

Nuance Concentrated Value Composite Perspectives



December 31, 2019

Description of the Product

The Nuance Concentrated Value Composite is a classic value investment product investing primarily in the equity or equity-linked securities of United States based companies. The product will typically maintain 15-35 positions in the securities of companies that, in the opinion of the Nuance Investments Team, have leading and sustainable market share positions, above average financial strength, and are trading at prices materially below our internally derived view of intrinsic value. The product's primary benchmark is the Russell 3000 Value Index. Clients may also compare the product to the S&P 500 Index.

Portfolio Managers



Scott Moore, CFA

President & Co-CIO

29 Years of Experience

Chad Baumler, CFA

Vice President & Co-CIO

13 Years of Experience

Risk-Adjusted Returns Rankings¹

1ST PERCENTILE

Lipper
Category: Multi-Cap Value
SI Rank in Cat: 3 of 246

Morningstar
Category: Large Value
SI Rank in Cat: 5 of 895

Morningstar
Category: Mid-Cap Value
SI Rank in Cat: 2 of 313

Longer Term Performance Update

Since Inception Return: The return since inception (11/13/2008) through 12/31/2019 is 15.7 percent (annualized and net of fees) versus the Russell 3000 Value Index and S&P 500 Index, which have returned 12.3 percent and 14.4 percent respectively. We are pleased with this level of outperformance over time.

Risk-Adjusted Returns: Our Sharpe Ratio since inception through 12/31/2019 is 1.3 (net of fees) versus Russell 3000 Value Index at 0.8 and the S&P 500 Index at 1.0.

Peer Group Returns through 12/31/2019: Comparing our product to peers displays positive results over time. On a total return basis, since 11/30/08, we ranked 20 out of 895 peer group members (2nd percentile) in the Morningstar Large Cap Value universe, 19 out of 313 (6th percentile) in the Morningstar Mid-Cap Value universe, and 13 out of 246 (5th percentile) in the Lipper Multi-Cap Value universe.

Peer Group Risk-Adjusted Return through 12/31/2019: On a risk-adjusted return basis, since 11/30/2008, (measured by the Sharpe Ratio) we ranked 5 out of 895 peer group members (1st percentile) in the Morningstar Large Cap Value universe, 2 out of 313 (1st percentile) in the Morningstar Mid-Cap Value universe, and 3 out of 246 (1st percentile) in the Lipper Multi-Cap Value universe.

Peer Group Analysis 11/30/2008 - 12/31/2019	Since Inception APR ¹	Standard Deviation (A) ¹	Sharpe Ratio (A) ¹
Nuance Concentrated Value Composite (Gross)	16.1	12.2	1.3
Nuance Concentrated Value Composite (Net)	15.4	12.1	1.2
Lipper Multi-Cap Value Funds Peer Group (Median)	12.4	15.2	0.8
Peer Group Percentile and Ranking	5th (13 of 246)	5th (13 of 246)	1st (3 of 246)
Morningstar Large Value Peer Group (Median)	12.2	14.2	0.8
Peer Group Percentile and Ranking	2nd (20 of 895)	11th (96 of 895)	1st (5 of 895)
Morningstar Mid-Cap Value Peer Group (Median)	13.6	15.7	0.8
Peer Group Percentile and Ranking	6th (19 of 313)	1st (2 of 313)	1st (2 of 313)

Performance 11/13/2008 - 12/31/2019	APR*	TR*	Standard Deviation*	Sharpe Ratio*	10 Years	7 Years	5 Years	3 Years	1 Year	2019 YTD
Nuance Concentrated Value Composite (Gross)	16.4	444.0	12.1	1.3	13.9	13.6	10.6	11.6	28.9	28.9
Nuance Concentrated Value Composite (Net)	15.7	407.5	12.1	1.3	13.1	12.8	9.8	10.8	28.0	28.0
Russell 3000 Value Index	12.3	263.4	14.5	0.8	11.7	12.0	8.2	9.3	26.2	26.2
S&P 500 Index	14.4	348.5	13.5	1.0	13.5	14.7	11.7	15.3	31.5	31.5

*Since Inception

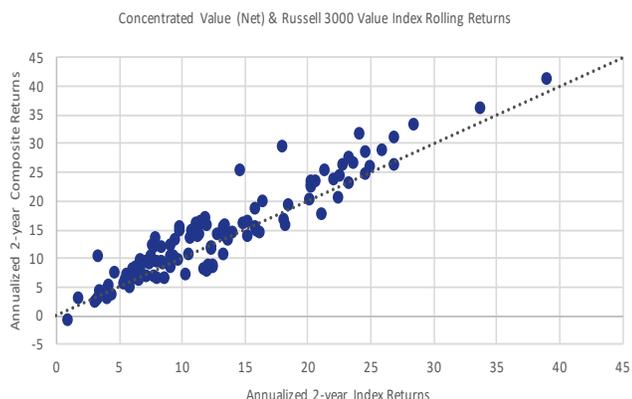
Shorter Term Performance Update (Two Year and Year-to-Date)

