



**FORM ADV PART 2A**

**FIRM BROCHURE**

**March 18, 2020**

This brochure (“brochure” or “Part 2A”) provides information about the qualifications and business practices of Cambiar Investors, LLC. If you have any questions about the contents of this brochure, please contact us at (888) 673-9950 or at [www.cambiar.com](http://www.cambiar.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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Additional information about Cambiar also is available on the SEC’s website at **[www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)**

## **Item 2.      Material Changes**

Cambiar Investors, LLC notes the following changes since its last Form ADV Part 2A annual update in March 2019 that are or may be considered material:

- Additional disclosure of Cambiar's side-by-side management of multiple (non-wrap/directed) accounts
- Additional disclosure regarding market risks
- Modifications to Cambiar's trade rotations for its domestic and International/ADR strategies
- Additional disclosure of trading practices
- Modifications to Cambiar's proxy voting policy

This brochure may be accompanied by Form ADV Part 2B consisting of brochure supplements describing Cambiar's portfolio managers.

We encourage all recipients of this brochure to read it carefully in its entirety.

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### **Item 4. Advisory Business**

Cambiar Investors, LLC (“Cambiar” or the “Adviser”) is an independent, employee-owned investment manager founded and registered as an investment adviser with the United States Securities and Exchange Commission (“SEC”) in 1973. Cambiar is wholly owned by Cambiar Holdings, LLLP (“Holdings”). Holdings is owned by 31 partners, all of whom are employees of Cambiar.

Cambiar provides investment management services, primarily on a discretionary basis, to taxable and tax-exempt clients, including mutual funds, pension plans, endowments, foundations, collective investment trusts, state and municipal government entities, Taft-Hartley plans, families and individuals.

Cambiar provides the following advisory services:

- ***Discretionary investment advisory services to separate accounts (“Separate Accounts”).***  
Cambiar provides discretionary investment advisory services to institutions such as corporate retirement plans, endowments, foundations, charitable, tax-exempt, and other institutions. Cambiar also offers Separate Account services to high net worth individuals and individual retirement accounts. Cambiar provides investment advisory services in its current investment strategies pursuant to contractual arrangements negotiated with the client. The terms of these agreements may contain reasonable client-specific guidelines and restrictions, provided that such guidelines and restrictions will not prevent the Adviser from effecting the investment strategy. Cambiar will also provide investment guidelines upon request.

- ***Discretionary investment adviser to several mutual funds.*** Cambiar serves as the investment adviser to the Cambiar Opportunity Fund, the Cambiar International Equity Fund, the Cambiar Small Cap Fund, the Cambiar Global Ultra Focus Fund, the Cambiar SMID Fund, the Cambiar Global Equity Fund, and the Cambiar International Small Cap Fund (the “Cambiar Funds”), each a series of The Advisors’ Inner Circle Fund. Cambiar may also serve as investment sub-adviser to other registered investment companies (together, with the Cambiar Funds, the “Mutual Funds”).
- ***Discretionary investment services to a Collective Investment Trust.*** The Trustee of the Cambiar Investors Collective Investment Trust (“CIT”) has retained Cambiar to provide investment management services to the CIT.
- ***Discretionary investment services for wrap/separately managed account programs.*** Cambiar provides investment management services to wrap fee programs by serving as investment manager (or as sub-adviser to the manager) of wrap fee participant accounts. In a separately managed account (“SMA”) program, the program sponsor (typically a broker-dealer or an affiliated advisory firm) provides a bundle of services to clients such as assessing client suitability, assisting the client in selecting and overseeing investment managers, providing custodial and client relationship services, and facilitating and executing portfolio trades, in exchange for a single “wrap” fee paid to the sponsor. The sponsor pays a portion of the “wrap” fee to investment managers such as the Adviser for providing investment advisory services. Cambiar does not sponsor any SMA, wrap fee, UMA (described below) or any similar program.
- ***Discretionary and non-discretionary sub-advisory services to third-party advisers.*** Cambiar also provides services to unified managed account (“UMA”) programs, as well as programs under which Cambiar provides stand-alone investment models (“model portfolio” arrangements) on both a discretionary and non-discretionary basis. Under these types of programs, investment managers provide investment recommendations to the sponsor (or an overlay manager selected by the sponsor) in the form of a model portfolio and periodically provide model updates. The sponsor or overlay manager retain the discretion as to whether to implement the investment manager’s recommendations for its clients. The sponsor or overlay manager typically initiates and executes trades for UMA/model portfolio arrangements, although Cambiar may assume more direct trading responsibilities under certain arrangements. In these arrangements, underlying UMA/model portfolio clients are receiving investment management services from the program sponsor rather than directly from the investment manager, and the manager generally has limited information regarding the identity or nature of the sponsor’s client.

**Wrap Fee Programs.** SMA and UMA/model portfolio arrangements (together, “Wrap fee programs”), offer certain advantages to participants, such as enabling smaller clients to obtain the services of selected investment managers for accounts that might otherwise be too small to be managed as a separate account. Other characteristics of these types of accounts are the sponsor’s monitoring and oversight of investment managers, the execution of trades for accounts regardless of the number of trades, and the maintenance of custody of portfolio securities. Participants should be aware, however, that the fees charged by wrap fee program sponsors can be higher than the fees that might be paid for the same services on a stand-alone basis and can be higher than the fees

other accounts pay for Cambiar's services directly, and wrap fee clients should evaluate whether the aggregated cost of such services, if provided separately, would be less than the wrap fee paid to the sponsor. Due to the structure of wrap fee programs and investors' more direct relationship with the sponsor, Cambiar is generally not in a position to provide the same comprehensive client relationship services to wrap fee participants that it provides to other types of clients, including Separate Accounts.

**Investment Restrictions.** Separate Account clients may impose reasonable investment-related restrictions on the nature and types of securities to be held in their accounts. Cambiar reserves the right to reject or modify investment restrictions based on, among other things, the impact such restrictions may have on Cambiar's ability to execute its investment strategy, the willingness or ability of the client to specifically identify the securities or other financial instruments to be restricted, and the difficulty adhering to and monitoring certain types of investment guidelines or restrictions. Wrap fee program participants are permitted to impose reasonable investment-related restrictions on the management of their accounts, which may be implemented by the sponsor or the overlay manager, or in other instances, by Cambiar or service providers retained by Cambiar. Wrap fee participants who impose multiple restrictions on the nature or type of securities to be held in their accounts should be aware that Cambiar may, in its discretion: (i) invest a larger percentage of these portfolios in fewer securities than would be the case if there were no such restrictions; (ii) choose alternative securities for the account; and/or (iii) hold higher levels of cash. In these instances, investment performance can be affected. Clients who impose investment restrictions should be aware that the performance of their accounts might differ from that of client accounts which do not impose such investment restrictions.

As of December 31, 2019, Cambiar managed approximately \$9.4 billion on a discretionary basis on behalf of 18,338 clients and \$4.9 billion on a non-discretionary basis.

## **Item 5. Fees and Compensation**

Clients can choose to have Cambiar deduct fees directly from client accounts or to be invoiced for fees incurred. For certain arrangements, the client calculates the advisory fee and remits the proceeds to Cambiar. Clients can instruct Cambiar as to the manner in which fees are paid in the documents governing their respective relationships.

### **Separate Accounts**

Cambiar negotiates advisory fees with each Separate Account and annual fees are generally between 0.50% and 1.5% of assets under management. The fees charged to any Separate Account are negotiable and depend on several factors, including: (i) the amount of assets the client and its affiliated entities will have under Cambiar's management; (ii) whether the client has previously negotiated a management fee with a brokerage/consultant firm which Cambiar has agreed to honor; (iii) whether the client contacted Cambiar directly or is a referral through a consultant or brokerage firm; (iv) the selected investment strategy; (v) the time period during which the mandate or relationship with Cambiar was initially established; (vi) the perceived potential for additional assets under management from the client or its affiliated entities; and (vii) the nature and complexity of investment-related restrictions or guidelines. In any particular circumstance, additional factors can affect the level of the management fee, including whether the client works

with a broker or consultant that has a pre-existing relationship with Cambiar. Cambiar does not currently receive performance fees for management of client accounts, but may in the future negotiate such fees with in accordance with the conditions and requirements of the Investment Advisers Act of 1940, as amended (“Advisers Act”), as applicable.

The majority of Separate Account clients are billed quarterly in advance based on assets under management. Separate Account clients may select to be billed quarterly in arrears. Generally, Cambiar or a Separate Account may terminate an investment advisory contract without penalty upon no less than 30 days’ prior written notice to the other party. If the contract is terminated prior to the end of any calendar quarter, Cambiar will automatically refund to the Separate Account a pro-rata portion of any unearned fees paid in advance. Cambiar may choose to pro-rate fees intra-quarter to account for significant cash flows.

### **SMA/UMA/Model Portfolio Clients**

As previously discussed in **Item 4. Advisory Business**, Wrap fee programs involve arrangements in which investment advisory services, brokerage execution services, custody, and other services are provided by a program sponsor for a single, pre-determined “wrap” fee. For SMA and UMA/model portfolio arrangements, Cambiar’s fee is negotiated with the wrap sponsor. Generally, the standard fee range for providing services to these programs is between .35% and 1.0% annually depending on the nature of the program, the applicable investment strategy and other factors, and is paid in advance on a quarterly basis. Cambiar may negotiate other fee arrangements with sponsors. Cambiar’s portion of the management fee may be paid directly by the sponsor or by the client, depending on the contractual arrangements. Each program sponsor prepares a brochure which contains detailed information about its wrap fee program, including the wrap fee charged. For terminated accounts that are billed directly, Cambiar will automatically refund a pro-rata portion of any unearned fees paid in advance.

### **Mutual Funds**

The advisory fees for the Cambiar Funds are as follows: (i) for the Cambiar Opportunity Fund, a fee calculated at an annual rate of .60% of the Fund’s average daily net assets; (ii) for the Cambiar International Equity Fund, a fee calculated at an annual rate of .85% of the Fund’s average daily net assets; (iii) for the Cambiar Small Cap Fund, a fee calculated at an annual rate of .85% of the Fund’s average daily net assets; (iv) for the Cambiar Global Ultra Focus Fund, a fee calculated at an annual rate of .90% of the Fund’s average daily net assets; (v) for the Cambiar SMID Fund, a fee calculated at an annual rate of .80% of the Fund’s average daily net assets; (vi) for the Cambiar Global Equity Fund, a fee calculated at an annual rate of .75% of the Fund’s average daily net assets; and (vii) for the Cambiar International Small Cap Fund, a fee calculated at an annual rate of .90% of the Fund’s average daily net assets. For each Mutual Fund for which Cambiar provides sub-advisory services, the advisory fee was negotiated directly with the principal investment adviser. Mutual Fund advisory fees are paid monthly in arrears.

## **Cambiar Investors Collective Investment Trust**

The annual advisory fee for the Cambiar Investors Collective Investment Trust is currently between 0.50% and 0.90% of assets under management, depending upon the selected investment strategy.

### ***Other Account Fees and Expenses***

Cambiar's fees for its investment management services do not include brokerage commissions, spreads, fees associated with the execution of foreign currency transactions or depositary receipt conversions, fees associated with holding depositary receipts, other transaction-related expenses, and certain other costs and expenses that are typically associated with buying and selling securities and are paid directly by the client account. Clients may incur other fees or expenses charged to client accounts such as custodial fees, taxes, fund administration or transfer agency fees, the Employee Retirement Income Security Act of 1974 ("ERISA") plan administration fees, deferred sales charges, transfer taxes, wire transfer and electronic fund fees, and fees paid to advisers of investment companies in which the account invests. Cambiar does not receive any portion of such charges, fees and taxes.

