CAMBIAR INTERNATIONAL EQUITY FUND COMMENTARY 1Q 2023

CAMBIAR INVESTORS

MARKET REVIEW

Global equities started 2023 on a positive note, with most market indices posting mid-single digit gains for the first quarter. After incurring a bruising drawdown in 2022, growth stocks paced the market advance and led value stocks by a wide margin in the quarter. The improved sentiment toward tech stocks can be attributed to a number of factors – anticipation of slowing inflation and a subsequent pause/end to rate hikes, increased focus by tech management on expense controls (i.e., layoffs), and safe haven status vs. the turmoil in the banks. The recent price strength notwithstanding, some caution towards tech is warranted, as earnings remain under pressure for the group – i.e., the YTD gains are almost exclusively a function of multiple expansion. Although multiples in techland are lower than a year ago, we do not believe that valuations reflect the risk to earnings/corporate profitability that are likely to surface in response to the higher cost of capital.

Given the sharp rise in interest rates over the past year and variable lag before a higher rate structure makes its way into the economy, it was only a matter of time before signs of stress emerged. Said pain surfaced in the quarter, as fissures in the financial plumbing began to appear, highlighted by the failing of two regional banks in the U.S. and elevated stress across many others. The weakness in the banking industry was not contained to the U.S., as ongoing outflows and ultimate loss of investor confidence at Credit Suisse resulted in an arranged merger with UBS – an unfortunate end for a bank that was founded in 1856.

We would note that although European Union (EU) bank stocks declined in sympathy with the heightened concerns surrounding U.S. banks, Cambiar views EU banks to be more insulated from the vulnerabilities that took place in the U.S. For example, the deposit base in Europe is predominantly retail in nature, which consequently results in much lower deposit betas (i.e., reduced competition for deposits). EU banks also have more stringent liquidity regulations (e.g., interest rate stress tests), and mark-to-market their bond portfolios, which is then reflected in capital levels. Lastly, alternative options such as higher-yield money market funds are much less prevalent in Europe, reducing the potential for deposit flight that created the stress in the U.S. banks.

Cambiar's allocation within the Financials sector has generally resulted in a more conservative allocation to banks, given our bias toward a more balanced exposure that includes non-credit businesses such as insurance and exchanges (in addition to banks). We continue to monitor conditions for potential changes to our views, as well as investment opportunities that may arise.

INTERNATIONAL EQUITY FUND

	1Q 2023	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception - Inv	Since Inception - Inst
CAMIX	6.89%	6.89%	-6.00%	8.18%	-1.80%	2.78%	6.00%	-
CAMYX	6.89%	6.89%	-5.88%	8.30%	-1.69%	2.92%	-	3.46%
MSCI EAFE	8.47%	8.47%	-1.38%	12.99%	3.52%	5.00%	4.61%	5.66%

Inception Date: CAMIX (8.31.1997) | CAMYX (11.30.2012). All returns greater than one year are annualized. ***The performance quoted represents past performance and is no guarantee of future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost, and current performance may be lower or higher than the performance quoted. For performance data current to the most recent month-end, please call 1-866-777-8227.***

As of 3/31/23, expense ratios are CAMIX: 1.17% (gross); 0.99% (net) | CAMYX 1.08% (gross); 0.90% (net). Fee waivers are contractual and are in effect until March 1, 2024. Absent these waivers, total return would be reduced. *The Fund imposes a redemption fee of 2.00% on shares held less than 90 days. Your return will be lower if a redemption fee is applied to your account.*

CAMBIAR INVESTORS

The Cambiar International Equity Fund registered a solid gain in the first quarter, however, falling shy of the MSCI EAFE Index. While our objective is to generate excess returns vs. the index, strategy performance should be evaluated in conjunction with underlying market conditions and related return drivers in the period. Given the strength in growth stocks and the subsequent outsized impact on the benchmark's return during the quarter, we believe the Cambiar portfolio performed largely in line with expectations.

The were no material changes in positioning at the sector or geography level during the quarter – the focus remains on balance and diversity of return drivers. Trade activity was relatively modest in the quarter, with one new purchase, one liquidation, and a number of adds/trims to existing positions. We initiated a position in Suncor Energy, which is a Canadian integrated energy company. In addition to company-specific fundamentals, our more constructive view towards energy stocks over the past year is also due to an improving market structure (i.e., a more balanced global supply/demand backdrop), as well as a demonstrable change in management priorities from maximizing drilling output to de-levering and free cashflow. We believe Suncor is a good example of the business characteristics we seek to attach to: a self-funding business that possesses an attractive valuation, strong balance sheet, and demonstrable free cashflow that can be returned to shareholders via dividends and share buybacks.

At a sector level, Technology was the standout performer in the quarter, illustrating the risk on sentiment that was pervasive for much of the quarter. The International Fund benefited from both an overweight allocation to the sector, as well as strong returns from Tokyo Electron (semiconductors) and software company SAP. Our higher tech weighting (~11% vs. 7.5% for the index) should not be misconstrued as an overtly bullish call on the sector. Rather, Cambiar remains highly selective in seeking businesses with high switching costs and strong market positions in end markets with secular growth potential (e.g., electric vehicles). On a valuation basis, semiconductor companies may appear slightly expensive on a P/E basis; that said, we anticipate the 'E' to be moving higher in the coming quarters as excess inventories are worked down and utilization rates normalize. Similar to industrials, the time to buy semis is often when the P/E is elevated, vs. top-of-cycle multiples where the P/E is low.

