



BRANDES
INVESTMENT PARTNERS

BRANDES CORPORATE FOCUS BOND FUND

2010 ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

VALUE SPECIALISTS



MANAGEMENT DISCUSSION OF FUND PERFORMANCE	4
FINANCIAL HIGHLIGHTS	7
MANAGEMENT FEES	8
PAST PERFORMANCE	9
SUMMARY OF INVESTMENT PORTFOLIO	10

BRANDES CORPORATE FOCUS BOND FUND

- ▶ *This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the Fund. The annual financial statements are in a separate booklet. You may obtain a copy of the annual financial statements at your request, and at no cost, by calling toll-free 1-888-861-9998, by writing to us at Brandes Investment Partners & Co., 20 Bay Street, Suite 400, Toronto, ON, M5J 2N8, or by visiting our website: www.brandesinvestments.ca or the SEDAR website: www.sedar.com.*

You may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure relating to the Fund.

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

Our objective for this Fund is to generate income and grow capital for investors over the long term by investing in fixed income securities of primarily U.S. dollar corporate bonds of both investment grade and non-investment grade. The Fund may also invest up to 40% of its assets in non-U.S. dollar fixed income securities. As the portfolio sub-advisor in respect of this Fund, Brandes Investment Partners L.P. ("Brandes LP") uses a Graham & Dodd value approach when selecting the actual securities to go into the Fund. This means that, on behalf of the Fund, they select fixed income securities of companies which, in their estimation, have a higher value (intrinsic value) than is currently reflected in the stock market.

Brandes LP's intention is to create a portfolio of the best undervalued fixed income securities available, in their estimation, diversified in ways described in the prospectus.

The Fund offers a hedged class, in addition to an unhedged class of units. The hedged class is designed for investors who might be uncomfortable with fluctuations in the U.S. dollar. The unhedged class is for investors who wish to be exposed to fluctuations in the U.S. dollar.

Risk

As an investor in this Fund, you should be prepared for short-term performance fluctuations, and be a patient, long-term holder.

This Fund also carries a currency risk for investors in the unhedged class. This proved to have an effect on the Fund's returns last year as the Canadian dollar traded in a wide range relative to the U.S. dollar.

There were no significant changes to the level or type of risk you would expect from the Fund over the course of the year. It continues to have a low to moderate risk level. Refer to the prospectus for a complete list of all risks.

Results of Operations from January 1 to December 31, 2010

Markets & Effect

2010 proved to a good year for corporate bonds as investors globally looked for yield. We continued to invest, in what we deemed to be select undervalued fixed income securities with very attractive margins of safety. We believe having the ability and willingness to think and act differently than the market consensus gives us a better chance to add value for our clients over the long term.

Performance

The unhedged Class of the Fund outperformed its benchmark, with Class A units gaining 6.4% versus a gain of 2.1% for the Barclay's Capital U.S. Intermediate Credit Bond Index. The hedged Class AH units of the Fund also outperformed its benchmark with Class AH units gaining 12.3% versus a gain of 8.1% for the Barclay's Capital U.S. Intermediate Credit Bond Index (Hedged). The Fund's return is after the deduction of fees and expenses (management expense ratio), while the benchmark returns do not include any costs of investing. See the "Past Performance" section for the returns of the other classes, which may vary because of differences in management fees and expenses.

Asset Mix

At December 31, 2010, U.S. government fixed income securities made up 12.2%, U.S. corporate fixed income securities made up 83.0%, equities were 0.8%, with approximately 4.0% in cash and other net assets.

The securities holding in the Fund had an average credit rating of BBB+ at December 31, 2010. The Fund's duration decreased to 3.82 years at December 31, 2010, from 3.96 years at December 31, 2009.

In line with our bottom-up investment philosophy, we continue to build the portfolio on a security by security basis, as opposed to top-down.

We typically allocate less than 5% of the Fund to any one security, at the time of purchase. Therefore, the addition or deletion of an individual security does not constitute a substantial change to the portfolio.

