



***Cambiar Investors LLC – Cambiar Opportunity Fund (CAMOX)  
3<sup>rd</sup> Quarter 2007 Market Commentary***

The third quarter marked another bout of significant volatility within the capital markets, sparked by a contraction in the credit markets that was felt on a global basis. Despite the popular use of terminology such as ‘contagion’ and ‘credit bubble’ to describe the markets, investors remained resilient. Boosted by a 50 basis point rate cut in September, the markets rallied to recoup much of their losses from July and August – even finishing with a gain in some instances. The one notable exception was the small cap asset class, which finished the quarter in the red.

Cambiar’s Opportunity Fund returned -1.1%, trailing the S&P 500 and Russell 1000 Value indices, which finished up 2.0% and -0.2%, respectively, for the quarter. The majority of the Fund’s underperformance was due to our under-allocation in the Industrials sector, as well as one security each within our Financials and Technology holdings. In response to the credit issues, Cambiar re-allocated capital out of Financials to more defensive areas of the market such as Energy and Technology.

As has been the case for much of 2007, Cambiar’s low exposure to the Industrials sector was a detractor for the quarter, as Industrials were once again one of the top-performing sectors. We continue to believe that the majority of Industrial companies trade at or near peak valuations, resulting in a high risk/low reward profile.

The Fund’s underweighting in Financials generated a positive allocation effect, but was offset by one security caught in the rapid downdraft the credit markets experienced during the quarter. Investors continue to be weary that, in light of the recent rate cut, future earnings remain unknown as credit markets continue to wade through sub-prime issues. We believe our holdings to be sheltered somewhat, being concentrated in the Insurance industry.

Cambiar’s Technology names contributed from an allocation perspective, and the majority of our positions finished positive for the quarter, driven by various semiconductor related holdings. The positive results were countered by one laggard, which we remain constructive towards. As indicated by the portfolio’s higher relative exposure to Technology, we continue to find companies in this space that possess the desirable combination of attractive valuations in tandem with strong growth prospects. While Tech issues have lagged their commodity-oriented peers within the Energy and Basic Materials sectors in recent years, we anticipate that investor sentiment towards this sector will improve as we move into a slower economic environment.

Healthcare detracted on the aggregate level, but overall our holdings performed well during the quarter outside of one pharmaceutical franchise that we continue to believe will receive investor recognition in due time with its historically low multiple coupled with double digit earnings growth the past few years.

Cambiar’s Energy holdings contributed positively to our overall portfolio performance, but lagged the index due to a select few names that have exposure to the North American natural gas market. Despite this short-term underperformance, we believe the secular perspective of natural gas remains compelling.

Our holdings within Consumer Discretionary resulted in the strongest performance contribution to the portfolio for the quarter, with select few retailers finishing negative. Our exposure to this sector remains with franchises we believe can continue to grow earnings in a slowing economic environment, such as businesses with greater exposure towards a marginally higher, less credit reliable consumer.

In a continuation from the prior quarter, our non-allocation to the Utilities and Materials sectors resulted in a net marginal impact to the portfolio.



As we enter the last quarter of 2007, the Cambiar investment team continues to maintain a high degree of conviction for our holdings, as well as the portfolio's aggregate sector exposures. As investor-owners, Cambiar's long term interests remain aligned with those of our shareholders, and our unwavering focus on delivering consistent, long-term performance for our clients remains paramount in importance.

*This material represents an assessment of the market environment at a specific point in time and is not intended to be a forecast of future events, or a guarantee of future results. This information should not be relied upon by the reader as research or investment advice.*

*As of 9/30/07, the annualized performance of the Fund was: 1 year: 12.36%, 3 year: 13.47%, 5 year: 16.90%, and since inception (6/30/98): 12.17%. The performance quoted represents past performance and the investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost, and current performance may be lower or higher than the performance quoted. For performance data current to the most recent month-end, please call 1-866-777-8227 or visit our website at [www.cambiar.com](http://www.cambiar.com).*

*The S&P 500 Index consists of 500 stocks chosen for market size, liquidity, and industry group representation. It is a market-value weighted index, with each stock's weight in the Index proportionate to its market value.*

*The Russell 1000® Value Index measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.*