Cambiar is not a broker-dealer and is not associated with any broker-dealer. Certain Cambiar employees are registered representatives of Foreside Fund Services, LLC ("Foreside"), an unaffiliated broker-dealer registered with the Financial Industry Regulatory Authority ("FINRA"). Neither Cambiar nor any of its supervised persons receives direct compensation for the sale of securities or other investment products to clients. In connection with certain brokerage transactions, Cambiar receives qualifying research and brokerage products and services under the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended ("Exchange Act"). Additional information regarding execution-related practices can be found in **Item 12. Brokerage Practices**. Part of the compensation for certain Cambiar client services personnel may vary in accordance with different types of investment products. Such arrangements create incentives for those employees to favor certain investment products over others. *See also* **Item 14. Client Referrals and Other Compensation**.

### ***Pricing of Portfolio Securities***

When Cambiar is responsible for calculating its fees for providing advisory services, the calculation is intended to conform to the written fee schedule in the advisory agreement between Cambiar and the client, as well as Cambiar's valuation policy and procedures. Because clients compensate Cambiar based on the value of assets held in their accounts, a conflict of interest can arise because Cambiar may be deemed to have an incentive to set a higher market value for securities in instances in which it values portfolio assets. Cambiar seeks to value securities in good faith consistent with its applicable policies and procedures and does not knowingly use valuations that are higher than the security's fair value.

As a general matter, Cambiar relies on independent third-party pricing services to provide security and other financial instrument prices. Cambiar may choose to override prices provided by such services when it believes those prices are not representative of a security's current fair market value, or when more reliable prices may be available from other sources. Cambiar may also fair

value a security when reliable market quotations are not readily available, or for other reasons, such as when a pricing service fails to provide timely prices. In some instances, the market values for certain instruments provided by different pricing sources, including American Depositary Receipts (“ADRs”), may vary by sizable amounts.

## **Item 6. Performance Based Fees and Side-by-Side Management**

Cambiar does not currently receive any performance-based fees for management of accounts, but may in the future negotiate such fees consistent with the Advisers Act, as applicable.

## **Item 7. Types of Clients**

Please refer to **Item 4. Advisory Business**, for a description of Cambiar’s clients. Cambiar provides investment services to Mutual Funds and Separate Accounts for individuals and institutions, as well as to a collective investment trust for certain retirement assets. Cambiar seeks an initial minimum investment of \$5,000,000 for a new Separate Account. Wrap fee program client minimum initial investment requirements are determined by the sponsor and are generally in the range of \$50,000 to \$250,000. Cambiar generally requires wrap client accounts that maintain directed brokerage agreements with a single broker-dealer and have a contractual agreement directly with Cambiar to have a minimum initial investment of at least \$250,000. Cambiar may, in its discretion, waive minimums based on client type, asset class, pre-existing relationship with the client or client representative, and other factors.

Minimum investment requirements for Mutual Funds can be found in the respective Mutual Fund’s prospectus.

## **Item 8. Methods of Analysis, Investment Strategies and Risk of Loss**

Cambiar’s sole business is providing investment management services. Cambiar offers the following investment strategies:

- International Equity (includes ADR-only strategies)
- International Equity Income (includes ADR-only strategies)
- International Small Cap
- Europe Select (includes ADR-only strategies)
- Large Cap Value
- Small-Mid (SMID) Value
- Small Cap Value
- Global Equity
- Global Ultra Focus

The above investment offerings utilize the same relative value investment discipline.

**Buy Discipline.** Cambiar utilizes a fundamental, relative value investment approach. Each investment team member/investment analyst is responsible for identifying investment opportunities within their assigned sectors/industries. Companies purchased in any of Cambiar’s



investment strategies generally satisfy Cambiar's four investment criteria: quality, valuation, value creation/catalyst and upside criteria.

- *Quality & Positive Trajectory* – The Cambiar investment team seeks companies that occupy strong competitive positions within their sector or industry, and have defensible characteristics by way of intellectual capital, established infrastructure, or switching costs. Cambiar also prefers companies that possess strong financials, as evidenced by low debt/equity levels and demonstrable free cash flow over a full market cycle. Given the forward-looking nature of investing, Cambiar also seeks businesses where there is an underlying direction to the company that we view as positive in the longer term, versus a static view of the business assets. Cambiar's investment candidates need not possess a pre-determined minimum growth rate; rather, the company should be in a position to generate excess capital that can be applied to the benefit of shareholders.
- *Valuation* – The Cambiar investment team uses conventional financial measures, such as price/earnings, price/book value, etc., to identify companies that are trading at the lower end of their long-term valuation range. An underlying premise of the Cambiar philosophy is that certain industries tend to follow certain valuation ranges; the market does not randomly value stocks. A stock trading at an attractive valuation would be a candidate for further research. Cambiar analysts should be confident that the fundamentals/industry dynamics that resulted in the historical valuation ranges are consistent going forward.
- *Catalyst/Inflection Point* – The next component of the investment process is to identify some type of fundamental development that can positively change the market's current perception of the company. Such catalysts may come in varying forms: new product introductions, managerial changes, divestiture of an underperforming division, or simply better financial performance. Valuation in and of itself is not a catalyst – there should be some identifiable event that Cambiar believes will cause investors to reassess the business and award it a higher valuation.
- *Upside Criteria/Hurdle Rate* – The final component is the company's upside potential: new investments should demonstrate the ability to generate a significant return over a 1-2 year time horizon. Such scenarios are the result of price sensitivity at the point of purchase, as well as a non-consensus assessment of the true economic value of the company over Cambiar's time horizon. The return target is a combination of capital appreciation and dividend yield, and is based on the company returning to its normal (not peak) earnings and valuation. This demanding hurdle rate is intended to channel research efforts toward those areas of the market that possess the most attractive risk/reward profiles.

The majority of assets in client portfolios are liquid, publicly-traded, domestic and international equity securities. Cambiar does not manage portfolios based on alternative strategies such as quantitative, asset allocation, long-short, risk-neutral, absolute return, or similar strategies, and does not manage portfolios that are designed to provide significant exposure to commodities or derivatives, including swaps, commodity futures, or options on commodities. While certain Cambiar Funds and accounts may hold derivatives, short positions, or pair trades, these funds and accounts are not intended as vehicles for investing significantly in derivatives.

**Research.** The majority of Cambiar’s research is internally generated. In building an investment case, Cambiar analysts will gather data from a variety of resources, including, but not limited to: company-published updates and regulatory filings, industry publications, meetings/conversations with company management, and data provided by sell-side resources. Cambiar analysts build proprietary earnings models for companies purchased in the Cambiar strategies. Cambiar believes that the value-add in its research is in its interpretation of available information and the identification of catalysts that do not yet appear to have been recognized by the market.

**Portfolio Construction.** The Cambiar portfolios are built on a stock-by-stock basis; the investment team does not utilize optimization techniques in portfolio construction, nor does the team attempt to manage the portfolios within a given tracking error or standard deviation range. Cambiar strategies are best classified as benchmark-agnostic. The goal is to build portfolios that strike a balance between focus/conviction and diversification. The number of portfolio holdings will vary by investment strategy.

**ESG.** Cambiar recognizes that environmental, social and governance (“ESG”) issues can impact corporate performance and can drive investment returns both positively and negatively. Cambiar analysts evaluate an issuer’s material ESG-related risk exposures and opportunities to determine if those factors could significantly impact the issuer’s performance during Cambiar’s intended investment horizon. Cambiar is a signatory to the Principles of Responsible Investment.

**Risk Control.** Cambiar evaluates risk in two ways – portfolio risk and analytical risk. Depending on the investment strategy, Cambiar incorporates portfolio risk controls via limits on individual position sizes, sector maximums, and allocations to an individual country.

Cambiar attempts to control analytical risk through the extensive research process that is undertaken for portfolio holdings. Cambiar believes that maintaining a bias towards valuation and quality at the point of purchase should assist in limiting losses for those investment cases that do not materialize as expected, while the identification of a catalyst(s) can drive upside potential over our holding period. Cambiar may use third-party tools to identify unexpected risk factors in portfolios.

**Sell Process.** Cambiar believes that a rigorous sell discipline is as important as the initial buy process. Stocks will typically be reviewed for sale under one or more of the following circumstances:

- *Upside*
  - Investment thesis is realized and the stock reaches Cambiar’s original price target - the stock may be liquidated or trimmed.
  - Exaggerated upside price movement relative to actual developments in the company – the stock may be liquidated or trimmed.
  - Risk management – stocks may be trimmed if they exceed individual position size or aggregate sector limits.

- *Downside*
  - Negative change in fundamentals, or original investment thesis fails to develop as expected.

**Review Policy.** A significant price decline from original purchase or some steady-state price level will typically result in a review of the investment thesis for that company. During such a review, the sponsoring analyst is responsible for reviewing the investment case, as well as discussing/updating relevant changes to the thesis. If it is agreed that the original purchase thesis remains intact, Cambiar may maintain or add to the position.

**IPO/Secondary Offerings.** Cambiar occasionally invests in securities offered in initial public offerings (“IPOs”) and syndicated secondary or follow-on offerings (together with IPOs, “Syndicated Offerings”). Because securities issued in Syndicated Offerings are often priced at a discount to market value, opportunities to purchase shares in such offerings are typically more limited, demand usually outstrips supply, and these securities are often suitable for more than one of Cambiar’s investment strategies. As a result, conflicts of interest arise in the allocation of such opportunities. Cambiar follows an allocation policy that generally seeks, over the long term, to provide each eligible client with the same or similar investment objectives an equitable opportunity to participate meaningfully in the Syndicated Offerings in which Cambiar participates, subject to certain limitations discussed in **Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**. Certain categories of client accounts are generally excluded from participation in Syndicated Offerings, as described in **Item 12. Brokerage Practices**.

### ***Material Risks Associated with Cambiar’s Investment Strategies***

Investors should consider their investment goals, time horizon and risk tolerance before investing in the types of securities that Cambiar invests in on behalf of clients, or in the products or accounts for which Cambiar serves as investment adviser or sub-adviser. Cambiar does not guarantee that any client account will be profitable, meet a particular level of performance, or perform comparably with any standard or benchmark, including other Cambiar client accounts. Investments in Cambiar’s investment strategies do not represent complete investment programs and the investment portfolios advised by Cambiar are not guaranteed by any agency or program of the U.S. government or by any other person or entity. Cambiar’s investment portfolios are intended for long-term investors who hold investments for extended periods of time. Investors have lost money investing in the types of securities that Cambiar buys and sells and clients could lose money in such investments (including by investing in a product or account managed by Cambiar) in the future.

Set forth below is a general description of material risk factors for accounts for which Cambiar provides investment advisory services. Depending on the specific investment strategy, guidelines and restrictions applicable to an account, the following risk factors may or may not be material to that account. Investors in Mutual Funds or other pooled investment vehicles managed by Cambiar are urged to consult with the relevant fund’s prospectus, Statement of Additional Information (“SAI”) and/or other offering documents for further information related to the specific risks of an investment in that fund.

**Equity Securities.** Investing in equity securities involves the risk of loss, and clients and investors should be prepared to bear that risk. Investing in equity securities can be riskier than other types of investments. Some of the risks associated with Cambiar's investments in value equity securities include, but are not limited to, the risks associated with domestic and foreign economic growth and market conditions, interest rate levels, fiscal policy, credit conditions, health and safety-related factors, a country's trade policies (including, but not limited to, the adoption or continuation of protectionist trade policies or sanctions by one or more countries such as the U.S.), the solvency of issuers, managerial ability, currency fluctuations, market volatility and political events. There is a risk that Cambiar will not accurately predict the applicability or impact of these and other factors on markets or investments, and, as a result, Cambiar's investment decisions may not accomplish what they were intended to achieve. These risks may be elevated during certain periods, including periods in which the values of equity securities are highly correlated with one another.

