50 YEARS ANNIVERSARY 1973 2023

CAMBIAR INVESTORS

CAMBIAR LARGE CAP VALUE COMMENTARY 1Q 2024

Zephyr PSN Top Guns Award Manager of the Decade 4Q 2023

Zephyr PSN Top Guns Award ★★★★★★ 4Q 2023

MARKET REVIEW

U.S. equity markets continued to march higher in the first quarter, with the S&P 500 posting a 10.6% return for the period – surpassing the average election year return of 7.4%. The 5,200 level for the S&P reached at quarter-end is already higher than most Wall Street strategists' full-year 2024 targets. Although the pendulum may be leaning more towards risk vs. reward at present, markets can stay in overbought conditions for some time. Rotating capital to stock market laggards because the market seems expensive in the moment is also generally not a good plan. It is worth noting that valuations are more diffuse at an individual stock level.

While artificial intelligence continues to be a dominant investment theme, market participation is broadening beyond the mega cap tech stocks, evidenced by the equal-weighted S&P Index outperforming the cap-weighted S&P in March. After taking the pole position in 4Q, small cap stocks moved higher in the quarter, but faded a bit vs. their large cap counterparts; the Russell 2000 Index advanced 5.2% for the period. On a style basis, growth stocks led value, with the margin of outperformance more apparent down cap.

The unabated rally in stocks since last November was largely predicated on the expectation for six interest rate cuts by the Fed, and inflation levels retracing to the 2% target. Despite both of these catalysts unlikely to cooperate as expected, equities continued to churn higher. The record highs have not been limited to the S&P 500, as the Nikkei 225 Index, gold, and bitcoin also notched all-time highs in the quarter.

The timing and number of rate cuts remain a key focus for the markets; that said, the ongoing resilience of the U.S. economy and employment has lessened the urgency on this front. With current short-term rates at somewhat restrictive levels, a move closer to neutral while financial markets are relatively calm is probably the right decision, versus waiting for a not peaceful moment before acting.

In Cambiar's view, we are most likely in a "it's better to travel than arrive" stock market. As opposed to letting a given macro narrative guide decision-making, the Cambiar team continues to lean into businesses that meet our Quality I Price I Discipline philosophy and preferably operate in less crowded areas of the market.

LARGE CAP VALUE

CONTRIBUTORS

Top Five	Avg. Weights	Contribution
American Express	3.36	0.67
Delta Air Lines	1.66	0.58
Amazon.com	3.21	0.57
Applied Materials	2.07	0.57
RTX Corp	3.37	0.54

DETRACTORS

Bottom Five	Avg. Weights	Contribution
Sempra	2.48	-0.07
PPG Industries	2.97	-0.11
Rockwell Automation	2.09	-0.11
Laboratory Corp of America	2.88	-0.12
United Parcel Service	1.41	-0.25

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.

	1Q 2024	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
Large Cap Value (gross)	9.5%	9.5%	26.3%	9.5%	15.8%	11.2%	9.1%
Large Cap Value (net)	9.3%	9.3%	25.5%	8.9%	15.1%	10.7%	8.6%
Russell 1000 Value	9.0%	9.0%	20.3%	8.1%	10.3%	9.0%	7.4%

Large Cap Value Composite (Institutional) Inception Date: 12.31.1998. See Disclosure – Performance

CAMBIAR INVESTORS

The Cambiar Large Cap Value (LCV) strategy gained in conjunction with the broad-based rally in equities, outpacing the Russell 1000 Value Index by a modest margin. Bullish investor sentiment was evident in the quarter, with all sectors posting positive returns with the exception of Real Estate.

In contrast to the runaway performance for technology stocks in 2023, sector returns were more balanced in the first quarter. A change in sector leadership should not be unexpected – since 2005, only two sectors in the S&P 500 have been the top performer in back-to-back years (Tech in 2019-20 and Energy in 2021-22). Within the Russell 1000 Value Index, the top-performing sectors for the period were Energy, Financials, and Industrials, while bond-proxy sectors such as Utilities and Real Estate lagged. For the quarter, the LCV portfolio benefited from a higher allocation to Energy and Industrials, as well as our non-participation in Real Estate. Cambiar's sector over/underweights remain an output of our team's stock-by-stock portfolio construction approach in conjunction with embedded risk management and diversification controls.

Buy/sell activity consisted of two new purchases and one liquidation, in addition to a number of trims and adds to existing positions. While the aggregate gain in the market was ~10% for the quarter, individual stock returns were more pronounced. As such, we were active in trimming positions that incurred outsized advances. The net result is a slightly elevated cash position of 3.5% at quarter-end, which we will deploy on an opportunistic basis.

