

October 19, 2007

Neil Mohindra  
Acting Policy Manager  
Joint Forum Project Office  
5160 Yonge Street  
Box 85, 17<sup>th</sup> Floor  
North York, ON  
M2N 6L9

Dear Mr. Mohindra:

**Re: Joint Forum Proposed Framework 81-406 (“Point of Sale Initiative”)**

Brandes Investment Partners & Co. (“Brandes”) is a mutual fund manager in all jurisdictions in Canada and is registered as a limited market dealer, a mutual fund dealer exempt from the requirement to join the MFDA, and an investment counsel & portfolio manager in Ontario and many other Canadian jurisdictions. Our primary role is that of a mutual fund manager, and it is from this point of view that we offer our comments on the Point of Sale Initiative.

Brandes supports appropriate measures to provide more useful forms of disclosure to investors. We echo and support the comments submitted by the Investment Funds Institute of Canada (IFIC) in respect of the Point of Sale Initiative.

Since IFIC has commented in great detail, our comments will address two key “macro” issues that relate to the overall implications of the Point of Sale Initiative. We encourage the members of the Joint Forum to carefully consider these “macro” implications. In our opinion, two key “macro” issues are as follows:

1. The currently proposed prescribed disclosure (“Fund Facts Sheet”) places a large emphasis on past performance and fees as the appropriate measure of fund selection. At the recent Investment Funds Institute of Canada conference, Patricia Callon, Legal Counsel, Investment Funds, spoke about the impetus for the creation of the Fund Facts Sheet and various aspects of investor behaviour. She pointed out that the OSC felt “they” must ensure that the client can make the right decision and that when investors can see clearly that the fee for one fund is less than the fee for another fund that the vast majority of investors will make the “right” decision and pick the lower priced fund.

This all-too-simplistic view of selecting funds is analogous to looking to past performance to select funds. We fundamentally disagree with the assumption that the fund with the lowest fee is necessarily the “right” fund for the client. We also disagree that past performance is necessarily the appropriate method for selection of funds for a client’s portfolio.

We are concerned that there is a view that the Fund Facts Sheet alone will allow the investor to make the best decision. Again, this is too simplistic and ignores the important role that the advisor contributes to the decision in the context of the overall financial plan for the investor.

We believe that the advisor is best equipped to truly advise the client and although the Fund Facts Sheet is a big improvement on the simplified prospectus in terms of readability, it can never tell the entire story.

For example, each November, Brandes hosts a due diligence meeting for advisors who are willing to spend two full days and pay for all of their own travel and accommodation expenses to come to Brandes Investment Partners L.P. Head Office in San Diego. They do this to gain a deep understanding of the Brandes investment process that has been developed over the past 30 years. These advisors are committed to fully understanding the product and process, before deciding whether they should recommend it to their clients, in the context of their overall plan and objectives. The thought that a simple Fund Facts Sheet could serve as the document necessary to make a truly informed decision does a disservice to the financial advisor community. Attending the Brandes Due Diligence meeting gives advisors insight and knowledge of the Brandes investment process that cannot be captured in a Fund Facts Sheet, and it is vitally important if the investor is to make an informed decision. This is one of the reasons why the Brandes Mutual Funds are sold exclusively through financial advisors.

Substantial regulation is already in place governing the provision of this advice to clients and it is the advisor's duty to know and take into account the needs and risk tolerances of the client in making such recommendations. A Fund Facts Sheet delivered prior to being able to execute a subsequent trade interrupts this process and runs the risk of being out of context with the overall financial plan that the investor and advisor might have spent years working on. The current requirement for advisors to ensure all trades are suitable is the right way to continue and, in our opinion, there is no need to disrupt a trade that is part of the overall plan to deliver Fund Facts Sheets at every subsequent trade. Our preference with respect to subsequent trades is that the members of the Joint Forum adopt an "Access Equals Delivery" approach. However, an alternative and practical approach would be for the Fund Facts Sheet to be delivered along with the trade confirmation and the current standard rights of rescission could apply.

2. We believe the Point of Sale Initiative may have a negative impact on the high levels of automation in the mutual fund business. Canada is a world leader when it comes to automated processing of mutual fund trades and settlements through FundSERV. The systems in place contribute to overall compliance with various regulations governing the mutual fund industry, and have led to efficient and effective processing of mutual fund purchases and redemptions.

Many recent regulatory initiatives (the straight-through processing initiatives, NI 24-101, etc.) are aimed at speeding up and simplifying the process of entering and settling transactions. The current proposal contemplates going in an opposite direction creating a disruption to the efficient processing of mutual fund trades.

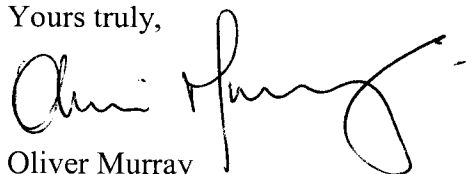
This, in our opinion, will cause some industry participants to move to alternate product structures that do not require the delivery of disclosure at every transaction. Many of these product structures are not as automated as mutual funds and this, in our opinion, is not good for investors. Furthermore, it will make it harder for regulators to ensure compliance with the rules.

This potential for increased product / regulatory arbitrage is a real concern and will once again put NI 81-102 mutual funds on an unequal footing. The members of the Joint Forum should be concerned about this, since it is not in the best interests of the investing public.

We believe that the members of the Joint Forum should carefully consider these “macro” issues relating to the overall Point of Sale initiative. We support any workable initiative that will allow for improved disclosure to investors. We think that the existing rules governing the provision of advice are clear in ensuring that recommendations by an advisor are suitable for his or her client. Therefore, disrupting the efficient flow of the trade and delaying trade settlement adds no value to the investor. We strongly urge the members of the Joint Forum to adopt the “Access Equals Delivery” approach when it comes to subsequent trades. Access to relevant information along with prudent advice from a trusted advisor – in context of an overall personalized financial plan - is the appropriate way to proceed. This can be accomplished within the extremely efficient operational infrastructures that are already in place.

In closing, we would like to thank you for the opportunity to provide our comments on the Point of Sale Initiative.

Yours truly,

A handwritten signature in black ink, appearing to read "Oliver Murray", with a stylized flourish extending to the right.

Oliver Murray  
President & CEO  
Brandes Investment Partners & Co.