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CAMBIAR OPPORTUNITY FUND COMMENTARY 3Q 2026

MARKET REVIEW

U.S. equity markets posted mixed results for the third quarter. The large cap proxy S&P 500 Index registered a 2.4% gain – getting a major assist from notable mega-cap tech stocks that are large constituents in the benchmark. Yet the aggregate index return masks the underlying deterioration in market breadth, as evidenced by the -1.9% return for the Equal Weight S&P 500 (RSP). The median stock in the S&P is trading at ~16% below its 52-week high at quarter-end – the weakest market breadth since the late 90s dot-com era. The outperformance of mega cap tech stocks is certainly not a new development; however, broader participation would reduce reliance on the AI capex trade that has been propping up the economy (and the stock market).

Small cap stocks were also dented by the tightening in financial conditions, with the Russell 2000 Index posting a 3Q return of -7.2%. Small caps had been leading to the upside through the first half of 2026 but gave way to a 3-punch combination of higher input prices, higher transport prices, and higher financing costs.

The quarter saw a sharp rise in oil prices, as prices for West Texas Intermediate ranged from $67 in July to $107 in mid-September. The higher price deck contributed to the decision by the Federal Reserve to raise rates at their September meeting. There was also a corresponding response in bond yields, as the 10-year Treasury yield ended the period at 5.2% - the highest level since mid-2007. The surge in borrowing costs has been a global event, with yields in Japan, Europe and the U.K. breaching levels not seen over the past 15 years. Key drivers include high energy prices, sticky inflation, hawkish central banks, widening budget deficits, and competition for capital amid the AI datacenter buildout.

Remember the "new normal" framework that surfaced during the post-GFC period? The impetus was that the U.S. would be mired in a prolonged period of subdued economic growth, which would then validate exceptionally low interest rates and unorthodox central bank policies. Corporations (and investors) anchored to this ultra-low rate backdrop, with risk assets a key beneficiary. Suffice to say, that view is now in the rear-view mirror, replaced by the 'old normal' of nominal GDP and associated yields of the 1990s and early 2000s. This does not necessarily equate to a bear thesis for equities (the stock market did pretty darn well in the '90s); yet given a substantial amount of corporate activity that only made sense in an ultra-low rate regime, some comeuppance may be necessary.

What are the implications of rising bond yields for equity investors? As Warren Buffett once said, 'Interest rates are to stocks what gravity is to matter.' Rising yields translate into a higher discount rate, which should be a headwind for aggregate equity valuations – in particular longer-duration growth stocks. On the flip side, if yields are simply repricing to reflect stronger productivity and corporate earnings, the market may be able to withstand the upward move in rates. Although the residential/commercial real estate market may not agree at present, bond yields can (and should) track nominal GDP.

At a stock level, a higher cost of capital is likely to be more impactful for companies with elevated debt ratios that need to be rolled over in the current rate backdrop. In contrast, the adjustment to a higher neutral rate should not be as challenging for investment candidates prioritized by the Cambiar team – i.e., high-quality businesses that we believe to possess durable earnings power, persistent margins, and more conservative leverage profiles. As always, selectivity remains paramount.

OPPORTUNITY FUND

	3Q 2026	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception – Inv	Since Inception – Inst
CAMOX	-2.49%	9.57%	15.46%	16.03%	10.10%	11.74%	9.42%	-
CAMWX	-2.43%	9.71%	15.68%	16.28%	10.32%	11.95%	-	8.73%
R1000V	2.61%	19.27%	23.81%	20.07%	11.92%	11.43%	8.10%	9.00%

Inception Dates: CAMOX (6.30.1998) | CAMWX (11.3.2005). 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 9/30/26, expense ratios are CAMOX: 0.98% (gross); 0.85% (net) | CAMWX: 0.78% (gross); 0.65% (net). Fee waivers are contractual and in effect until March 1, 2027. Absent these waivers, total return would be reduced.

The Cambiar Opportunity Fund posted a modest loss in the third quarter, trailing the Russell 1000 Value Index. The underperformance for the period can be primarily attributed to positioning in the Industrials sector, as well as a continued underweight allocation to Technology. Our lower allocation to Energy also hampered relative results (after adding value in 2Q).

The benchmark Russell 1000 Value Index has gained almost 20% in 2026, outpacing both the large cap growth proxy and the broader S&P 500 Index. Yet 45% of the individual companies that comprise the Value Index have a negative year-to-date return, illustrating the wide dispersion of stock performance. Despite a modest broadening of upside participation in the third quarter (e.g., Energy and Healthcare both registered solid gains), capital flows to mega cap tech/AI capex beneficiaries continue to crowd out other segments of the equity market. Overall, this market asymmetry – highlighted by potent gains in narrow areas such as semiconductors and energy stocks – has admittedly proved to be a more difficult backdrop for active managers to keep pace.