Investments in equity securities often involve more volatility than other investments, and investors should expect that the value of their account(s) will rise and fall more dynamically than strategies that emphasize other types of investments. Individual companies may report poor results or be negatively affected by competition, technology, industry and/or economic trends and developments. Over time, market forces can be highly dynamic and can cause stock markets to move in cycles, including periods when stock prices rise generally and periods when they generally decline. The value of an account's investments may increase or decrease more than the stock market in general, and overall stock market risks will affect the value of client accounts.

**Value Investing.** The value of equity securities also may be influenced by changes in investor sentiment, such as perceptions as to whether investments in value equity assets provide attractive returns in the context of the risks being assumed. At times, negative sentiment and investors' perception of certain investments can predominate, price-earnings multiples may contract, or investors may avoid investment in equity securities altogether. Similarly, there may be periods—which may be lengthy—during which certain segments of the equity assets spectrum, such as growth stocks, are favored over other equity segments. In addition, the securities of “value” companies can continue to be undervalued for long periods of time, and may not reach Cambiar's expectation as to their worth while held in client portfolios.

**Small and Mid-Capitalization Investing.** Investment in small- and mid-capitalization companies can involve more risks than investments in large-capitalization companies. Small- and mid-capitalization companies typically have more limited markets or product lines, more limited financial resources, less access to capital markets, and more limited trading volumes in their securities than large-capitalization companies. This can cause the prices of these equity securities to be more volatile than those of large-capitalization companies, or to decline more significantly than the market as a whole during market downturns. To the extent these companies are more recently established, they will have more limited operating histories to evaluate.

**Foreign Securities; Geographic Concentration.** Client assets may be invested in the securities of foreign issuers, including in securities issued by companies in emerging markets. Whether a security is considered to be a foreign security depends on a number of factors, including whether a significant percentage of the issuer's assets are located outside the U.S., or its revenues come from outside the U.S., or whether the issuer is domiciled or has its headquarters in a foreign country. Other factors, including, but not limited to client guidelines (including policies disclosed

in a Mutual Fund's prospectus), may also determine if the Adviser deems an issuer's security to be foreign security for a particular account.

Investments in foreign securities involve risks that may be different from risks associated with domestic securities, and these securities can be riskier than U.S. investments for a variety of reasons including, without limitation, political or economic instability, external threats, military or otherwise, sovereign solvency challenges, monetary or fiscal considerations, inclusion in or departure from economic or monetary unions, currency fluctuations, rising interest rates, inflation, deflation, inability to borrow at reasonable rates, controls on investment and currency exchange, foreign governmental control of issuers, potential confiscatory taxation, nationalization of companies or expropriation of assets by foreign governments, withholding taxes, limits on repatriation of assets, a lack of adequate company information, less liquid and more volatile exchanges and/or markets, ineffective or detrimental government regulation, varying legal, accounting, auditing, antitrust, disclosure and reporting standards, limitations on business activities and legal systems or market practices that may permit inequitable treatment of minority and/or non-domestic investors.

Because there is less publicly available information about many foreign issuers, it may be more difficult for Cambiar to stay fully informed about these companies. In addition, information concerning foreign corporate actions such as acquisitions or divestitures, rights offerings, dividends, legal or compliance developments, requirements or restrictions, or other matters that can affect the value of portfolio securities, may be more difficult to obtain. Certain countries erect administrative and other barriers that can hinder the ability of investment managers to recapture withheld taxes. Some foreign issuers also impose burdensome or expensive proxy voting requirements that may prevent or discourage the exercise of such voting rights.

The above factors may also cause the values of securities of foreign issuers to be subject to greater price fluctuation than securities of U.S. companies. Many of the risks relevant to investments in foreign ordinary securities are also relevant to the depositary receipts of foreign issuers, including American Depositary Receipts ("ADRs"). In addition, foreign exchange ("FX") transactions are required to settle trades in foreign ordinary securities for client accounts, which subject investments in foreign securities to additional costs, risks, and volatility.

There may be periods when a client account has significant exposure to particular regions or countries, so that negative events occurring in that area would have a greater adverse impact on performance than they would on a more geographically diversified portfolio. During these periods an account's portfolio securities may be particularly susceptible to economic, political, regulatory or other events or conditions affecting issuers and countries within that region. As a result, an account's value may be more volatile than that of an account holding more geographically diverse investments.

**Emerging Market Securities.** As a general matter, Cambiar considers an "emerging market country" to be a country that MSCI or the International Finance Corporation would consider to be an emerging or developing country. In addition, a country may be deemed to be an emerging market country based on considerations such as, the development of its financial and capital markets, its political and economic stability, level of industrialization, per capita income, gross national product, credit rating, and other factors that Cambiar believes to be relevant. Other

considerations, including client guidelines, may bear on whether a security is deemed to be an emerging market security for a client account.

Investing in emerging market securities may involve greater risks than investing in U.S. securities or securities issued by companies in other developed countries. In addition to the considerations discussed above, increased risks may include greater political and economic instability (including elevated risks of war, civil disturbances, and acts of terrorism), enhanced boom and bust cycles, significant exposure to global growth prospects stemming from economic dependency on raw materials exports, burdensome investment or trading requirements, low trading volumes and liquidity and wider spreads, periods of relative illiquidity, temporary restrictions on investments, confiscatory taxation, government seizure or nationalization, or creation of government monopolies, sovereign solvency concerns, immature economic and market structures, greater volatility in foreign exchange rates, capital controls and currency transfer restrictions, trade barriers, dependence on revenues from particular commodities, dependence on international aid, price controls, less governmental supervision and regulation, companies that are smaller and less seasoned, differences in accounting, auditing and financial reporting standards and controls which may result in diminished visibility of important corporate information and less developed legal systems.

**Europe.** Investing in Europe involves risks not typically associated with investments in the U.S., including with respect to investments in developed market countries. A significant number of countries in Europe are member states in the European Union (EU), which faces significant issues involving its membership, structure, procedures and policies. One of the key mandates of the EU is the establishment and administration of a common single market, consisting of, among other things, a single currency and a common trade policy. In order to pursue this goal, member states established the Economic and Monetary Union (EMU), which sets out different stages and commitments that member states need to follow to achieve greater economic and monetary policy coordination, including the adoption of a single currency, the Euro. By adopting the Euro as its currency, a member state relinquishes significant control over its monetary policies.

Efforts of the member states to continue to unify their economic and monetary policies may increase the potential for similarities in the movements of European markets and may reduce any diversification sought by investing in multiple countries within Europe. Following the United Kingdom's decision to leave the EU, other countries may exit or seek to exit the EU, which could result in significant instability and unknown or unintended consequences.

In addition, the economic health and/or fiscal policies of a single member state can impact and pose economic risks to the EU as a whole. Investing in Euro-denominated securities also risks exposure to a currency that may not fully reflect the strengths and weaknesses of the disparate economies that comprise Europe. There is continued concern over national-level support for the Euro, which could lead to certain countries leaving the EMU, the implementation of currency controls, or potentially the dissolution of the Euro. The dissolution of the Euro would have significant negative effects on some European economies and would cause accounts with holdings denominated in Euros to face substantial challenges, including difficulties relating to settlement of trades and valuation of holdings, diminished liquidity, and the redenomination of holdings into other currencies.

On June 23, 2016, the United Kingdom (“UK”) held a referendum in which voters approved an exit from the EU, commonly known as Brexit. As a result of the referendum, the UK government sought to negotiate favorable terms of the UK’s withdrawal, including the terms that would govern future trading relationships, *i.e.*, imports and exports, tariffs, as well as immigration, labor flow, the Republic of Ireland/UK border, and other important issues. The process of exiting from the EU was a difficult exercise, and Brexit introduced considerable complexity and uncertainty into the outlook for both UK issuers and non-UK companies with exposure to UK markets. The UK exited the EU on January 31, 2020 and has entered into a transition period scheduled to last until December 31, 2020. There is still considerable uncertainty regarding the consequences of Brexit, including with respect to the negotiations of new trade agreements during the transition period and whether Brexit will have a negative impact on the UK, the broader global economy, or the value of the British pound sterling. Brexit could adversely affect European or worldwide political, regulatory, economic or market conditions and could contribute to instability in global political institutions, regulatory agencies and financial markets. Further, Brexit may cause additional member states to contemplate departing from the EU, which would likely perpetuate political and economic instability in the region and cause additional market disruption in global financial markets.

**Market Disruption.** Global instability, geopolitical tensions, terrorist attacks in the United States and around the world, and the threat of a global pandemic have resulted in market volatility and may have long-term effects on the United States and worldwide financial markets and may cause further economic uncertainties in the United States and worldwide. Cambiar cannot predict the effects of significant future events on the global economy and securities markets. A similar disruption of the financial markets could impact interest rates, credit risk, inflation and other factors.

An epidemic outbreak and reactions to such an outbreak could cause uncertainty in markets and businesses, including Cambiar’s business, and may adversely affect the performance of the global economy, including causing market volatility, market and business uncertainty and closures, supply chain and travel interruptions, the need for employees and vendors to work at external locations, and extensive medical absences. Cambiar has policies and procedures to address known situations, but because a large epidemic may create significant market and business uncertainties and disruptions, not all events that could affect Cambiar’s business and/or the markets can be determined and addressed in advance.

**Currency Fluctuations and Currency Transactions.** Client account performance for certain Cambiar investment strategies can be materially affected positively or negatively by foreign currency strength or weakness relative to the U.S. dollar, depending upon the extent to which the account invests its assets in foreign securities or other assets denominated in currencies not pegged to the U.S. dollar or currencies that move in tandem with the U.S. dollar.

Foreign exchange (“FX”) transactions are required to settle purchases of securities denominated in currencies other than the U.S. dollar (“foreign ordinary securities”) and to convert proceeds from the sale of such securities back into U.S. dollars. FX transactions are also needed to repatriate income received in foreign currencies back into U.S. dollars. Cambiar does not invest in foreign currencies or engage in FX transactions for investment or speculative purposes.

FX transactions for Cambiar client accounts that invest in foreign ordinary securities are executed in two different manners. In certain instances, FX transactions are executed by the client's custodian bank pursuant to standing instructions. These transactions are executed automatically by the bank at its discretion or on its schedule following receipt of securities trade or other data from the Adviser, an executing broker, custodial affiliate, or another party. The terms under which client custodians perform these standing instruction FX transactions such as timing, pricing, fees/spreads, reporting, etc., should comport with any terms agreed to between the client and the custodian. Transactions in restricted currencies, *i.e.*, currencies that do not trade on global FX markets, as well as FX transactions needed to repatriate dividends and income, interest, and other cash proceeds accumulated as a result of ownership of foreign ordinary shares and held in foreign custodial accounts, are executed by custodians pursuant to standing instructions.

Cambiar generally has little ability to substantively negotiate the terms of FX transactions executed by client custodians pursuant to standing instruction arrangements. FX rates charged by custodians for these transactions are often higher than the lowest available rates and custodians' FX transactions may or may not be competitive or transparent. As a result, Cambiar has a very limited ability to monitor or review custodian FX transactions executed pursuant to standing instructions.

