

Nuance Concentrated Value Perspectives Discussion



May 31, 2012

from Montage Investments

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

The market continued its downward movement in the month of May as continued economic issues in Europe and slowing growth in Asia coupled with fears of a weak earnings season put a damper on the market. Your portfolio continues to be etched with leading business franchises trading at a discount to our internal view of fair value. Our opinion is that uncertainty typically breeds opportunity and we think these issues are sowing the seeds for future gains as our stocks are very inexpensive today relative to our internal view of fair value. As we have written monthly for much of this year, we continue to be underweight historically high dividend payout ratio industries like Utilities and Real Estate Investment Trusts and continue to find opportunities in the Industrial, Energy, and Healthcare sectors. That tilt has not helped us this year as we have underperformed thus far. Remember that we study each company individually; confirm that the company maintains a number one or number two market share position in their various niche industries, and that their market share positions are sustainable over time. We want to avoid poorly positioned companies or companies losing market share on a sustainable basis as we believe those companies are more difficult to value.

Performance Update as of 05/31/2012

We continue to be pleased with our overall performance. Since its inception on November 13, 2008, the Nuance Concentrated Value Composite (through May 31, 2012) is up 19.73 percent (annualized and net of fees) versus the Russell 3000 Value Index, up 10.96 percent, and the S&P 500 Index, up 13.25 percent.

Year-to-date through May 31, 2012, the Nuance Concentrated Value Composite is up 1.87 percent (net of fees) versus the Russell 3000 Value Index, up 3.53 percent, and the S&P 500 Index, up 5.16 percent.

	YTD 2012	1 Year	3 Years APR	Since Inception APR	Since Inception Return	Since Inception Standard Deviation (A)	Since Inception Sharpe Ratio (A)
Concentrated Value Composite (Gross)	2.10	(2.82)	19.39	20.29	92.53	15.59	1.28
Concentrated Value Composite (Net)	1.87	(3.25)	18.81	19.73	89.38	15.55	1.24
Russell 3000 Value Index	3.53	(4.20)	13.81	10.96	44.63	20.02	0.53
S&P 500 Index	5.16	(0.41)	14.87	13.25	55.52	18.01	0.72

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 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

Separate Account Morningstar® Rating



Morningstar Rating Overall: 5 Stars
Category: Large Value
Number Rated: 445*

*The top 10% of separate accounts in a category earn 5 stars.

Stocks we recently added to your portfolio:

Helmerich & Payne Inc. (HP): We bought HP this month as the continued depression of natural gas prices has hurt the stock price of this leading natural gas driller. At current prices, the risk versus reward profile is favorable. We continue to believe that natural gas will take share from coal and oil over time as a source of energy and we believe long term normal prices will be higher than the spot prices are today. As such, we think the earnings power of HP and its valuation have significant upside over time.

US Ecology Inc. (ECOL): We also bought back ECOL after selling the stock earlier this year at higher prices. ECOL is a leading hazardous waste company with an excellent balance sheet and a dividend yield over 4.0%. Recent disappointing earnings due to several contract issues have cast a shadow over the company. We think the issues are transitory and that the longer term earnings potential is sound. Given the improvement we expect over the next several years, we would suggest the shares are attractive.

Stocks we recently sold from your portfolio:

We did not sell any holdings from your portfolio this month.

GIPS Disclaimer

	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 Net)	3 Year Annualized Standard Deviation (RAV Index)
YTD 2008 (11/13/08-12/31/08)	4.47	4.47	0.38	(0.47)	N/A	7	\$9,126,951	\$18,657,997	4.57%	-	-
2009	42.21	41.72	19.78	26.47	1.34	79	\$87,342,803	\$137,943,058	0.60%	-	-
2010	18.79	18.13	16.26	15.06	0.44	145	\$119,543,453	\$181,201,036	0.46%	-	-
2011	6.85	6.29	(0.06)	2.11	0.59	181	\$96,831,359	\$152,976,943	0.85%	16.09	21.31
YTD 2012 (05/31/2012)	2.10	1.87	3.53	5.16	N/A	224	\$123,360,565	\$181,140,064	0.84%	14.12	17.02

Important Disclaimer

Please note: Nuance Investments, LLC (the "Firm") is a Registered Investment Advisor. The Firm's Nuance Concentrated Value Composite (the "Composite") is a composite of actual accounts invested in the Nuance Concentrated Value investment strategy. The inception date for the Composite is 11/13/2008. 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 3000 Value Index. The Russell 3000 Value Index measures the performance of the broad value segment of the U.S. equity universe. It includes those Russell 3000 companies with lower price-to-book ratios and lower forecasted growth values. The Secondary Benchmark for the Composite is the S&P 500 Index. The S&P 500 Index 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 facts. Return calculations for the Composite are provided by Advent Portfolio Exchange. Return calculations for all indices are provided by Bloomberg. Standard Deviation and Sharpe Ratio calculations for the Composite and indices provided by Zephyr Style Advisor. The Standard Deviation of a product measures the average deviations of a return series from its mean, and is often used as a measure of risk. A large standard deviation implies that there have been large swings in the return series of the manager. 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. 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.

The Composite's performance returns have been audited by Absolute Performance Verification through March 31, 2011. The verification report is available upon request by contacting Client Services at 816-743-7080 or client.services@nuanceinvestments.com. Verification assesses whether (1) The Firm has complied with all the composite requirements of the Global Investment Performance Standards (GIPS®) 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.

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. 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. Nuance Investments, LLC is majority owned by Montage Investments, LLC. Prior to June 1, 2010 Nuance operated under the name Mariner Value Strategies, LLC.

The Morningstar® ratings (the "Rating(s)") provided are as of 3/31/2012. The Rating is a measure of a separate account's risk-adjusted return, relative to other separate accounts in the same Morningstar Category. Separate accounts are rated from 1 to 5 stars, with the best performers receiving 5 stars and the worst performers receiving 1 star. Separate accounts are rated for up to three periods (three, five, and 10 years), and ratings are recalculated each quarter. The Morningstar Rating for separate accounts uses an enhanced risk-adjusted return measure, which accounts for all variations in a separate account's monthly performance, with more emphasis on downward variation. Separate accounts are ranked against others in the same category and stars are assigned as follows: the top 10% of separate accounts in a category earn 5 stars, the next 22.5% 4 stars, the middle 35% 3 stars, the next 22.5% 2 stars, and the bottom 10% 1 star. The Morningstar Category identifies separate accounts based on their actual investment styles as measured by their underlying representative holdings (portfolio statistics and compositions). Ratings are not indicative of Nuance's future performance. For more information regarding the rating methodology, please contact client.services@nuanceinvestments.com.