

# Brandes Canadian Equity Fund

## Fund Commentary

Events across the globe this year may serve as a good reminder that macroeconomic and geopolitical factors can affect individual businesses differently. As one of the first asset managers to bring a global perspective to value investing, Brandes LP relies on an established research infrastructure that enables them to analyze how each company may be affected by events globally. Their analyst teams have extensive knowledge of industries worldwide, and each team member's perspective allows them to think and invest independently from the market consensus.

For the quarter, the Brandes Canadian Equity Fund underperformed its benchmark, the S&P TSX Composite Index.

### Positive Contributors

The Fund's holdings in the Paper & Forest Products, Food & Staples Retailing and Media industries were positive contributors to performance.

The top contributors were Norbord (Paper & Forest Products), Fairfax Financial Holdings Ltd. (Insurance) and WestJet Airlines Ltd. (Airlines).

Norbord boosted returns, thanks to the demand for new home construction and renovations. The market seemed to appreciate Norbord's earnings growth and increased dividend.

### Performance Detractors

The Fund's holdings in Household Durables and Oil, Gas & Consumable Fuels industries detracted from returns during the quarter. The Fund's underweight to Banks also detracted from performance.

The top detractors from performance were Dorel Industries (Household Durables), High Liner Foods (Food Products) and EXFO (Communications Equipment).

## Current Positioning

At the close of the quarter, the Fund's largest industry weights were in Insurance and Oil, Gas & Consumable Fuels. Please note that while macro conditions are considered when Brandes LP determines valuation estimates for individual companies, the Fund's industry weightings are a by-product of bottom-up stock selection, not the result of top-down observations.

In the 40-plus years since Brandes Investment Partners was founded, its goal has remained the same: pursue above-market gains to help investors move closer to their long-term investment objectives. Brandes LP believes that its unwavering commitment to value investing will lead it to attractively priced, fundamentally sound companies worthy of inclusion in the Fund.



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## About Brandes LP

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## Contribution Analysis (relative to benchmark)

### LAST QUARTER

INDUSTRY			
Top 5 Contributors	%	Top 5 Detractors	%
Paper & Forest Products	0.52	Oil, Gas & Consumable Fuels	-1.35
Food & Staples Retailing	0.22	Banks	-1.10
Media	0.19	Household Durables	-0.59
Beverages	0.16	Food Products	-0.45
Capital Markets	0.13	Chemicals	-0.28

COMPANY			
Top 5 Contributors	%	Top 5 Detractors	%
Norbord Inc.	0.51	Dorel Industries Inc. Cl. B	-0.59
Fairfax Financial Hldgs. Ltd.	0.34	High Liner Foods Inc	-0.41
WestJet Airlines Ltd	0.29	EXFO Inc ORD	-0.25
Corby Spirit & Wine Limited Cl. B	0.14	Chesapeake Energy Corp	-0.23
Cogeco Inc	0.12	Novelion Therapeutics Inc	-0.22

### LAST 12 MONTHS

INDUSTRY			
Top 5 Contributors	%	Top 5 Detractors	%
Communications Equipment	3.15	Banks	-4.72
Paper & Forest Products	1.35	Road & Rail	-0.85
Metals & Mining	1.21	Food Products	-0.71
Oil, Gas & Consumable Fuels	0.98	Biotechnology	-0.43
Equity Real Estate Inv. Trusts	0.82	Chemicals	-0.41

COMPANY			
Top 5 Contributors	%	Top 5 Detractors	%
Sierra Wireless	2.17	High Liner Foods Inc	-0.66
Norbord Inc.	1.36	Novelion Therapeutics Inc	-0.48
E-L Financial Corp. Ltd.	1.07	Dorel Industries Inc. Cl. B	-0.38
EXFO Inc ORD	0.98	Manulife Financial Corp.	-0.33
Granite Real Estate Inc.	0.88	Gran Tierra Energy Inc	-0.17

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## Quarterly Additions/Deletions

Additions	Deletions
HUSKY ENERGY INC	Cogeco Inc
	Western Forest Products Inc



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