When settling transactions in foreign ordinary securities, where able Cambiar seeks to execute FX transactions in certain currencies on its own trading desk, trading either directly with a client's custodian or with an unaffiliated, third-party FX dealer, each operating as principal in global currency markets. Cambiar seeks competitive FX rates through direct negotiation with banks or dealers or via a multi-bank on-line trading platform that uses industry standard and bank-defined benchmarks. Clients will pay what Cambiar believes is a competitive spread on each such transaction.

**Derivatives Regulation Risk.** The regulation of derivatives in the U.S. and in foreign jurisdictions continues to evolve. While the ultimate impact of these regulatory actions is not clear, it is possible that these and future regulatory measures taken in the U.S. and in foreign jurisdictions could limit or completely restrict the ability of an account to use these instruments, could increase the costs or decrease the potential benefits of using these instruments, or make them less effective.

**Depository Receipt Investing.** Depository receipts are certificates evidencing ownership of shares in a foreign issuer. These certificates are issued by depository banks and generally trade on an exchange or over-the-counter in U.S. markets or elsewhere. Depository receipts are often alternatives to directly purchasing the underlying foreign securities in their national markets and currencies. Depository receipts are either sponsored or unsponsored. While similar, unsponsored depository receipts are generally issued without the participation of the underlying company, and may have diminished shareholder rights, as discussed below.

Client accounts invested in sponsored or unsponsored depository receipts are subject to many of the same risks associated with the purchase and sale of foreign securities. In addition, other factors, such as issuer corporate actions or actions by foreign countries can result in displacements that cause such instruments to trade at enhanced premiums or discounts to the underlying foreign ordinary security. Depository receipt holders do not always receive all the rights and benefits of the holders of the ordinary shares, they may have limited or no ability to participate in corporate



actions and vote proxies, and may have differing tax consequences. Holders of unsponsored depositary receipts often bear the costs of such facilities and the depositary of unsponsored interests is frequently under no obligation to distribute shareholder communications or to pass through voting rights to the holders of these interests. Certain Cambiar investment strategies are offered in a depositary receipt format only, which can present certain limitations with respect to the universe of possible investments and issuers when compared to other domestic or international equity strategies, which can result in less portfolio diversification, performance dispersion, and additional risk.

**Concentrated Investing; Liquidity.** Client account portfolios managed by Cambiar tend to be relatively concentrated and often contain fewer securities than equity portfolios managed by some other advisers. Holding relatively concentrated portfolios can increase the risk that the value of a client account could decrease because of the poor performance of one or a few investments. These risks can be more acute in “non-diversified” portfolios, including those managed in the global ultra focus strategy. Because Cambiar may hold concentrated positions for multiple client accounts, disposing of such positions might take longer, result in lower sales prices, or be more challenging than it would for smaller positions, depending on market and trading conditions. This might affect account performance. Similarly, because Cambiar often purchases the same security for multiple accounts, it can take longer to accumulate the desired level of securities for a particular account, which could result in some securities being purchased at higher prices (or not at all).

**Cybersecurity.** Investment advisers, including Cambiar, rely on digital and network technologies (collectively, “cyber networks”) to conduct their businesses. Such cyber networks are subject to risk of cyber attacks that could potentially seek unauthorized access to systems for purposes such as misappropriating sensitive information, corrupting data, or causing operational disruptions. Although Cambiar maintains and updates information technology safeguards intended to protect the confidentiality of its internal data, there are inherent limitations in such technology safeguards and cyber incidents could potentially occur, and might in some circumstances result in unauthorized access to sensitive information about Cambiar or its clients. Similar types of cyber security risks are also present for issuers or securities in which accounts managed by Cambiar can invest, which could result in material adverse consequences for such issuers or securities, and could cause an account’s investment in such issuers or securities to lose value. In addition, Cambiar and its client accounts have some exposure to cybersecurity risks through third parties (such as broker-dealers or other financial intermediaries), as well as through Cambiar’s service providers or service providers to the Mutual Funds or other accounts Cambiar advises. Cambiar cannot directly control any cybersecurity plans and systems put in place by other third parties, including service providers, or by issuers in which accounts managed by Cambiar invest.

## **Item 9. Disciplinary Information**

Neither Cambiar nor any employees have reportable disciplinary information.

## **Item 10. Other Financial Industry Activities and Affiliations**

Cambiar does not engage in any financial services activities other than the management of equity portfolios. Cambiar is not registered as a broker-dealer. Solely to facilitate distribution of the Cambiar Funds, and the CIT, certain client services personnel, including the Director of Marketing,

are registered representatives of Foreside Fund Services, LLC (“Foreside”), a FINRA-registered broker-dealer. There is no common ownership between Cambiar and Foreside, and Cambiar does not execute any client securities transactions through Foreside.

Cambiar’s principal owners and certain other affiliates are identified in **Item 4. Advisory Business**. None of Cambiar’s affiliated companies are public companies, broker-dealers, investment advisers, or are substantially involved in Cambiar’s day-to-day business operations.

**Related Registered Investment Companies.** Cambiar serves as investment adviser to the Cambiar Funds, which are portfolios of The Advisors’ Inner Circle Fund. Cambiar Funds portfolios include:

- The Cambiar Opportunity Fund
- The Cambiar International Equity Fund
- The Cambiar Small Cap Fund
- The Cambiar Global Ultra Focus Fund
- The Cambiar SMID Fund
- The Cambiar Global Equity Fund
- The Cambiar International Small Cap Fund

Cambiar may serve as investment sub-adviser to registered investment companies sponsored and advised by other firms.

## **Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

In accordance with Rule 204A-1 under the Advisers Act and Rule 17j-1 under the 1940 Act, Cambiar maintains a Code of Ethics (the “Code”). The Code establishes Cambiar’s expectations for its partners, officers, principals and employees. The Code is based on the principal that personnel owe a fiduciary duty to clients to conduct their affairs, including their personal securities transactions, in a manner intended to avoid: (i) putting their own personal interests ahead of clients; (ii) taking inappropriate advantage of their position with the Adviser; and (iii) any actual or potential conflicts of interest or abuse of their position of responsibility. Among other things, the Code requires that Cambiar personnel notify the Chief Compliance Officer (“CCO”) of violations or suspected violations of the Code and the CCO must report any material Code violations to management and the Board of any Mutual Fund, as applicable.

Cambiar believes that the Code’s guidelines and other Cambiar compliance policies and procedures are reasonably designed to minimize potential trading-related and other conflicts of interest between Cambiar, its employees, certain immediate and other family members, and its clients, or to reasonably control, minimize, monitor, or otherwise address these and other potential conflicts of interest. Clients should be aware, however, that no set of rules can anticipate or eliminate all potential conflicts of interest, that conflicts of interest inevitably apply in providing investment advisory services, and that certain conflicts cannot be fully eliminated, avoided, controlled, or disclosed in advance.

Investments by Cambiar or its employees can create conflicts of interest or the appearance of conflicts of interest with client investments since those investments could conceivably benefit from client portfolio movements. Cambiar personnel may not effect transactions in securities for their own account, or for accounts in which they have an interest or control, if Cambiar is evaluating those securities for purchase or sale for a client account or if those securities are being strategically purchased or sold across client accounts within a seven-day restricted period. These restrictions are subject to exceptions for certain smaller, non-strategic trades.

Cambiar personnel generally cannot purchase and sell the same security for a gain within any 30-day period, and must obtain pre-clearance to invest in common stocks or derivatives on common stocks, and corporate bonds, and prior to participating in any IPO. Cambiar personnel must pre-clear certain trades for personal securities accounts through the Adviser's automated personal trading software system, subject to certain exceptions. The Code also requires periodic reporting of personal securities holdings and transactions and requires employees to pre-clear certain outside business and political activities. Cambiar has established the aforementioned pre-clearance procedures in an effort to mitigate potential conflicts of interest.

Certain of Cambiar's Separate Account clients may invest a portion of their assets in one or more of the Cambiar Funds. This may present the appearance of a conflict of interest since Cambiar collects fees for the advisory services provided to the Cambiar Funds. The Adviser believes, however, that this potential conflict is mitigated because Cambiar does not collect an advisory fee on the portion of any such Separate Account invested in the Cambiar Funds.

Cambiar will provide a copy of its Code to any client or prospective client upon request. Written requests should be sent to the applicable address identified on the cover of this brochure.

Under Section 204A of the Advisers Act and related rules, the Adviser maintains an insider trading policy that includes procedures reasonably designed to prevent trading or disclosures by Cambiar personnel that could constitute the misuse of material, non-public information. Among other things, Cambiar's policy generally forbids any employee from buying or selling a security personally or for any account managed by Cambiar while in possession of material, non-public information about a security or its issuer.

**Allocation of Opportunities; Participation by Related Persons.** Cambiar's investment decisions for each client account are based on the investment objectives, policies, and other relevant investment considerations that Cambiar believes are applicable to that particular account. In allocating investment opportunities, Cambiar seeks to treat all clients fairly and equitably relative to each other over the long term.

Cambiar uses its reasonable best efforts to allocate investment opportunities over the long term in an equitable manner. Cambiar is not obligated to recommend for any client account the purchase or sale of securities or other investments that it may purchase or sell, recommend for purchase or sale, or take the opposite side of the market for investments, for other client accounts, or for its own account or those of related persons (generally, its partners, officers, principals and employees, and certain of their relatives). Circumstances can arise under which Cambiar determines that while it would be both desirable and suitable that a particular security or other investment be purchased or sold for a specific account (including those of related persons), that security or other investment

may or may not be purchased for that or other accounts. In other instances, Cambiar may buy or sell a particular security for certain accounts prior to making such purchases or sales for other accounts, or may buy or sell different quantities of securities for different accounts at different times.

As a result, some clients may not participate in the investments in which other clients (or related persons) participate, or may participate to a different degree or at a different time. In instances in which there is a limited supply for a security or other investment instrument, Cambiar will seek to allocate the opportunity to purchase or sell that security or other investment among accounts on an equitable basis over the long term, but is not required to assure equality of treatment among client accounts (including that the opportunity to purchase or sell that security or other investment may be proportionally allocated among those clients according to a particular or pre-determined standards or criteria).

The Adviser and its related persons maintain Separate Accounts, or invest, directly or indirectly, through pooled investment vehicles advised by Cambiar, including the Cambiar Funds, and the CIT. Cambiar generally seeks to manage and trade these accounts, and any accounts in which the Adviser or its related or affiliated personnel have material ownership interests, consistent with and alongside other client accounts, and therefore the Adviser and its related persons can hold the same securities as clients. Cambiar may buy or sell securities or other investments for the accounts of related persons or investment vehicles in which related persons invest that may be similar to, or may be substantially different from, the securities or investments it buys or sells for clients. Cambiar proprietary accounts or the accounts of related persons that are not managed by Cambiar also can hold securities that Cambiar purchases or sells for client accounts.

Cambiar generally addresses issues concerning side-by-side management of multiple (non-wrap/directed) accounts by trading those accounts in groups. Cambiar generally seeks to group and trade together similarly situated accounts (*i.e.*, separate accounts pursuing the same strategy), irrespective of an account's ownership, fee level or fee structure, or other considerations that might raise conflict of interests concerns. By aggregating and allocating applicable trades on a group—rather than individual account—basis, Cambiar minimizes any tendency (intentionally or unintentionally) to favor one account or group of accounts. Trading in groups can be helpful in eliminating issues raised by providing advisory services to proprietary or related accounts, or accounts that pay performance-based fees. Cambiar's Compliance department also periodically reviews allocation and aggregation metrics, as well as performance dispersion among accounts in the same strategy, to help ensure that no account or group of accounts are being favored over the long term.

