BRANDES
INVESTMENT PARTNERS

Hand-Delivered

October 19, 2005

John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West
19th floor, Box 55
Toronto, ON
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Re: Canadian Securities Administrators ("CSA") Proposed National Instrument 81-107 *Independent Review Committee for Mutual Funds* ("IRC")

Brandes Investment Partners & Co. is a limited market dealer, investment counsel & portfolio manager in Ontario and BC, and a mutual fund manager in all jurisdictions in Canada. Our primary function is that of a mutual fund manager. Brandes currently markets our funds exclusively through registered dealers or directly to certain accredited investors. Brandes employs a largely outsourced structure, and has entered into contractual relationships with third parties to provide custody, processing, valuation and portfolio management services. We are writing to provide you with our comments on the proposed National Instrument 81-107 ("NI 81-107").

As we indicated in our comment letter of April 2004, Brandes supports appropriate measures to provide greater protection to investors in our funds. However, we believe that any regulatory initiative that directly or indirectly imposes a cost on investors should pass a simple litmus test before the initiative is approved: ***"Is the investor better off as a result of the implementation of the initiative then they were prior to the implementation?"*** Having reviewed the revised draft of NI 81-107, we continue to believe that for investors in funds structured like the Brandes Funds, this litmus test would fail. We therefore believe that the development of an IRC as currently contemplated by NI 81-107 is not appropriate and reasonable under certain circumstances.

In providing our comments we have considered some general areas of concern, as well as the impact to the Brandes Funds of the specific areas mandated for consideration by the IRC.

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General Concerns with respect to NI 81-107:

1. The costs of establishing and running an IRC far outweigh the benefits that might accrue to our unitholders.
2. The proposed rule allows for costs to be passed on to unitholders that previously were a cost to the Management Company.
3. We respectfully submit that allowing any group of individuals (independent or otherwise) to establish their own remuneration and select successor members is rife with conflict and at times may not be in the best interests of the very unitholders that they are supposed to protect.
4. We respectfully submit that Independent boards in the USA were ineffective in identifying the trading abuses that plagued the fund industry in that country, and therefore we are concerned that the assumed benefits of establishing an IRC for Canadian funds will not be realized as the structure is likely not to be any more effective than the current regime.

Inapplicability to Brandes:

As Brandes is not a public company, and is not related to any public companies, we believe that our unitholders will not benefit from the main impetus for the establishment of the IRC, being the oversight of specified structural conflicts. A clear conflict exists when it comes to related party dealings. There are existing processes that provide a mechanism for those managers who are in this type of conflict situation to obtain relief. We believe that these managers should be subject to this process and rightly should demonstrate to the regulator that any related party dealings would be done in the best interests of the unitholders. Brandes, as well as the vast majority of fund companies, do not have these type of conflicts, and therefore we believe it is contrary to the interests of our unitholders to require all fund companies to meet the onerous requirements of NI 81-107 when it is the minority who have the issue and a mechanism is already in place to address the concerns.

Business Conflicts:

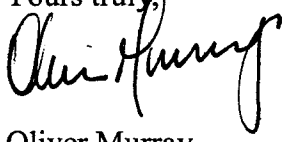
With respect to business and operational conflicts of interest, we do not believe that consideration has been given to alternative ways to oversee such conflicts and that in the absence of such consideration it is inappropriate to burden unitholders with the costs of additional regulation. We are also concerned that the proposal as currently drafted will lead to a fragmented approach to resolution of conflict situations, as each company and each IRC will be left to their own interpretations of the best way to resolve a conflict.

Finally, with respect to the concern expressed by BCSC with regard to the cost benefit of the proposed rule to small mutual fund companies, we would like to add that we believe that this rule if implemented "as is" will create a higher barrier to entry for many new industry participants. The regulators and industry participants must be careful in balancing the needs for good fund governance with ensuring a competitive marketplace.

While some of the large incumbent firms are unconcerned about the costs of implementing or refining their IRC structures for their unitholders, it falls to the regulators to take a more holistic view and incur costs on behalf of all unitholders **only** when it is certain that the benefits clearly justify the costs.

We look forward to the opportunity to continue to discuss regulatory responses to concerns that will pass the litmus test of being in the best interests of our unitholders.

Yours truly,



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