

Nuance Concentrated Value Perspectives Discussion



July 31, 2011

from



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

After a two year period of meaningful market gains, economic uncertainty around the world coupled with high levels of government debt in many developed countries resulted in a market sell-off and increased market volatility. At Nuance, we embrace market volatility as uncertainty typically leads to above-average opportunities to buy leading business franchises trading at a discount to our internal view of fair value. Remember that we study each company that we own on its own business merits, confirm that the company maintains a number one or number two market share position in their niche businesses, and that their market share positions are sustainable. We want to avoid poorly positioned companies or companies losing market share as those companies are quite difficult to value in our opinion. During periods of negativity and market turmoil, we look to increase the quality of your portfolio, optimize the risk versus reward of your portfolio, and also look for tax loss swap opportunities to enhance your after-tax total return. We believe these moves will lead to above-average returns versus indexes and other money managers.

Performance Update

We continue to be pleased with our overall portfolio performance. Since its inception on November 13, 2008, the Nuance Concentrated Value Composite (through July 31, 2011) is up 25.51 percent (annualized and net of fees) versus the Russell 3000 Value Index up 14.10 percent and the S&P 500 Index up 16.28 percent.

Further, Nuance Concentrated Value ranks in the 1st percentile of all All-Cap Value managers on a risk-adjusted return basis (as measure by the Sharpe Ratio) since our inception (November 30, 2008 for peer group data) per eVestment Alliance. This is a very important milestone for our team as our team's primary performance metric is risk-adjusted returns as measured by the Sharpe Ratio.

Year-to-date through July, 2011, the Nuance Concentrated Value Composite is up 5.90 percent (net of fees) versus the Russell 3000 Value Index up 2.25 percent and the S&P 500 Index up 3.87 percent.

	YTD 2011	1 Year	Since Inception APR	Since Inception Return	Since Inception Sharpe Ratio (A)	Since Inception Standard Deviation (A)
Nuance Concentrated Value Composite (Gross)	6.33	24.95	26.12	87.66	1.60	15.16
Nuance Concentrated Value Composite (Net)	5.90	24.20	25.51	85.21	1.57	15.14
Russell 3000 Value Index	2.25	16.94	14.10	42.92	0.75	20.15
S&P 500 Index	3.87	19.65	16.28	50.44	0.92	17.83

Please visit our new and improved 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 Investments website updates and information via traditional mail, e-mail, or on Facebook.

Thank you for your continued confidence and support.

Scott A. Moore, CFA

Stocks we recently added to your portfolio:

Hasbro Inc. (HAS) – HAS provides children and family leisure products and services. Brands include Nerf, Star Wars, Littlest Pet Shop, and Transformers among many others. A recent earnings disappointment coupled with the market downturn has provided an interesting opportunity to purchase this leading toy and leisure company.

Imperial Oil, Ltd. (IMO) – We are going back to IMO after a meaningful decline in the stock price since we sold the stock earlier this year. This decline coincided with spot oil prices going down due to fear that the United States and other countries may be facing another recessionary period or at least slowing growth. IMO is a low cost producer of oil and natural gas and their by-products in Canada. IMO's current earnings power does not reflect the potential earnings power of major projects they have coming online over the next several years in our opinion. We think this earnings improvement will be recognized by the market over time.

US Ecology Inc. (ECOL) – ECOL provides radioactive, hazardous waste, and non-hazardous waste disposal services across the United States. As a leader in this niche waste service business, ECOL has seen lower than normal volumes due to slower than average economic activity. ECOL has net cash on its balance sheet, pays a healthy dividend, and we think will show material earnings improvement as the economy improves.

Stocks we recently sold from your portfolio:

NONE

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 benchmarks are the Russell Midcap Value Index and the S&P 500 Index. Return figures for all Indices are provided by Bloomberg. Periods over one year are annualized total return. For a full list of Nuance's Disclosures and GIPS® Performance Disclosures please contact Katie Carver at Katie.Carver@nuanceinvestments.com or 816-743-7080.