Rolling 2-Year Periods		Current 2-Year Period as of 12/31/2019		
11/30/2008 - 12/31/2019	Periods Beating the Index	Composite (%)	Net of Fees ¹	Russell 3000 Value Index (%)
Nuance Concentrated Value Composite	76 / 110	69.1%	10.5	7.4

Your team at Nuance cautions clients regarding the use of short-term performance as a tool to make investment decisions. That said, if a client wants to consider our short-term performance, we recommend emphasizing two-year rolling periods since our inception. Our normal discussion of short-term performance will center on two-year performance, but we will also note calendar year to date results as is our tradition.

For the period ending December 31, 2019, the Nuance Concentrated Value Composite two year rolling return is 10.5 percent (net of fees) versus the Russell 3000 Value Index and S&P 500 Index which have returned 7.4 percent and 12.1 percent respectively. Overall, we have outperformed in 76 out of the available 110 two-year periods as shown in the chart labeled Rolling 2-Year Return Periods.

Year-to-date, the Nuance Concentrated Value Composite has returned 28.0 percent (net of fees) versus the Russell 3000 Value Index and the S&P 500 Index, which have returned 26.2 percent and 31.5 percent respectively.



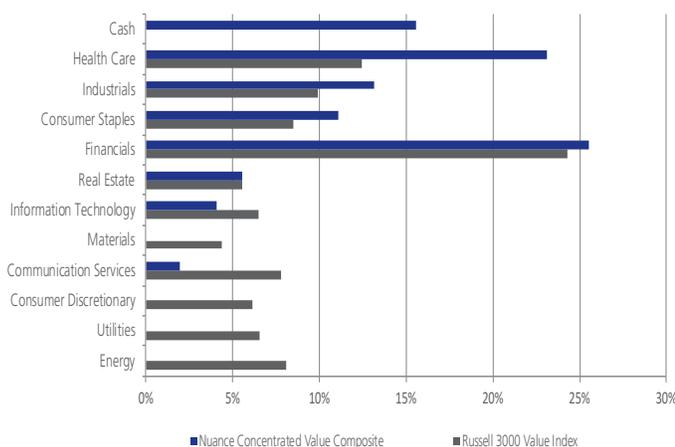
Calendar Year Performance as of 12/31/2019	11/13/08 - 12/31/08	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Nuance Concentrated Value Composite (Gross)	4.5	42.2	18.8	6.9	18.4	35.3	8.9	(1.3)	20.5	12.1	(3.8)	28.9
Nuance Concentrated Value Composite (Net)	4.5	41.7	18.1	6.3	17.8	34.5	8.1	(2.0)	19.7	11.3	(4.6)	28.0
Russell 3000 Value Index	0.4	19.8	16.3	(0.1)	17.6	32.7	12.7	(4.1)	18.4	13.2	(8.6)	26.2
S&P 500 Index	(0.5)	26.5	15.1	2.1	16.0	32.4	13.7	1.4	12.0	21.8	(4.4)	31.5

Composition of the Portfolio as of 12/31/2019

Portfolio Characteristics ²	Nuance Concentrated Value Composite	Russell 3000 Value Index
Weighted Average Market Cap	65.4b	122.6b
Median Market Cap	12.6b	1.7b
Price to Earnings (internal and ttm)*	17.3x	20.4x
Dividend Yield	1.4%	2.5%
Return on Equity	15.5%	14.9%
Return on Assets	5.5%	5.1%
Active Share vs Russell 3000 Value	95.9%	-
Upside/Downside Capture Ratio vs Russell 3000 Value	87.5% / 60.7%	-
Number of Securities	29	2,166

We continue to be pleased with the overall composition of the portfolio. Remember that we are seeking investment opportunities in leading business franchises with better than average valuation support. Using the adjacent table, you can see that the portfolio has a Price to Earnings ratio of 17.3x versus the Russell 3000 Value Index of 20.4x. We are achieving this ratio with a portfolio of companies that have a return on assets of 5.5 percent versus the Russell 3000 Value Index of 5.1 percent. This dichotomy of above average companies selling at below average multiples has the opportunity for outperformance over the long-term, in our opinion.

²Based on Nuance internal estimates and benchmarked against the above noted Russell index.