Flows & Fees

The Fund's Net Asset Value increased to \$53.1 million at December 31, 2010, from \$48.4 million at December 31, 2009. Of that increase, \$4.7 million was due to positive performance.

For Class A units, the December 31, 2010 management expense ratio ("MER") of 1.42% remained unchanged from last year. For Class AH units, the December 31, 2010 management expense ratio ("MER") of 1.47% also remained unchanged from last year. However, it is expected the MER will increase in the future as a result of the Harmonized Sales Tax. Please refer to the "Sales Tax and GST Harmonization" section for more additional discussion on this new tax.

Recent Developments

Brandes Investment Partners L.P. continued to manage the investment portfolio of the Fund but as the sub-advisor to Brandes Investment Partners & Co. ("BIP & Co.") acting as the Fund's Portfolio Manager.

There are no other known changes at this time to the strategic positioning of the Fund, or the manager, portfolio advisor, to the policies or the composition of the Independent Review Committee.

International Financial Reporting Standards

The Canadian Accounting Standards Board ("AcSB") confirmed that International Financial Reporting Standards ("IFRS") will replace current Canadian accounting standards and interpretations for publicly accountable enterprises in 2011. Brandes has developed a changeover plan to IFRS. The key elements of the changeover plan include assessment of significant IFRS and Canadian GAAP differences, analysis and conclusion on accounting policy choices, identification of additional disclosure requirements under IFRS, and preparation of the financial statements in accordance with IFRS with comparatives.

Based on its current assessment of the differences between IFRS and Canadian GAAP, Brandes has presently determined that there will be no significant impact to the Net Assets or Net Assets per unit as a result of the changeover. It is expected that the impact of IFRS will be limited to additional disclosure and potentially modification to the presentation of unitholder interests and certain other items. This present determination is subject to change if new standards or new interpretations of existing standards are issued before the changeover.

In September 2010, the AcSB approved a one year deferral of adoption of IFRS for investment companies currently applying *Accounting Guideline 18, Investment Companies*, which include investment funds. In January 2011, the AcSB made a decision to extend the deferral of IFRS adoption by investment companies for an additional year to January 2013. The result is a two-year deferral of IFRS adoption by investment companies compared to other publicly accountable entities. The AcSB noted in its *Decision Summary* that the deferral is a result of the delay in the International Accounting Standards Board's ("IASB") investment company project and that a final standard would likely not be issued before January 2012, the previous mandatory IFRS changeover date for investment companies in Canada.

Investment funds may continue to apply existing Canadian GAAP standards until fiscal years beginning on or after January 1, 2013. Accordingly, the Fund will adopt IFRS for the fiscal period beginning January 1, 2013, and will issue the first financial statements under IFRS, including comparative information, for the interim period ending June 30, 2013.

Sales Tax and GST Harmonization

Effective July 1, 2010, the British Columbia and Ontario provincial governments proceeded to harmonize their Provincial Sales Tax ("PST") with the federal Goods and Services Tax ("GST") to become the new Harmonized Sales Tax ("HST"). HST is applicable to GST-taxable services charged to the Fund. HST is calculated separately for each class of each Fund in proportion to the amounts invested by residents of HST-participating provinces when compared to non-participating provinces. HST participating provinces refer to the provinces of Ontario, British Columbia, Nova Scotia, New Brunswick or Newfoundland and Labrador or any other province that in the future begins to apply HST. The net effect is the application of a "blended rate" of GST/HST to each class of each Fund and an increase in taxes applied to the Fund for services charged to the Fund.

Related Party Transactions

Manager and Portfolio Sub-Advisor

The Fund is managed and advised by Brandes Investment Partners & Co. which provides (or arranges for) investment management, distribution, marketing and promotion of the Fund. BIP & Co. receives a monthly management fee based on the daily average net assets of each Class of the Fund. In addition, BIP & Co. is entitled to be reimbursed by the Fund for certain operating expenses.