Our efforts to remain disciplined in the execution of Cambiar's Quality | Price | Discipline process have actually worked against us in some cases. The clearest example has been in the tech sector, where we have been trimming our positions in response to rapid price gains; yet these risk management actions only widen the gap vs. a passive index where the same companies increase in size. It is uncomfortable in the moment – that said, we are not going to abandon longstanding portfolio construction and risk control principles to further participate in this momentum-fueled market environment. Should there be a reversal in momentum for some of the favored AI trades, we believe the Fund will be in a good position to make up ground vs. our benchmark.

Trade activity in the quarter consisted of five new purchases and four liquidations, in addition to select adds/trims to existing positions. Where are we finding value? It's been a bit of a "hit 'em where they ain't" approach. New positions included Expand Energy, The Southern Company, and Chipotle. We also moved basis points from semis to software with the sale of Texas Instruments and purchases of Microsoft and Nutanix. Software stocks have been extremely weak over the past year due to AI disruption fears – resulting in more attractive valuations and associated risk/reward.

Given the rise in both bond yields and energy prices, economically sensitive sectors such as Industrials were weak, as were bond-proxy sectors such as Utilities and Real Estate. Comprising ~20% of the Fund, Cambiar's holdings in Industrials were a drag on 3Q return. A number of the portfolio's transport positions – including FedEx, Delta, and Uber – declined in response to higher input prices (e.g. diesel). Despite their shorter-term setback, FedEx and Delta have both gained 20%+ this year and fundamentals/valuation remain compelling. For Uber, we view the negative sentiment surrounding this name to be misplaced, particularly in light of Uber's leading market position, prodigious free cashflow (>$10 bil/year) and net cash balance sheet. While not dismissive of the increased competition via autonomous vehicles (AV) options such as Waymo, Uber currently

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has 15 AV partners and plans to expand their AV capabilities from 7 to 15 cities by year-end.

The price weakness in Honeywell Automation (HONA) was more self-inflicted in nature, as the company lowered their profit/margin guidance due to supply chain issues. HONA is a relatively recent spin-off from parent Honeywell, so perhaps management is still learning how to communicate to investors as a stand-alone business. That said, the company should have had better visibility on their various lines of business. Stepping back, HONA is a relatively recent spin-off from parent Honeywell; the company has a massive installed base and monopolistic position in areas such as instrumentation, control systems and auxiliary power units. Given stringent certification standards, switching costs are high – giving HONA a thick competitive moat and pricing power that translates into mid-20s operating margins and strong free cashflow. Net, we viewed the sell-off to be an overreaction and added to our position.

After representing the strongest sector by a wide margin in 2Q, Technology was again one of the leading sectors in the third quarter. Cambiar's ongoing underweight was subsequently a relative performance headwind, compounded by pullbacks in Applied Materials and ON Semiconductor. Given the gains in AMAT and ON during the first half of the year, the giveback in July as part of the rotation out of hardware stocks was not surprising – and we remain constructive on the multi-year earnings outlook for both positions. The purchases of Microsoft and Nutanix (NTNX) have been additive thus far, with both companies announcing strong earnings in the quarter. Nutanix may be a less-known company for many clients; the company's server utilization software allows a single physical machine to run multiple independent operating systems simultaneously, maximizing server efficiency. With the anticipated growth in on-premises hardware (see Dell), NTNX should be in excellent position to grow revenues/earnings. The stock had been weak due to tightness in the memory market and server delays, providing an attractive attachment point. We believe consensus estimates are too conservative, resulting in the potential for meaningful upside should fundamentals evolve as anticipated.

Positive contributors in the quarter included outperformance within our Financials holdings, an overweight allocation to Healthcare, and active underweight exposure to lagging sectors such as Real Estate and Utilities. The portfolio's bank positions turned in mixed returns, as the move higher in yields results in a flatter yield curve that could weigh on net interest margins. We were able to offset modest pullbacks in US Bancorp and PNC Financial Services with solid gains in Mastercard, CME Group, and Intercontinental Exchange (ICE). ICE was added to the portfolio in 2Q, as we took advantage of the price dislocation from AI disruption fears. Increased market volatility tends to result in increased trade activity – a tailwind for both ICE and CME Group

Energy and oil prices have been prominent headlines in 2026. We are not in a position to evaluate how the Iran war may conclude. Generally, after a 'right tail' event such as the conflict in the Middle East, oil prices should contract significantly upon resolution – which has contributed to our underweight allocation. Natural gas lies on the other side of these events (at least in North America), as there are no supply disruptions and prices have compressed due to weather concerns (El Nino winters tend to be warm). Over a longer arc, natural gas is the one hydrocarbon with clear demand growth, thus the appeal of Expand Energy, which is the largest domestic natural gas shale producer in the U.S.

