



CAMBIAR GLOBAL EQUITY COMMENTARY 1Q 2024

MARKET REVIEW

Global equities moved higher in the first quarter, continuing the broad-based rally that began last November. The MSCI World Index gained 8.9% in 1Q, which trailed the 10.6% return for the S&P 500 Index. Given the very high percentage of U.S. stocks that comprise the World Index (~70% as of quarter-end), the performance of the U.S. equity markets will continue to have an outsized impact on benchmark returns. As a point of reference, the U.S. comprised ~49% of the World Index in 2014 – illustrating the significant outperformance of U.S. equities over the past decade.

On an individual country basis, Japan was a notable outperformer in the first quarter, as the Nikkei Index surpassed 40,000 for the first time. After a prolonged period of deflation/lowflation, the Japanese economy is experiencing a virtuous cycle of higher prices and higher wage growth. The uptick in inflation data has enabled the Bank of Japan to begin normalizing monetary policy and move away from negative interest rates. While additional time is needed to see if these conditions

are more a byproduct of global pricing pressures vs. a persistent change in Japan, the backdrop thus far has been positive for Japanese equities.

The surge in global risk assets has been largely predicated on the expectations for central banks to ease interest rates lower as inflation levels retrace to the targeted 2% range. Thus far only the Swiss National Bank has lowered rates, while it is anticipated that the European Central Bank, Bank of England, and U.S. Federal Reserve are all poised to cut rates at some point in 2024. The timing and number of rate cuts remain murky, as inflation impulses persist (and has begun to inflect upwards in the U.S.).

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 | Price | Discipline philosophy and preferably operate in less crowded areas of the market.

GLOBAL EQUITY

CONTRIBUTORS

Top Five	Avg. Weights	Contribution
Tokyo Electron	2.27	0.85
Taiwan Semiconductor	1.95	0.54
SAP	2.23	0.53
Uber Technologies	2.07	0.51
Delta Air Lines	1.57	0.49

DETRACTORS

Bottom Five	Avg. Weights	Contribution
SSE	1.63	-0.21
Equinor	1.47	-0.24
Deutsche Post	1.83	-0.26
AIA Group	1.67	-0.43
RWE	1.47	-0.49

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.

	1Q24	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
Global Equity _(gross)	7.6%	7.6%	21.7%	4.6%	9.3%	7.2%	8.4%
Global Equity _(net)	7.5%	7.5%	20.9%	4.0%	8.7%	6.6%	7.8%
MSCI World	8.9%	8.9%	25.1%	8.6%	12.1%	9.4%	6.6%

Global Equity Composite Inception Date: 2.28.1998 / See Disclosure – Performance. Cambiar Model Net Return: calculated by subtracting the highest strategy fee (0.60% annually/0.05% monthly)

The Cambiar Global Equity strategy posted a strong start to 2024 in absolute terms, while trailing the

MSCI World Index for the period. The portfolio's lower allocation to higher growth sectors such as Technology

and Energy have weighed on relative performance over the past few years. We have added to Energy (and are now in line with the index), but remain underweight Technology – largely for valuation reasons.

Portfolio buy/sell activity in the quarter was comprised of two new purchases as well as incremental adds/trims to existing positions. One of the new buys was Delta Airlines. 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 attachment point in the \$37 range, 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.

At a sector level, Technology and Communication Services once again led the way in the quarter, as investors continue to bid up companies directly (or indirectly) associated with the red hot AI trade. Although the Global portfolio's lower allocation to tech stocks was a relative performance headwind vs. the index, Cambiar did benefit via strong returns from Tokyo Electron, Taiwan Semiconductor and SAP.

Cambiar's positive stock selection in the Consumer Staples sector was a notable value add in the quarter, as 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. We also added to our position in spirits company Diageo during the quarter. 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 have 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.

Performance detractors in the quarter included cash drag (impact of -23 bps) and below-benchmark performance from SSE and RWE in the Utilities sector. Both SSE and RWE have been negatively impacted by the ~30% decline in liquified natural gas (LNG) prices, which subsequently hampered results for the companies' trading and flexible generation businesses. While cognizant of investors' near-term focus on commodity prices and the impact to 2024 earnings, Cambiar's constructive outlook for SSE and RWE is based on the secular growth opportunity associated with the transition to higher margin renewable projects.

