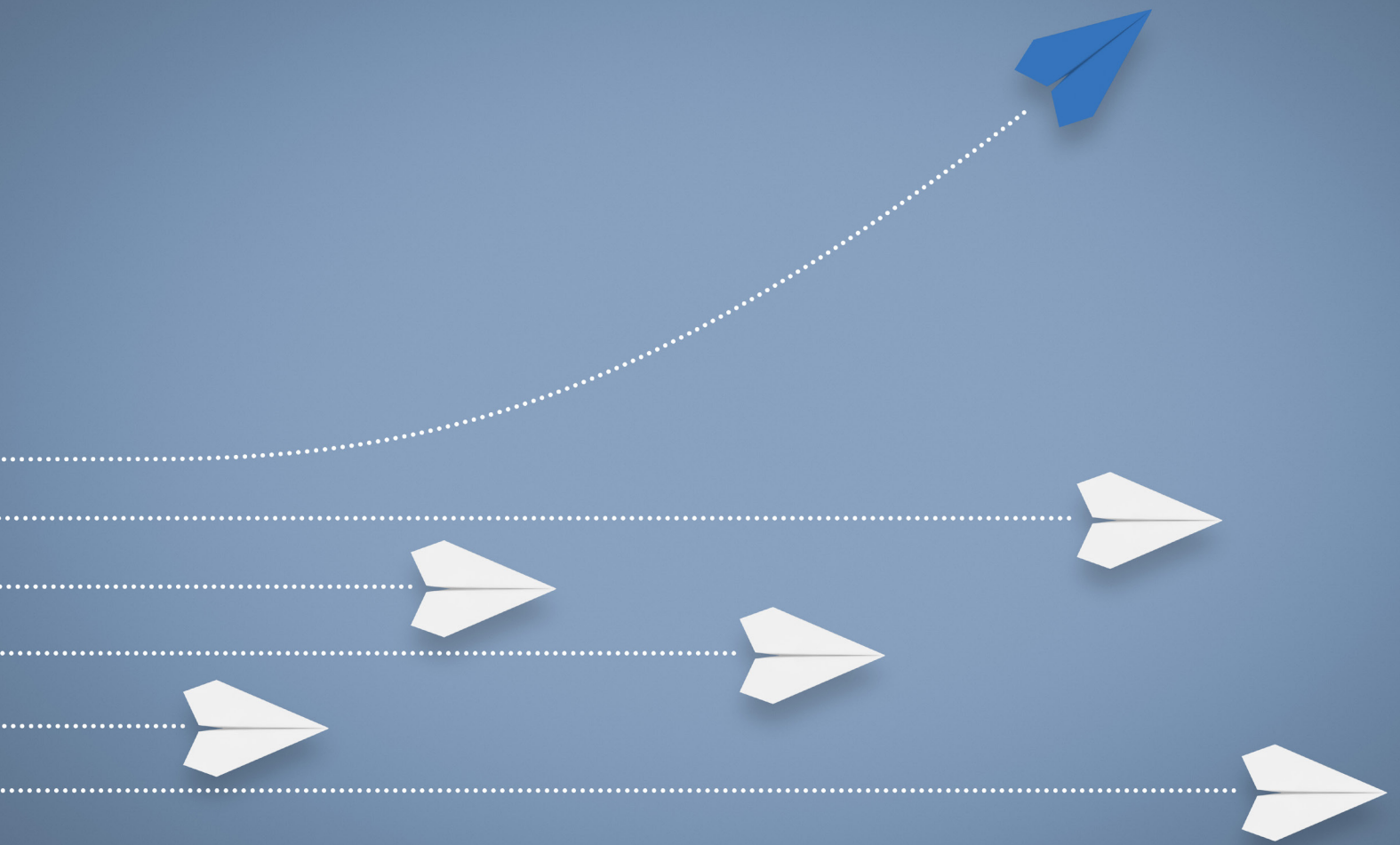


IN FOCUS

WHAT WORKED ONE  
DECADE...

RARELY DOES THE  
NEXT



**Size, style, and regional leadership tends to alternate on a decade by decade basis. The leader one decade typically does not remain on top the following decade, and often moves toward the bottom of the pack.**

### DOMESTIC ANNUALIZED RETURNS BY DECADE

1980 - 89		1990 - 99		2000 - 09		2010 - 2019	
Russell 1000 Value	17.97	<b>Russell 1000 Growth</b>	<b>20.32</b>	Russell 2000 Value	8.27	<b>Russell 1000 Growth</b>	<b>15.22</b>
Russell 2000 Value	17.45	Russell 1000 Value	15.57	Russell 1000 Value	2.47	<b>Russell 2000 Growth</b>	<b>13.01</b>
<b>Russell 1000 Growth</b>	<b>15.38</b>	<b>Russell 2000 Growth</b>	<b>13.51</b>	<b>Russell 2000 Growth</b>	<b>-1.37</b>	Russell 1000 Value	11.80
<b>Russell 2000 Growth</b>	<b>11.50</b>	Russell 2000 Value	12.45	<b>Russell 1000 Growth</b>	<b>-3.99</b>	Russell 2000 Value	10.56

Growth over value was the dominate theme in the 2010s, with large caps outperforming small – a complete reversal from the 2000s where value stocks dominated and small caps outperformed large.