Sector Weights and Portfolio Positioning as of 12/31/2019

We have increased our position in the Healthcare sector which is now our largest relative overweight compared to the Russell 3000 Value index. We continue to find what we believe are relatively attractive risk-rewards, primarily in the Healthcare Equipment & Supplies industry. We remain slightly overweight the Financial sector where we continue to see what we believe are attractive risk-rewards in the Insurance industry. In our view, the combination of low interest rates and a higher than average catastrophe year has created some significant opportunities. In the Consumer Staples sector, we are slightly overweight the index as we are finding select opportunities, mainly in the packaged foods & meats sub-industry. We lowered our weight in the Industrial sector during the quarter as some of our select leaders are approaching our view of fair value, and we have moved on to what we believe are better risk-rewards elsewhere. We remain underweight the Energy sector where we believe the sector is facing a multi-year period of competitive transition. Lastly, we remain underweight the Consumer Discretionary, Communication Services, Utilities, Materials and, Information Technology sectors primarily due to valuation concerns.

Stocks We Added to Your Portfolio (December 2019):

Chubb Ltd (CB): We have made another investment in CB, a leading global provider of property and casualty insurance, after a recent period of underperformance driven by casualty insurance loss rates coming in higher than expected. CB remains one of our favorite companies within the Property & Casualty sub-industry, and we believe current prices represent a reasonable risk reward for our clients.

Merit Medical Systems (MMSI): MMSI is a leading manufacturer of surgical supplies with a highly diversified portfolio of products focused on niche categories. The company has historically managed the business with a focus on quality, innovation and customer satisfaction, which has helped it gain market share but left the business running with returns on capital below its peers. More recently, MMSI has begun to emphasize profitability, including building recent facilities in lower-cost locations rather than the US, rightsizing headcount, trimming Capital Expenditure back to a normal maintenance level for a mature company, and slowing the growth of a very healthy R&D budget. We believe the company has normal earnings power of \$1.80 vs current year earnings expectations around \$1.45. The company has an acceptable debt load of 2.5x EBITDAR given the stability and quality of the business, but we like that it is now prioritizing execution and debt paydown after a string of tuck-in acquisitions in 2018 and early 2019.

ON Semiconductor Corporation (ON): ON is a leading manufacturer of power semiconductors that are necessary for electrical switching, control and power conversion, as well as a leading provider for image sensors in automotive and machine vision applications. The company should see long-term tailwinds from the growth of electric vehicles and factory automation due to the need for more electrical power control. Recent declines in global automotive production and trade uncertainty related to China have caused the stock to underperform over the past two years, creating what we view as an attractive risk reward versus other opportunities.

Universal Health Services, Inc (UHS): UHS is a leading provider of behavioral and acute health services in the United States. In behavioral health, we like the company's position as the leader of a fragmented market with the ability to continue taking share by rolling up new locations and the tailwind from increasing acceptance of and access to care. We believe UHS also maintains the most conservative balance sheet among healthcare facilities, an industry that has historically embraced very large debt levels. The stock has notably underperformed the market since we last sold it, and we took the opportunity in December to re-enter our position at a favorable relative risk reward.

Wright Medical Group (WMGI): WMGI is a leading manufacturer of foot, ankle, and shoulder implants. The company is being acquired by diversified medical device leader Stryker Corp (SYK) for \$30.75/sh. in an all-cash deal. We believe this is a sensible strategic fit for SYK, financing is in place, and the deal will close without issue in 2020 after some minor planned divestitures are finalized.

Stocks We Eliminated from Your Portfolio (December 2019):

ABB Ltd (ABB): We exited our position in ABB following a period of strong performance buoyed by growing investor confidence in ABB's recent portfolio actions. We continue to like ABB's position within the structurally advantaged electrical equipment and robotics spaces and will look for more favorable valuation opportunities in the future.

Everest Re Group, LTD (RE): We have exited our position in RE after a successful recovery in the stock price to what we believe is fair value. We will continue to look for attractive entry points in the future.

Globus Medical Inc (GMED): GMED is a leading developer of spine implants, surgical tools, and robotics. The company is taking share from larger incumbents, and we believe its prospects to sustain share gains are good. The company has best-in-class returns on capital and a solid net cash balance sheet. We exited the position in November after a period of material outperformance. We continue to like the business and we will look to re-enter at a more favorable risk reward opportunity.

Schneider Electric SE (SBGSY): We exited our position in SBGSY following a period of outperformance due to better-than-expected fundamental results in its energy management business. We continue to like SBGSY's position within the structurally advantaged electrical equipment and industrial automation spaces and will look for more favorable valuation opportunities in the future.

