CAMBIAR INTERNATIONAL EQUITY ADR COMMENTARY 3Q 2023

50 YEARS ANNIVERSARY 1973 2023

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MARKET REVIEW

After posting back-to-back quarterly gains, global equities reversed course in the third quarter. Returns were relatively non-differentiated between the U.S. and international markets, with the S&P 500 Index falling -3.6% vs. -4.1% for the MSCI EAFE Index and -2.9% for the MSCI Emerging Markets Index. One bright spot in the quarter was commodities (led by energy stocks), which moved higher in response to rising oil prices.

The slide in stocks was largely in response to global yields moving higher – and the subsequent tightening in financial conditions that is in turn beginning to weigh on economic growth forecasts. Diffusion indices confirm a slowdown, as evidenced in the most recent German PMI reading of 39.6 (a reading above 50 indicates expansion, below 50 indicates contraction). While central banks are likely nearing the end of their tightening campaigns, policymakers appear inclined to maintain a higher level of rates until inflation levels return (or get closer to) the 2% range. Market participants anticipating a return to the low-rate environment of yesteryear may be waiting for a while (and should also consider the recessionary pressures that would need to precipitate a sharp move lower in rates).

INTERNATIONAL EQUITY ADR

CONTRIBUTORS

Top Five	Avg. Weights	Contribution
Suncor Energy	2.42	0.41
Shell Plc	2.69	0.29
Mitsubishi Estate	1.03	0.14
Chugai Pharmaceutical	1.42	0.13
DBS Group	1.91	0.12

DETRACTORS

Bottom Five	Avg. Weights	Contribution
Nidec Corporation	2.40	-0.37
LVMH	1.89	-0.39
AIA Group	1.93	-0.39
Pernod Ricard	2.16	-0.47
Entain	1.59	-0.50

The Top 5/Bottom 5 chart provided is based on a representative account managed in the strategy. The contribution to return is based on net returns and considers factors including the individual security's total return and the average weight of the holding during the quarter. See Disclosure – Top 5/Bottom 5 Chart for more information.

	3Q 2023	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
ADR (gross)	-5.9%	5.9%	23.0%	1.4%	-0.6%	2.0%	4.5%
ADR (net)	-6.1%	5.4%	22.2%	0.8%	-1.3%	1.4%	3.6%
MSCI EAFE	-4.1%	7.1%	25.7%	5.8%	3.2%	3.8%	3.6%

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

The Cambiar International Equity ADR strategy lost ground vs. the MSCI EAFE Index in the quarter, as trailing stock performance in the Financial and Consumer sectors weighed on performance for the period. While less evident in the quarter, Cambiar continues to view our disciplined investment approach and preference for companies that possess strong balance sheets and persistent free cashflow to be particularly well-suited in the current environment of tightening liquidity and a high cost of capital.

The only sectors to register positive gains in the quarter were Energy and Financials (barely), illustrating the broad-based nature of the downturn. Given the risk-off nature of the decline, the drawdown in more cyclically sensitive sectors such as Technology and Industrials was not unexpected. Yet the rise in yields negatively

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impacted traditional safe haven sectors such as Utilities, which were also weak in the quarter.

On a country/regional basis, Japanese equities were a relative safe haven in the quarter – continuing their winning streak thus far in 2023. Cambiar has been selectively increasing the portfolio's allocation to Japan over the course of the year, with a current portfolio allocation of ~18% as of quarter-end. Our more constructive posture towards Japan is largely a function of attractive fundamentals at the company level. Recently initiated positions in Mitsubishi Estate and Nintendo are examples of our team identifying quality businesses that we believe offer an asymmetric return potential over the next 1-2 years. Individual outperformers in the quarter included Hitachi and Chugai Pharmaceutical. Investors are rewarding Hitachi for the company's strong industrial portfolio in secular growth areas such as energy systems, infrastructure, and electrification solutions. Chugai engages in pharmaceutical R&D, manufacturing, and distribution. The company has a track record of strong capital stewardship as well as a net cash balance sheet that should assist in providing some downside protection during periods of market duress.

A brief comment on Europe/UK, as this region comprises approximately 62% of portfolio capital. It is important to note that many of the holdings that are sourced from Europe often have a global footprint as it relates to revenue exposure. For example, Nestle and LVMH currently derive more than 75% of sales from outside of Europe. Cambiar views many of our European companies to be global champions that have broad reach on a profitability basis vs. outsized dependence on Europe consumption trends.

