

Brandes Institutional Enhanced Income Fund

AVERAGE ANNUALIZED PORTFOLIO PERFORMANCE VS. INDEX TOTAL RETURNS as of June 30, 2009

	<u>3 Month</u>	<u>Year-to-Date</u>	<u>1 Year</u>	<u>Since Inception (12/28/07)</u>
Brandes Institutional Enhanced Income Fund Class I	14.94%	9.17%	-10.72%	-10.78%
Composite Index*	7.11%	3.42%	-4.76%	-4.26%
Barclays Capital U.S. Aggregate Index	1.78%	1.90%	6.05%	4.97%

Brandes Institutional Enhanced Income Fund Class I Gross Expense Ratio is 5.63%

Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by calling 800.237.7119. Investment performance reflects fee waivers and/or reimbursement of expenses. In the absence of such waivers/reimbursements, total return would be reduced.

Short term performance, in particular, is not a good indication of the fund's future performance, and an investment should not be made based solely on returns.

Performance Comments:

- The Brandes Institutional Enhanced Income Fund climbed 14.94% in the second quarter ending June 30, 2009. During the quarter, the blended benchmark (70% Barclays Capital U.S. Aggregate Index, 30% S&P/Citigroup World \$25b+ Index) rose 7.11% and the Barclays Capital U.S. Aggregate Index returned 1.78%. As of June 30, 2009, the average annualized total returns of the Brandes Institutional Enhanced Income Fund for 1-year was -10.72% and was -10.76% since its inception date of December 28, 2007. During the same periods, the blended benchmark (70% Barclays Capital U.S. Aggregate Index, 30% S&P/Citigroup World \$25b+ Index) had average annualized total returns of -4.76% and -4.26%, while the Barclays Capital U.S. Aggregate Index returned 6.05% and 5.27%, respectively.
- For fixed income holdings, the Fund's performance was largely driven by gains for corporate bonds in the second quarter, including securities that were rated below-investment grade. Many of the portfolios' positions in the industrials and finance industries posted compelling positive performance, following adverse performance in previous quarters. As long-term investors we temper our reaction to short-term performance; however, we believe the Fund's recent outperformance is a result of staying disciplined during previous quarters, when bond prices appeared irrational to us.
- Examples of fixed income securities contributing to positive performance during the second quarter were bonds issued by Interpublic, Unisys, and Hovnanian. Some of the Fund's Alt-A mortgages also tended to appreciate in value.
- Conversely, the Fund's Treasury positions had a modestly negative effect on absolute performance, as did securities issued by Tenet Healthcare and CIT Group.
- Looking at performance relative to the benchmark, the Fund's underweight allocation to commercial mortgage-backed securities was a detractor. On a security level, corporate bonds issued by Keycorp and National City weighed on relative performance.
- Please note, however, that these negative contributors had considerably less impact on returns than the outperformance contribution from most corporate bond holdings.
- During the second quarter, the Fund established positions in bonds issued by companies including Xerox, Smithfield Foods, and Altria, as well as select investment-grade utilities. The Fund sold a commercial mortgage-backed security.
- For equity positions, holdings in the commercial banks, chemicals, and communications equipment industries had a positive influence on second quarter results.
- From a country perspective, share prices appreciation for securities based in the United States tended to have the greatest impact on performance.
- As of June 30, 2009, the Fund was overweight compared to benchmark in corporate bonds, particularly those issued by building and building products firms, as well as financial companies. The Fund's most significant equity weightings were in the United States, and in the diversified telecommunication services and pharmaceuticals industries.

Current Strategy:

- While we monitor short-term developments in fixed income and equity markets, our investment philosophy focuses on company-by-company analysis. We take a long-term perspective, and believe that none or very little of the short-term "market news" provides useful information to investors.
- In all market environments, we search for and hold what we believe to be fundamentally sound companies trading at discounts to our estimates of their fair values. We believe this strategy should provide patient investors with favorable results.