Werner Enterprises Inc (WERN): We exited our position in WERN after a period of outperformance due to increased expectations of improving trucking fundamentals. We continue to like WERN's competitive positioning and balance sheet within the dedicated and truckload space and will look for additional opportunities in the future.

Nuance Perspectives from President & CIO, Scott Moore, CFA

Dear Clients,

2019 Summary

We are generally pleased to share that your Nuance Concentrated Value composite was up 28.00 percent (net of fees) versus the Russell 3000 Value Index up 26.24 percent and the S&P 500 Index up 31.48 percent. That makes the 10th year out of 12 (including the stub year of 2008) that we have outperformed our primary benchmark. Further, we continue to be pleased that since our inception on 11/13/2008, the Nuance Concentrated Value Composite is up 15.70 percent (annualized and net of fees) versus the Russell 3000 Value Index up 12.28 percent and the S&P 500 Index up 14.43 percent.

At the end of a very positive absolute year, it is always instructive to remind ourselves of the big picture Nuance Investments, LLC performance goals and metrics that we have emphasized since our inception. Consistency is such an important part of earning a client's trust, and we hope our message over the years has been nothing if not consistent. That message is manifested in three big picture firm goals by strategy:

1. We intend to beat our primary benchmark more times than not throughout an investment, valuation, or economic cycle and that calendar year performance matters to us given how important that period is to most of our clients. We will certainly not beat our benchmarks each calendar year and expect to have particular trouble during latter stages of the investment, valuation, and/or economic cycle as those periods are usually characterized by high valuations, high leverage, and often times very narrow markets that don't care much about risk in general. On this goal, we would suggest so far so good as we have outperformed our primary benchmark 10 out of 12 years (including the stub year of 2008) since the inception of your Nuance Concentrated Value composite.
2. We intend to beat our primary benchmark (the Russell 3000 Value Index) and our peers over the long term (since inception) and do so with less risk as measured by the standard deviations of our returns. Again, the evidence is solid as the Nuance Concentrated Value composite is up 15.71 percent (net of fees) versus the Russell 3000 Value Index up 12.28 percent. Further, your Nuance Concentrated Value composite has had a standard deviation of those returns of 12.11 percent which is meaningfully lower than that of the Russell 3000 Value Index of 14.53 percent. Our peer group performance has also been solid as illustrated by our 1st percentile Sharpe Ratio metrics versus our peers as seen at Exhibit 1.

Peer Group Analysis 11/30/2008 - 12/31/2019	Since Inception APR ¹	Standard Deviation (A) ¹	Sharpe Ratio (A) ¹
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Peer Group Percentile and Ranking	2nd (20 of 895)	11th (96 of 895)	1st (5 of 895)

3. Lastly, we also intend to beat our secondary benchmark over the long term (since inception) and do so with less risk as measured by the standard deviations of our returns. Our final primary goal is also solid as the Nuance Concentrated Value composite is up 15.70 percent (annualized and net of fees) versus the S&P 500 Index up 14.43 percent. Further your Nuance Concentrated Value composite has had a standard deviation of those returns 12.11 percent which is lower than that of the S&P 500 Index of 13.48 percent. As such, our total return and risk-adjusted returns are right on track.

As we progress through our 12th year managing the Nuance Concentrated Value composite, we are pleased to be able to say we have met the goals we set out for our clients and for ourselves, and we want to assure our clients that each day we are striving and competing and studying to continue this pace well into the future.

2019 Review

2019 was full of investable events, intrigue, and ever-changing risk rewards for companies and their valuations as is the case each and every year. Throughout the year there has been a steady, almost unnerving, optimism for equity returns. Positive economic factors certainly exist in the form of low interest rates and theoretically low inflation, but negatives also abound. Trade tensions, government debt levels, corporate debt levels, Federal Reserve accommodations this late in the business cycle, flattening cash flow and earnings growth, and valuation peaks (based on our internal Nuance numbers) are all quite concerning, in our opinion. Those risks, coupled with an acceleration of technology-driven competitive disruptions and lower corporate income taxes that we do not believe sustainably raised long-term returns on capital (thus creating a short-term over-earning period for many companies), are some of the many things we continue to study. Put another way, it appears that financial executives, investment bankers, governments around the world, and investors have done just about everything they can to pull forward demand in non-recurring ways. These types of market environments are not new, but it is safe to say they are not exactly our favorite investing environment.

