

# Nuance Concentrated Value Composite



September 2013

from Montage Investments

## Objective

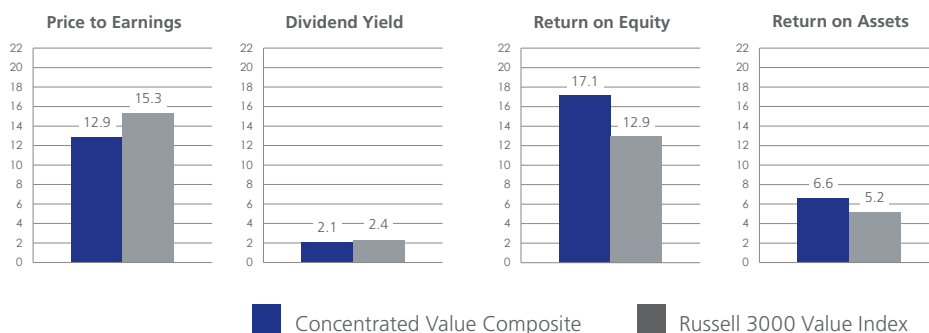
The Nuance Concentrated Value product seeks long-term capital appreciation primarily through investments that our team believes are high quality, though temporarily out of favor, US Equity Securities. Our performance focus is on superior risk-adjusted returns.

## Performance 11/13/2008 - 09/30/2013

|                                      | YTD 2013 | 1 Year | 3 Years APR | Since Inception APR | Since Inception TR | Since Inception Standard Deviation (A) | Since Inception Sharpe Ratio (A) |
|--------------------------------------|----------|--------|-------------|---------------------|--------------------|--|----------------------------------|
| Concentrated Value Composite (Gross) | 22.78    | 29.24  | 20.27       | 22.96               | 174.14             | 14.20                                  | 1.60                             |
| Concentrated Value Composite (Net)   | 21.88    | 28.10  | 19.49       | 22.28               | 166.88             | 14.15                                  | 1.55                             |
| Russell 3000 Value Index             | 20.71    | 22.70  | 16.27       | 15.01               | 97.91              | 17.72                                  | 0.84                             |
| S&P 500 Index                        | 19.79    | 19.34  | 16.24       | 15.89               | 105.45             | 15.90                                  | 0.98                             |

## Portfolio Characteristics as of 9/30/2013

|                             | Nuance Concentrated Value Composite | Russell 3000 Value Index |
|-----------------------------|-------------------------------------|--------------------------|
| Weighted Average Market Cap | 33.7b                               | 94.7b                    |
| Median Market Cap           | 11.6b                               | 1.1b                     |
| Price to Earnings           | 12.9x                               | 15.3x                    |
| Dividend Yield              | 2.1%                                | 2.4%                     |
| Return on Equity            | 17.1%                               | 12.9%                    |
| Return on Assets            | 6.6%                                | 5.2%                     |
| Number of Securities        | 30                                  | 1,991                    |



Composite & Index statistics provided by Bloomberg & Russell, respectively: Weighted Average Market Cap, Median Market Cap, Dividend Yield & Number of Securities. Return on Equity & Return on Asset statistics are internally calculated using Bloomberg data. The P/E statistics are a Nuance internal calculation. Characteristics calculations use holdings at market close on the stated date, including cash and cash equivalents.

## Risk-Adjusted Returns Rankings<sup>1</sup>

**1<sup>st</sup> PERCENTILE**

### Morningstar

Category: Large Value

Ranking vs. Peers: 1<sup>st</sup> of 1,103

### Lipper

Category: Multi-Cap Value

Ranking vs. Peers: 1<sup>st</sup> of 234

## Scott A. Moore, CFA



### President and Chief Investment Officer

- 22+ years of investment analyst experience
- 20+ years of classic value investment experience
- 14+ years of portfolio management experience using a classic value approach
- Lead Portfolio manager of the Nuance Concentrated Value Separate Account product
- Lead Portfolio manager of the Nuance Mid Cap Value Separate Account product
- Former Sr. Portfolio Manager at American Century Investments managing over \$10 billion

## Investment Process

### Identify Investment Opportunities

- Quantitative screening to identify leading business franchises
- Review financial metrics versus peers
- Review initial public offerings (IPOs)

### Fundamental Research

- Competitive position review and analysis
- Study of historical financial statements
- Proprietary projections of financial statements

### Valuation Study

- Proprietary valuation study
- Use of proprietary projections of normal earnings and cash flows
- Emphasis on asymmetrical risk/ rewards