Despite it's more acyclical attributes, the Consumer Staples sector remains a vexing area to generate positive returns. Valuations (and expectations) are certainly very reduced, but finding clear upside catalysts is also difficult. We believe we own a number of high-quality businesses in the forms of Constellation Brands, Pepsi and Chipotle that are trading at deep discounts (i.e., more than two standard deviations) versus history. It is clear enough that affordability issues and cultural dynamics (such as increased GLP-1 use) are casting long shadows. But these are known issues and well-reflected in their respective share prices. Given the combination of low valuations and expectations, any positive developments could result in a meaningful upside re-rating.

LOOKING AHEAD

As we transition into the final quarter of 2026, a glance at market averages shows double-digit gains for the year and a remarkably resilient equity market. However, a deeper look below the surface tells a different story, with many stocks trading well below their 52-week highs and struggling from the combination of higher input prices from tariffs, higher energy prices and now higher financing costs.

The year-to-date gains in stocks (as well as the broader economy) have been largely propped up by the massive investment in AI compute and datacenters – which to this point appears immune to the rise in yields. As long as hyperscalers continue their role as hyper-spenders,

the AI capex flywheel will continue. These are odd times we are living in when companies such as OpenAI and Anthropic claim that their products could potentially trigger human extinction, and yet they are allowed to raise trillions of dollars via an IPO.

Suffice to say, any slowdown in AI spending could pull a major support beam out from underneath the broader market. With free cashflow dwindling for many of the hyperscalers, the result is an increased reliance on external financing via the debt and private credit markets. AI companies have tapped the debt markets to such an extent in 2026 that they are now pushing up interest rates for the entire economy. If the AI buildout can generate persistent returns on capital, today's spending will look brilliant. At present, demand exceeds supply – resulting in impressive pricing power, margins, and earnings. But it is the longer-term sustainability of return on investment that should define a quality business. For now, it is full steam ahead, with the recent introduction of personal AI agents unlocking another avenue of growth (and competition).

We continue to closely monitor the developments in AI and their impact (both direct and indirect) on the Opportunity Fund. When significant capital flows into a few popular themes, valuation disparities often emerge elsewhere…that is where our team is more focused on identifying attractive investment candidates for the portfolio.

Thank you for your confidence in Cambiar Investors.

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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 loss of principal. The Fund pursues a "value style" of investing. If the Adviser's assessment of market conditions, or a company's value or prospects for meeting or exceeding earnings expectations is inaccurate, the Fund could suffer losses or produce poor performance relative to other funds or market benchmarks. In addition, "value stocks" can continue to be undervalued by the market for long periods of time, and may never achieve the Adviser's expected valuation." A company may reduce or eliminate its dividend, causing loses to the fund. There is no guarantee the fund will achieve its stated objective. Diversification does not protect against market loss.

The Russell 1000 Index is an index of approximately 1,000 of the largest companies in the U.S. equity market. The Russell 1000 is a subset of the Russell 3000 Index. It represents the top companies by market capitalization. The Russell 1000® Value Index measures the performance of those Russell 1000® companies with lower price-to-book ratios and lower forecasted growth values. The Russell 1000 Growth® Index measures the performance of the Russell 1000's growth segment which is defined to include companies whose share prices have higher price to book ratios and higher expected earnings growth rates. 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. Index returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index. 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. The S&P 500 Equal-Weight Index consists of 500 stocks chosen for market size, liquidity, and industry group representation. It is a an equal-weighted index, with each stock's weight in the Index proportionate to one another. Indexes are unmanaged and one cannot invest directly in an index.

As of 9.30.26, the top ten holdings for the Cambiar Opportunity Fund were:

Name	Weighting	Name	Weighting
Amazon.com	3.4%	Mastercard	3.1%
Microsoft	3.3%	CME Group	3.0%
Elevance Health	3.3%	Union Pacific	2.9%
Bristol-Myers Squibb	3.2%	Medtronic	2.9%
Uber Technologies	3.2%	Regeneron Pharmaceuticals	2.8%

Current and future holdings subject to risk. For characteristics and risk definitions, please visit www.cambiar.com/definitions.

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