Brandes Investment Partners, L.P., of San Diego, continued to be the Manager's portfolio sub-advisor in respect of the Fund. BIP & Co. pays Brandes LP a monthly investment management fee to provide the Fund with investment management services.

Forward-Looking Statement

This document may contain forward-looking statements relating to anticipated future events, results, performance, decisions, circumstances, opportunities, risks or other matters. Forward-looking statements are statements that are predictive in nature, depend upon or refer to future events or conditions, or that include words such as “may”, “will”, “should”, “could”, “expect”, “anticipate”, “intend”, “plan”, “believe”, or “estimate” or other similar expressions. These statements require us to make assumptions and are subject to inherent risks and uncertainties. Our predictions and other forward-looking statements may not prove to be accurate, or a number of factors could cause actual events, results, performance, etc. to differ materially from the targets, expectations, estimates or intentions expressed or implied in the forward-looking statements. These factors could include, among others, market and general economic conditions, interest rates, regulatory and statutory developments, the effects of competition in the geographic and business areas in which the fund may invest, and the risks detailed from time to time in the fund’s simplified prospectus. Forward-looking statements are not guarantees of future performance. For these reasons, it is important that readers do not place undue reliance on our forward-looking statements and should be aware that the Fund may not update any forward-looking statements whether as a result of new information, future events or otherwise.

Benchmark Indices

Barclays Capital U.S. Intermediate Credit Bond Index:

This index measures the performance of investment grade corporate bonds in the United States with maturities of between one and ten years.

Barclays Capital U.S. Intermediate Credit Bond Index

(Hedged): This index measures the performance of investment grade corporate bonds in the United States with maturities of between one and ten years. The hedged version minimizes the exposure of currency fluctuations on index performance

FINANCIAL HIGHLIGHTS

FOR THE PERIODS ENDED DECEMBER 31, 2007 TO 2010

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past four periods ended December 31, as applicable. In the year a fund or class is established, 'period' represents inception to December 31 of that year. In all other cases, 'period' represents year ended December 31. Inception date for all classes is January 19, 2007.

The Fund's Net Assets per Unit (\$) (Note 1)