New positions initiated in the quarter were spirits maker Diageo and Delta Airlines. Diageo owns a number of recognizable brands and is more of a slow burn story vs. the current gold rush mentality in AI stocks. The company's Latin America operations have been impacted by overstocking issues in recent quarters, which weighed on the stock price. We believe these excess inventories are poised to normalize, while the demand environment across Diageo's other regions remains encouraging.

Cambiar has generally avoided airlines in the past due to a history of heightened price competition and a corresponding challenged market structure. While remaining wary of these hurdles, we view Delta to be a best-in-class operator poised to enter a period of improved pricing, which should lead to increasing earnings/free cashflow. The company will also benefit from industry tailwinds in the form of tighter global air capacity and reduced competition of low cost carriers (see failed merger attempt between JetBlue and Spirit). Finally, the potential for Delta's debt to be upgraded to investment grade should be an additional positive for the stock. At our initial attachment point, Delta was trading at a pandemic-era valuation, while load factors have now surpassed pre-COVID levels. The result is what we believe to be a positively skewed risk/reward opportunity over the next 1-2 years.

Despite middling performance for the index, Cambiar's Technology positions comprised a notable value-add for the portfolio in the quarter. Semiconductor companies Applied Materials and Marvell Technology were two individual standouts, as both companies rallied in response to encouraging earnings reports. Marvell reported continued growth in their AI and datacenter verticals, while destocking in legacy end markets such as enterprise have likely bottomed and should begin growing in the second half of 2024. Semicap equipment provider Applied Materials (AMAT) continues to maintain market leadership positions in providing the tools and materials engineering for critical end markets such as logic and DRAM (memory). In addition, AMAT has a net cash balance sheet and converts 100% of its net income to free cashflow; yet the company trades at a discount to industry peers. While not without some bumps along the way (standard fare when investing in semis), AMAT has been a very strong performer for the LCV portfolio since our initial attachment in mid-2019, and we remain constructive on the outlook for the company.

The LCV portfolio also registered positive stock selection in the Consumer Staples and Consumer Discretionary sectors during the quarter. Colgate-Palmolive and Constellation Brands both moved higher in response to encouraging earnings reports. A combination of lower input costs and pricing gains are helping to boost margins for both companies, helping to offset more muted volume growth. Within the Discretionary space, Amazon reported record profits and operating margins, with the company meeting/surpassing expectations across their various business lines. As Amazon continues to invest heavily in their business, we view EV/EBITDA as a relevant valuation metric; on this basis, the company trades at a discount to its long-term average. We trimmed our position during the quarter but continue to maintain an allocation to this wide moat business.

Performance within the Industrials sector was mixed in the quarter, as strong gains from Uber, Airbus, and newly purchased Delta Airlines were offset by weaker returns from Rockwell Automation, UPS, and Union Pacific. Airbus continues to benefit from ongoing missteps in Boeing, although order books with 8-10 year queues make a shift from Boeing to Airbus a more complicated decision. After moving sharply higher in 2023, Uber gained an additional 22% in 1Q, as the ride-hailing company provided strong earnings guidance and announced a $7 billion share repurchase plan. With the stock nearing the upper bound of our price target and valuation estimates, we have continued to trim our position in Uber and contemplated a full liquidation. Yet the company's near monopolistic market position and ongoing ramp in free cashflow warrants continued investment (albeit at a reduced size). In contrast, UPS was liquidated in February after reporting weak 4Q earnings and lower 2024 guidance. What seemed to be a new era for the company when CEO Carol Tome took over the helm three years ago has now faded to a general lack of forward momentum and inconsistent execution. While the current valuation and 4.5% dividend yield may provide some level of downside protection to UPS' stock price, we are challenged to make a case for multiple expansion and associated upside.

After a lackluster 2023, healthcare stocks were positive in the aggregate for the quarter, while continuing to lag the broader market. Cambiar's modest overweight allocation to the sector was a subsequent drag on relative performance; below-benchmark security selection was an additional headwind. Life sciences holding Laboratory Corporation of America was a notable downside outlier for the period. We view the company's 1Q pullback to be more a function of profit-taking in light of the stock's outperformance last year vs. a change in fundamentals. Lab Corp continues to offer an attractive risk/reward at current valuation (~14x P/E), and the company's wide range of diagnostics services results in high recurring revenue that provides good earnings visibility. In a market where many stocks are trading at elevated valuations, healthcare offers an attractive return profile via a combination of earnings growth and the potential for multiple expansion.

Cambiar's low single digit cash position was a modest performance drag in the quarter, as was the slight pullback in utility company Sempra, which we used as an opportunity to top up our position. The portfolio's holdings in Financials (the largest sector allocation for Cambiar) comprised an additional small drag on return, as gains in CME and PNC Financial did not keep pace with the broader rally in the sector. Price action in large cap financials continues to improve, as the potential for easing monetary policy should provide a release valve of sorts for the sector. The performance spread relative to small cap financials over the past year is also noteworthy, as ongoing recession fears, the potential for increased regulation and exposure to commercial real estate continue to weigh on smaller regional banks.