As mentioned, energy stocks were one of the few areas of the market to generate positive returns in the quarter. Cambiar's overweight allocation to the sector was therefore a value-add to performance for the period. The upward catalyst came in the form of higher oil prices, which rallied from $70 to $90 in response to tightening inventories and OPEC's decision to extend production cuts into 2024. We made some adjustments to positioning during the quarter – selling integrated operator Shell in favor of TotalEnergies, as well as initiating a new position in Norway-based E&P Equinor. Although Shell has been a good performer, we have some concerns that the company is harvesting too much free cash flow for capital returns at the expense of investing in the underlying business. As Total has a strong asset profile, higher returns on invested capital, and production growth at a comparable FCF yield, we took the opportunity to shift capital into a higher-quality business (at a comparable valuation). Equinor similarly possesses a number of desirable company attributes – low cost operator, strong reserves, and a track record of high returns. Equinor's outsized European gas exposure should be an additional advantage, as gas prices in Europe are likely to remain structurally higher without Russian supply.

Additional contributors in the quarter included positive stock selection in Technology (relative to the index), as well as a solid gain from new real estate holding Mitsubishi Estate. The portfolio's modest cash position (~6%) was an additional buffer in the quarter.

Cambiar's holdings in Financials comprised the largest drag on return (at a sector level) during the quarter. Our focus on a diverse mix of businesses (i.e., insurance, banks, exchanges) that provides more balanced exposure in the sector worked against the portfolio in 3Q, as banks outperformed by a solid margin. Despite their recent strength, European banks are still susceptible to slowing economic growth trends that have taken place across the EU. A recently proposed tax on share buybacks by Dutch regulators is an additional concern that could weigh on bank valuations. Within the portfolio, insurer AIA Group was a notable laggard in the quarter. AIA is the largest insurer in Asia, which is underpenetrated vs. developed markets. The company's new business slowed in recent years due to lingering COVID restrictions, but we believe the core earnings drivers (rising incomes, low penetration levels, limited social welfare coverage) remain in place. At current valuations, AIA offers a compelling return opportunity as earnings/margins continue to normalize in the coming quarters.

Consumer Discretionary stocks were weaker in the quarter, as heightened recession fears in Europe cast a shadow over consumer spending projections. Although Cambiar had lower exposure to the sector (a positive), below-benchmark returns in Compass Group and Entain detracted from performance. Compass is bumping up against some tougher year-over-year comps, yet the company continues to outperform peers and should see some margin benefit from declining input costs. Sports betting operator Entain has been a disappointing position in 2023, and the stock remained weak in 3Q after announcing a guide-down in revenues. The softer outlook is due to the impact of safer gambling rules that are being put into place in the UK (a core market for Entain). It is worth noting that the company left profit targets unchanged; i.e., cost controls should be able to offset the decline in revenues. While we view the current valuation of Entain to be low on a

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sum-of-the-parts basis, our team is monitoring the risk/reward opportunity vs. other pipeline investment candidates.

LOOKING AHEAD

As we transition into the final three months of 2023, there's no shortage of cross currents to consider within the international equity markets. Inflation has begun to moderate, which is good for the consumer, but may create an earnings headwind for companies. Interest rates remain elevated, and oil/gas storage levels for Europe will again be in focus as winter approaches. Geopolitical tensions remain elevated, and economic growth in China (a key end market for many companies) is clearly decelerating.

One offset to this uncertain investment backdrop is that many international stocks look fairly de-risked on a valuation basis vs. U.S. markets, as well as on a historical peak-to-trough basis. The Cambiar team will consider the macro to the extent such factors will have an outsized impact on our investment case, yet our research efforts remain focused on identifying resilient franchises that can execute their business in varying economic climates.

We appreciate your continued confidence in Cambiar Investors.

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DISCLOSURE

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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.

The composite contains accounts with gross and "pure" gross performance. Gross returns are 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, that waive commission costs or bundle fees including commissions (SMAs). "Pure" gross returns are supplemental information. 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: For the quarter, the total portfolio return for the representative account was -5.92% (gross) and -6.07% (net). The net performance is calculated assuming the highest applicable fee rate currently being offered to prospective clients for the strategy. 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.

The net contribution for individual holdings is calculated by determining each security's contribution to return as a percentage of the account's gross performance, then multiplying that percentage by the account's net performance. Fees and expenses are not charged to individual investments, and net performance of individual holdings are provided for illustrative purposes and to meet regulatory requirements. Different calculation methodologies can result in materially different net returns for individual holdings. Please refer to the net performance of the representative account, 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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