		Increase (decrease) from operations					Distributions			Net assets, end of period	
		Net assets, beginning of period	Total revenue	Total expenses	Realized gains (losses) for the period	Unrealized gains (losses) for the period	Total increase (decrease) from operations	From income excluding dividends	From capital gains		Total annual distribution
Class A	2010	7.20	0.39	(0.11)	(0.05)	0.25	0.48	(0.26)	-	(0.26)	7.38
	2009	7.15	0.43	(0.10)	(0.37)	0.42	0.38	(0.34)	-	(0.34)	7.20
	2008	8.31	0.59	(0.11)	(0.57)	(0.74)	(0.83)	(0.46)	-	(0.46)	7.15
	2007	10.00	0.50	(0.13)	(0.36)	(1.62)	(1.61)	(0.24)	-	(0.24)	8.31
Class F	2010	7.17	0.39	(0.07)	(0.06)	0.22	0.48	(0.31)	-	(0.31)	7.35
	2009	7.11	0.43	(0.07)	(0.37)	0.41	0.40	(0.38)	-	(0.38)	7.17
	2008	8.31	0.58	(0.07)	(0.56)	(0.79)	(0.84)	(0.54)	-	(0.54)	7.11
	2007	10.00	0.50	(0.08)	(0.36)	(1.64)	(1.58)	(0.29)	-	(0.29)	8.31
Class I	2010	7.20	0.38	-	(0.05)	0.22	0.55	(0.38)	-	(0.38)	7.37
	2009	7.15	0.44	-	(0.38)	0.44	0.50	(0.45)	-	(0.45)	7.20
	2008	8.31	0.59	-	(0.57)	(0.61)	(0.59)	(0.58)	-	(0.58)	7.15
	2007	10.00	0.49	-	(0.32)	(1.55)	(1.38)	(0.36)	-	(0.36)	8.31
Class M	2010	7.18	0.39	(0.06)	(0.05)	0.22	0.50	(0.34)	-	(0.34)	7.36
	2009	7.13	0.44	(0.05)	(0.38)	0.44	0.45	(0.40)	-	(0.40)	7.18
	2008	8.30	0.59	(0.06)	(0.57)	(0.60)	(0.64)	(0.52)	-	(0.52)	7.13
	2007	10.00	0.49	(0.07)	(0.31)	(1.56)	(1.45)	(0.31)	-	(0.31)	8.30
Class AH	2010	7.19	0.39	(0.11)	0.31	0.28	0.87	(0.29)	-	(0.29)	7.78
	2009	6.08	0.39	(0.10)	(0.20)	1.37	1.46	(0.31)	-	(0.31)	7.19
	2008	8.88	0.58	(0.12)	(1.33)	(1.45)	(2.32)	(0.45)	-	(0.45)	6.08
	2007	10.00	0.56	(0.14)	1.23	(1.74)	(0.09)	(0.37)	(0.73)	(1.10)	8.88
Class FH	2010	7.11	0.39	(0.07)	0.35	0.26	0.93	(0.32)	-	(0.32)	7.68
	2009	6.00	0.39	(0.06)	(0.12)	1.19	1.40	(0.33)	-	(0.33)	7.11
	2008	8.77	0.57	(0.07)	(1.19)	(1.54)	(2.23)	(0.48)	-	(0.48)	6.00
	2007	10.00	0.55	(0.09)	1.22	(1.70)	(0.02)	(0.43)	(0.83)	(1.26)	8.77
Class IH	2010	7.28	0.40	-	0.21	0.35	0.96	(0.38)	-	(0.38)	7.88
	2009	6.15	0.40	-	(0.15)	1.29	1.54	(0.41)	-	(0.41)	7.28
	2008	9.01	0.58	-	(1.38)	(1.58)	(2.38)	(0.58)	-	(0.58)	6.15
	2007	10.00	0.56	-	1.16	(1.65)	0.07	(0.50)	(0.60)	(1.10)	9.01
Class MH	2010	7.11	0.39	(0.06)	0.29	0.30	0.92	(0.34)	-	(0.34)	7.68
	2009	6.01	0.39	(0.05)	0.09	1.33	1.76	(0.35)	-	(0.35)	7.11
	2008	8.79	0.57	(0.06)	(1.36)	(1.52)	(2.37)	(0.49)	-	(0.49)	6.01
	2007	10.00	0.53	(0.08)	1.02	(1.43)	0.04	(0.46)	(0.78)	(1.24)	8.79

1. Net Assets per Unit is calculated as follows:

(a) The financial information presented in the Net Assets per Unit table is derived from the Fund's audited annual financial statements. The Net Assets per Unit presented in the financial statements ("Net Assets") differs from the net asset value calculated for fund pricing purposes ("Net Asset Value"). An explanation of the differences can be found in the notes to the financial statements.

(b) Net Assets per Unit of a class is based on the number of units outstanding for that class at the relevant time. The Increase (Decrease) from Operations per Unit of a class is based on the weighted average number of units outstanding for that class during the period.

(c) Distributions per Unit of a class are based on the number of units outstanding for the class on the record dates for the distributions. Distributions were paid in cash/reinvested in additional units of the Fund or both.

Ratios and Supplemental Data (Note 2)

