

Brandes Canadian Equity Fund

Fund Commentary

Equity markets worldwide generally moved higher in the fourth quarter, closing an eventful 2016 punctuated by the Brexit vote in the United Kingdom and Donald Trump's victory in the U.S. presidential election. U.S. stocks remained on an upward trajectory for much of 2016, boosted further in the fourth quarter by expectations that the President-elect's policies would fuel growth and inflation. In a widely expected move, the U.S. Federal Reserve raised interest rates in December for the second time since the financial crisis.

Non-U.S. markets closed the quarter and the year with mixed performance. European stocks wavered for much of 2016 due to concerns over how companies would be affected by the European Central Bank's policy of negative interest rates and potential disruptions from Brexit. In Japan, a weak yen and the central bank's decision to refrain from pushing interest rates further into negative territory contributed to gains (in yen terms) in the fourth quarter.

Against this backdrop, the Brandes Canadian Equity Fund outperformed its benchmark, the S&P TSX Composite Index.

Positive Contributors

The Fund's holdings in the Communications Equipment, Household Durables and Electrical Equipment industries were positive contributors to performance.

Holding in U.S.-based Chesapeake Energy's bonds contributed to performance during quarter and were subsequently sold and replaced with Chesapeake Energy preferred shares. Additionally, EXFO (Communications Equipment) and Dorel (Household Durables) helped returns.

Performance Detractors

The Fund's holdings in Biotechnology, Insurance and Food Products industries detracted from returns during the quarter.

The top detractors from performance were Novellion Therapeutics (Biotechnology), High Liner Foods (Food Products) and Manulife Financial (Insurance).

Current Positioning

At the close of the quarter, the Fund's largest industry weights were in Insurance and Beverages. 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.

Looking ahead to 2017 and beyond, Brandes LP remains optimistic about the prospects for the Brandes Canadian Equity Fund. Against the seemingly ever-present backdrop of geopolitical and macroeconomic uncertainties, Brandes LP believes its Graham-and-Dodd value approach, focused on seeking mispriced opportunities, should work well over the long term, leading it to attractively priced, fundamentally sound companies worthy of inclusion in the Fund.



Brandes Canadian Equity Fund

About Brandes LP

In the 40-plus years since Brandes LP 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.



Brandes Canadian Equity Fund

Contribution Analysis

LAST QUARTER				LAST 12 MONTHS			
INDUSTRY		INDUSTRY					
Top 5 Contributors	%	Top 5 Detractors	%	Top 5 Contributors	%	Top 5 Detractors	%
Communications Equipment	1.50	Biotechnology	-0.45	Oil, Gas & Consumable Fuels	11.88	Biotechnology	-0.72
Household Durables	0.80	Insurance	-0.35	Communications Equipment	2.89	Insurance	-0.53
Elect. Equip., Instr. & Components	0.63	Food Products	-0.23	Household Durables	2.64	Diversified Telecom. Services	-0.51
Equity Real Estate Inv. Trusts	0.59	Machinery	-0.14	Beverages	2.44	Capital Markets	-0.17
Oil, Gas & Consumable Fuels	0.50			Paper & Forest Products	2.28	Distributors	-0.15
COMPANY		COMPANY		COMPANY		COMPANY	
Top 5 Contributors	%	Top 5 Detractors	%	Top 5 Contributors	%	Top 5 Detractors	%
EXFO Inc ORD	1.10	Novelion Therapeutics Inc	-0.47	Dorel Industries Inc. Cl. B	2.64	Novelion Therapeutics Inc	-0.75
Chesapeake Energy Corp.	0.96	High Liner Foods Inc	-0.21	EXFO Inc ORD	2.53	BCE Inc.	-0.26
Dorel Industries Inc. Cl. B	0.80	Manulife Financial Corp.	-0.15	Norbord Inc.	2.18	EnCana Corp.	-0.18
Cameco Corp.	0.79	Velan Inc.	-0.13	Corby Spirit & Wine Limited	2.07	E-L Financial Corp. Ltd.	-0.16
Celestica Inc.	0.63			High Liner Foods Inc	1.39	Uni-Select Inc ORD	-0.15



Brandes Canadian Equity Fund

FOR DISTRIBUTION TO INVESTORS BY REGISTERED DEALERS ONLY.

Bridgehouse Asset Managers® is a trade name of Brandes Investment Partners & Co. (Bridgehouse). Brandes Investment Partners® is a registered trademark of Brandes Investment Partners, L.P. (Brandes LP), which is an affiliate of Bridgehouse. Bridgehouse is the manager of the Bridgehouse Funds and has hired Brandes LP, Greystone Managed Investments Inc. (Greystone), Lazard Asset Management (Canada), Inc. (Lazard), Morningstar Associates, Inc. (Morningstar) and Sionna Investment Managers Inc. (Sionna) as portfolio sub-advisors (collectively, the “portfolio sub-advisors”) in respect of the Bridgehouse Funds. The foregoing reflects the thoughts, opinions, and investment strategies of Bridgehouse and/or the portfolio sub-advisors and are subject to change at their discretion, based on changing market dynamics or other considerations. Bridgehouse and the portfolio sub-advisors have taken reasonable steps to provide accurate and current data. The data has been gathered from sources believed to be reliable, however Bridgehouse and/or the portfolio sub-advisors are not responsible for any errors or omissions contained herein. Indices are unmanaged and cannot be directly invested into. Securities mentioned herein are not to be construed as a recommendation to buy or sell. Past performance is not a reliable indicator of future results. This material has been provided by Bridgehouse and is for informational purposes only. It is not intended to provide legal, accounting, tax, investment, financial or other advice and is not to be construed as a recommendation to buy or sell. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. This report may contain forward-looking statements about the

economy, and markets; their future performance, strategies or prospects. Units and shares of the Bridgehouse Funds are available through registered dealers only and are not available through Bridgehouse.

The words “may,” “could,” “should,” “would,” “suspect,” “outlook,” “believe,” “plan,” “anticipate,” “estimate,” “expect,” “intend,” “forecast,” “objective” and similar expressions are intended to identify forward-looking statements. Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties about general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. You are cautioned to not place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement. Before making any investment decisions, you are encouraged consider these and other factors carefully. Where applicable, please note that 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.

Published January 26, 2017

