



CAMBIAR INTERNATIONAL EQUITY FUND COMMENTARY 3Q 2025

MARKET REVIEW

International equities moved higher for a third consecutive quarter, with the MSCI EAFE Index posting a 3Q return of 4.8%. Non-U.S. stocks (as measured by the EAFE) have now gained 25.1% in 2025, well ahead of the 14.8% return for the S&P 500 Index. Emerging markets – led by Chinese equities – have outperformed both developed market proxies in 2025, with the MSCI Emerging Markets Index posting a year-to-date return of 27.5% (including a 3Q return of 10.6%).

On a style basis, international value stocks outperformed their growth counterparts – a reversal of leadership that we saw in the U.S. markets. Although some international companies with exposure to the AI trade have captivated investor attention, overall tech representation is much lower outside the U.S. For example, Information Technology comprises ~8% of the EAFE Index, vs. a ~35% allocation in the S&P 500 Index.

With the exception of a few brief wobbles, the melt-up in global risk assets has been relatively unabated since the Liberation Day lows. Catalysts include generally strong corporate earnings, a relatively resilient consumer, and stabilizing inflation levels. Easing monetary policy has been an additional tailwind, with central banks such as the Bank of England, European Central Bank, and more recently the Federal Reserve all

lowering rates. On the flip side, uncertain trade policy is weighing on corporate investment and R&D outlays. In our conversations with various management teams, there remains an optimistic bias, but perhaps a bit more restrained vs. similar conversations six months earlier.

Market concentration remains a concern, as the ten largest constituents in the S&P comprise ~40% of the index and continue to do the heavy lifting in driving index returns in the U.S. These ten stocks – with an aggregate market cap of ~\$25 trillion – *now account for almost a quarter of the entire global equity market*. Investors are currently viewing all of these tech franchises as ‘winners’ – but can that be the case, given the balance of opportunities and threats that are likely to emerge? For now, follow the capex spend from the big hyperscalers – as this remains a key driver for the rally in equities. Any downshift will be an important data point that the market may be nearing a top.

INTERNATIONAL EQUITY FUND

	3Q 2025	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception - Inv	Since Inception - Inst
CAMIX	3.87%	22.34%	13.23%	20.33%	7.91%	4.66%	6.71%	-
CAMYX	3.94%	22.50%	13.38%	20.45%	8.01%	4.79%	-	5.50%
MSCI EAFE	4.77%	25.14%	14.99%	21.70%	11.15%	8.17%	5.49%	7.41%

*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 9/30/25, expense ratios are CAMIX: 1.23% (gross); 1.00% (net) | CAMYX 1.14% (gross); 0.90% (net). Fee waivers are contractual and are in effect until March 1, 2026. 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.

The Cambiar International Equity Fund closed the third quarter with an in-line gain vs. the MSCI EAFE Index. Stock selection within Healthcare, Financials, and Technology were positive contributors to performance for the period, while holdings in Industrials and Consumer Discretionary fell short of the index.

Despite investors' current infatuation with all things AI, the Cambiar team remains focused on well-managed franchises that possess strong balance sheets, durable earnings, and reasonable valuations. We believe this mix of desirable attributes – in combination with thoughtful portfolio construction that emphasizes diversification at both the sector and geographical levels – can generate strong risk-adjusted returns over a market cycle.

While not as plentiful as in the U.S., there are a number of international companies that have benefited from the boom in AI investments. Two such examples are Taiwan Semiconductor and ASML. Taiwan Semi makes the Nvidia chips, while ASML is the global leader in the production of lithography machines (which are used to manufacture semiconductor chips). Both stocks performed well in the quarter and are held in the Fund.

Yet the more notable factors behind the strong YTD performance for non-U.S. markets have been traditional value sectors – Financials, Industrials, and Utilities. The Cambiar International Equity Fund has meaningful exposure to these high-performing segments of the market, which has been beneficial to year-to-date returns.

Buy/sell activity in the quarter consisted of one new purchase and two liquidations, in addition to adds/ trims to existing positions. One of the sales was IT consulting company Capgemini, which had been a long-term holding in the Fund. Capgemini has incurred some weakness in top-line revenues, as companies are shifting their spending budgets from management consulting services to AI and cloud-related investments. The market's message is that Capgemini may be on the wrong end of the disruptor/disruptee dynamic that AI will bring to various aspects of the IT services industry. Our conviction was further shaken by the company's announced takeover of IT services company WNS in an attempt to augment its capabilities in the agentic AI space. This may be a successful move when viewed over a longer arc, but it creates an elevated level of short-term uncertainty. The combination of a challenging market backdrop and questionable capital allocation led to our decision to move on from Capgemini.

At a sector level, returns were positive in all areas except Consumer Staples, which posted a slight loss for the quarter. Financials and Consumer Discretionary led to the upside, while more defensive sectors such as Healthcare and Utilities were relatively weaker for the period.