From an attribution perspective, 2019 was a successful year overall. Our overweight position in Healthcare, particularly the Healthcare Equipment & Supplies industry, drove over 400 bps of outperformance. That coupled with our overweight position in the Consumer Staples sector, which added more than 200 bps of outperformance, were key drivers. Stocks like Dentsply Sirona Inc. (XRAY) and Sanderson Farms Inc. (SAFM) were leading performers for our portfolio.

Further, our underweight in the Energy sector due to our view of the competitive uncertainties surrounding fossil fuels going forward, added more than 100 bps. Our top contributors for 2019 included XRAY, SAFM, TD Ameritrade Holding Corp. (AMTD), and Amphenol Corp. – Class A (APH). Negative attribution impacts were limited to -100 bps of approximate underperformance in 3M Co. (MMM), which we continue to own, and our cash position which hurt our attribution by almost 500 bps.

2020 Outlook – Individual stocks and capital preservation are themes.

Stock selection is always paramount and that will be the focus of our 2020 outlook. Stock selection always brings us back to our Nuance process. Within that process, our goal is to find businesses that have competitively sustainable franchises for your portfolio. We aim to find businesses that we believe have transitorily negative event items that have resulted in earnings and cash flow generation that are currently below our view of mid-cycle levels. We aim to select holdings that have solid balance sheets as opposed to leveraged balance sheets that suggest significant downside risk for those stocks from these valuations. Lastly, we believe that our portfolio holding weights are calibrated to understand not just the upside potential in a stock but also the downside capital risk of each and every stock we own for you. Overall, we are continuing to execute our time-tested bottoms-up Nuance process, studying one stock at a time (sometimes for decades) with an absolute focus on strong and consistent fundamental research and logical and thorough competitive advantage studies, financial statement modeling, and valuations studies. Today, our bottoms-up work rolls up into a Nuance universe that is trading at 28x (up from 21x one year ago) our mid-cycle or normalized earnings. These valuation levels are at peaks of the history of our process and are well above a historical range of 9-10x during recessionary periods to the low-to-mid 20's over time. Clearly, these valuation metrics are a primary reason for a continued overall cautious view of the opportunity set in today's equity markets.

More specifically, we are finding several interesting investment opportunities within the Healthcare sector. ICU Medical Inc. (ICUI) is a leader in intravenous therapy (IV) consumables, fluids, and pumps. The company's competitive position is strong in a sub-industry that features significant regulatory oversight and high barriers to entry. In 2018, ICUI captured market share by expanding production after Hurricane Maria took a competitor's facility offline and caused a market-wide IV fluid supply shortage. In 2019, competitors returned to normal production and ICUI found themselves with an oversupply of IV fluids inventory that is costly to store and transport. We believe this channel and supply chain issue is transitory and ICUI will return to a normal inventory position and profitability over the next few years. More specifically, we believe normal earnings power is \$9.50 on today's financial statements, which represents approximately \$2 of under-earning compared to current year. ICUI's balance sheet is clean, in our view, with one turn of net cash. Our return to fair value of +10-15 percent & downside to trough of approximately 50 percent represents a top risk reward opportunity vs. our universe of leading businesses that we have at roughly -35/-70 percent today.

Merit Medical Systems (MMSI) is another company we like in the Healthcare sector. MMSI is a leading manufacturer of surgical supplies with a highly diversified portfolio of products focused on niche categories. The company has historically managed the business with a focus on quality, innovation and customer satisfaction, which has helped it gain market share but left the business running with returns on capital below its peers. More recently it has begun to emphasize profitability, including building recent facilities in lower-cost locations rather than the US, rightsizing headcount, trimming capital spending back to a normal maintenance level for a mature company, and slowing the growth of a very healthy research and development (R&D) budget. We believe MMSI has normal earnings power of \$1.80 vs current year earnings expectations around \$1.45. The company has an acceptable debt load of 2.5x EBITDAR given the stability and quality of the business, but we like that it is now prioritizing execution and debt paydown after a string of tuck-in acquisitions in 2018 and early 2019. Currently trading at 17x our normal EPS, we believe the company has around 20 percent upside to fair value and 50 percent downside to trough, making it one of our best risk reward opportunities.