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, and pullbacks in Roche and life sciences company Laboratory Corporation of America also hampered results. Roche continues to see lower year-over-year comparisons due to the drop-off in its COVID-19 drug, while the company's other drugs and pipeline are performing reasonably well. We continue to remain patient with Roche, given what we view to be an attractive risk/reward opportunity. As it relates to Lab Corp, 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.

LOOKING AHEAD

After closing out 2023 on a high note, global equities have continued their upward trajectory thus far in 2024. While there are signs of excessive market exuberance within pockets of the U.S. equity markets, the international equity asset class continues to offer an attractive risk/reward for investors with a multi-year time horizon. As inflation continues to moderate from peak levels in Europe, the resulting tailwinds of easing monetary policy, higher economic growth, and improving corporate profits should provide a supportive environment for expanding valuations in non-U.S. equities. We are similarly encouraged by the recent price action in Japan, although past periods of

misplaced optimism (e.g. Shinzo Abe's Three Arrows economic policy in the 2014 timeframe) remind us that company-specific (vs. top down calls) should be the key driver to our allocation to Japan.

Cambiar continues to anticipate a wide range of outcomes for the global equity market over the balance of the year, with market volatility likely to be amplified by over 50 national elections in 2024. The resulting backdrop should provide sufficient opportunity for active managers to add value via a combination of thoughtful stock-picking and abstention/selective avoidance. The Cambiar team continues to focus their efforts on wide-moat businesses that possess strong balance sheets, persistent profitability, and trade at a reasonable valuation relative to their forecasted earnings. We then marry this rigorous underwriting process at the company level with portfolio construction efforts that emphasize prudent balance and broad diversification of return drivers.

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 Global Equity 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 in equity securities of companies located throughout the world. Cambiar's Global Equity Composite includes portfolios that take a broadly neutral weight relative to the U.S. and international exposure found in the stated benchmark. The typical number of securities in the Global Equity portfolio is 45-55 holdings. The Global Equity Composite contains proprietary assets. 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.

Prior to 2013 and for the periods of 2018 and forward, the composite only contains accounts whose gross performance is reduced by transaction costs. For the periods of 2013 to 2017, the composite's gross returns include accounts with gross and "pure" gross performance and are presented as supplemental information. "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, which waive commission costs or bundle fees including commissions (SMAs). 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. Net of fees performance reflects a blended fee schedule of all accounts within the Global Equity Composite. 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. The management fee schedule for separate accounts managed to the Global Equity strategy is as follows: 0.60% on the first \$25 million; 0.50% on the next \$50 million; 0.35% thereafter. Returns are reported in U.S. dollars.

Performance results for the Global Equity Composite are evaluated against the MSCI World Index. The MSCI World Index is a free float-adjusted, market capitalization weighted index that measures large and mid-cap equity performance across countries with developed markets. The index assumes no management, custody, transaction or other expenses. The MSCI World Index is a broadly based index that reflects 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 World Index include the reinvestment of all income. Benchmark returns are net of withholdings 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.**

Certain information contained in this communication constitutes "forward-looking statements", which are based on Cambiar's beliefs, as well as certain assumptions concerning future events, using information currently available to Cambiar. Due to market risk and uncertainties, actual events, results, or performance may differ materially from that reflected or contemplated in such forward-looking statements. All information provided is not intended to be, and should not be construed as, investment, legal or tax advice. Nothing contained herein should be construed as a recommendation or endorsement to buy or sell any security, investment or portfolio allocation. Securities highlighted or discussed have been selected to illustrate Cambiar's investment approach and/or market outlook. The portfolios are actively managed and securities discussed may or may not be held in client portfolios at any given time, do not represent all of the securities purchased, sold, or recommended by Cambiar, and the reader should not assume that investments in the securities identified and discussed were or will be profitable. As with any investments, there are risks to be considered. All material is provided for informational purposes only and there is no guarantee that the opinions expressed herein will be valid beyond the date of this presentation.

For statistics definitions, please visit www.cambiar.com/definitions. Any characteristics/statistics included are for illustrative purposes and accordingly, no assumptions or comparisons should be made based upon this data. Certain data may be based upon third party sources that are deemed reliable; however, Cambiar does not guarantee its accuracy or completeness.

Top 5/Bottom 5 Chart: For the quarter, the total portfolio return for the representative account was 7.61% (gross) and 7.45% (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.

Source: MSCI. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used to create indices or financial products. This report is not approved or produced by MSCI.