The 2010s most closely resembles the 1990s. Large cap growth stocks led but investors that piled in late likely weren't rewarded as style leadership shifted to value over the 2000s.

### INT'L vs. U.S. ANNUALIZED RETURNS BY DECADE

1980 - 89		1990 - 99		2000 - 09		2010 - 2019	
MSCI EAFE Value	24.15	<b>Russell 1000 Growth</b>	<b>20.32</b>	MSCI EAFE Value	3.53	<b>Russell 1000 Growth</b>	<b>15.22</b>
MSCI EAFE Growth	19.99	<b>Russell 1000 Value</b>	<b>15.57</b>	<b>Russell 1000 Value</b>	<b>2.47</b>	<b>Russell 1000 Value</b>	<b>11.80</b>
<b>Russell 1000 Value</b>	<b>17.97</b>	MSCI EAFE Value	7.90	MSCI EAFE Growth	-1.31	MSCI EAFE Growth	6.95
<b>Russell 1000 Growth</b>	<b>15.38</b>	MSCI EAFE Growth	6.12	<b>Russell 1000 Growth</b>	<b>-3.99</b>	MSCI EAFE Value	3.98

U.S. Large Cap Growth stocks have flipped between leading and lagging the pack over each of the last 4 decades. The last time U.S. Large Cap Growth dominated to this degree (1990s), they returned nearly -4% over the following decade.

# REGIONAL ANNUALIZED RETURNS BY DECADE

1980 - 89		1990 - 99		2000 - 09		2010 - 2019	
MSCI Japan	28.36	<b>MSCI USA</b>	<b>18.13</b>	MSCI Pacific Ex Japan	8.40	<b>MSCI USA</b>	<b>12.85</b>
MSCI United Kingdom	18.18	MSCI United Kingdom	14.26	MSCI Europe Ex UK	2.27	MSCI Japan	6.59
MSCI Europe Ex UK	16.69	MSCI Europe Ex UK	13.76	MSCI United Kingdom	1.35	MSCI Pacific Ex Japan	5.81
<b>MSCI USA</b>	<b>15.58</b>	MSCI Pacific Ex Japan	9.50	<b>MSCI USA</b>	<b>-1.82</b>	MSCI Europe Ex UK	5.15
MSCI Pacific Ex Japan	12.09	MSCI Japan	-0.85	MSCI Japan	-3.67	MSCI United Kingdom	5.05

U.S. stocks have flipped between leading and lagging over each of the last four decades. The last time the U.S. dominated to this degree (1990s), they generated negative returns over the following decade.

## DISCLOSURE

Chart Source: Morningstar Direct as of 12.31.2019

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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.

MSCI EAFE Growth Index: The MSCI EAFE Growth Index captures large and mid cap securities exhibiting overall growth style characteristics across Developed Markets countries around the world, excluding the US and Canada. The growth investment style characteristics for index construction are defined using five variables: long-term forward EPS growth rate, short-term forward EPS growth rate, current internal growth rate and long-term historical EPS growth trend and long-term historical sales per share growth trend.

MSCI EAFE Value Index: The MSCI EAFE Value Index captures large and mid cap securities exhibiting overall value style characteristics across Developed Markets countries around the world, excluding the US and Canada. The value investment style characteristics for index construction are defined using three variables: book value to price, 12-month forward earnings to price and dividend yield.

MSCI United States Index: The MSCI USA Index is designed to measure the performance of the large and mid cap segments of the U.S. market.

MSCI Japan Index: The MSCI Japan Index is designed to measure the performance of the large and mid cap segments of the Japanese market.

MSCI Pacific ex. Japan Index: The MSCI Pacific ex. Japan Index is a free float adjusted market capitalization weighted index that is designed to measure the equity market performance of the developed markets in the Pacific region, excluding Japan.

MSCI United Kingdom Index: The MSCI United Kingdom Index is designed to measure the performance of the large and mid cap segments of the U.K. market.

MSCI Europe ex. U.K. Index: The MSCI Europe ex. U.K. Index is a free float adjusted market capitalization weighted index that is designed to measure the equity market performance of the developed markets in Europe, excluding the U.K. .

Russell 1000 Index: The Russell 1000® Index is a float-adjusted, market capitalization weighted index that 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.

Russell 2000 Index: 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.

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.

Russell 1000 Growth Index: The Russell 1000® Growth Index is a float-adjusted, market capitalization weighted index of those Russell 1000 companies with higher price-to-book ratios and higher 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.

Russell 2000 Value Index: The Russell 2000® Value Index is a float-adjusted, market capitalization weighted index comprised of firms in the Russell 2000® Index that experience lower price-to-book ratios and lower forecasted growth values. 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.

Russell 2000 Growth Index: The Russell 2000® Growth Index is a float-adjusted, market capitalization weighted index comprised of firms in the Russell 2000® Index that experience higher price-to-book ratios and higher forecasted growth values. 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.