As mentioned, stock performance within Healthcare was a notable positive for the Fund in the quarter. Individual outperformers were UCB and ICON. UCB has been particularly additive over the past two years, as the company continues to generate strong sales from Bimzelx (psoriasis) and is now seeing solid revenues from its other drugs (e.g., Cimzia, which treats inflammation in autoimmune diseases).

ICON is a contract research organization (CRO) that assists pharma and biotech companies in conducting late-stage clinical trials and aftermarket services. CROs such as ICON are used to avoid fixed costs and assist with pipeline success. Icon had been under pressure in recent quarters due to heightened uncertainty and related delays in investment/trial activity by the bigger pharma companies. The 3Q gains were in response to an encouraging earnings report that showed an uptick in gross wins for ICON and an improving outlook for the CRO space.

Within Financials, European/UK banks continued their impressive year-to-date rally, boosted by a combination of higher loan growth and net interest income, resulting in increased earnings guidance. Despite registering strong price gains and the continued prospect for attractive forward returns, portfolio holdings such as Barclays and Bank of Ireland continue to trade at less than 1x book value. For comparison purposes, U.S. banks such as JP Morgan trade at over 2.5x Price/Book.

Cambiar's holdings in Consumer Discretionary comprised the largest deduction from relative performance, as Shimano and Flutter Entertainment both posted losses for the quarter. Based in Japan, Shimano produces high-end gearing/components for bicycles, fishing tackle, and rowing equipment. The slide in the stock price was due to sales decline in Shimano's China segment, as well as elevated costs and a resulting drop in margins. While frustrated by this setback, we believe the excess inventory in China should be bottoming, and Shimano can offset higher input costs with pricing action. The company still has a strong market share in its traditional markets as well as the fast-growing e-bike segment.

Flutter is a global leader in sports betting and gaming, offering through sites such as Paddypower.com, Pokerstars.com, and FanDuel in the U.S. The 3Q pullback was in response to a growing presence in 'prediction markets', which are platforms that allow one to bet on future events – e.g., election outcomes, Oscar winners, S&P index predictions, and sporting events. The concern is that these alternative platforms could pull volumes from established players such as Flutter. This is a somewhat unexpected competitive threat that could indeed lead to some share loss – e.g., 'I can use Robinhood to handle my stock trades and sports bets'. We hold the management team at Flutter in high regard and believe they have the expertise to navigate the current environment successfully. That said, expecting multiple expansion over the next year while waiting for additional clarity may be overly optimistic. Upon review (this will technically be a 4Q transaction), our team made the decision to lock in our gains and move on from Flutter.

The Fund's cash position was again an additional performance headwind in the quarter, as any cash will detract from potential upside in a broad-based market rally. Cash levels remain a by-product of the buy/sell process, vs. a timing tool in the Fund. Given the strong year-to-date move in equities, we're hesitant to chase valuations for the sole purpose of being fully invested. That said, our team has several investment candidates nearing our desired attachment points, and cash should decrease from the current level in the coming months..

LOOKING AHEAD

As we enter the final quarter of 2025, global equity markets have staged a very strong rebound from their lows in April. Investors have shrugged off the impact of the tariffs and continue to bid up stocks, with the S&P 500 and MSCI EAFE Index trading at or near all-time highs.

Equity investing is a constant balance between risk and reward. On this basis, the upside/downside profile for a widening segment of the U.S. equity market has begun to take on a negative skew. In contrast, valuations and associated risk/return for international stocks remain attractive – even in light of strong year-to-date returns.

On a valuation basis, the one forward P/E for the MSCI EAFE Index is 14.6x, which compares favorably to the ~23x P/E for the S&P 500 Index. While U.S. markets may deserve a premium multiple due to higher growth

rates and operating margins, this valuation discount currently assigned to international stocks remains wide vs. historical levels.

Investors remain drawn to the AI narrative, with fundamentals a distant second in consideration. While not dismissive of current macro/industry trends, the Cambiar team remains more focused on the numbers – earnings, debt ratios, operating margins...and most importantly, valuations. We believe international stocks can provide prudent diversification and mitigate the increased concentration risk that exists in U.S. markets.

Thank you for 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 losses 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 World Index USD (Net) is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets. The MSCI indices are compiled by Morgan Stanley Capital International. Nikkei Index is a price-weighted index consisting of 225 stocks in the Prime market of the Tokyo Stock Exchange. 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. Index returns do not reflect any management fees, transaction costs or expenses. 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 9.30.25, the Cambiar International Equity Fund had 2.5% weighting in ASML, 2.7% in Bank of Ireland, 2.6% in Barclays, 0.0% in Capgemini, 0.0% in Flutter, 1.5% in ICON, 0.0% in J.P. Morgan, 0.0% in Nvidia, 1.4% in Shimano 2.1% in Taiwan Semiconductor, 2.7% in UCB, and 0.0% in WNS. Current and future holdings subject to risk.

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

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