In the Consumer Staples sector, we continue to gravitate towards healthier and more sustainable food categories and shy away from the market-share-losing packaged and processed food categories, given the pronounced market shifts occurring within the space. Cal-Maine Foods Inc. (CALM) is the leading producer of shell eggs in the U.S. with 20 percent market share, and it is 50 percent larger than the second-largest company (Rose Acre Farms). Egg consumption has been steadily growing over the past 15 years as consumers view eggs as a healthy, fresh, and inexpensive source of protein. The company has been increasing its production of specialty eggs for the past 15 years, growing from 4 percent of volume to 22 percent of volume in the most recent quarter, as the demand for cage-free eggs continues to increase. More recently, the company has been under-earning its mid-cycle or more normal earnings profile, due to low prices for conventional table eggs. Our estimate of normal EPS of \$2.75 compares nicely to the analyst consensus for 2020 at near breakeven. Before egg prices increased to more than \$1.00 per dozen in November and December of 2019, wholesale egg prices had been at historically low levels for much of the prior 6 months (around \$0.60 per dozen) due to an oversupply of egg laying hens in the US. With egg prices that low, CALM and other egg producers have been operating at a loss. This situation generally leads to smaller, over-leveraged, and/or higher cost producers going out of business or stopping operations, which corrects the supply demand imbalance and helps pricing return to normal levels. With CALM's strong balance sheet at approximately 1.4x net cash, we believe the company is in better position to sustain normal operations during periods of weak egg pricing and could allow the company to take advantage of attractive valuations to acquire smaller farms over time. Additionally, CALM's relatively higher weighting toward specialty eggs should allow it to achieve higher profitability in weak egg markets over time, as specialty eggs are sold at contracted prices and are not as impacted by market price fluctuations of regular eggs. CALM's specialty egg prices have been approximately \$1.90-\$2.20 per dozen for the past few years. With earnings improvement coming over the next few years, we believe the stock can trade significantly higher as that transition occurs. At only 15x our view of normal earnings, the stock is relatively inexpensive versus a very expensive overall market set of opportunities.

Finally, in the Insurance industry, we continue to like The Travelers Companies, Inc. (TRV), the leading US small commercial P&C underwriter, at approximately 11x our mid-cycle earnings. Modestly above-average catastrophe losses and interest rates have resulted in under-earnings for TRV and the market has punished the stock as a result. Unrelated to the catastrophe losses, but still within the industry, we continue to own Metlife, Inc. (MET) and Reinsurance Group of America (RGA).

These types of one-off stocks give us a level of positivity despite our overall cautious outlook as we believe the risk reward of your portfolio appears well-positioned versus the market set of opportunities. Our overall portfolio risk reward is a rather stoic 0 to 5 percent upside to fair value on current financial statements with growth into the future versus an approximate downside of -40 to -45 percent to a recession-like downside level based on our internal

estimates. This compares to the entire Nuance universe set of opportunities that is overvalued to fair value by 30 to 35 percent on current financial statements and downside in a recession like period being 65 to 70 percent.

In closing I wanted to also highlight some positive news from our investment team. My partner, friend, and co-portfolio manager Chad Baumler, CFA has been promoted to Co-Chief Investment Officer of Nuance effective January 1, 2020. Those of you who have met Chad appreciate his knowledge and passion for Nuance and your portfolios. This is a well-deserved promotion for Chad that highlights the outstanding work he has done since joining the firm. Chad and I together also want to highlight that Darren Schryer, CFA has been promoted from Investment Analyst to Associate Portfolio Manager. Darren will be joining Chad and I each morning to study, analyze, and reflect on the best risk rewards in the market and work with us to optimize your portfolio each day. Darren has done an outstanding job since joining our firm and this promotion reflects the quality of his work and his commitment to your portfolios.

Please visit our website for more information about our team, our process and value investing. Follow us on LinkedIn and Twitter! You may also receive information via traditional mail or email. Call us at 816-743-7080. [Click here for historical Concentrated Value Perspectives.](#)

Thank you for your continued confidence and support.



Scott A. Moore, CFA

GIPS Disclosures

	Gross of Fees Return	Net of Fees Return	Benchmark Return (RAV Index)	Benchmark Return (SPX Index)	Composite Dispersion (Full Period)	Number of Separate Accounts (End of Period)	Total Composite Assets (End of Period)	Total Firm Assets (End of Period)	% of Non-Fee paying accounts	3 Year Annualized Standard Deviation (Composite)	3 Year Annualized Standard Deviation (RAV Index)
YTD 2008 (11/13/08-12/31/08)	4.5	4.5	0.4	(0.5)	N/A	7	\$9,126,951	\$18,657,997	4.6%	-	-
2009	42.2	41.7	19.8	26.5	1.2	79	\$87,342,803	\$137,943,058	0.6%	-	-
2010	18.8	18.1	16.3	15.1	0.3	145	\$119,543,453	\$181,201,036	0.5%	-	-
2011	6.9	6.3	(0.1)	2.1	0.5	181	\$96,831,359	\$152,976,943	1.1%	16.1	21.3
2012	18.4	17.8	17.6	16.0	0.2	259	\$154,693,966	\$214,936,666	1.0%	13.1	16.0
2013	35.3	34.5	32.7	32.4	0.7	411	\$418,085,862	\$507,569,897	0.4%	12.2	13.1
2014	8.9	8.1	12.7	13.7	0.2	581	\$886,246,169	\$1,071,186,382	0.2%	10.4	9.5
2015	(1.3)	(2.0)	(4.1)	1.4	0.2	607	\$715,577,980	\$913,545,839	0.1%	11.4	10.9
2016	20.5	19.7	18.4	12.0	0.1	694	\$937,752,729	\$1,466,221,847	0.1%	11.1	11.1
2017	12.1	11.3	13.2	21.8	0.1	726	\$1,011,853,027	\$1,784,338,191	0.0%	10.1	10.5
2018	(3.8)	(4.6)	(8.6)	(4.4)	0.2	588	\$689,732,835	\$1,724,795,756	0.0%	9.4	11.2
YTD 2019 (12/31/2019)	28.9	28.0	26.2	31.5	0.1	522	\$795,289,051	\$3,486,104,071	0.0%	9.1	12.2