		Net asset value (\$000)	Number of units outstanding (000)	Management Expense Ratio (MER) (%) <i>(Note 3)</i>	MER before waiver or absorption (%) <i>(Note 3)</i>	Portfolio turnover rate (%) <i>(Note 4)</i>	Trading expense ratio (%) <i>(Note 5)</i>	Net asset value per unit
Class A	2010	11,008	1,488	1.42	1.53	48.73	-	7.40
	2009	10,575	1,465	1.42	1.53	34.22	-	7.22
	2008	5,373	749	1.42	1.54	39.28	-	7.17
	2007	4,490	539	1.43	1.57	44.16	-	8.32
Class F	2010	5,241	711	0.89	1.01	-	-	7.37
	2009	2,778	387	0.89	1.01	-	-	7.18
	2008	1,709	239	0.89	1.00	-	-	7.14
	2007	1,877	225	0.90	1.05	-	-	8.33
Class I	2010	581	79	0.00	0.00	-	-	7.39
	2009	538	75	0.00	0.00	-	-	7.21
	2008	503	70	0.00	0.00	-	-	7.17
	2007	542	65	0.00	0.00	-	-	8.33
Class M	2010	564	76	0.74	0.76	-	-	7.38
	2009	526	73	0.74	0.74	-	-	7.20
	2008	495	69	0.74	0.74	-	-	7.16
	2007	538	65	0.74	0.74	-	-	8.31
Class AH	2010	15,668	2,010	1.47	1.63	-	-	7.80
	2009	16,107	2,235	1.47	1.61	-	-	7.21
	2008	9,604	1,575	1.47	1.60	-	-	6.10
	2007	10,514	1,181	1.48	1.64	-	-	8.90
Class FH	2010	5,027	653	0.95	1.07	-	-	7.70
	2009	6,137	862	0.95	1.06	-	-	7.12
	2008	2,853	474	0.95	1.06	-	-	6.02
	2007	2,257	257	0.95	1.10	-	-	8.79
Class IH	2010	11,019	1,395	0.00	0.00	-	-	7.90
	2009	7,589	1,040	0.00	0.00	-	-	7.29
	2008	3,325	539	0.00	0.00	-	-	6.17
	2007	3,957	438	0.00	0.00	-	-	9.03
Class MH	2010	3,969	515	0.79	0.82	-	-	7.70
	2009	4,136	580	0.79	0.79	-	-	7.13
	2008	858	142	0.79	0.79	-	-	6.03
	2007	629	71	0.79	0.79	-	-	8.81

MANAGEMENT FEES

BIP & Co., the Manager, provides or arranges for investment management, distribution, marketing and promotion of the Fund. In consideration for the services provided, BIP & Co. receives a monthly management fee based on the daily average Net Asset Value of Class A, Class F, Class M, Class AH, Class FH and Class MH. Management fees for Class I and Class IH are negotiated and paid directly by the unitholders, not by the Fund.

For the year ended December 31, 2010, the Fund paid BIP & Co. management fees of \$422,283. Approximately 39% of Class A and Class AH management fees were used to fund commission payments to registered brokers and dealers for distributing Class A and Class AH units. BIP & Co. does not pay any commission in connection with the distribution of Class F, Class I, Class M, Class FH, Class IH and Class MH units.

- The financial information presented in the Ratios and Supplemental Data table is derived from the Fund's Net Asset Value and is provided as at December 31 of the years shown.
- The management expense ratio ("MER") is calculated as the total management fees and operating expenses paid by each class of the Fund, including GST/HST and interest and excluding commissions and other portfolio transaction costs, as a percentage of the average daily Net Asset Value of each class of the Fund on an annualized basis. Any management fee distributions paid by a class of the fund that effectively reduced management fees payable by some unitholders are not deducted from expenses to determine the overall MER of that class.

The Manager, at its sole discretion, waives management fees or absorbs expenses. Such waivers and absorptions can be terminated at any time. The MERs of the Fund are shown both with and without the waiver and absorptions.

- Portfolio turnover rate is calculated at the Fund level based on the lesser of purchases or proceeds of sales of securities for the period, excluding cash, short term notes and bonds having maturity dates at acquisition of one year or less, divided by the average value of the portfolio securities for the period.