Cambiar may purchase or sell for client accounts securities in which the Adviser or its related persons have a material financial interest. In addition to purchasing and selling for clients securities in which the Adviser or its related persons have a financial interest, such financial interest can also include the contribution by the Adviser or related persons of seed capital to a fund it manages, or an actual investment by the Adviser or related persons in a fund in which it also invests client interests. The Adviser or its related persons may also purchase or sell for themselves securities or other investments which one or more of its clients own.

The ownership interests that Cambiar or related persons hold in Cambiar Fund portfolios can be significant at times, and as a result, Cambiar and those persons might at times be deemed to be “affiliated persons” of, or to have “control” over, certain Cambiar Funds, as those terms are defined in the 1940 Act.

Cambiar may have other business dealings with brokers or dealers that execute securities, foreign currency, or other financial instrument transactions for Cambiar client accounts, or which supply Cambiar with qualifying research and brokerage products and services pursuant to Section 28(e) of the Exchange Act in exchange for brokerage commissions. These brokers or dealers (or their affiliates) could be clients of Cambiar, could refer potential clients to Cambiar, could sponsor products that use Cambiar’s services, could sell investment products offered by Cambiar, or could provide consulting or other services to Cambiar clients. Securities of these entities that are publicly traded may be purchased and sold for client accounts.

Cambiar or its related persons may do business with Cambiar’s clients or with issuers whose securities are purchased and sold for client accounts. For example, Cambiar may purchase or hold for client accounts the securities of other clients (or their affiliates), or companies with which the Adviser or its affiliates do business, *e.g.*, health care providers. Cambiar also may purchase or hold for clients the securities of service providers (or affiliates of service providers) to Cambiar, its related persons, or to the Mutual Funds or to other Cambiar clients, such as brokers, dealers, banks, and others.

As the situations described above give rise to actual or potential conflicts of interest, Cambiar has implemented policies and procedures relating to, among other things, portfolio management and trading practices, personal securities transactions, and insider trading. These policies and procedures are intended to mitigate conflicts of interest with or among clients and to resolve them appropriately when they do occur. *See* the discussion of Cambiar’s Code of Ethics and other compliance policies and procedures, above.

## **Item 12. Brokerage Practices**

**Best Execution.** When it has discretion over broker-dealer selection and execution, Cambiar seeks to obtain for client accounts the best execution of portfolio securities transactions that can reasonably be obtained under the circumstances. To seek best execution means to use reasonable diligence in seeking the most favorable execution terms reasonably available in the specific circumstances surrounding each securities trade, so that a client’s total costs or proceeds in each securities transaction are the most favorable reasonably available under the prevailing market conditions.

As part of its consideration of best execution, Cambiar considers various potential costs associated with the execution of securities transactions, including costs associated with client commission benefits/soft dollars, explicit brokerage commission costs, spreads, more subtle costs associated with market impact or other price movement during trades, opportunity costs, market anonymity, and other costs associated with achieving Cambiar’s investment goals. Cambiar works actively to contain explicit commission costs, but commissions may at times be a less significant consideration than other costs that can have a larger impact on the overall investment results of

securities trades. In seeking to achieve best execution, Cambiar does not always obtain the lowest possible commission cost.

Cambiar maintains a Best Execution Committee that is responsible for overseeing the implementation of applicable trade management policies and procedures, determining their effectiveness, and reviewing the Adviser's efforts to achieve best execution of its discretionary securities transactions for clients. In addition, the Committee reviews the results of Cambiar's semi-annual broker vote.

**Brokerage Discretion.** Except in connection with wrap accounts and other directed brokerage arrangements, as discussed below, Cambiar generally retains the authority to determine, without obtaining specific client consent, the brokers or dealers to be used to execute securities trades for client accounts, as well as the commission rates to be paid. Cambiar's trade execution practices seek to utilize brokers with a demonstrated ability to provide execution of transactions at reasonable commission rates, taking into account the amount of the commission and other considerations discussed herein. The furnishing of permissible brokerage or research services that are paid for with client commissions is a consideration in broker selection, as discussed below in **Client Commission Benefits/Soft Dollars**.

When selecting a broker, Cambiar considers factors such as, without limitation, each trade order's timing, size, complexity, special features, the availability of liquidity, and current market conditions, the full range and quality of a broker's services, its ability to obtain a favorable price, provide or locate liquidity (including natural counterparties), access provided to corporate executives, research, commission rates, fees, or spreads, sophistication of electronic trading options, its initiative in providing investment ideas, access to underwritten offerings, the value and extent of the broker's past and expected future contributions to overall portfolio performance on a continuing basis, ability and willingness to trade foreign ordinary securities and facilitate depositary receipt conversions, willingness to commit capital, handle large or small orders, block trading capability, the broker's reputation, integrity, facilities, trading expertise, reliability, and responsiveness in executing trades and keeping records, familiarity with the other side of the trade, fairness in resolving disputes, settlement reliability, operational efficiency, ability to maintain confidentiality, commission recapture arrangements, and any client directions to use or not use a particular broker. Cambiar seeks to obtain commission rates for client securities transactions which are competitive with prevailing market rates for similar transactions, but is not obligated to choose the broker-dealer offering the lowest available commission rate. Brokerage firms through which Cambiar directs trades may themselves be Cambiar clients or may refer clients to Cambiar.

Consistent with Rule 12b-1(h) under the 1940 Act, Cambiar does not direct commissions to broker-dealers in consideration for the promotion or sale of shares of the Cambiar Funds or other sub-advised Mutual Funds, for the promotion or sale of any other investment products offered by the Adviser, or for the referral of clients to the Adviser.

**Client Commission Benefits/Soft Dollars.** When selecting a broker-dealer, including alternative trading systems and electronic communications networks (collectively, "brokers") to execute certain client securities transactions, Cambiar may consider the broker's ability to provide research and brokerage products and services to Cambiar and its clients ("client commission benefits" or "soft dollar benefits"). These client commission benefits are obtained through the payment of

commissions for agency equities trades executed by brokers. These services benefit clients as well as Cambiar itself, and in some cases are unobtainable without the payment of commissions to the providing broker. Cambiar also may pay hard dollars for certain research and brokerage products and services.

Client commission benefits represent a potential conflict between the interests of the client and the investment adviser because they permit the adviser to obtain products or services that benefit it (and its clients) without using the adviser's own resources to produce or pay for them. In addition, an adviser may have an incentive to select brokers that provide client commission benefits over other brokers that do not offer such benefits and would charge less for executing securities transactions. Certain client commission benefits practices benefit some clients more than others. For example, a client whose brokerage assists in paying for client commission benefits may not be the beneficiary of those products or services, while another client or account benefits even though that account did not assist in paying for those benefits.

Cambiar's client commission benefits arrangements are intended to meet the requirements for qualification for the "safe harbor" under Section 28(e) of the Exchange Act, as interpreted by the SEC, including in SEC Release No. 34-54165 (July 18, 2006), the SEC staff, and any applicable requirements under ERISA. Section 28(e) provides a safe harbor for investment advisers who use commission dollars of their advised accounts to obtain brokerage and investment research services that provide lawful and appropriate assistance to the adviser in performing its investment decision-making responsibilities. In recognition of the value of dealing with brokers of demonstrated qualifications and in recognition of the value of the research services and products made available by these brokers to Cambiar, Cambiar may pay a broker a brokerage commission in excess of that which another broker might have charged for effecting the same transaction. In such instances, Cambiar makes a good faith determination that the value of the brokerage services and the research services and products provided by these brokers is reasonable in relation to the amount of commissions paid, viewed in terms of either the specific transaction or Cambiar's overall responsibilities to client accounts.

The research and brokerage services and products provided by brokers which influence Cambiar's selection of brokers include access to corporate executives, attendance at investment conferences, the outlook for particular industries, the furnishing of market letters and reports concerning the state of the economy, the analysis of individual companies and portfolio strategy, broker analysts and economists, and access to software to assist in post-trade matching and settlement, portfolio management and analysis software, and other research-oriented software. In addition, various brokers offer Cambiar the ability to communicate directly with their analysts who study particular industries (and companies within such industries) in-depth on an ongoing basis.

Client commission benefits received by Cambiar include both "proprietary" and "third-party" research or brokerage services. Under proprietary arrangements, executing brokers provide their internally-produced research and services and brokerage-related products and services, including reports on industries and companies and access to corporate executives and industry conferences, among other eligible products and services. Brokers providing these services are often paid higher commissions than brokers that provide execution-only services. The availability of the research may be affected by the amount and level of commissions or trading generated by Cambiar.

To date, many proprietary client commission benefit services have not been made available by brokers on a stand-alone basis, have not been assigned a definitive cost or value by the broker, and have not been purchasable with “hard dollars.” The costs associated with these services have historically been bundled with execution expenses, and the costs of paying brokers for proprietary research and brokerage may not be separable from execution expenses and may be known only to the broker. For this reason, it has not been feasible for an adviser to conclusively establish that commissions paid match the proprietary services provided, although Cambiar believes that the commissions paid for the services received are reasonable.

Certain trends in regulations and practices are expected to result in more unbundling and definitive research costs. For example, recent revisions to the EU Markets in Financial Instruments Directive (“MiFID”) and related regulations limit a MiFID-licensed manager’s ability to receive products and services from executing brokers. While it is not directly subject to these regulations, Cambiar will examine whether to adjust its standard practices consistent with evolving practices driven by MiFID or other non-US regulations.

Under third-party client commission arrangements, third-parties, including entities that may be brokers, make available to Cambiar research or other products or services through arrangements under which the products and services are provided by an executing broker. Currently, Cambiar utilizes commission sharing arrangements (defined below) to obtain eligible third-party research services, but may enter into other third-party soft dollar arrangements in the future.

Research services and products made available by brokers through whom Cambiar executes securities transactions are used by Cambiar in serving multiple Cambiar accounts. Many client accounts will pay some portion of their overall agency brokerage commissions for eligible brokerage and research services. The overall contribution of any particular client account necessarily varies depending on factors such as the relevant account platform, the extent to which the client directs brokerage for the account, account size, the investment strategy, differences in relative commissions paid on different markets (*i.e.*, commissions for foreign trades are typically (relatively) more costly than commissions for domestic trades), the volume of trading done for the account, cash flows into and out of the account, the nature of the brokers or brokerage services used to execute trades for the account, compensation arrangements with each broker, and other factors.

Some client accounts will contribute more of their brokerage commissions towards obtaining client commission benefits. Certain accounts or account categories make few or no contributions toward obtaining soft dollar benefits, although they typically benefit from research or brokerage services to the same extent as client accounts that do contribute. For example, Wrap fee program accounts, model-only arrangements, and directed-brokerage accounts contribute little, if any, to the client commission benefits received by Cambiar because those accounts sharply limit or eliminate brokerage discretion and/or receive a lower level of services.

**Commission Sharing Arrangements.** Cambiar obtains research services that are within the safe harbor of Section 28(e) of the Exchange Act by participating in one or more commission sharing arrangements (“CSAs”). Under a CSA, certain executing brokers allocate a portion of the commissions paid on certain agency transactions to a pool of credits maintained by that broker that can be used to obtain soft dollar benefits made available by third-party research providers. After



accumulating sufficient credits within the pool, Cambiar can direct the broker to use the credits to pay those research providers for eligible soft dollar benefits provided by the broker and made available to Cambiar.

CSAs permit Cambiar to consolidate payments for research services using accumulated client commission credits from securities transactions executed through the brokers sponsoring them. Cambiar makes a good faith determination as to the value of the research services obtained through the CSAs and may obtain input as to the value of such research services from the service providers participating in the programs. Cambiar primarily utilizes electronic trading platforms to generate CSA credits, but may choose to establish CSA relationships in connection with full service brokerage in the future.

