

Brandes Investment Partners, L.P.
Global Equity: Russell 3000 Benchmark

For the month of: **August** 2020

Manager Performance Calculations	* Annualized returns				
	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Brandes	4.48%	10.15%	0.96%	0.55%	3.63%
Russell 3000	7.24%	15.93%	21.44%	13.93%	13.84%

Performance Attribution & Strategy Comments

In August 2020 the portfolio rose but trailed global markets, which continued their strong rebounds from March lows, led by even stronger rebounds in U.S. markets. Both Developed and Emerging markets remained focused on the impact of global central banks' stimulus as well as signs of economic resiliency, and globally Growth continued to strongly outperform Value. While the portfolio underperformed the Russell 3000, it was broadly in line with the MSCI WRLD Value index. We remain focused on companies' ability to survive an extended severe downturn and focus on buying business that are truly undervalued, not just inexpensive. Our portfolio is not tilted toward any certain economic outcome but we believe it is well positioned for a potential value resurgence.

The largest portfolio detractors on a relative basis were holdings in Technology Hardware Storage and Health Care Providers, where the portfolio is overweight a sector that pulled back from recent gains. Contributors to performance were led by our holding in Air Freight & Logistics, followed by an overweight position in Autos, which rebounded sharply. The largest performance contributor on a country basis was Korea, followed by Germany. The largest detractor on a country basis was the U.S., where the portfolio is underweight and holdings trailed the benchmark, followed by the portfolio's large overweight exposure to France.

As of 8/31/20, the largest absolute country weightings were in the U.S. - although the portfolio is significantly underweight relative to the index - the United Kingdom and France; the largest industry weightings were Pharmaceuticals, Health Care Providers and Banks.

In August the Global Investment Committee did not have any new buys and completed the sale of Microsoft Corp. The Q1 sell-off generally broadened and improved our opportunity set, allowing us to add capital to current holdings and diversify our exposures but the sharp snapback has since limited our new activity.

Brandes continues to pursue attractive businesses with stock prices below our estimates of their intrinsic value. We believe uncertainties help drive prices of fundamentally sound companies below what they are truly worth, and we remain committed to building and holding a value portfolio in all market conditions. We are enthusiastic about the potentially undervalued companies we hold within the asset class, and believe the portfolio remains well positioned for the long term.

Organizational/Personnel Changes

None

Account Turnover

Gained:	Number of Accounts:	0	Total Market Value (\$m):	\$	-
Lost:	Number of Accounts:	0	Total Market Value (\$m):	\$	-
	Reason(s):	N/A			

Manager Style Summary

Brandes is a classic "bottom-up" manager, focusing primarily on individual security selection (while country allocation is a secondary consideration), with a "value" bias, purchasing stocks primarily on the perceived undervaluation of their existing assets or current earnings. Consequently, the securities in the portfolio will tend to have a higher dividend yield and lower P/E and P/Book ratios compared to the market. Brandes' classic Graham and Dodd value investment style combined with the relatively low number of stocks in the portfolio results in large gains or losses on the portfolio. What has been encouraging is that Brandes has turned in good returns when the markets generally have rewarded growth, rather than value, styles.

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Portfolio Guideline Compliance August 2020

Portfolio Guideline:	Index	Brandes	Calc	Min	Max	Compliance
B3. Security position <= 5% of the account @ purchase						ok
B4. Number of issues		64		40	70	ok
B5. Normal Country Exposures:						
United States & Canada		43%		30%	100%	ok
Americas ex U.S.		2%		0%	40%	ok
United Kingdom		16%		0%	25%	ok
Europe ex U.K.		25%		0%	50%	ok
Japan		4%		0%	45%	ok
Pacific ex Japan		9%		0%	40%	ok
Non-Index Countries		0%		0%	20%	ok
Cash & Hedges		2%				
Total		100%				
B6. Normal International Portfolio Characteristics (FTSE All World ex U.S. "Large")						
Capitalization	\$92,542	\$53,928	58%	30%	125%	ok
Price/Book Value	1.7	0.9	56%	50%	100%	ok
Price/Earnings	18.4	14.8	80%	50%	100%	ok
Price/Cash Flow	10.0	4.2	42%	50%	100%	check
Dividend Yield	2.6	3.8	147%	90%	150%	ok
B7. Normal U.S. Portfolio Characteristics (Russell 3000)						
Capitalization	\$390,035	\$78,493	20%	30%	125%	check
Price/Book Value	3.5	1.4	39%	50%	100%	check
Price/Earnings	27.6	13.8	50%	50%	100%	check
Price/Cash Flow	14.2	6.8	48%	50%	100%	check
Dividend Yield	1.6	2.5	157%	90%	150%	check
C1. Currency or cross-currency position <= value of hedged securities						
No executed forward w/o a corresponding securities position.						ok
C2. Max forward w/ counterpart <= 30% of total mv of account						
						ok
F2. Brokerage commissions not to exceed \$0.05/share or 50% of principal (non-U.S.)						
						ok
F2. Annual turnover		11%			100%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines						<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Manager Explanations for Deviations from Portfolio Guidelines

- B7. Dividend Yield: Dividend yield calculations reflect current company estimates but we anticipate some of these will be reduced or temporarily eliminated.
- B7. Price/Book Value: A US healthcare holding has no current book value and the portfolio also has an overweight in US financials, which have low P/B ratios.
- B.7 Price / Cash Flow CF calculations reflect current co estimates but we anticipate these will be reduced
- B7. Capitalization: Increasing concentration in a small number of rising technology names in the U.S. market has significantly raised the capitalization comparison.
- B7. Dividend Yield: Dividend yield calculations reflect current company estimates but we anticipate some of these will be reduced or temporarily eliminated.
- B6. Price/Cash Flow: CF calculations reflect current co estimates but we anticipate these will be reduced