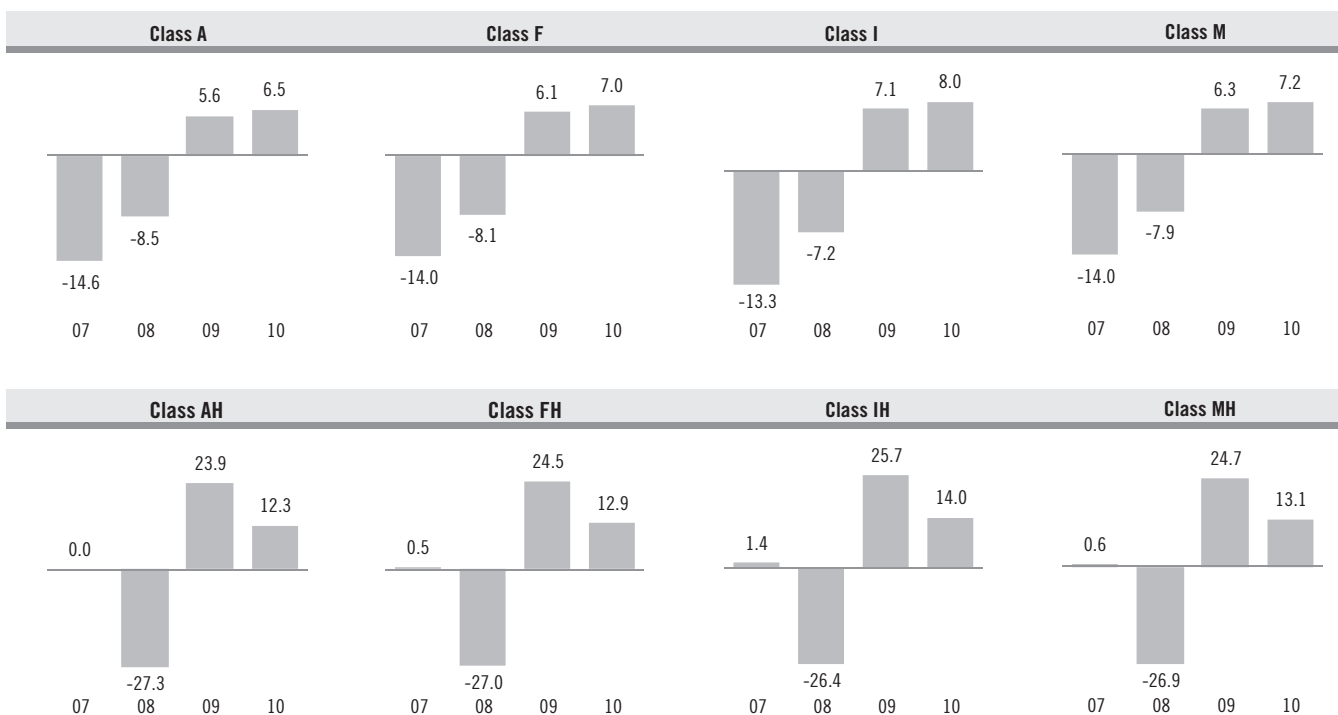
The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a Fund's portfolio turn-over rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.
- The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average Net Asset Value of the Fund. The trading expense ratio is calculated at the Fund level and applies to all classes of the Fund.

PAST PERFORMANCE

This section shows the historical performance for each class of the Fund for the periods ended December 31. Historical performance is based on the change in Net Asset Value per unit, assuming reinvestment of all distributions. Management fees, operating expenses and applicable taxes have been taken into account before calculating performance, except in the cases of Class I and Class IH units on which no management fees are payable. Historical performance does not take into account the potential impact on returns of purchases, redemptions, distribution fees or other optional charges or income taxes payable by an investor. Keep in mind that past performance does not necessarily indicate how the Fund will perform in the future.

Year-by-Year Returns (%)

The bar chart shows how the performance of each class of the Fund has changed from year to year. It illustrates in percentage terms how much an investment in each class of the Fund made on January 1 of each year, or on the inception dates, would have grown or decreased by the last day of each financial year.



