

Nuance Concentrated Value Perspectives Semi-Annual Report



June 30, 2011

Commentary with President and Chief Investment Officer
Scott A. Moore, CFA

One Ward Parkway, Suite 126
Kansas City, MO 64112
816.743.7080
www.nuanceinvestments.com

Product Overview

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.

Performance Update and Highlights

Since its inception on November 13, 2008, the Nuance Concentrated Value Composite (through June 30, 2011) is up 27.86 percent (annualized and net of fees) versus the Russell 3000 Value Index up 16.04 percent and the S&P 500 Index up 17.73 percent.

Since Inception the Nuance Concentrated Value Composite versus the eVestment US All Cap Value Equity Peer Group¹ is ranked in the 1st percentile on a risk-adjusted return basis as measured by Sharpe Ratio. Sharpe Ratio is calculated by subtracting the return of the risk-free index (Citigroup 3-month treasury bill) from the Composite return divided by the standard deviation of the Composite to get the risk-adjusted return. Being in the 1st percentile is something your team is very proud of as risk-adjusted returns are the emphasis of our product and our investment process. Achieving outperformance with less risk is truly the benchmark that we try to beat and being in the 1st percentile is certainly something we are proud to achieve.

For the first six months of the year (ending June 30, 2011), the Nuance Concentrated Value Composite is up 9.05 percent (net of fees) versus the Russell 3000 Value Index up 5.75 percent and the S&P 500 Index up 6.02 percent.

To 11/13/08 – 06/30/11	YTD 2011	1 Year	2 Years APR	3 Years APR	5 Years APR	Since Inception APR	Since Inception Return
Nuance Concentrated Value Composite (Gross)	9.38	31.65	28.13	N/A	N/A	28.44	93.04
Nuance Concentrated Value Composite (Net)	9.05	30.86	27.49	N/A	N/A	27.86	90.72
Russell 3000 Value Index	5.75	29.18	23.24	N/A	N/A	16.04	47.83
S&P 500 Index	6.02	30.69	22.29	N/A	N/A	17.73	53.56

	11/13/2008 -to- 12/31/2008	2009	2010	YTD 2011
Nuance Concentrated Value Composite (Gross)	4.47	42.21	18.78	9.38
Nuance Concentrated Value Composite (Net)	4.47	41.72	18.12	9.05
Russell 3000 Value Index	0.38	19.78	16.26	5.75
S&P 500 Index	(0.47)	26.47	15.06	6.02

Please 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. Periods over one year are annualized total return.

¹ 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. Return figures, peer group median, and peer group percentile rankings provided by eVestment Alliance.

Portfolio Attribution and Investment Strategy Review

The bright spots in your portfolio for the first six months of the year centered on the Energy, Materials, and Finance sectors. Imperial Oil Ltd., Graham Packaging Inc., and an underweight stance in the Finance sector were all material contributors to our outperformance in the first half of 2011.

Interestingly, there were no significant relative detractors during the first half of 2011. The worst contributor was the Telecommunications Service sector which only detracted a modest amount during the period.

Going forward, we continue to find opportunities in the Consumer Staples, Healthcare, and Industrial sectors. We continue our underweight holdings in the Finance and Consumer Discretionary sectors.

