

## FUND PROFILE

# Brandes U.S. Small Cap Equity Fund

as at March 31, 2017



The Brandes U.S. Small Cap Equity Fund invests in 35–85 smaller U.S. companies that Brandes believes are trading at a price below fair value and that have appreciation potential.

### Management Team

Ralph Birchmeier, Yingbin Chen, Mark Costa, Luiz Sauerbronn

### Features

- Most holdings are <\$1.5 billion in market cap
- Looks different than the benchmark
- Low portfolio valuations (e.g., P/E, P/B)
- Distributions paid annually
- Unhedged USD exposure

### Benefits

- Value approach thrives in small cap space
- Can avoid expensive sectors and industries
- Invests in established businesses not start ups
- Can provide diversification to other investments
- Potential for long-term outperformance

ASSET CLASS: **U.S. SMALL CAP**

FUND RISK CLASSIFICATION

L	LM	M	<b>MH</b>	H
---	----	---	-----------	---

FUNDSEV COMPANY CODE: **BIP**

SERIES	SALES OPTION	FUND NUMBER C\$	FUND NUMBER US\$	MANAGEMENT EXPENSE RATIO (%)
A	SC	142	144	2.73%
A	DSC	242	244	2.73%
A	LL	217	218	2.73%
F	-	542	544	1.62%
K	SC	808	826	2.20%
L	SC	942	944	1.70%
M	-	717	718	1.16%

## Performance (CAD, Net of fees) (as at March 31, 2017)

ANNUALIZED (%)	3-Mth	YTD	1-Yr	3-Yr	5-Yr	7-Yr	10-Yr	Since Incept. July 2, 2002
Brandes U.S. Small Cap Equity Fund (Series A)	-2.01	-2.01	21.88	16.69	20.06	16.14	4.70	4.60
Brandes U.S. Small Cap Equity Fund (Series F)	-1.74	-1.74	23.22	17.99	21.39	17.42	5.85	5.73

QUARTILE RANKING	3-Mth	YTD	1-Yr	3-Yr	5-Yr	7-Yr	10-Yr
Brandes U.S. Small Cap Equity Fund (Series A)	4	4	2	1	1	1	4
Brandes U.S. Small Cap Equity Fund (Series F)	4	4	1	1	1	1	3

CALENDAR (%)	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Brandes U.S. Small Cap Equity Fund (Series A)	-37.52	-49.61	50.22	28.00	-8.91	30.47	33.25	18.08	16.55	21.42
Brandes U.S. Small Cap Equity Fund (Series F)	-36.75	-49.06	51.78	29.33	-7.94	31.88	34.78	19.37	17.86	22.75

<sup>1</sup> Past performance is not a reliable indicator of future results.



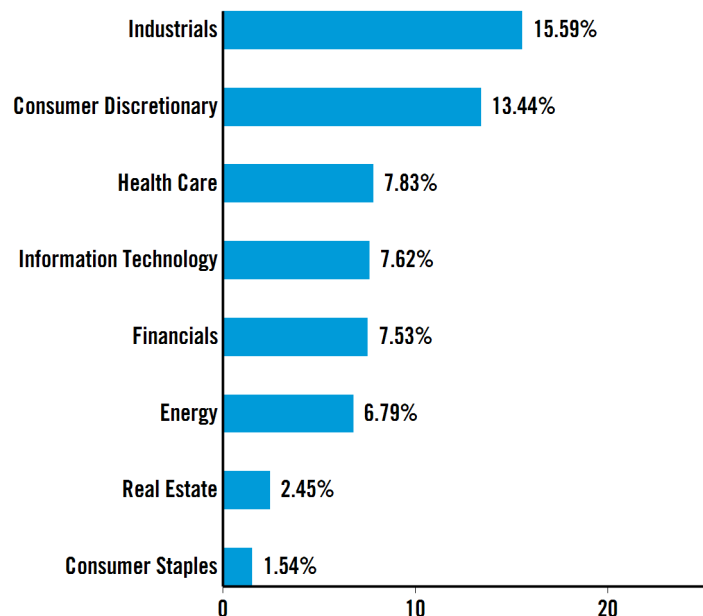
# Brandes U.S. Small Cap Equity Fund

as at March 31, 2017

## Top 10 Holdings

COMPANY	FUND (%)
Cash & Cash Equivalent	27.5
Briggs & Stratton Corp.	4.4
Invacare Corp	4.4
M.D.C. Holdings Inc.	4.2
Chesapeake Energy Corp	3.1
Verint Systems	2.9
FTI Consulting Inc.	2.9
Resources Connection Inc.	2.8
National Western Life Insurance Co.	2.5
The St. Joe Co.	2.4
% of Fund	57.0
Total Number of Companies	38
Total Number of Fixed Income Securities	1