### Portfolio Construction

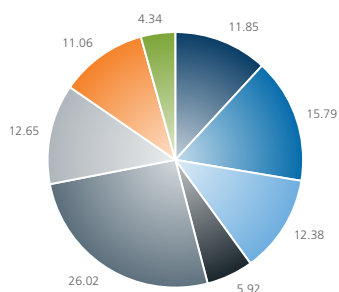
- Buy / sell discipline emphasizing asymmetrical risk versus reward profiles
- Consistent security and sector risk controls
- Consistent portfolio guidelines

Peer Group Analysis 11/30/2008 - 9/30/2013

|  | Since Inception APR | Standard Deviation (A) <sup>1</sup> | Sharpe Ratio (A) <sup>1</sup> |
|--|---------------------|-------------------------------------|-------------------------------|
| Nuance Concentrated Value Composite (Gross)      | 22.27               | 14.29                               | 1.55                          |
| Nuance Concentrated Value Composite (Net)        | 21.58               | 14.24                               | 1.51                          |
| Morningstar Large Value Peer Group (median)      | 15.04               | 16.92                               | 0.91                          |
| Peer Group Percentile                            | 1st                 | 12th                                | 1st                           |
| <b>Peer Group Ranking</b>                        | <b>10 of 1,103</b>  | <b>137 of 1,103</b>                 | <b>1 of 1,103</b>             |
| Lipper Multi-Cap Value Funds Peer Group (median) | 17.52               | 18.01                               | 0.94                          |
| Peer Group Percentile                            | 11th                | 3rd                                 | 1st                           |
| <b>Peer Group Ranking</b>                        | <b>26 of 234</b>    | <b>7 of 234</b>                     | <b>1 of 234</b>               |

Sector Allocation as of 09/30/2013

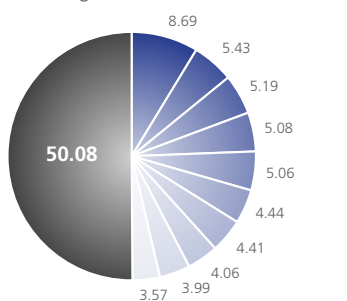
|                          |       |
|--------------------------|-------|
| ■ Consumer Discretionary | -     |
| ■ Consumer Staples       | 11.85 |
| ■ Energy                 | 15.79 |
| ■ Financials             | 12.38 |
| ■ Healthcare             | 5.92  |
| ■ Industrials            | 26.02 |
| ■ Information Technology | 12.65 |
| ■ Materials              | 11.06 |
| ■ Telecommunications     | -     |
| ■ Utilities              | 4.34  |



Note: Sector Classifications are determined by referencing the Global Industry Classification Standard (GICS®). Sector Allocation provided by Advent Portfolio Exchange.

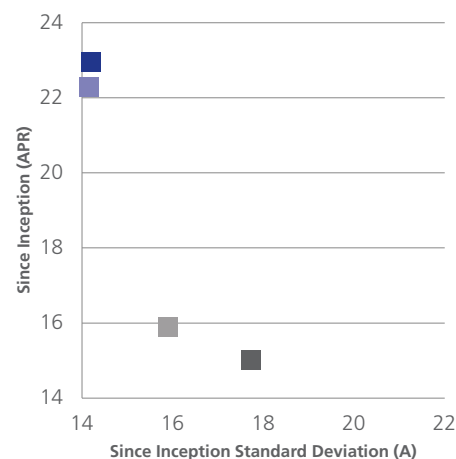
Top 10 Holdings as of 09/30/2013

|                               |       |
|-------------------------------|-------|
| ■ Xylem Inc                   | 8.69  |
| ■ Sysco Corp                  | 5.43  |
| ■ American Sci & Eng Inc      | 5.19  |
| ■ Imperial Oil Ltd            | 5.08  |
| ■ MKS Instrument Inc          | 5.06  |
| ■ MetLife Inc                 | 4.44  |
| ■ Exxon Mobil Corp            | 4.41  |
| ■ Cabot Microelectronics Corp | 4.06  |
| ■ Northern Trust Corp         | 3.99  |
| ■ Southwest Airlines Co       | 3.57  |
| ■ Other Holdings              | 50.08 |



Note: Holdings are subject to change. For a complete list contact Nuance Investments.

Risk & Reward (11/13/2008 - 09/30/2013)



- Nuance Concentrated Value Composite (Gross)
- Nuance Concentrated Value Composite (Net)
- Russell 3000 Value Index
- S&P 500 Index

Portfolio Guidelines

|                                   |   |
|-----------------------------------|---|
| Capitalization                    | All-Cap   |
| Cash Limits <sup>1</sup>          | 25.00%  |
| International Limits <sup>2</sup> | 25.00%  |
| Diversification Limits            | 50% of the portfolio assets will not have positions of greater than 5%        |
| Maximum Position                  | 15.00%  |
| Industry Constraints <sup>3</sup> | 25.00%  |
| Number of Companies <sup>4</sup>  | 15 to 35  |
| Absolute Volatility               | Less than S&P 500 Index   |
| Peer Group                        | All-Cap Value   |
| Primary Benchmark                 | Russell 3000 Value Index  |
| Secondary Benchmark               | S&P 500 Index   |
| Tracking Error                    | Appx. 350-1000 bps  |
| Performance Focus                 | Absolute Return & Sharpe Ratio vs. Russell 3000 Value Index and S&P 500 Index |

(1) The portfolio will not exceed a 25% weighting in Cash. Cash is typically below a 10% weighting.