Cambiar does not own the CSA pools, and generally has only limited control over such pools. In the event that a broker merges with another broker or declares bankruptcy or in other situations, there can be no assurances that pools of credits accumulated as a result of client brokerage will necessarily be maintained or preserved for the benefit of Cambiar or its clients. Cambiar seeks to mitigate these risks by closely monitoring CSA balances.

**Aggregation and Allocation.** To the extent operationally and otherwise practical, Cambiar will attempt to allocate investment opportunities to each client in a fair and equitable manner in light of the particular circumstances of the security, the account and its investment style, and the trade, with no particular group of client(s) being favored or disfavored over other clients over the long-term. Cambiar often aggregates transactions for client accounts or groups, including Mutual Funds, Separate Accounts, SMA and client-directed brokerage accounts, although in most instances (and depending upon the investment strategy) trades for SMA and directed brokerage accounts are typically executed independently of those of Mutual Funds and Separate Accounts.

To the extent permitted by law, Cambiar may aggregate contemporaneous purchase or sell orders of the investment advisory accounts over which it has brokerage discretion if, in its judgment, such aggregation can be expected to result in an overall economic benefit to client accounts, or to obtain efficiencies potentially available on larger transactions. Trades for different client groups may be aggregated and traded at the same time with one or more brokers to obtain the efficiencies potentially available on larger transactions. Simultaneous execution of trades for different client groups may be appropriate in some cases. For example, when trades for one group of client accounts are small while trades for another group are large, when trades for different accounts can be executed on different trading venues or otherwise that are not expected to materially impact one another, or when the overall trading or market volume in a security is large compared to the size of the proposed trades.

Where, because of prevailing market conditions, it is not possible to obtain the same price or time of execution for all of the securities or other investments purchased or sold for client accounts, aggregated orders are allocated to each account that bought or sold the securities or other investments at the average execution price or according to some other fair and equitable allocation methodology, pursuant to Cambiar's policies and procedures. If orders for the same security are submitted at different times for different groups/portfolios, Cambiar will typically begin execution for the first order and may aggregate and allocate any additional orders for execution where, variously among other considerations, the orders are initiated as part of a single investment

decision, the initial order has not been completed, and/or material changes in the market or price of the security have not occurred. If less than the total of the aggregated orders is executed, purchased securities or other investments or proceeds will generally be allocated pro-rata among participating accounts in proportion to their planned participation in the aggregated orders, or otherwise allocated consistent with applicable policies and procedures. In other instances, different tranches (at different prices) may be allocated. In some instances, partial executions will be allocated to Separate Accounts or Mutual Funds prior to being allocated to Wrap Fee relationships.

Cambiar is under no obligation to aggregate orders. If Cambiar determines that including a client account in an aggregated transaction is inadvisable, if the client or custodial arrangements present unique issues, *e.g.*, significant investment restrictions, if aggregation would be unduly cumbersome, or if including such accounts in the normal trade rotation could adversely impact Cambiar's broader client group, Cambiar will not aggregate that account's trade with other accounts. For example, restrictions placed on client-directed brokerage and certain wrap accounts often make those accounts ineligible for aggregated transactions (except with regard to other accounts traded on the same platform), and often results in those accounts trading after discretionary accounts. Such clients may receive less favorable prices on account transactions as a result of not participating in Cambiar's overall aggregation and trade rotation process.

**Trade Rotation (domestic equities).** While we seek to treat clients equitably and fairly over time in connection with the execution process, for a variety of reasons, including, but not limited to, factors associated with the amount of time and the technical requirements of building and placing various types of trades, different investment account structures and platforms, multiple investment strategies, communication protocols, and trade desk staffing, fully discretionary accounts that do not direct brokerage to a specific broker (which typically includes Cambiar proprietary or related/affiliated accounts) will generally trade, in whole or in part, prior to arrangements that direct brokerage, as described below. Cambiar may choose to complete execution of trades for non-directed accounts prior to beginning the trading for directed accounts, or may seek to intersperse trading for certain directed accounts within the period in which it is trading non-directed accounts. In instances in which liquidity is sufficient and the trades are not expected to adversely compete against one another in the market, Cambiar may simultaneously trade/dispatch signals to directed accounts/relationships alongside non-directed accounts—typically after some part of trading for the non-directed accounts has been completed.

Trading for directed accounts such as SMA accounts is usually conducted within the same period as certain UMA and model portfolio trades. Cambiar will include within a rotation with its SMA arrangements those UMA/model portfolio programs that promptly acknowledge receipt of a trade recommendation, notify Cambiar that trading activity has been completed, and satisfy other relevant criteria, as determined by Cambiar. Cambiar generally orders trading for SMA and designated UMA/model portfolio programs pursuant to a rotation generated by a computer randomizer that recommends an initial sequence of execution-related responsibilities. The randomizer software assigns a rotation among members of Cambiar's trading team and sequences the order for trading the various accounts assigned to each trader. The Adviser will generally proceed to the next arrangement following receipt of information indicating that trading for the previous arrangement has been completed; provided, however, that in some instances Cambiar may initiate trading for more than a single relationship if market conditions are favorable, and the presence of multiple orders in the market are not expected to materially impact one another.

Certain of the Adviser's UMA/model portfolio program clients do not provide indications that a recommended model change has been accepted or report that trading has commenced and/or has been completed. The Adviser will typically transmit signals to these UMA/model portfolio sponsors following trading for other arrangements. Cambiar will consider communication of a signal to these sponsors, which may occur simultaneously or on a staggered basis, to be complete upon transmission, and Cambiar may not wait before communicating model changes to other, similarly situated sponsors. Notwithstanding its lack of transparency into UMA/model portfolio sponsor trading, Cambiar may take measures, including timing the transmission of signals, to allow time for trading/minimize the potential for simultaneous trading. Please *see Trade Rotations Generally*, below, for additional information.

Factors such as workflow and scheduling, timing, trading resource availability, ability to expeditiously complete orders or take advantage of market opportunities, cash flows, liquidity considerations, market conditions, and investment goals often necessitate an adjustment to the initial recommended sequencing of trades. Cambiar has complete discretion to modify the order in which it executes or recommends trades. This trade rotation applies to strategic portfolio movements; Cambiar generally completes smaller, non-strategic securities purchases and sales (e.g., rebalances) on an account-by-account basis.

**Trade Rotation (ADRs and foreign ordinary strategies).** Cambiar offers international strategies that invest wholly or in significant part in ADRs, U.S.-listed foreign securities, and locally traded foreign ordinary securities. Cambiar maintains a separate trade rotation for these strategies that takes into account, among other considerations, the nature and liquidity of ADR securities, the market(s) upon which foreign securities trade, and the ability and desirability of stepping-out trades to other broker-dealers when doing so appears to be beneficial.

When effecting strategic portfolio changes for its ADR strategies, e.g., position liquidations, new names, etc., Cambiar makes an initial determination as to whether liquidity and trading volumes favor trading ADR securities on U.S. markets, or alternatively, transacting in foreign ordinary securities on overseas markets and completing corresponding ADR conversions. When market depth favors trading on foreign markets, Cambiar will seek to complete strategic trades by aggregating transactions for: (1) client accounts that do not direct trading to specific brokers (which typically will include Cambiar proprietary or related/affiliated accounts), and (2) certain participating arrangements that typically direct brokerage to specific brokers, but that grant Cambiar the flexibility to trade foreign ordinary shares with other brokers, convert ordinary share trades into ADRs (or vice versa), and step out those trades to the sponsor's affiliated or designated broker. (See **Step-out/Trade Away Transactions**, below.)

Cambiar usually aggregates participating arrangement trades with trades for non-directed clients and trades in foreign ordinary securities if it believes that it can increase efficiencies or lower the overall costs of trading, taking into account factors such as market impact, opportunity costs, commissions, spreads, availability of natural liquidity, and other costs; in other instances the Adviser may block together these groupings of clients to trade ADRs on domestic markets if, for example, natural market liquidity is available. In other situations, Cambiar may seek to block participating arrangement trades and execute following execution for non-directed relationships.

Cambiar next trades/transmit signals (as applicable) to the rotation comprised of directed SMA account relationships and UMA/model portfolio arrangements that meet certain criteria, including that they promptly acknowledge receipt of a trade recommendation and notify Cambiar that trading activity has been completed, have the ability to trade in local markets, and satisfy other relevant criteria, as determined by Cambiar. SMA programs that do not permit or are not eligible to trade in local markets will trade on US markets in the rotation, potentially during the period when local market trading is taking place.

In instances in which the Trading department believes that adequate liquidity exists in the market, Cambiar may also choose to transmit trade signals/recommendations in local shares to certain arrangements at the same time that trades are being executed for discretionary trading/institutional clients (and participating arrangements, as applicable). Cambiar will provide these programs with specific trading instructions or parameters to help ensure that an orderly market is maintained, market liquidity remains sufficient, and that trades are not adversely competing against one another in the market. In the event that the Trading department believes that liquidity is no longer adequate or that trade execution quality may be harmed, further instructions will be transmitted to help ensure execution quality. Programs that are not amenable to trading under more specific trading instructions will continue in order of rotation either following completion of the programs described or upon completion of trading for institutional/discretionary accounts.

Cambiar generally orders trading for SMA and designated UMA/model portfolio programs pursuant to a rotation generated by a computer randomizer that recommends an initial sequence of execution-related responsibilities. The randomizer software assigns a rotation among members of Cambiar's trading team and simultaneously sequences the order for trading the various accounts/platforms assigned to each trader. The Adviser will generally proceed to the next arrangement following receipt of information indicating that trading for the previous arrangement has been completed; provided, however, that in some instances Cambiar may initiate trading for more than one relationship if market conditions are favorable, and the presence of multiple orders in the market are not expected to materially impact one another.

Certain of the Adviser's UMA/model portfolio program clients do not provide indications that a recommended model change has been accepted or report that trading has commenced and/or has been completed. The Adviser will typically transmit signals to these UMA/model portfolio sponsors following trading for other arrangements. Cambiar will consider communication of a signal to these sponsors, which may occur simultaneously or on a staggered basis, to be complete upon transmission, and Cambiar may not wait for confirmation of order receipt or execution before communicating model changes to other, similarly situated sponsors. Notwithstanding its lack of transparency into UMA/model portfolio sponsor trading, Cambiar may take measures, including timing the transmission of signals, to allow time for trading/minimize potential for simultaneous trading. Please see **Trade Rotations Generally**, below, for additional information.

Factors such as workflow and scheduling, timing, trading resource availability, ability to expeditiously complete orders or take advantage of market opportunities, cash flows, liquidity considerations, market conditions and investment goals often necessitate an adjustment in the initial recommended sequencing of trades. Cambiar has complete discretion to modify the order in which it executes or recommends trades, as applicable. Cambiar generally completes smaller, non-strategic securities purchases and sales (e.g., rebalances) on an account-by-account basis.

**Trade Rotations Generally.** The order in which any account or group of accounts trades can affect the prices obtained. Trades placed earlier may have the potential to obtain better purchase prices or sales proceeds. Markets may move away from programs that are trading later in the rotation, and earlier trades have the potential to influence markets in a direction that could in some instances disadvantage subsequent trades. Given the nature of Cambiar's client relationships and the types of securities in which the Adviser invests, full trade rotation can sometimes take significant time to complete and can result in price/performance dispersion.

Further, because trade signals for relationships that do not communicate are not necessarily transmitted pursuant to a rotation, there is an increased chance that trading in these programs could take place during the period in which other programs are trading in the same security and price and execution quality could be influenced by other trades.