Oil prices rallied from $70 to $83 in the quarter, along with widespread gains across the commodity complex (is the inflation bug back?). Cambiar's ~10% allocation to the Energy sector was subsequently a positive contributor to performance. There has been a noticeable uptick in merger/buyout activity within the energy patch, the result of which is greater production output spread amongst fewer hands. Integrated holding Chevron has been active on the M&A front, having closed its purchase of PDC Energy in 2023 and poised to close its acquisition of Hess Energy in the coming quarters. Chevron continues to focus on driving increased returns and better margins, and Hess' assets in the Bakken and Guyana should help in this regard. Chevron's current oil breakeven for their projects is in the $60 range. While a sharp drop in oil prices is a clear risk to the investment case, the likely corresponding drop in rig counts would serve as an auto-correcting mechanism.

LOOKING AHEAD

Valuations within large cap equities remain extended, with the first quarter gains for many stocks more a function of multiple expansion vs. organic earnings growth. That said, corporate margins remain relatively strong, a credit to company management teams in navigating the tumultuous inflation backdrop over the past two years.

Given the rising tide backdrop in the market over the past few quarters, active managers were hard-pressed to gain positive separation from their assigned performance index. Within the value style vertical, more defensively positioned managers have been particularly challenged to keep pace. As opposed to making significant sector/positioning 'bets', Cambiar's portfolio construction efforts remain focused on striking a prudent balance between conviction and diversification. We believe that our investment philosophy enables our team to cast a wider net vs. traditional or deeper value mandates. Although less evident in the broad-based rally that has taken place since November, we continue to believe that selectivity (and abstinence) should take on increased importance in driving excess returns.

We appreciate your continued confidence in Cambiar Investors.

DISCLOSURE

Cambiar Investors, LLC (Cambiar) is an independent registered investment adviser with the United States Securities and Exchange Commission. Registration does not imply a certain level of skill or training. Cambiar claims compliance with the Global Investment Performance Standards (GIPS®).

Cambiar's Large Cap Value Composite (Institutional) includes discretionary, tax-exempt and taxable institutional and high net worth portfolios that are not part of broker-affiliated or broker-sponsored programs, including wrap programs, that waive commission costs or bundle fees including commission costs. Effective July 31, 2021, the Cambiar Large Cap Value Composite (Institutional) was redefined to include taxable portfolios. Prior to this date, the composite excluded taxable portfolios due to the impact of tax loss harvesting, which has been lessened through composite membership policy changes. The records of the portfolios in the composite are maintained on Cambiar's systems. Portfolios in the composite invest in large cap equities. Cambiar's Large Cap Value Composite (Institutional) primarily invests in stocks with a market capitalization greater than $10 billion. The typical number of securities in the large cap value portfolio is 35-45 holdings. As of April 2020, there is no minimum asset level for the composite. From July 2016 to March 2020, the minimum asset level for the composite was $1,000,000. From 1998 to June 2016, the minimum asset level for inclusion in the composite was $5,000,000.

Returns are presented gross (g) and net (n) of management fees. Gross and net returns have been reduced by transaction costs. Net returns are also reduced by actual investment advisory fees and other expenses that may be incurred in the management of the account. Net of fees performance reflects a blended fee schedule of all accounts within the Large Cap Value Composite (Institutional). 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 Large Cap Value Composite (Institutional) are evaluated against the Russell 1000® Value Index. The Russell 1000 Value Index is a float-adjusted, market capitalization weighted index of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values. The Russell 1000® Index measures the performance of the 1,000 largest companies in the Russell 3000® Index, which consists of 3,000 of the largest U.S. equities. The index assumes no management, custody, transaction or other expenses. The Russell 1000 Value 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 Russell 1000 Value Index include the reinvestment of all income.

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: FFor the quarter, the total portfolio return for the representative account was 9.37% (gross) and 9.24% (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.

PSN Top Gun/Manager of the Decade: The complete list of PSN Top Guns and an overview of the methodology can be located at https://psn.fi.informais.com/. Registration is required. The Manager of the Decade rating was announced on February 21, 2024, and is based on the gross returns of the Large Cap Value (Retail) composite for the ten-year period ending on December 31, 2023. The 6 Star ratings were announced on February 21, 2024, and are based on gross returns of the Large Cap Value (Retail) and SMID Value composite for the five-year period ending on December 31, 2023. Cambiar did not compensate Zephyr in order to achieve its ranking but did pay Zephyr a licensing fee to use its logo on Cambiar's website. Only firms that submitted PSN investment manager questionnaires were eligible for the award.

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.