



Larger Allocations to Smaller International Stocks

BENEFITS OF INVESTING IN INTERNATIONAL SMALL-CAP

Companies that reside in the lower end of the market cap spectrum are often more nimble, possess higher growth potential and have historically yielded strong returns. As such, small-caps in the U.S. have been a staple in a diversified asset allocation portfolio for some time. Yet international small-cap companies are often overlooked when building a client's international equity portfolio, despite an attractive return profile. Clients that exclude international small-cap equities may thus be missing out on potential benefits – on both a diversification and risk-adjusted return basis.

Cambiar Investors believes that the inclusion of an actively managed international small-cap equity strategy can provide three beneficial features to a client portfolio:

ENHANCED OPPORTUNITY SET

The breadth and size of the international small-cap landscape greatly expands the number of unique opportunities available in an asset allocation model.

IMPROVE RISK/RETURN PROFILE

A diversified portfolio of international small-cap stocks has historically shown to generate greater returns with similar volatility to international large-cap¹.

GREATER DIVERSIFICATION

International small-caps provide more targeted exposure to local economies that may be difficult to access through their large-cap brethren.

¹Based on five and ten year performance versus standard deviation. As of 12.31.2020.



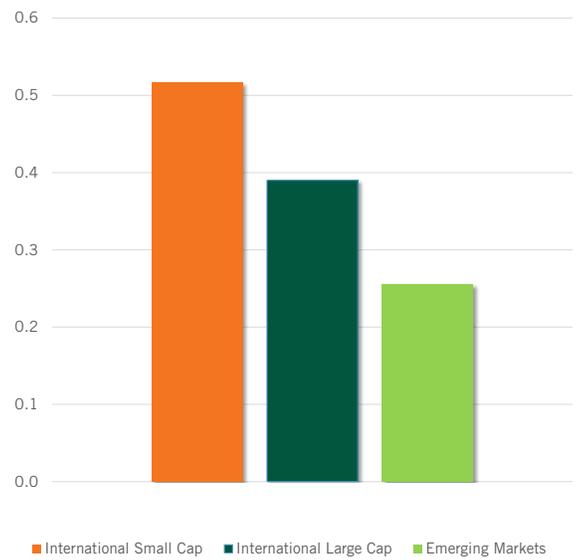
Source: MSCI

HIGHER RETURNS WITH LESS VOLATILITY OVER TIME

Returns vs. Standard Deviationⁱ



Sharpe Ratioⁱ



International small-caps have demonstrated the potential to provide compelling long-term, risk-adjusted returns compared to more prominent international equity asset classes.

ⁱChart Source: Morningstar. ⁱⁱBased on ten year data. As of 12.31.2020

GREATER DIVERSIFICATION

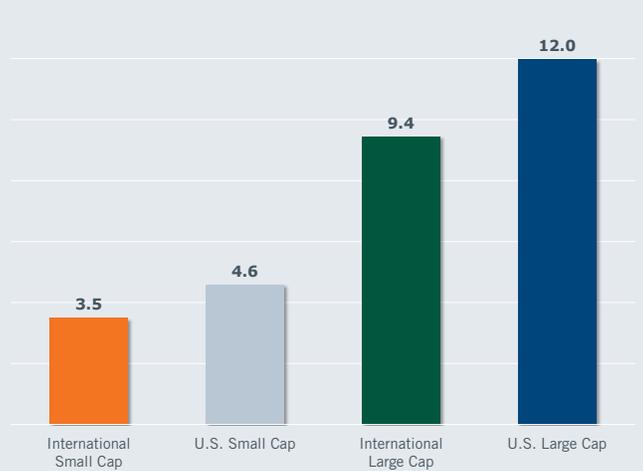
Lower Correlation to U.S. Large Capⁱⁱ



The broad international small-cap pool, with local economic access, results in low correlation and stronger portfolio diversification.