For those UMA/model portfolio programs for which it receives relevant data, Cambiar, to the extent practicable, will test various metrics, including trade execution quality and account performance dispersion, in an effort to assess whether, over the long term, the trade rotation and execution process is achieving Cambiar's goal of treating clients equitably and fairly over the long term, consistent with the type of account and information communicated by the account to Cambiar.

**Client-Directed Brokerage.** Upon request, Cambiar will participate in certain arrangements in which clients direct, request, or recommend that Cambiar direct trades to a specified broker-dealer ("Directed Broker") to execute or attempt to execute transactions for the client account. The Directed Broker typically agrees to rebate certain commissions to the client, pay costs incurred by the client, or provides administrative, consulting, performance calculation, or other services, as negotiated by the client, in return for a portion of the commissions from client-directed trades, or as part of a wrap relationship. For those arrangements in which the client directs Cambiar to execute or attempt to execute transactions with a Directed Broker, Cambiar generally will honor those instructions, except in instances in which it "trades away" certain SMA or UMA/model portfolio trades, as discussed below. In order to promote execution quality for both the directing account and other clients, the Adviser's policy generally limits client-directed brokerage agreements to no more than 25% of eligible trades, although, in practice, the percentage of trades executed pursuant to these programs outside of wrap fee programs is typically much lower. Cambiar neither recommends, negotiates, nor seeks visibility into these arrangements, and does not request that clients engage in client-directed brokerage arrangements.

A client requesting or instructing Cambiar to direct securities transactions for its account to a Directed Broker effectively makes the decision to retain the discretion that Cambiar would otherwise exercise in selecting brokers to effect transactions. The directing client has evaluated and negotiated brokerage commissions, executions, and any fees or services or other benefits to be paid or provided by the Directed Broker. Cambiar is not in a position to fully evaluate the quality of execution of the trades by the Directed Broker or the value of the benefits to be received by the client in exchange for the transaction. Consequently, it is solely the client's responsibility to satisfy itself concerning the adequacy of these arrangements. Trades for accounts seeking to direct brokerage are often not aggregated with other trades, and might be executed after trades for other client accounts.

In participating in client-directed brokerage arrangements, clients should recognize that brokers other than the Directed Broker may offer better prices, lower commissions or transaction costs, or other considerations that may result in executions that are more favorable than those of the Directed Broker. In directing trades to the Directed Broker, clients acknowledge that the security prices obtained, commissions and other transaction costs charged by the Directed Broker may not be as favorable as those that might be obtained if trades for their account were placed through another broker, and that by directing trades the account may not participate in potential savings on execution costs resulting from volume or other discounts or benefits that may be available to Cambiar. In these instances, the account may pay more or less for the same investment than similarly situated Cambiar clients, depending on the account's particular circumstances, the applicable investment strategy, the relevant market conditions, and other factors.

Cambiar cannot assure that best execution of transactions will be achieved for those accounts under which Cambiar is requested or instructed to execute or attempt to execute transactions through a Directed Broker, nor does Cambiar have any liability or accept any responsibility for such inability to obtain best execution or for any liabilities that any party may incur as a result of such direction. To the extent that such directed brokerage relationships were referred by registered representatives of brokerage firms, clients should be aware that there may exist a conflict between Cambiar's interest in retaining such mandates and/or obtaining future referrals from the referring brokerage firms and Cambiar's interest in negotiating lower commission rates for clients. In addition, any account that directs Cambiar to execute or attempt to execute transactions through a Directed Broker will be excluded from Syndicated Offering allocations, as discussed below.

*Wrap Fee Directed Brokerage.* Because Wrap fee program participants generally pay the wrap sponsor a single fee that is intended to cover most costs, including most trading costs, wrap fee arrangements are client-directed brokerage agreements. Thus, the decision to participate in a Wrap fee program is, in effect, a client decision to direct most or all brokerage for that account to the wrap sponsor or its affiliated or designated broker-dealer. From time to time, brokerage firms which sponsor Wrap fee programs refer clients to Cambiar.

Wrap fee sponsors generally require or request that investment managers place trades through the sponsor or its affiliated or designated broker-dealer because the fee paid by the wrap client includes an embedded fee for execution and the accounts are typically custodied with the wrap program sponsor. Further, trade settlement issues and other operational limitations typically result from trading with brokers other than the sponsor. Unless otherwise encouraged, directed or permitted by sponsors, Cambiar generally honors Wrap fee arrangements between clients and the Wrap fee sponsors with respect to the execution of trades through brokerage firms designated under the Wrap fee programs.

The fees payable by clients to Wrap fee sponsors (including brokerage commissions, if any) are negotiated between the Wrap fee sponsors and their clients. Clients should be aware that: (i) Cambiar will not undertake to negotiate lower wrap fees or trading costs on behalf of clients participating in Wrap fee programs; (ii) the effective cost of brokerage services to clients under the terms of the Wrap fee program may exceed the cost of brokerage services if clients were to pay brokerage commissions on a trade-by-trade basis; (iii) there may exist a conflict between Cambiar's interest in retaining such mandates and obtaining future referrals from sponsors of Wrap fee programs and Cambiar's interest in negotiating lower wrap fees on behalf of clients; (iv) Wrap

fee trading by the sponsor or its affiliated or designated broker may result in executions that are inferior to what would have been achieved through a broker chosen by the Adviser; (v) brokerage fees in addition to those already covered by wrap fees can be common in Cambiar's International/ADR strategy, and (vi) based in part on the settlement issues noted above, Cambiar excludes wrap fee and similar types of accounts, *i.e.*, SMA, UMA/model portfolios, from allocations of Syndicated Offerings.

**Step-out/Trade Away Transactions.** "Step-out" transactions occur when one broker executes a trade while permitting certain other responsibilities with respect to that trade, *e.g.*, clearance and settlement, to be handled by another broker, sometimes allowing some portion of the commission to be credited to the second broker. Step-out transactions also involve use of a non-directed broker to execute trades (for a fee) for accounts or programs that direct trades to a specific broker. With respect to SMA or UMA/model portfolio relationships and when doing so is considered to be in the best interests of clients, Cambiar may choose to trade away from the wrap account sponsor or its affiliated or designated broker. In these instances, Cambiar may seek to aggregate trades for some or all SMA or UMA/model portfolio arrangements together, or may choose to aggregate these trades with those of other Cambiar client accounts that do not direct brokerage, *i.e.*, Separate Accounts, Mutual Funds, and execute the trade with a broker who then steps a portion of the trade out for clearance and settlement to the sponsor or its affiliated or designated broker. In these instances, the broker designated by the sponsor to execute trades does not receive a portion of the commission.

The Adviser frequently trades away for its ADR-based strategies by executing strategic portfolio movement trades or model change trades in foreign ordinary shares on foreign markets or exchanges with capable brokers in instances when it believes that liquidity in ADR shares may be lacking, when trading the necessary quantity of ADRs could significantly impact the market price or could take an extended period of time. Cambiar will seek to trade away for these strategies when it believes that trading larger blocks of securities on non-U.S. markets has the potential to increase execution efficiencies across various investment platforms, will permit Cambiar to capture liquidity or other favorable market opportunities, and could result in superior prices for participating accounts than might be achieved if the wrap sponsor conducted the trading. The Adviser may also block and trade away ADR securities when market conditions are favorable. Step-outs for directed trading mandates can lower trading costs, reduce the amount of time necessary to effect trades across accounts, and permit the manager to maintain greater control over the trade. Decreasing the time needed to effect trades also enhances equitable treatment across Cambiar accounts/programs and reduces potential information leakage that other market participants could seek to capitalize upon. Cambiar may also occasionally step-out trades for other investment strategies.

When trading away, additional commissions and/or fees are charged by the executing broker and/or clearing broker. Trades stepped out by the Adviser will incur additional commissions/spreads, ADR conversion fees and other costs, and these costs are not included in and are in addition to the brokerage and execution component of the wrap fee paid by the client. These costs are typically netted into the purchase or sales price of the security. Upon request, Cambiar will provide commission and other information that it receives relating to step-out trades to wrap account sponsors. SMA, UMA/model portfolio, and other directed accounts that are not stepped out may

receive different execution prices and pay different, and potentially higher, transaction costs than clients that do participate in step-out trades.

**Syndicated Offerings.** From time to time Cambiar is given the opportunity to participate in Syndicated Offerings, many of which are over-subscribed. Cambiar's policy is to seek to allocate the Syndicated Offerings in which it participates fairly and equitably among clients over the long-term. In most cases, IPOs receive significant interest and Cambiar receives only a small portion of the IPO allotment sought. In the event that clients are not suitable for or are otherwise unable to participate in a particular offering, such clients will be excluded from the allocation process. Other factors such as cash availability, investment objectives, and client guidelines can also limit participation in Syndicated Offerings. In the event the allotment is large enough to fulfill at least a 0.05% weighting for selected clients, the entire group of clients deemed to be eligible will receive a pro-rata allocation. If each client selected to receive part of an IPO allocation would not receive 0.05% of the account's market value, the Adviser will utilize a rotational methodology to allocate the offering, with non-participating clients receiving positions in subsequent IPOs in which Cambiar receives small allotments.

In the event that it does not receive information to allow it to reliably make certain industry-mandated certifications, has questions regarding the eligibility of a client to participate in IPOs, or if allocation of a syndicated offering potentially raises prohibited transaction concerns, Cambiar may choose not to allocate IPOs to an account. Finally, to the extent client accounts are subject to complex regulatory requirements on investing in Syndicated Offerings underwritten or sold by affiliated broker-dealers or for other reasons, *i.e.*, ERISA accounts, Cambiar may choose to exclude or limit those accounts from participating in these offerings.

As discussed above, client-directed brokerage and Wrap fee programs, including, but not limited to, SMA, UMA and model portfolios, do not participate in new issues and are excluded from the Syndicated Offering allocation process. Operational and custodial issues, difficulties associated with trading away from the program sponsor, and the fact that syndicated offerings are settled on a principal basis through the underwriter, makes trading and settling these types of transactions problematic for these types of investment products.

**Cross Transactions.** Cambiar may execute internal cross transactions between client accounts in which one client will purchase securities or other financial instruments held by another client ("cross trades"), only so long as neither Cambiar nor any affiliate receives any compensation for executing the transaction. Cross trades present an inherent conflict of interest because Cambiar represents the interests of both the selling account and the buying account in the same transaction, and Cambiar may be perceived as seeking to treat one counterparty to the cross trade more favorably than the other party. Cambiar has policies and procedures that are intended to mitigate these potential conflicts of interest and help ensure that internal cross trades are in the best interests of, and appropriate for, all clients involved. Cambiar is not required to use cross trades under any circumstances.

If a U.S. registered investment company is involved in a cross trade, the trade must comply with Rule 17a-7 under the 1940 Act. Cambiar generally will conduct cross trades (including trades for non-fund accounts) in accordance with similar conditions. Under Cambiar's policies, the following accounts, among others, may not participate in cross trades: (1) accounts beneficially owned by



Cambiar, its affiliates, employees or immediate family members; (2) ERISA accounts; (3) IRA accounts; (4) accounts with client-directed brokerage arrangements; and (5) any registered investment company in which 5% or more of the fund's interest is beneficially owned by Cambiar, its affiliates or employees.

**Counterparty Risk.** Like all investors, Cambiar's clients necessarily bear certain counterparty risks relating to trading activities conducted on their behalf. Cambiar engages in continuous trading activity with participants in markets around the world. In interacting with these diverse counterparties, Cambiar's clients are inevitably exposed to some counterparty risks, including the risk that a counterparty will be unable or unwilling to execute or complete a transaction or meet related obligations because of financial difficulties or for other reasons.

