CAMBIAR INVESTORS

CAMBIAR SMID VALUE COMMENTARY 2Q 2025

MARKET REVIEW

U.S. equities rebounded sharply in the second quarter, with the S&P 500 Index posting a gain of 10.9% for the period. Small cap stocks also finished higher for the quarter, although not to the same extent, as the Russell 2000 Index notched a 2Q return of 8.5%. On a style basis (regardless of market cap), growth outperformed value by a wide margin – a complete reversal from the first quarter.

Price action in the second quarter was truly a tale of two markets – stocks incurred a sharp April drawdown in response to the initial Liberation Day tariff agenda, only to close at all-time highs as the Trump administration softened many of the more restrictive measures and trade tensions with China de-escalated. The reversal from a bearish posture in early April to new record highs at quarter-end was a stunning turnaround. According to Strategas, the 55 trading days from the April 8th low to the new market high on June 27th marked the fastest roundtrip following a 15% correction in history. Given this euphoric recovery – in tandem with outsized gains in recent years – the obvious question is whether investors are becoming too complacent/optimistic in their return expectations for equity markets.

It has been Cambiar's view that the extreme tariff rates initially put forth were more a function of negotiating leverage, with the final outcome more likely a flat rate in the 10% range (perhaps higher for more mercantilist countries such as China). While ongoing trade decrees remain very much in flux, we believe this general view will likely prevail.

Although the rally in equities was broad-based in nature, more speculative pockets of the market led the way; examples include AI stocks, meme stocks, crypto, and quantum computing companies. A stronger IPO market provided additional fuel for the markets.

With stock prices more driven by momentum and headlines vs. company-specific attributes, it should not be all that surprising that Cambiar's Quality I Price I Discipline approach did not keep pace with the broader market returns for the quarter. While market averages may continue to push higher from here, rallies of this nature are susceptible to a reversal as market momentum subsides and/or investors return to valuing stocks on some combination of revenues and earnings. Our team was opportunistic during the quarter; however, we resisted the urge to chase performance in the more speculative pockets that do not meet our quality and valuation criteria.

CAMBIAR INVESTORS

SMID VALUE

	2Q 2025	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
SMID Value (gross)	0.3%	-1.3%	0.1%	6.5%	11.6%	8.5%	12.1%
SMID Value (net)	0.2%	-1.6%	-0.5%	5.8%	10.9%	7.8%	11.4%
Russell 2500 Value	7.3%	1.0%	10.5%	10.7%	14.0%	7.7%	10.0%

SMID Value Composite Inception Date: 7.31.2010 / See Disclosure – Performance

CONTRIBUTORS

Top Five	Avg. Weights	Contribution
Sportradar Group	2.63	0.74
HF Sinclair	2.23	0.59
IPG Photonics	2.81	0.55
Lazard	1.57	0.53
Littelfuse	2.29	0.39

DETRACTORS

Bottom Five	Avg. Weights	Contribution
Molina Healthcare	2.28	-0.25
Vishay Intertechnology	0.70	-0.34
Fidelity National Financial	3.27	-0.48
Americold Realty Trust	1.96	-0.52
Magnolia Oil & Gas Corp	1.09	-0.58

The Top 5/Bottom 5 chart provided is based on a representative account managed in the strategy and is derived from the account's gross performance which does not reflect the deduction of all fees and expenses that a client or investor would have paid. Please refer to the composite gross and net performance to understand the overall effect of fees. See Disclosure – Top 5/Bottom 5 Chart for more information.

After providing strong downside protection in the first quarter, the Cambiar SMID Value strategy did not keep pace in the second quarter's beta-fueled rebound in equities. Stocks were generally oversold in the initial days following the tariff rollout, only to recover and surge higher to end the quarter.

On a factor basis, the SMID portfolio was out of lockstep (by design) with the key upside drivers to return in the quarter. For example, Cambiar's higher exposure to factors such as profitability and earnings quality hampered results, as did the portfolio's underweight exposure to top-performing factors including beta and momentum. Given this more euphoric backdrop vs. our lower beta approach, it should not be unexpected that the portfolio did not keep pace in the quarter. With that said, we would acknowledge that the magnitude of the underperformance is at the lower end of expectations – a point of frustration that we share with our clients.

The SMID Value portfolio now trails the index by ~200 bps on a YTD basis – a deficit that is certainly within our capabilities to recoup in the back half of the year. Buy/sell activity was more active in the quarter, as the team attempted to take advantage of the elevated price volatility to adjust aggregate portfolio positioning. Purchases included Lazard (asset management/investment banking) and Prosperity Bancshares (Houston-based regional bank) in Finanicals, as well as Align Technologies (Healthcare). On the sale side, we trimmed the portfolio's Energy allocation with the sale of Magnolia Oil & Gas, and moved on from Innovative Industrial Properties in the REIT space. While we remain committed to maintaining a high-quality portfolio, we believe these changes may enable the strategy to generate a more balanced return stream.

The risk-on tone in the markets was evident in reviewing performance drivers at a sector level. Technology was the clear outperformer by a wide margin in 2Q, with Industrials, Consumer Discretionary, and Financials also doing well. Defensive sectors, such as Healthcare, Consumer Staples, and Real Estate, all lagged during the period. The sharp quarter-over-quarter reversal in sector leadership is a clear example of how chasing shorter-term performance can lead to whipsawed returns.