OVERLOOKED OPPORTUNITIES

Average Analyst Coverage Per Securityⁱⁱⁱ

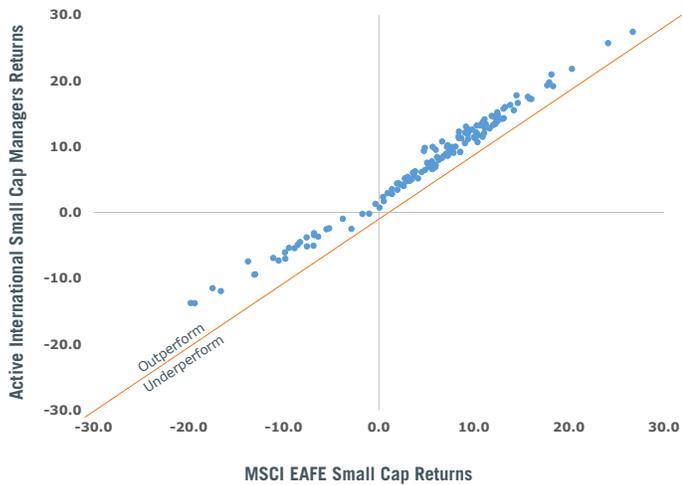


Thin analyst coverage of international small-caps creates an environment in which stock prices can diverge from fair valuations. Active managers aim to capitalize upon these dislocations, which may be less pronounced in well-covered asset classes.

ⁱⁱⁱSource: Morningstar. Data relative to S&P 500. ⁱⁱSource: Factset
 Disclosure: The following indices were used to represent their respective asset class for all charts. U.S. Large-Cap - Russell 1000, U.S. Small-Cap - Russell 2000, International Large-Cap - MSCI EAFE, International Small-Cap - MSCI EAFE Small Cap, Emerging Markets - MSCI Emerging Markets. All charts are as of 12.31.2020.



BENEFITS OF ACTIVE MANAGEMENT



Source: Morningstar. Foreign Small/Mid Blend group

100%

Over the last 15 years, actively managed, international small-cap portfolios have outperformed the MSCI EAFE Small Cap in 100% of rolling three-year periods.

Lack of analyst coverage, leading to price and valuation dispersions, may allow active managers to pinpoint attractive investment cases more frequently.

CAMBIAR INTERNATIONAL SMALL CAP



Certain information contained in this communication constitutes "forward-looking statements". Due to market risk and uncertainties, actual events, results or performance may differ materially from that reflected or contemplated in such forward-looking statements. Securities highlighted or discussed in this letter have been selected to illustrate Cambiar's investment approach and/or market outlook and are not intended to represent the performance or be an indicator for how Cambiar's portfolios have performed or may perform in the future. The portfolios are actively managed and securities discussed in this letter may or may not be held in client portfolios at any given time. Nothing in this letter shall constitute a recommendation or endorsement to buy or sell any security or other financial instrument referenced. The specific securities identified and described 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. Any characteristics included are for illustrative purposes and accordingly, no assumptions or comparisons should be made based upon these ratios. Statistics/charts may be based upon third party sources that are deemed to be reliable, however, Cambiar does not guarantee its accuracy or completeness. Past performance is no indication of future results. 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 communication.

Inception Date: 6.30.2013. The performance information depicted above represents Cambiar's International Small Cap Composite. Returns are presented gross (g) and net (n) of management fees. Gross and net returns have been reduced by transaction expenses. 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 International Small Cap Composite. Cambiar clients and mutual fund investors may incur actual fee rates that are greater or less than the rate reflected in this performance summary. Results are reported in U.S. dollars.

Performance results for the International Small Cap Composite are evaluated against the MSCI EAFE Small Cap Index. The MSCI EAFE Small Cap Index is a free float-adjusted, market capitalization-weighted index that is designed to measure small cap representation across developed market equity performance, excluding the U.S. & Canada. The index assumes no management, custody, transaction or other expenses. The MSCI EAFE Small Cap 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 MSCI EAFE Small Cap Index include the reinvestment of all income. Benchmark returns are net of withholding 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. Performance is preliminary; please contact us for finalized figures. As with any investments, there are risks to be considered. Past performance is no indication of future results.

Correlation - Demonstrates the relatedness of return patterns among investments. It is based upon the correlation coefficient, a number between -1.0 and 1.0. A perfect positive linear relationship between two investments has a correlation of 1.0. A perfect negative linear relationship between two investments has a correlation of -1.0.

Sharpe Ratio - A measure that indicates the average return minus the risk-free return divided by the standard deviation of return on an investment.

Standard Deviation - A measure of the dispersion of a set of data from its mean.