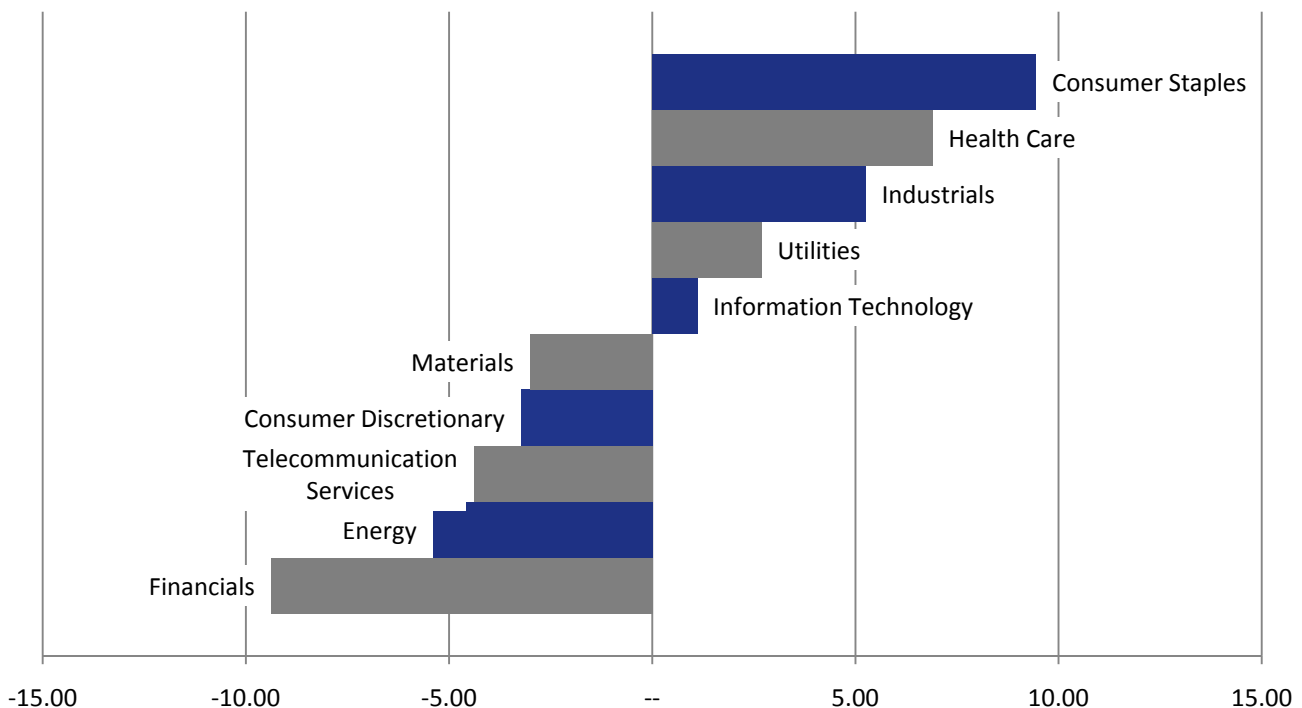
New Stock Added During June

There were no new holdings purchased during the month of June. See our previous Perspectives for all holdings changes throughout this semi-annual period.

Stocks We Sold During June

There were no existing holdings sold during the month of June. See our previous Perspectives for all holdings changes throughout this semi-annual period.

Nuance Concentrated Value Composite -vs- Russell 3000 Value Index Sector Diversification



Please note: Sector Classifications are generally determined by referencing the Global Industry Classification Standard (GICS) Codes developed by Standard & Poor's and Morgan Stanley Capital International. Sector Allocations are a percent of equity investments and subject to change.



Statistics and Valuation Support

We continue to be pleased with the overall composition of the portfolio. Remember that we are seeking to find investment opportunities in leading business franchises with better than average valuation support. Using the table below, you can see that the portfolio has a Price to Earnings ratio of 15.5x versus the Russell 3000 Value Index of 18.5x. We are achieving this ratio with a portfolio of companies that have returns on assets of 8.8 percent versus the Russell 3000 Value Index of 6.0 percent. This dichotomy of above average companies selling at below average multiples is a recipe for outperformance over the long term in our opinion.

Statistic	Nuance Concentrated Value	Russell 3000 Value Index
Weighted Average Market Cap	59.6b	67.6b
Median Market Cap	18.2b	0.9b
PE Trailing 12 Months	18.9x	20.5x
PE EPS Estimates Year 1	15.5x	18.5x
Dividend Yield	2.86%	2.12%
Price to Sales	2.3x	2.1x
Return on Assets	8.8%	6.0%
Return on Equity	18.7%	12.4%
Number of Securities	26	2,018

Semi-Annual Review

Two years from teetering on the brink of the most serious economic and financial crisis since the Great Depression, the persistency of the market recovery continues. Despite debt and leverage issues in countries around the world, anemic growth in developed countries, and seemingly more frequent natural disasters, the world's best companies continue to execute at very high levels versus historical norms. Frankly, the ability of the companies we own and follow to manage their businesses through these issues has been more than impressive. As for your Nuance team, we continue to do what we always do. Focus our attention on studying one company at a time insuring that each company we own maintains a sound and solid competitive position and insuring that the companies we own are undervalued based on our own internally derived view of sustainable cash flows and earnings and valuation.

We get asked a great deal what we think of the market. Is it expensive, inexpensive, or fairly valued? Our answer today is that our group of leading business franchise companies (over 300 companies in all) are performing at roughly the normal level of earnings potential versus history. This is impressive considering the economic environment in which they are operating. From a valuation perspective, your team would suggest that the market (as defined by our internal follow list of more than 300 companies) is modestly undervalued. This follows the impressive stock market gains of 2009, 2010, and the first six months of 2011. That said, within a marketplace with many fairly valued companies, we continue to find excellent company-specific opportunities. As of today, your portfolio is comprised of leading market share companies, with solid financial strength, that are trading at significant discounts to our internal view of fair or intrinsic value.

Overall, we continue to be gratified that over these first 32 months of our young firm we have delivered above-average results for our clients with below-average risk. We want to mention, however, that we will not outperform our benchmark each and every year. That is simply not a realistic assumption over time and frankly watching indexes is not what we spend our time doing. Rather, we continue to search the world for leading business franchises selling at discounts to what they are worth. By diligently focusing on this task day in and day out, we believe that outperformance will accrue to our clients over the long term.

Please visit our website at www.nuanceinvestments.com for more information about our team, our process, and value investing. You can also get real-time access to the Nuance Investment website updates and information via traditional mail or e-mail. Simply contact us at client.services@nuanceinvestments.com or call 816-743-7080 to sign-up.

Thank you for your continued confidence and support,

Scott A. Moore, CFA