allocation
Brandes Emerging Markets Value Fund	19.3%	Brandes Global Small Cap Equity Fund	4.5%
Brandes Global Opportunities Fund	9.5%	Brandes Global Equity Fund	3.2%
Brandes International Equity Fund	7.4%		

Brandes HOLDINGS in BRAZIL⁹

- Select Brazilian banks
- Oligopolistic nature
- Historically decent returns on capital in good and bad markets
- Private banks have de-risked and slowed loan growth in recent years
- Conservative valuations and allocations due to slower growth

- A large beef producer
- Majority of earnings outside Brazil



- A large regional jet manufacturer
- Vast majority of sales outside Brazil
- May benefit from a weaker currency

- Water utility
- Worst drought in 70+ years in serviced region
- Hampered due to drought and potential impact from new regulatory framework
- Market seems focused on short-term issues

As of 12/31/15. Current and future portfolio holdings are subject to change at any time at any time at the discretion of the investment manager.

¹Source: The Wall Street Journal "Brazil GDP Slips for Third-Consecutive Quarter," published 12/1/2015

²Source: Bloomberg "Brazil Credit Rating Cut to Junk by S&P Amid Budget Strain," published 9/9/2015; The Wall Street Journal "Fitch Downgrades Brazil to Junk, With Negative Outlook," published 12/16/2015. Ratings are from S&P and Fitch. Credit ratings of BBB or higher are considered investment grade; credit ratings below BBB (e.g., BB, B, CCC) are considered non-investment grade.

³Source: BofA Merrill Lynch Global Research as of 9/30/2015. Risk-Love is a sentiment indicator used to measure the mood of consensus. Factors such as turnover to market cap, volatility, put call ratio, CDS spreads, IPO issuance as proportion of market cap are used to construct this metric. Each factor is normalized and then combined to form the Risk-Love indicator.

⁴Source: FactSet as of 11/30/2015. Comparing consumer confidence indicator value from 12/2001-12/2002 (Latin America Crisis) to 1/2015-11/2015 (current turmoil.) Consumer confidence is based on Brazil's National Index of Consumer Expectation, which focuses on consumers' current financial situation and on expectation about inflation, unemployment, wages and major purchases for the next 6 months. Business confidence is based on Brazil's Industrial Entrepreneur Confidence Index, which measures the current situation of businesses and its future prospects.

⁵Source: FactSet as of 12/31/2015.

⁶Source: Morgan Stanley as of 12/31/2015. Universe captures 98% of market cap and free-float adjusted market cap in each country. Past performance is not a guarantee of future results. Cyclically-Adjusted Price-to-Earnings (CAPE): A valuation measure, generally applied to broad equity indices, that uses real (inflation-adjusted) per-share earnings over a certain period (this chart uses 7-year period).

⁷Source: World Bank and Trading Economics as of 12/31/2014

⁸Source: FactSet as of 12/31/2015

⁹Source: Brandes Investment Partners as of 12/31/2015. Not every account will have these exact characteristics. The actual characteristics with respect to any particular account will vary based on a number of factors including but not limited to: (i) the size of the account; (ii) investment restrictions applicable to the account, if any; and (iii) market exigencies at the time of investment.

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.

This material is intended for informational purposes only. 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. Portfolio holdings and allocations are subject to change at any time and should not be considered a recommendation to buy or sell particular securities. Strategies discussed herein are subject to change at any time by the investment manager in its discretion due to market conditions or opportunities. Market conditions may impact performance. International and emerging markets investing is subject to certain risks such as currency fluctuation and social and political changes, differences in financial reporting standards and less stringent

regulation of securities markets which may result in greater share price volatility; such risks are increased when investing in emerging markets. Additional risks associated with emerging markets investing include smaller-sized markets, liquidity risks, and less established legal, political, social, and business systems to support securities markets. Some emerging markets countries may have fixed or managed currencies that are not free-floating against the U.S. dollar. Certain of these currencies have experienced, and may experience in the future, substantial fluctuations or a steady devaluation relative to the U.S. dollar. Stocks of small companies usually experience more volatility than mid and large sized companies.

The foregoing reflects the thoughts and opinions of Brandes Investment Partners[®] exclusively and is subject to change without notice.

Brandes Investment Partners[®] is a registered trademark of Brandes Investment Partners, L.P., in the United States and Canada.