CAMBIAR INTERNATIONAL EQUITY ADR COMMENTARY 2Q 2025

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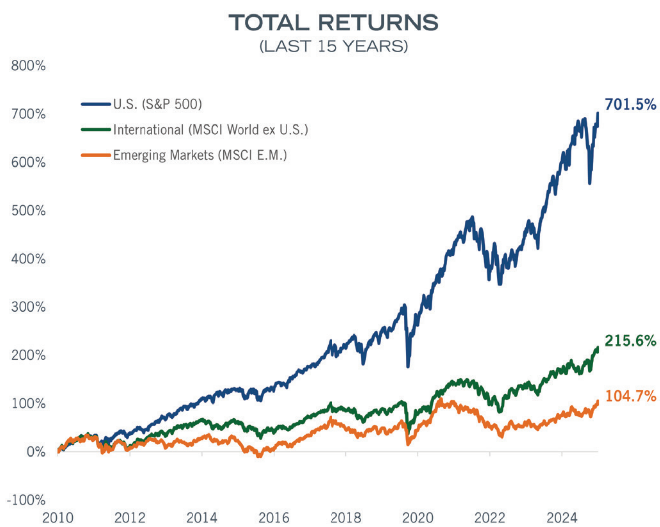
MARKET REVIEW

International equities posted a second consecutive quarter of double-digit returns, with the MSCI EAFE Index posting a 2Q gain of 11.8%. The year-to-date return for the EAFE Index stands at 19.5% – the strongest six-month start to a year since 1993. Given the lower allocation to technology and AI stocks that paced the 2Q advance, the excess return for EAFE versus the S&P 500 is all the more impressive. Emerging markets have also performed well, with the MSCI Emerging Markets Index posting 2Q and year-to-date gains of 12.0% and 15.3%, respectively.

Currency impact has played a sizable role in the strong start for the non-U.S. markets, as a weaker dollar boosts international returns on a currency translation basis. For example, Germany has a YTD return of 18.5% in local terms (Euro-denominated), but 34.3% in dollar terms. Similarly, the UK (which uses the pound sterling) has a YTD return of 9.0% in home currency, but a 19.3% return for U.S. investors.

Can the strong performance in non-U.S. stocks continue? Given the massive outperformance of U.S. stocks vs. international equities over the past 15 years, the latter still has a lot of ground to make up:



Source: Factset

On a valuation basis, the international equity(developed) asset class continues to trade at a deep discount to the S&P 500 Index (22x P/E for S&P vs. 14.6x for the EAFE Index). For context, U.S. stocks have historically been awarded higher valuations due to their stronger growth rates; that said, the current premium assigned to domestic equities remains elevated compared to historic peak and trough levels.

Although more difficult to time/quantify, additional catalysts for international equities include:

- Capital flows – U.S. markets have benefited from foreign investment. Could the combination of unpredictable monetary/trade policy in the U.S. and renewed fiscal impulses in Europe prompt a shift in capital flow out of the U.S.?

- Asset allocation – With U.S. investors likely to have underweight allocations to international equities, even a slight shift in asset allocation could be a meaningful tailwind for the asset class.

- Possible ceasefire/truce to the Ukraine/Russia conflict – The ongoing conflict that started in February 2022 has taken a significant toll on the region, on both a humanitarian and economic front. A peaceful resolution would be a welcome event.

- Skepticism – Despite strong YTD returns, international stocks remain largely off the radar for investors.

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INTERNATIONAL EQUITY ADR

	2Q 2025	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
ADR (gross)	9.4%	18.0%	20.5%	16.1%	9.1%	4.7%	5.9%
ADR (net)	9.2%	17.5%	19.5%	15.2%	8.3%	4.0%	5.1%
MSCI EAFE	11.8%	19.5%	17.7%	16.0%	11.2%	6.5%	5.0%

International Equity ADR Composite Inception Date: 2.28.2006 / See Disclosure –Performance

CONTRIBUTORS

Top Five	Avg. Weights	Contribution
Nintendo Co	3.09	1.18
Ajinomoto Co	1.81	0.74
Ryanair Holdings	2.07	0.70
E.ON SE	2.65	0.66
Flutter Entertainment	2.19	0.62

DETRACTORS

Bottom Five	Avg. Weights	Contribution
Bunzl	1.77	-0.24
ICON	1.19	-0.31
Nidec Corporation	0.14	-0.32
Barry Callebaut	1.01	-0.34
Schlumberger	1.63	-0.43

The Top 5/Bottom 5 chart provided is based on a representative account managed in the strategy and is derived from the account's gross performance which does not reflect the deduction of all fees and expenses that a client or investor would have paid. Please refer to the composite gross and net performance to understand the overall effect of fees. See Disclosure – Top 5/Bottom 5 Chart for more information.