Brandes Institutional Enhanced Income Fund

TOP 10 HOLDINGS (Excluding Cash and Cash Equivalents)	
FNMA PASS-THRU INT 15 YEAR	4.35%
UNITED STATES TREASURY NOTES	3.53%
GOLDMAN SACHS GP INC FDIC TLGP GTD NT 3.25% 12	3.23%
FHLMC PC	2.90%
FHLMC PC	2.73%
PULTE HOMES INC	1.69%
SPRINT NEXTEL CORP	1.59%
NORSKE SKOG CDA LTD	1.54%
TYSON FOODS INC	1.50%
NATIONAL CITY CORP	1.48%

Fund holdings are subject to change at any time and are not recommendations to buy or sell any security.

INVESTMENT MANAGEMENT

Fixed Income
Investment Committee

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INVESTMENT RISKS

Because the values of the Fund's investments will fluctuate with market conditions, so will the value of your investment in the Fund. You could lose money on your investment in the Fund, or the Fund could underperform other investments. As with most fixed income funds, the income on and value of your shares in the Fund will fluctuate along with interest rates. When interest rates rise, the market prices of the debt securities the Fund owns usually decline. When interest rates fall, the prices of these securities usually increase. Generally, the longer the Fund's average portfolio maturity and the lower the average quality of its portfolio, the greater the price fluctuation. The price of any security owned by the Fund may also fall in response to events affecting the issuer of the security, such as its ability to continue to make principal and interest payments or its credit rating. Below investment grade debt securities (commonly known as "high yield bonds" or "junk bonds") are speculative and involve a greater risk of default and price change due to changes in the issuer's creditworthiness. The market prices of these debt securities may fluctuate more than the market prices of investment grade debt securities and may decline significantly in periods of general economic difficulty.

Investing in foreign securities poses additional risks. The performance of foreign securities can be adversely affected by the different political, regulatory and economic environments and other overall economic conditions in the countries where the Fund invests. Emerging country markets involve greater risk and volatility than more developed 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 may experience substantial fluctuations or steady devaluation relative to the U.S. dollar. The Fund's use of derivative instruments, such as options contracts, futures contracts or swap agreements, involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other more traditional investments. Investments in Asset Backed and Mortgage Backed Securities include additional risks that investors should be aware of such as credit risk, prepayment risk, possible illiquidity and default, as well as increased susceptibility to adverse economic developments.

Unlike bonds issued or guaranteed by the U.S. government or its agencies, stocks and other bonds are not backed by the full faith and credit of the United States. Stock and bond prices will experience market fluctuations. Please note that the value of government securities and bonds in general have an inverse relationship to interest rates. Bonds carry the risk of default, or the risk that an issuer will be unable to make income or principal payment. There is no assurance that private guarantors or insurers will meet their obligations. The credit quality of the investments in the portfolio is no guarantee of the safety or stability of the portfolio.

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

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*The composite Index is made up of 70% Barclays Capital U.S. Aggregate (formerly Lehman Brothers U.S. Aggregate Index) and 30% S&P/ Citigroup World \$25 billion+. The Barclays Capital U.S. Aggregate Index is an unmanaged index consisting of U.S. dollar-denominated, fixed-rate, taxable bonds. The Index includes bonds from the Treasury, Government-Related, Corporate, Mortgage-Backed Securities (agency fixed-rate and hybrid adjustable-rate mortgage passthroughs), Asset-Backed Securities and Commercial Mortgage-Backed Securities sectors. Securities must be rated investment grade (Baa3/BBB-/BBB- or above) by Moody's, S&P, and Fitch, respectively. When all three agencies rate an issue, a median or "two out of three" rating is used to determine Index eligibility by dropping the highest and lowest rating. When a rating from only two agencies is available, the lower ("most conservative") of the two is used. When a rating from only one agency is available, that rating is used to determine Index eligibility. The S&P/Citigroup World \$25 billion+ Index is an unmanaged index that consists of companies around the developed world including the United States that have market capitalizations greater than \$25 billion (USD). This index is often used as a benchmark for mega-cap global equity portfolios and includes dividends and distributions, but does not reflect fees, brokerage commissions, withholding taxes, or other expenses of investing. Please note that all indices are unmanaged and are not available for direct investment.

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Must be preceded or accompanied by a current prospectus.