**Trading Errors.** As a fiduciary, Cambiar has the responsibility to execute orders in the best interest of our clients. Cambiar expects to correctly and properly execute trades for client accounts, but occasionally experiences trading discrepancies or errors. In the event a trade error occurs in the handling of a client transaction, Cambiar's trade error correction policy requires that the Adviser identify and correct the trade error as promptly as possible without disadvantaging the client. Not all discrepancies that occur during the process of buying, selling, and settling securities transactions are considered trade errors. Trade errors are documented with appropriate supervisory approval and maintained in a trade error file. Cambiar has established a trade error account to assist in resolving trading discrepancies or errors. In using the trade error account, Cambiar may net gains and losses which, over time, could benefit Cambiar.

### **Item 13. Review of Accounts**

Portfolio managers of Cambiar are reviewers of client accounts. Each account is reviewed on an ongoing basis and is augmented by the analysis of quantitative data. In-depth reviews by portfolio managers may be triggered by factors such as contributions to and redemptions from the account and market and economic changes. Each account is assigned to one or more portfolio managers who are responsible for monitoring the management of the account. The number of accounts assigned to a portfolio manager is determined by the nature or investment strategy for the account, type of service required, and the existing workload. The investment performance of securities purchased for client accounts is the subject of ongoing review by Cambiar's investment team. Additionally, the Compliance department conducts periodic reviews of client account performance and dispersion, client account restrictions/guidelines, IPO distribution and trade activity to assess the selection and allocation of investment opportunities for eligible accounts or groups of accounts, in furtherance of the Adviser's objective of allocating investment opportunities on an equitable basis over the long term.

In addition, Cambiar's Portfolio Administration Analyst assists portfolio managers daily in reviewing/monitoring holdings on an individual account level, as well as across the program/relationship level. On a daily basis, Cambiar personnel also review information in the portfolio compliance monitoring system in an effort to ensure compliance with client (and internal) guidelines and restrictions.

Cambiar generally furnishes its Separate Account clients with quarterly reports providing a narrative review of Cambiar's current economic and investment outlook along with quarterly performance summaries and quarter-end valuations. SMA clients receive the narrative review of Cambiar's current economic and investment outlook on a quarterly basis. The custodians for all accounts furnish monthly statements to clients detailing transactions in such account during the preceding month, as well as a description of the assets held by the account at the end of the month.

#### **Item 14. Client Referrals and Other Compensation**

Cambiar does not receive economic benefits from non-clients in return for providing investment advisory services to our clients. In the ordinary course of business, brokers provide Cambiar and its clients with non-cash client commission/soft dollar benefits in exchange for brokerage commissions in accordance with applicable law and SEC guidance, as described in **Item 12. Brokerage Practices**. Cambiar may periodically pay certain brokers for the right to participate in various conferences and seminars that the broker sponsors, and may pay for access to certain broker distribution analytical tools.

As discussed above, a component of certain Cambiar client services employees' compensation may vary in accordance with their sales of different types of investment products. Such arrangements can create incentives for those employees to favor certain products over others. Cambiar's policy is to act in a fair and reasonable manner with respect to clients and to observe our obligation to act in the best interests of our clients.

#### **Item 15. Custody**

All client account assets are held in "custody" (as defined in Rule 206(4)-2 under the Advisers Act) by unaffiliated broker-dealers, banks, or other independent qualified custodians, and Cambiar does not act as physical custodian of any client account. Neither Cambiar nor any employees are permitted to accept or maintain physical custody of client assets at any time. However, Cambiar may, in some circumstances, be deemed to have custody of client assets, even though it does not actually maintain possession of client assets. For example, Cambiar may be deemed to have limited custody of client assets due to the ability that some clients grant to it to deduct fees from their accounts. In addition, Cambiar is deemed to have custody over one defined benefit plan solely for certain Cambiar employees. An independent accountant conducts a surprise examination annually to verify the assets of this benefit plan.

Advisory clients with respect to whom Cambiar has been deemed to have custody due to Cambiar's ability to deduct fees will receive account statements, at least quarterly, from Cambiar. Such clients should also receive account statements directly from broker-dealers, banks or other qualified custodians on at least a quarterly basis. Cambiar strongly urges advisory clients to compare account statements prepared by Cambiar with the statements received from their custodian. Clients should notify Cambiar immediately if they are not receiving statements from their custodians on at least a quarterly basis.

Cambiar will take steps to avoid receiving unintentional custody of client assets, such as checks made out to clients by third parties. At times, however, trustees of settlement funds and others may issue and forward to Cambiar checks made out to Cambiar or clients that are intended for clients

as part of settlements or other investor distributions. When Cambiar receives such checks or other client assets, it uses best efforts to comply with SEC and staff guidance issued pursuant to Rule 206(4)-2 by causing the assets to be returned to the sender or forwarded to the custodian or the client as quickly as possible, typically within five (5) business days. Cambiar will keep appropriate records of these instances. Cambiar also disclaims any other actions or measures by which it may have been granted custody, including, but not limited to, bestowal of any authority to obtain possession of account funds in agreements between a client and its custodian.

## **Item 16. Investment Discretion**

Cambiar generally has investment discretion over its clients' accounts, including the type, amount and price of investments bought and sold, the broker-dealers used to execute trades, the commission rates paid, and other investment-related decisions, subject to each client's stated investment policies, restrictions, and any other regulatory or Cambiar-imposed restrictions. The discretionary authority granted to Cambiar is evidenced in the investment advisory agreement that is executed by Cambiar and the client at the inception of the advisory relationship. Clients can place reasonable restrictions on Cambiar's investment discretion, *e.g.*, request that certain securities not be purchased for the client's account. One significant limitation on Cambiar's investment discretion relates to the client-directed brokerage arrangements as discussed in **Item 4. Advisory Business and Item 12. Brokerage Practices**, above.

As also discussed in **Item 4. Advisory Business**, in most of the UMA and model portfolio wrap programs that Cambiar participates in, the sponsor assumes a greater role in managing client portfolios using suggested model portfolio recommendations. In these arrangements, Cambiar provides an investment model (and periodic changes) and the decision on whether to effect Cambiar's recommendations belongs to the sponsor.

## **Item 17. Voting Client Securities**

Cambiar maintains a written proxy voting policy and procedures as required by Rule 206(4)-6 under the Advisers Act. The proxy policy generally provides that:

- The objective of Cambiar's proxy voting process is to seek to maximize the long-term investment performance of client accounts by exercising delegated voting authority over proxies in clients' best economic interests as determined by Cambiar in good faith after appropriate review. Cambiar will use reasonable best efforts to vote proxies for which it receives ballots in good order and in a timely manner. Proxies will be voted or otherwise processed (such as by a decision to abstain from voting or to take no action) consistent with its proxy voting policy.
- Under its investment discipline, Cambiar seeks to invest in issuers with management teams that it believes are committed to enhancing shareholder value and serving shareholder interests. Cambiar believes that the management teams of most companies it invests in generally pursue these objectives, and therefore believes that voting proxy proposals in clients' best economic interests generally equates to voting with the recommendations of company management teams and/or the company's board of directors.

- Cambiar’s analysis of a specific proxy proposal can lead it to conclude that a particular management or board recommendation may not be in clients’ best interests. Cambiar may also conclude that a shareholder or other proposal seeking to raise environmental, social, or governance (“ESG”) considerations could advance shareholders’ interests. In these circumstances, Cambiar may, in its sole discretion, choose to vote against a management or board recommendation based on its analysis, if such action appears more consistent with the best interests of its clients.
- In certain circumstances, such as when a proxy issuer is also a client of Cambiar, a potential material conflict in how proxies are voted may arise between Cambiar’s interests and the interests of affected clients. In the event there exists a material conflict of interest between Cambiar and the interests of one or more clients in how proxies are voted, Cambiar has adopted procedures that are designed to resolve such conflicts. In such situations, Cambiar will seek to have the shares voted in the client’s best interests, often as recommend by an independent, third-party proxy research provider.
- Cambiar may abstain from voting or take no action on certain proxy proposals. Instances when this might occur include, but are not limited to, proxies issued by companies that Cambiar has decided to sell, proxies issued by companies that Cambiar did not select for a client portfolio, or proxies issued by foreign companies, as noted below.
- Special challenges may arise in connection with voting proxies for companies organized in foreign countries or subject to foreign securities laws. Certain foreign markets, for example, may require that the securities positions be held or “blocked” for extended periods of time leading up to (or even following) the meeting. Because foreign markets may impose these and other types of burdensome or expensive voting requirements, Cambiar may choose, in its discretion, to abstain or take no action on these proxies. For certain foreign securities held in depositary receipt form, Cambiar may not have the option to vote proxies as the receipt issuer may not pass through to receipt holders the voting rights of the ordinary shares.
- Cambiar may use an independent, third-party proxy voting service provider to assist in the ministerial and administrative aspects of voting proxies, including assisting in preparing ballots and reports, casting votes, maintaining voting records, and disclosing voting information to clients. Cambiar will use reasonable best efforts to periodically reconcile available votes or votes cast by the proxy service provider against shares held in client accounts to assess whether Cambiar is receiving and voting proxies for those clients and relationships for which it has voting authority.
- Cambiar maintains records relating to how it votes proxies for client accounts, as well as other records relating to its Proxy Voting Policies and Procedures, as required by the Advisers Act. These policies and procedures, as well as a record of how Cambiar votes proxies for client accounts, are available to clients upon request.

Clients may elect to vote proxies themselves as an alternative to directing Cambiar to do so. Cambiar recommends this approach if a client believes that proxies should be voted based on religious, political or social interests or other client-specific considerations that may take

precedence over other considerations (e.g., maximizing shareholder value). Cambiar generally cannot implement client proxy voting guidelines that do not delegate full discretion to Cambiar, or that are not fully consistent with its proxy voting policy. Cambiar also cannot vote individual proxy ballot measures as per client request. In its discretion and on a limited basis, Cambiar may agree to vote proxies according to a specific set of guidelines promulgated by an independent third-party proxy service provider.

Upon request, clients may obtain: (1) a copy of Cambiar's Proxy Voting Policy and Procedures, and (2) information about how proxies for issuers held in client accounts were voted by writing us at: 200 Columbine Street, Suite 800, Denver, CO 80206-4734 or calling Cambiar toll free at 888-673-9950.

By August 31<sup>st</sup> of each year, the Cambiar Funds' annual proxy voting record for the previous 12 months ended June 30<sup>th</sup> is available free of charge and a copy of this and Cambiar's proxy voting policies and procedures can be obtained free of charge by calling Cambiar toll free at 888-673-9950 or by visiting our web site at <http://www.cambiar.com>. This information is also available on Form N-PX on the SEC's website at [www.sec.gov](http://www.sec.gov).

**Class Action/Litigation.** Clients might at times become eligible to assert claims against third parties, such as issuers of securities that are or were held in a client's account. For example, following the commencement of a shareholder class action against an issuer of securities, a court may issue a written notice indicating that the client may be entitled to a share of the proceeds of a successful class action lawsuit.

Generally, Cambiar will not advise or take action on behalf of clients in legal proceedings, including bankruptcies, class actions, "opt-in", "opt-out" or other litigation, involving securities held in, or formerly held in, a client's account or against the issuers of those securities. However, in certain cases, Cambiar may file proof of claim forms in connection with class action litigation involving securities held in, or formerly held in, a client's account. For such clients, Cambiar may engage a third-party class actions claims service to provide class action research and proof of claim filing services.

## **Item 18. Financial Information**

Cambiar has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts or meet its contractual commitments to its clients.