The Cambiar International Equity ADR strategy registered a solid gain for the second quarter, while falling short of the EAFE Index. The relative performance shortfall was primarily a result of stock selection within Industrials and Healthcare, as well as a modest cash drag. The strategy remains ahead of the index on a trailing one-year basis, and longer-term rolling returns continue to demonstrate incremental improvement vs. the benchmark.

Trade activity was more elevated in the quarter, with the Cambiar team making five new buys and seven liquidations (in addition to incremental adds/trims to existing positions). Portfolio construction continues to be a stock-by-stock (i.e., bottom-up) exercise, vs. our team being anchored to a given macro forecast. The goal is to build a resilient and diversified portfolio that can deliver consistent returns across all market conditions. We closed the quarter with 47 holdings and a cash position of ~5%. While any cash has been a drag on performance given the strong YTD gains for international stocks, we view this residual dry powder as optionality to deploy once companies in our research library reach actionable attachment points.

There were no material changes at the country/regional level, with Europe/UK comprising ~60% of portfolio capital at quarter-end. We increased the portfolio's allocation to Japan to approximately 20% with the purchases of Tokio Marine (Financials - insurance) and Ajinomoto (Consumer Staples– ingredients). Sector exposures also remained relatively unchanged, with Industrials (21%), Financials (20%), and Healthcare (12%) representing the three largest allocations in the portfolio.

The pro-cyclical tilt during the quarter was evident in reviewing performance drivers at a sector level, as Technology, Industrials, and Communication Services led to the upside, while more defensive sectors such as Healthcare and Consumer Staples trailed (although they remained positive). The one notable downside was Energy, which lost ground during the period in response to lower oil prices and news of increased output by OPEC.

After representing a strong value-add for the portfolio in 1Q, Cambiar's holdings in the industrial sector were unable to keep pace with the index in the second quarter. Nidec and Bunzl were two notable laggards in the quarter, as both stocks incurred company-specific pullbacks that warranted a review of the investment thesis. Nidec was subsequently sold, as we were uncomfortable with the company's attempt to use somewhat questionable M&A (in our opinion) to offset

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lost market share in key end markets, such as the automotive and high-end industrial applications.

Bunzl is a UK-based distribution/services company that sells a wide selection of supplies (e.g., safety equipment, hygiene/healthcare supplies, food packaging, etc.). The stock's decline was in response to a 1-2 punch of lowered earnings guidance and a pause to their share buyback plan. Although we are disappointed with this near-term setback, we believe the market is undervaluing Bunzl's vast network, and added to our position in the quarter. With the stock trading at the low end of its range on a P/E basis, the risk/reward is positively skewed if Bunzl's management team is able to demonstrate improved execution in the coming quarters.

Despite comprising smaller portfolio allocations, Cambiar's holdings in the Utilities and Communication Services sectors have both provided positive contributions to performance in 2025. German utility company E.ON and Japan-based Nintendo were two individual outperformers. E.ON has begun to re-rate to the upside as the company continues to shift its business model from a lower margin utility to a pure-play grid operator. Another tailwind for the company is Germany's $500 billion infrastructure plan, which is expected to result in increased demand for grid connectivity.

Nintendo rallied sharply in anticipation of the company's Switch 2 gaming console. Sales for the console launched in 2Q, with demand outstripping supply thus far. Given lower gross margins in hardware, the key earnings drivers for Nintendo will be the software and gaming side, which includes enhanced multiplayer and social capabilities that are subscription-based - thus providing an additional source of high-margin revenue. We trimmed the position in light of the outsized YTD return, but continue to maintain a position.

Within Financials, EU banks have led the upside in response to rising profitability, a steepening yield curve, and stable net interest margins. We have been selectively trimming our bank positions in recognition of a more balanced risk/reward; that said, the group continues to trade at low price/book multiples. Cambiar's non-bank holdings (e.g., Julius Baer, London Stock Exchange) have participated to a lesser extent vs. banks, but provide good through-the-cycle diversification for the portfolio.

LOOKING AHEAD

As we reach the halfway point of 2025, the strong gains in international equities were likely not on many investors' radars at the start of the year. Is the recent outperformance for international markets a short blip in the U.S. exceptionalism trade, or the beginning of a more durable shift in market leadership? While hesitant to make predictions of this nature, we believe that the risk/reward for international equities remains favorable. In contrast to many U.S. stocks that are trading at or near peak valuations on peak earnings, the international space offers the potential for both multiple expansion and earnings growth.