Note: Returns for all Classes in 2007 are from January 19, 2007 to December 31, 2007

Annual Compound Returns (%)

The table shows the historical annual compound total return for each class of the Fund as compared to the benchmarks listed below. The returns are for periods ended December 31, 2010. For a discussion of the relative performance of the Fund as compared to the index, please refer to the “Results of Operations” section in the “Management Discussion of Fund Performance” on page 4.

	1-Year	3-Year	Since Inception
Class A	6.45	0.92	(3.23)
Class F	6.97	1.44	(2.70)
Class I	7.97	2.35	(1.83)
Class M	7.18	1.60	(2.56)
Barclays Capital U.S. Intermediate Credit Bond Index*	2.13	6.94	2.05
Class AH	12.29	0.35	0.28
Class FH	12.88	0.84	0.77
Class IH	13.96	1.80	1.72
Class MH	13.06	1.00	0.92
Barclays Capital U.S. Intermediate Credit Bond Index (Hedged)*	8.05	6.56	6.14

*“Since inception” for all classes corresponds to inception date January 19, 2007

SUMMARY OF INVESTMENT PORTFOLIO AS AT DECEMBER 31, 2010

Top 25 Positions

The portfolio does not contain any short positions. The investment portfolio may change due to ongoing portfolio transactions of the investment fund. An updated listing is available on a quarterly basis.

	Company	Fund (%)
1.	U.S. Treasury Notes 3.38% Nov 15/19	7.2
2.	General Motors Acceptance Corporation 6.75% Dec 01/14	3.0
3.	The Goldman Sachs Group, Inc. 3.25% Jun 15/12	2.9
4.	Anadarko Petroleum Corporation 5.95% Sep 15/16	2.6
5.	Wells Fargo & Company 3.00% Dec 09/11	2.5
6.	Bear Stearns Adjustable Rate Mortgage Trust VAR 2.87% Oct 25/35	2.3
7.	U.S. Treasury Notes 3.38% Nov 30/12	2.1
8.	Bear Stearns ALT-A Trust VAR 0.94% Nov 25/34	2.0
9.	Tenet Healthcare Corporation 7.38% Feb 01/13	1.9
10.	USG Corporation 6.30% Nov 15/16	1.9
11.	Arizona Public Services Company 8.75% Mar 01/19	1.9
12.	Valero Energy Coporation 9.38% Mar 15/19	1.7
13.	National City Corp. 4.90% Jan 15/15	1.7
14.	Lennar Corporation 5.60% May 31/15	1.6
15.	Pulte Homes, Inc. 5.20% Feb 15/15	1.6
16.	U.S. Treasury Notes 4.25% Aug 15/14	1.6
17.	Transocean Inc. 5.25% Mar 15/13	1.6
18.	FirstEnergy Corp. 7.38% Nov 15/31	1.5
19.	Citigroup Inc. 6.13% Nov 21/17	1.5
20.	SLM Corporation 5.00% Oct 01/13	1.5
21.	Dow Chemical Company 8.55% May 15/19	1.5
22.	Mohawk Industries, Inc. 6.13% Jan 15/16	1.4
23.	Countrywide Financial Corporation 5.80% Jun 07/12	1.4
24.	Ford Motor Credit Company LLC 7.00% Oct 01/13	1.4
25.	Accredited Mortgage Loan Trust 0.41% Sep 25/36	1.4
	% of Fund	51.7
	Total Number of Fixed Income Securities	91
	Total Net Asset Value (\$MM)	\$53

Asset Mix

Asset Breakdown	Fund (%)
Corporate Bonds	62.0
US Treasury	11.3
Collateralized Mortgage Obligations (CMO)	11.1
Asset Backed Security (ABS)	6.3
Other	5.3
Common Shares	3.0
Commercial Mortgage-Backed Securities (CMBS)	0.8
Preferred Shares	0.2

Note: Rounding to one decimal place may result in individual figures totalling more or less than 100%



BRANDES INVESTMENT PARTNERS & CO.
20 Bay Street | Suite 400 | P.O. Box 62 | Toronto | ON | M5J 2N8
416-306-5700 | 888-861-9998 | www.brandesinvestments.ca