

Falling stock prices remind us of the importance of “the four Ps” when creating and monitoring a long-term investment plan.

Principles

- A change in the market doesn’t necessarily demand a change in your investment approach. Basic investment principles are enduring.
- Always think in terms of an investor – not a speculator. Remain focused on the long-term wealth creation potential of individual businesses – not the day-to-day ups and downs of the stock market.
- Investors are owners of the company – not simply an owner of stock. Monitor the strength of the business – is the company still creating wealth? What is a reasonable expectation of what we, as business owners, will receive in terms of cash flow and earnings over a long period?

Prices

- Brandes Investment Partners® (“Brandes”) believes that most of the time, current stock prices are wrong, when analyzed from a long-term investment standpoint. Brandes believes emotions – primarily fear and greed – tend to drive prices too high or too low.
- Brandes regularly evaluates the price of individual businesses against our estimate of the true, underlying value of the company.
- Stock price is an essential component of any purchase or sell decision. Brandes believes the direction of stock prices and the market over the short term is not important and focuses on stock prices as they relate to underlying business value.
- Stock market declines give long-term investors an opportunity to purchase shares of solid businesses at very attractive prices.

Patience

- As business owners, investors shouldn’t be concerned about what somebody is willing to pay for their piece of a business on a day-to-day basis. Instead, look at what the company is doing – not the price the market puts on that business in the short term.
- To overlook short-term price swings, investors need patience. As long-term owners, Brandes typically looks at holding shares for at least a three- to five-year term.

Programs

- Brandes encourages clients to work together with a professional investment advisor to create an investment program built on a long-term outlook – not short-term events.
- If you have a solid game plan, stick to it. Generally, Brandes believes changing your investment approach is not a sound idea in turbulent markets. Volatile markets can transfer wealth from speculators to investors. Stick to your approach. Do not be swayed by fear or greed.

A mutual fund's investment objectives, risks, charges, and expenses must be considered carefully before investing. The prospectus contains this and other important information about the investment company, and it may be obtained by calling 1-800-395-3807 or visiting www.brandesinstitutionalfunds.com. Read it carefully before investing.

Mutual fund investing involves risk. Principal loss is possible.

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