Easing monetary policy (in response to lower inflation) and fiscal reforms in Europe should provide additional tailwinds for international equities. Increased spending on defense and infrastructure, combined with pro-business policies such as lower regulatory hurdles and tax cuts (recently announced in Germany), may stimulate economic growth, helping to close the performance gap with U.S. markets further.

Trade policy remains a key unknown, as the full effects of tariffs have yet to make their way into the global economy. The upcoming earnings season will be an interesting tell on how companies are dealing with the shifting sands of trade policy.

The Cambiar team remains focused on generating strong through-the-cycle returns via the consistent implementation of our Quality | Price | Discipline philosophy.

Thank you for your continued confidence in Cambiar Investors.

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Cambiar's International Equity ADR Composite includes discretionary, taxable and tax-exempt portfolios, including portfolios that are part of broker-affiliated or broker-sponsored programs, including wrap programs, that waive commission costs or bundle fees including commission costs. The records of the portfolios in the composite are maintained on Cambiar's systems. Portfolios in the composite invest predominantly in foreign securities through American Depositary Receipts ("ADRs") and other securities which are traded on U.S. exchanges. Cambiar's International Equity ADR Composite primarily invests in stocks with a market capitalization greater than $5 billion. The typical number of securities in the International Equity ADR portfolio is 40-50 holdings. As of April 2020, there is no minimum asset level for the composite. Prior to April 2020, the minimum asset level for the composite was $100,000.

Prior to 2009 and for the periods of 2011 and forward, the composite's gross returns include accounts with gross and "pure" gross performance and are presented as supplemental information. From 2009 to 2010, the composite only contained accounts whose gross performance is reduced by transaction costs. "Pure" gross returns do not reflect the deduction of any expenses, including transaction costs. "Pure" gross returns are applicable to separately managed accounts that are part of broker-affiliated or broker-sponsored programs, including wrap programs, which waive commission costs or bundle fees including commissions (SMAs). Net returns are reduced by transaction costs and actual investment advisory fees and other expenses that may be incurred in the management of the account. SMAs often incur bundled fees, charged by the wrap sponsor or affiliated broker, that may include transaction costs, investment management, portfolio monitoring, consulting services, and custody fees. Net returns for SMAs are calculated by deducting the investment advisory fees from the client's account as reported by the wrap sponsor or affiliated broker, or as received by Cambiar. Cambiar clients may incur actual fee rates that are greater or less than the rate reflected in this performance summary. Fees will vary based on the assets in the accounts. Returns are reported in U.S. dollars.

Performance results for the International Equity ADR Composite are evaluated against the MSCI EAFE Index. The MSCI EAFE Index (Europe, Australasia, Far East) is a free float-adjusted, market capitalization weighted index that is designed to measure developed market equity performance, excluding the U.S. & Canada. The index assumes no management, custody, transaction or other expenses. The MSCI EAFE Index is a broadly based index that reflects the overall market performance and Cambiar's returns may not be correlated to the index. The index is unmanaged and one cannot invest directly in an index. Cambiar's performance and the performance of the MSCI EAFE Index include the reinvestment of all income. Benchmark returns are net of withholding taxes. Prior to July 2019, Cambiar typically followed each custodian's treatment of tax withholding and therefore dividends may have been presented as gross or net of dividend tax withholding depending on the custodian's treatment. As of July 2019, Cambiar typically records dividends net of withholding taxes although it may depend on various factors such as the issue country and custodian's treatment. Withholding taxes may vary according to the investor's domicile, and other reasons.

For additional information, including a GIPS Composite Report for the strategy presented herein and/or a list of composite descriptions, please contact: Cambiar Investors LLC, 200 Columbine Street, Suite 800, Denver, CO 80206, 1.888.673.9950, info@cambiar.com. **Past performance is no indication of future results and, as is the case with all investment advisors who concentrate on equity investments, Cambiar's future performance may result in a loss**. All information is provided for informational purposes only and should not be construed as an offer to buy or as a solicitation to buy or sell. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. **This communication is intended for non-wrap use only.**

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Top 5/Bottom 5 Chart: The quarterly contributors and detractors are based on the gross performance of a representative account in the strategy composite. As compared to the representative account, the composite performance shown is the asset-weighted performance of related accounts which may include accounts of varying types including pooled vehicles/mutual funds, separate accounts, and retail/wrap (directed) accounts. Cash flows, holdings and other activities may vary across accounts in the composite which can result in materially different performance between the composite (or other accounts in the composite) and the representative account. Please refer to the net performance of the composite which best represents the net performance an investor would have received if they had invested in the strategy for the period shown.

A complete list of each security that contributed to the performance of the Cambiar portfolio mentioned above is available upon request. Please contact Cambiar at 1.888.673.9950 for additional information.

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