Stock selection in Financials was the largest detractor from performance in the quarter, as Cambiar's non-bank holdings, such as Fidelity National Financial (title insurance) and Euronet Worldwide (payments/transaction processing platform), both lost ground. The portfolio's non-ownership of index highfliers (e.g. Robinhood and SoFi Technologies) also contributed to the relative underperformance. It is worth noting

CAMBIAR INVESTORS

that our diverse mix of financial businesses has served the portfolio well over the trailing 3-year and 5-year periods, despite the near-term lag. As discussed, we increased our allocation to the sector in the quarter, with the expectation that Lazard and Prosperity can provide some additional offense within our financial stack. Despite the shorter-term price weakness, Fidelity National remains a high-conviction holding. The company is the market leader in the title insurance space and has a track record of persistent profitability. A move lower in mortgage rates would likely be a boost to home sales transactions and associated title activity.

The Technology sector represented another drag on relative performance in the quarter. The portfolio benefited from maintaining an overweight allocation to the sector, but this value add was offset by weaker performance – individual laggards included Dolby Laboratories and Amdocs. The portfolio's limited exposure to AI-related companies (a few of which are in the index) also limited upside participation. Our bias towards tech companies that possess a clear path towards sustainable profitability and reasonable valuations has thus far resulted in a relatively small strike zone for stocks in the AI space.

Bright spots in the quarter included positive stock selection in Energy and Consumer Discretionary, as well as lower exposure to the underperforming Real Estate sector. Individual outperformers included HF Sinclair (refiner/lubricant producer), Sportradar (sports content provider), and footwear/apparel company Skechers. Although merger and acquisition activity has been more muted thus far in 2025 as companies await clarity on trade policy, Skechers moved higher on a $63/share takeout offer from 3G Capital. While the offer price is a solid premium relative to the April lows, it is below where Skechers was trading at the beginning of the year (so perhaps more of a take-under scenario). Skechers operates as a mid-range provider and has been successful in capturing market share from larger competitors, such as Nike. We initiated a position in early February and lowered our cost basis by adding to the position during the tariff-related decline in April. While the potential for a higher offer cannot be ruled out, we anticipate this deal will close in the coming months.

Although we are disappointed that the SMID Value portfolio did not exhibit a greater degree of upside in the quarter, we also recognize that the key drivers of return for the period fell well outside of our Quality | Price | Discipline parameters. While uncomfortable in the moment, we recognize that our investment style will at times be out of favor versus prevailing market conditions – which was clearly the case during the FOMO melt-up that occurred during the quarter. As the market returns to valuing companies based on fundamentals, we anticipate that the SMID portfolio should recover accordingly.

LOOKING AHEAD

Stocks wrapped up the first half of 2025 at new all-time highs, a stark reversal from the risk-off environment that was in place during the first quarter. Similar to the COVID crash in 2020 and the market correction in September 2023, the recovery time for markets is speeding up, now spanning weeks versus what used to take months. The 'buy the dip' playbook continues to pay dividends.

Despite the bullish sentiment in the market, we believe a more balanced approach is appropriate, given lingering uncertainties regarding trade policy, heightened geopolitical tensions, and softening labor/economic data. The full effects of tariffs have yet to be fully felt in the U.S. economy; on this front, the upcoming earnings season will be an interesting indicator of how companies are coping with the shifting sands of trade policy. Large cap companies may be able to offset cost increases in other segments of their business, but will small and mid-sized firms have adequate financial depth to absorb potential price increases from tariffs?

The fiscal backdrop remains generally supportive for equities, as policy priorities have shifted away from DOGE and spending cuts to now prioritizing growth as the path to addressing the deficit. On the monetary front, the Fed has thus far resisted pressure from the White House to lower rates – choosing instead to maintain a wait and see position. We anticipate that Fed Chair Powell will attempt to reset the Fed's monetary policy framework at the Jackson Hole Economic Policy Symposium in late August, with the likelihood of one to two rate cuts in the back half of the year.

In considering how the second half of 2025 will unfold, a 'Curb Your Enthusiasm' approach may be one's best course of action. Given the euphoric run in equities to close out the quarter, we would not be surprised if there were a consolidation period. A significant amount of good news is currently priced into the market, which could leave stocks vulnerable should elevated expectations not materialize as expected.

This is not to say that attractive investment opportunities do not exist below the surface, and the

Cambiar team has been opportunistic in areas outside of the AI/tech craze. We remain focused on generating strong through-the-cycle returns via constructing diversified portfolios of high-quality businesses that are trading at reasonable valuations.

Thank you for 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 SMID Value 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 small- to mid-sized companies. Cambiar's SMID Value Composite primarily invests in stocks with a market capitalization between $2 and $12 billion. The typical number of securities in the SMID Value portfolio is 35-45 holdings. The SMID Value 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.

For the periods of 2013 and forward, the composite's gross returns include accounts with gross and "pure" gross performance and are presented as supplemental information. From 2010 to 2012, the composite only contained accounts whose gross performance is reduced by transaction costs. "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. 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. Returns are reported in U.S. dollars.

Performance results for the SMID Value Composite are evaluated against the Russell 2500™ Value Index. The Russell 2500 Value Index is a float-adjusted, market capitalization weighted index comprised of firms in the Russell 2500™ Index that experience lower price-to-book ratios and lower forecasted growth values. The Russell 2500 Index is a float-adjusted, market capitalization weighted index that measures the performance of the 2,500 smallest 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 2500 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 2500 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.**

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: The quarterly contributors and detractors are based on the gross performance of a representative account in the strategy composite. 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. Please refer to the net performance of the composite 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.

CAMBIAR INVESTORS