Compliance Statement

Nuance claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS® standards. Nuance has been independently verified for the periods 11/03/08 – 3/31/19 by Absolute Performance Verification. The verification reports are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation. Nuance is an investment adviser registered with the Securities and Exchange Commission. The firm maintains a complete list and description of composites, which is available upon request. Results are based on fully discretionary separate accounts under management, including those accounts no longer with the firm. The U.S. Dollar is the currency used to express performance returns and assets. Performance results are presented both net and gross of management fees and include the reinvestment of income. Both gross and net of fee returns are reduced by trading expenses. Net of fee returns are reduced by Actual investment advisory fees and other expenses that may be incurred in the management of the account. Incentive fee structures and performance-based fee structures are available for qualified clients and are negotiated individually. From the inception of each composite until 12/31/10, Time Weighted Return was compounded on a monthly basis. Beginning 01/01/11 through present, Time Weighted Return was compounded on a daily basis.

Dispersion is calculated from gross of fee returns using an equal-weighted standard deviation methodology. Only those accounts included for the full calculation period are part of the dispersion calculation. The 3-year Ex-post annualized standard deviation value is calculated using 36 consecutive monthly gross of fee returns to the end calculation period. Prior to January 1, 2017 dispersion was calculated using an asset-weighted methodology. The calculation methodology was updated based on a new performance system dispersion calculation. Nuance has adopted the following Significant Cash Flow Policy. An account will be removed from a composite if a client has given specific instructions that prevent full investment of the cash flow(s) in a timely manner (defined as 5 business days or greater), or if a single cash flow is equal or greater than 10 percent of the total account value based on the beginning of the month market value. If these circumstances exist, the account will be removed from the composite and added back to the composite on the first day of the following month.

Our Core offerings are the Nuance Mid Cap Value Strategy, the Nuance Concentrated Value Strategy and the Nuance Concentrated Value Long-Short Strategy. More information regarding Composite descriptions and policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request by contacting client.services@nuanceinvestments.com or 816-743-7080.

Important Disclosures

Nuance Investments, LLC (the "Firm") is a Registered Investment Advisor. The Firm's Nuance Mid Cap Value Composite (the "Composite") is a composite of actual accounts invested in the Nuance Mid Cap Value investment strategy. The inception date for the Composite is 11/03/2008. The Composite includes all accounts that have invested in the strategy, including accounts no longer managed by the Firm and are presented in US Dollars. The Primary Benchmark for the Composite is the Russell Midcap Value Index. The Russell Midcap Value Index measures the performance of the mid-cap value segment of the U.S. equity universe. It includes those Russell Midcap Index companies with lower price-to-book ratios and lower forecasted growth values. The Secondary Benchmarks for the Composite are the S&P MidCap 400 Value Index and the S&P 500 Index TR. The S&P MidCap 400 Value Index measures value in separate dimensions across six risk factors. The value factors include book value to price ratio, sales to price ratio, and dividend yield. The S&P 500 Index TR is a market-value weighted index representing the performance of 500 widely held publicly traded large-capitalization stocks. Individuals cannot invest directly in any index. These indices are used for comparison purposes only and are not meant to be indicative of a portfolio's performance, asset composition, or volatility. The performance of the Composite may differ markedly from that of compared indices due to varying degrees of diversification and/or other factors. Return calculations for the Composite are provided by Clearwater Analytics. Return calculations for all indices are provided by Bloomberg. A full schedule of fees for all Firm products is available upon request. The collection of fees has a compounding effect on the total rate of return net of investment management fees. Net of fee performance is presented after all actual investment management fees and trading expenses.