Investors' skewed preference towards upside participation was apparent in Financials, as higher beta EU banks with commensurately higher interest rate sensitivity were notable outperformers. Cambiar's balanced allocation and quality bias within the sector resulted in modest underperformance vs. the index. The portfolio's lower allocation to EU banks limited gains vs. the index in the January/February timeframe, before providing a solid margin of safety when banks pulled back in March on contagion concerns. The increased volatility at a stock level may create an opportunity to shift portfolio capital within the sector, but for now we are reasonably comfortable with our mix of businesses. While we do not view the collapse of Credit Suisse to be a precursor to more bank failures, we do believe it is prudent to remain invested in high quality banks with strong capital levels and lower exposure to the shaky commercial real estate market.

Detractors in the quarter included cash drag and lagging returns in Consumer Discretionary. Discretionary stocks rallied in anticipation of improving fundamentals and easier earnings comps vs. same period results in 2022. Within the Cambiar portfolio, strong returns from LVMH and Sony were offset by weaker performances for Compass Group and Entain. The soft return for Entain was in response to a slowdown in revenue growth and modest margin compression. The stock's pullback can also be attributed to MGM Resorts essentially confirming that they are no longer interested in potentially acquiring Entain, although we had already viewed this to be a low probability event (the two companies are joint partners on the fast-growing BetMGM online sports betting franchise). Upon concluding a review of the investment case, we believe that the current headwinds facing Entain are largely transitory in nature, and the underlying secular drivers for the company remain in place.

LOOKING AHEAD

International equities are off to a good start to the year, as fears of a sharp earnings contraction in Europe have abated and overall valuations remain reasonable relative to the U.S. markets. The reopening of China (a key end market for many EU businesses) should provide an additional earnings boost. Despite their recent outperformance vs. U.S. stocks over the past year, international equities continue to trail by a wide margin over the past decade – an additional positive catalyst for mean-reversionists.

Diversification does not ensure a profit or guarantee against a loss.

Monetary policy continues to take center stage for many investors. The move by central banks to continue tightening in the face of a potential banking crisis is a curious decision (vs. a pause), with rates now approaching restrictive levels. The debate amongst Fed watchers is already beginning to shift from 'how many more rate hikes' to 'how long before central banks cut rates'.

For Cambiar, buy and sell decisions remain based on company-specific fundamentals vs. macroeconomic predictions. We believe the current environment provides a two-sided opportunity to generate excess returns – via the companies we own as well as through selective avoidance. The recent turmoil in banks illustrates that alpha can be as much a function of abstention as it is stock selection.

While acknowledging the uncertain forward outlook, Cambiar remains committed to the consistent implementation of our Quality, Price, Discipline approach. Portfolio construction continues to favor self-funding companies with durable business models that we believe can generate strong through-the-cycle returns.

We appreciate your continued confidence in Cambiar Investors.

IMPORTANT INFORMATION

To determine if a Fund is an appropriate investment for you, carefully consider the Fund's investment objectives, risk factors, charges and expenses before investing. This and other information can be found in the Fund's summary or full prospectus, which may be obtained by calling 1-866-777-7227 or by visiting our website at www.cambiar.com. Please read the prospectus carefully before investing.

Risk Disclosures

Mutual fund investing involves risk, including the possible loss of principal. In addition to the normal risks associated with investing, international investments may involve risk of capital loss from unfavorable fluctuation in currency values, from differences in generally accepted accounting principles or from economic or political instability in other nations. Emerging markets involve heightened risks related to the same factors as well as increased volatility and lower trading volume. In addition to the normal risks associated with investing, investments in smaller companies typically exhibit higher volatility. The funds may invest in derivatives, which are often more volatile than other investments and may magnify the Fund's gains or losses. A company may reduce or eliminate its dividend, causing loses to the fund. Diversification may not protect against market risk.

The MSCI EAFE® Index (net) (Europe, Australasia, Far East) is a free float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the U.S. & Canada. The MSCI indices are compiled by Morgan Stanley Capital International. Index returns do not reflect any management fees, transaction costs or expenses. The Russell 2000® Index is a float-adjusted, market capitalization weighted index that measures the performance of the 2,000 smallest companies in the Russell 3000® Index, which consists of 3,000 of the largest U.S. equities. Index returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index. The S&P 500 Index consists of 500 stocks chosen for market size, liquidity, and industry group representation. It is a market-value weighted index, with each stock's weight in the Index proportionate to its market value. The U.S. Aggregate Bond Index is s a broad base, market capitalization-weighted bond market index representing intermediate term investment grade bonds traded in the United States. Index returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index.

As of 3.31.23 the Cambiar International Equity Fund had 1.9% weighting in Compass Group, 1.7% in Entain, 2.1% in LVMH, 0.0% in MGM Resorts, 3.0% in SAP, 2.3% in Sony, 2.0% in Suncor Energy, and 2.6% in Tokyo Electron. Holdings subject to change. Current and future holdings subject to risk.

For characteristics and risk definitions, please visit www.cambiar.com/definitions.

This material represents the Fund manager's opinion and is an assessment of the market environment at a specific point in time and is not intended to be a forecast of future events, or a guarantee of future results. This information should not be relied upon by the reader as research or investment advice or a specific recommendation of securities.

Cambiar Funds are distributed by SEI Investments Distribution Co. (SIDCO), which is not affiliated with Cambiar Investors LLC or its affiliates.

CAMBIAR INVESTORS