## Sector Exposure (% Equity)



## Portfolio Fundamentals

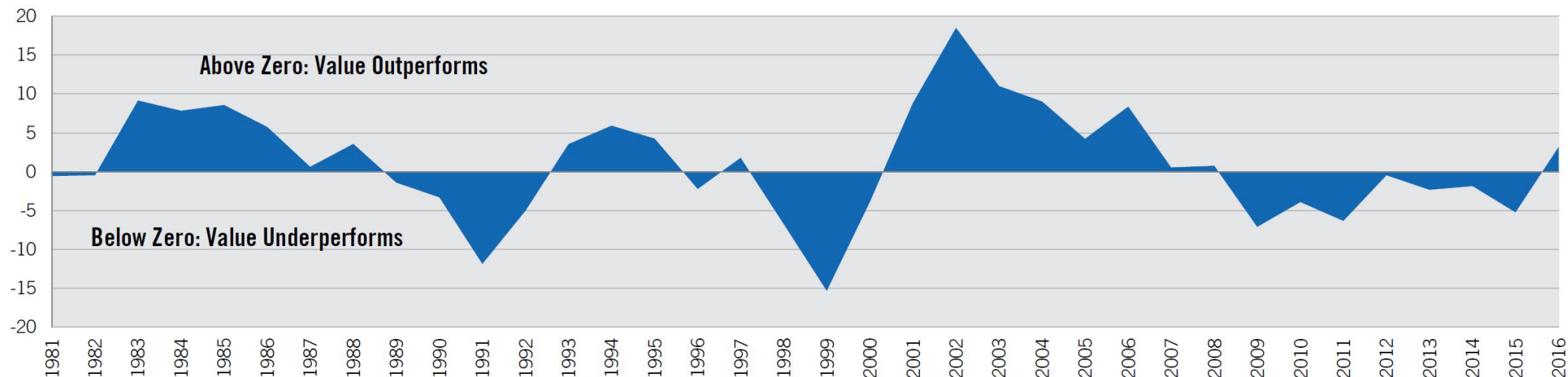
	P/B Ratio (x)	P/E Ratio (x)	P/CF Ratio (x)	Dividend Yield (%)
Brandes U.S. Small Cap Equity Fund	1.2	19.5	7.9	1.4
Russell 2000	2.1	22.5	10.5	1.4

# Brandes U.S. Small Cap Equity Fund

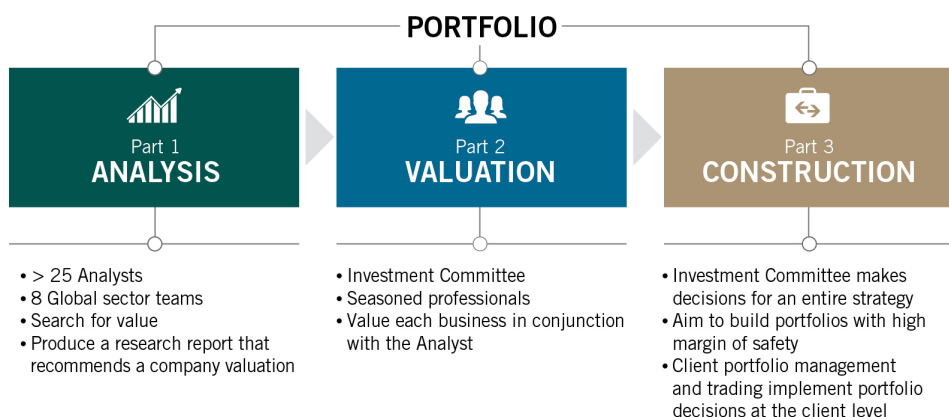
as at March 31, 2017

## The Value Cycle is Poised to Perform

Russell 2000 Value Index minus Russell 2000 Growth Index (USD) (Rolling 3-year Relative Returns, %)<sup>2</sup>



## How Brandes Works (3-Part Process)



For illustrative purposes only.

## Years of Experience

Supported by more than 25 research analysts.

Committee Member*	Title	Year Started with Brandes	Year Started in the Industry
Ralph Birchmeier, CFA	Director - Investments Group	2000	1994
Yingbin Chen, CFA	Director - Investments Group	2002	2002
Mark Costa, CFA	Director - Investments Group	2001	2001
Luiz Sauerbronn	Director - Investments Group	2002	1995

\* Brandes Small-Cap Investment Committee



# Brandes U.S. Small Cap Equity Fund

as at March 31, 2017

<sup>1</sup> © 2016 Morningstar Research Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

<sup>2</sup> Source: Worldscope via FactSet, The Brandes Institute, as of 06/30/12. Past performance is not a guarantee of future results. Returns were calculated by dividing stocks into value and growth deciles based on price-to-book ratios (P/B), price-to-cash flow (P/CF), and price-to-earnings (P/E). For each group, decile-by-decile annualized performance, calculated in U.S. dollars, was recorded for the five years after the inception date. New deciles were constructed each June 30, and every subsequent June 30 through 2005. Annualized returns for all years were then averaged to compare value stocks with growth stocks. The above returns do not represent the performance of any product or security managed by Bridgehouse and are provided for illustrative purposes 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. The foregoing reflects the thoughts, opinions and/or investment strategies of Bridgehouse and/or Brandes L.P. and are subject to change at their discretion, based on changing market dynamics or other considerations. Bridgehouse and Brandes L.P. 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 Brand L.P. are not responsible for any errors or omissions contained herein. Bridgehouse is the manager of the Bridgehouse Funds and has hired Brandes Investment Partners, L.P. (Brandes LP), Greystone Managed Investments Inc. (Greystone), Lazard Asset Management (Canada), Inc. (Lazard) and Sionna Investment Managers Inc. (Sionna) as portfolio sub-advisors in respect of the Bridgehouse Funds. 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. Units of shares of the Bridgehouse Funds are available through registered dealers only and are not available through Bridgehouse. Published April, 2017. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. The indicated rates of return are the historical annual compounded total returns including changes in unit value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any security holder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.