

## **To Friends of Nuance:**

As we near our three-year anniversary, I believe that Nuance Investments has provided significant value to our clients and established an enviable track-record as evidenced by our top-quartile performance relative to our benchmark index:

November 13, 2008 to June 30, 2011	Since Inception APR	Since Inception Return	1 Year	YTD
Nuance Concentrated Value Composite (Net)	27.86	90.72	30.86	9.05
Russell 3000 Value Index	16.04	47.83	29.18	5.75
Excess Returns	11.82	42.89	1.68	3.30

Note: Commencement of the Nuance Concentrated Value Composite was 11/13/08. Return figures for the Nuance Concentrated Value Composite are provided by Advent Portfolio Exchange. The Primary benchmark for the Nuance Concentrated Value Composite is the Russell 3000® Value Index. The secondary benchmark is the S&P 500 Index. Return figures for all Indices are provided by Bloomberg.



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While absolute performance is certainly one measure of success, our number one goal is to achieve outstanding risk-adjusted returns relative to our peers. And I am proud to report that we have done just that, as outlined by our 1st percentile Sharpe Ratio ranking:

November 30, 2008 to June 30, 2011	Since Inception APR	Since Inception Return	Annualized Standard Deviation	Sharpe Ratio
Nuance Concentrated Value Composite (gross)	27.18	86.08	15.31	1.76
Nuance Concentrated Value Composite (net)	26.60	83.82	15.28	1.73
eVestment US All Cap Value Equity Peer Group (median)	22.49	68.88	19.48	1.16
Peer Group Ranking (percentile)	18	18	7	1

Note: Commencement of the Nuance Concentrated Value Composite was 11/13/08. eVestment analytics reports on month end returns only. For the purposes of peer group comparison since inception returns are shown beginning 11/30/2008. The Primary Peer Group for the Nuance Concentrated Value Composite is eVestment US All Cap Value Equity. All statistics and peer group percentile rankings provided by eVestment Alliance. Sharpe Ratio was calculated by taking the products excess return minus the risk free rate of the Citigroup 3-month Treasury Bill and diving by its annualized standard deviation.

I have attached some additional information about each of the items mentioned above, including a copy of our most recent press release and second quarter fact sheets. I hope this information gives you an idea about where Nuance has been, where we are now and where we are going.

As you know, our focus is on delivering value to our investors, and I trust that you will agree we have delivered. If you have any questions about your account or about becoming a Nuance client, please contact me directly – scott.moore@nuanceinvestments.com or 816-743-7082.

Thank you for your continued confidence and support.

Sincerely,

Scott A. Moore, CFA

President and Chief Investment Officer

Nuance Investments, LLC