All material presented is compiled from sources believed to be reliable and current, but accuracy cannot be guaranteed. The information contained herein should not be construed as personalized investment advice and should not be considered as a solicitation to buy or sell any security or engage in a particular investment strategy. Investing involves risk, including the possible loss of principal.

(1) Rankings and peer groups created internally using data from Zephyr Style Advisor. Risk-Adjusted Return (Sharpe Ratio), Standard Deviation and return calculations for the Composite and indices provided by Zephyr Style Advisor. The Composites have been compared to various peer groups defined by investment style. Subsets of the Morningstar Large Value Peer Group, the Morningstar Mid Cap Value Peer Group and the Lipper Multi-Cap Value Funds Peer Group with performance history since inception have been presented as investment strategies with similar investment styles for the Nuance Concentrated Value Composite. Subsets of the Morningstar Mid Cap Value Peer Group and the Lipper Mid-Cap Value Peer Group with performance history since inception have been presented as investment strategies with similar investment styles for the Nuance Mid Cap Value Composite. For peer group comparisons all Returns, Standard Deviation and Sharpe Ratio calculations, including those of the Composite were calculated by Zephyr Style Advisor based upon strategies with monthly return data from December 2008 to present. Zephyr reports on month end returns only. For the purposes of peer group comparisons Since Inception returns are shown beginning 11/30/2008. The Sharpe Ratio is a calculation of a product's risk-adjusted performance over time. The Ratio is calculated by taking a product's annualized excess return over a risk-free rate (The Firm uses the Citigroup 3-Month Treasury Bill as the risk-free rate) and dividing by its annualized standard deviation calculated using monthly returns.

(2) Index statistics are provided by Russell. Characteristics calculations use holdings at market close on the stated date, including cash & cash equivalents. The following Composite characteristics are calculated using Bloomberg: Median Market Cap (midpoint of market capitalization of the stocks in the portfolio), Dividend Yield (annual dividends relative to share price), Return on Equity (net income divided by shareholder equity), Return on Assets (net income divided by average total assets). The P/E statistics are a Nuance internal calculation. Portfolio and Index P/E are calculated as the weighted average of individual company P/E ratios. Active share, as calculated by Morningstar Direct, is a statistic that measures a strategy's holdings relative to the holdings of the appropriate benchmark. Standard deviation is a measure of volatility showing the average deviations of a return series from its mean. The upside capture ratio is an indication of a manager's ability to match returns in periods of market strength, while the downside capture ratio measures a manager's ability to curtail losses in periods of index weakness. Results are gross of fees for the period since inception through present. Both upside/downside ratios and standard deviation are calculated using Style Advisor.

Portfolio holdings and sector allocations are subjected to change and are not a recommendation to buy or sell any security. As of 12/31/2019 portfolio weights of names discussed are as follows: Travelers Companies Inc. (TRV) 6.43%, 3M Co. (MMM) 5.86%, Reinsurance Group of America Inc. (RGA) 4.37%, ICU Medical Inc. (ICU) 3.76%, Cal-Maine Foods, Inc. (CALM) 3.49%, Chubb Ltd. (CB) 3.00%, Wright Medical Group NV (WMTG) 2.98%, Dentsply Sirona Co. (XRAY) 2.96%, TD Ameritrade Holding Corp. (AMTD) 2.86%, Amphenol Corp. Class A (APH) 2.50%, MetLife Inc. (MET) 2.49%, Sanderson Farms Inc. (SAFM) 2.00%, Merit Medical Systems Inc. (MMSI) 1.75%, ON Semiconductor Corp. (ON) 1.54%, Universal Health Services, Inc. (UHS) 1.00%. Holdings identified do not represent all of the securities purchased, sold or recommended for the adviser's clients. For a full list, please contact client.services@nuanceinvestments.com or 816-743-7080.

EBITDAR = An expansion of EBITDA, the measure allows for comparing firms with different asset structures. Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) is a metric used in assessing the operating earnings of a company.

Net Debt/EBITDAR = Net Debt to EBITDAR is a measurement of leverage which is calculated by taking a company's interest-bearing liabilities (net of cash and cash equivalents) and dividing by EBITDAR.

Return on capital = Return On Capital is a calculation that indicates how well a firm can convert capital into earnings.

Earnings per share = The amount of Net Income, less any preferred dividends, allocated on a per share basis of common stock

Past Performance is not a guarantee of future results. Any investment contains risk including the risk of total loss. There is no guarantee that an investment with the strategy will meet its investment objectives. Please request a copy of the Firm's Full General Disclosures for more information.