(2) The portfolio may invest up to 25% of its assets in equity securities of foreign companies that are organized and headquartered in countries classified as "developed" by MSCI. As of August 2011, the following countries were classified as "developed" by MSCI: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, UK, and the United States.

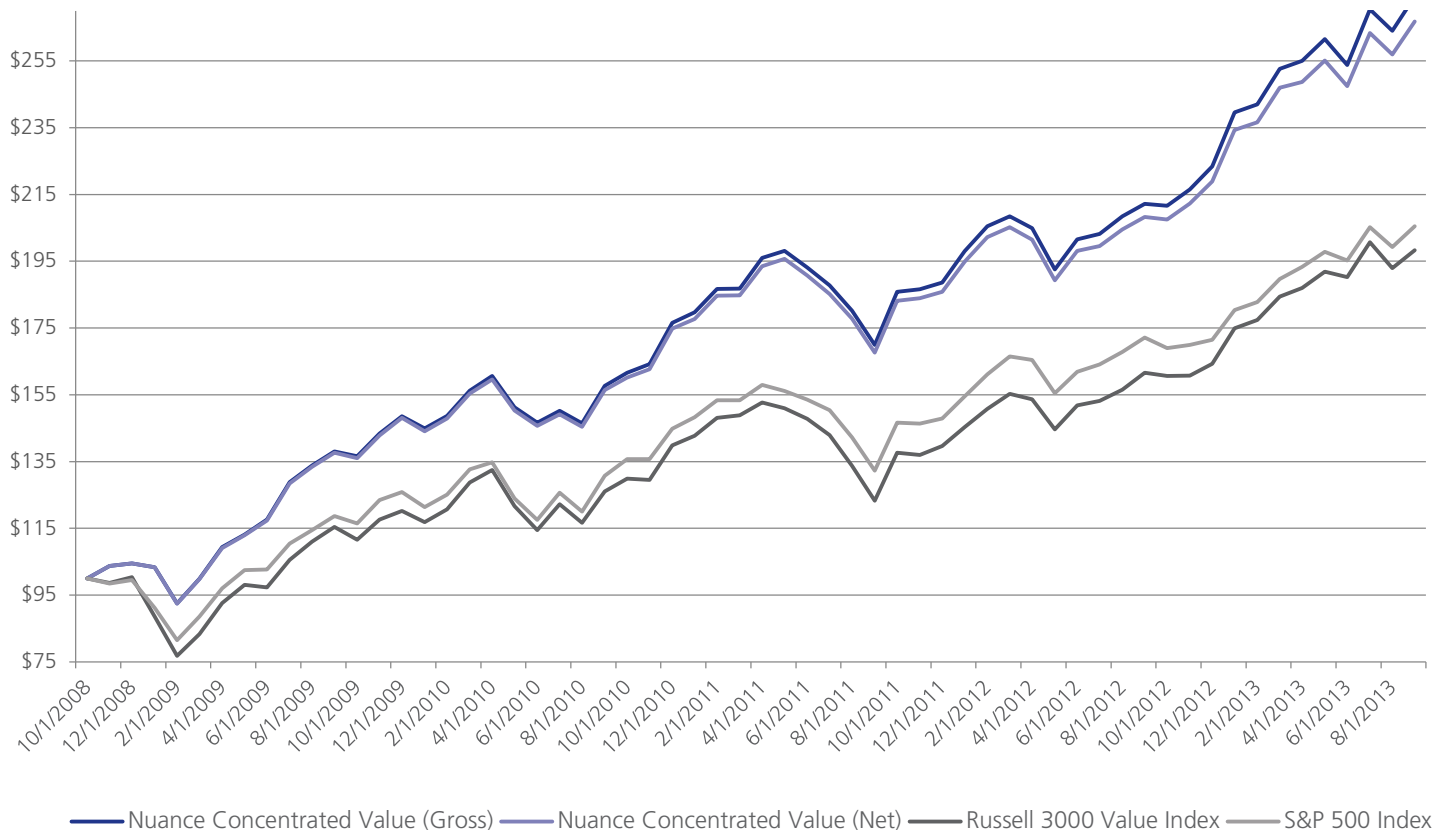
(3) The portfolio will not exceed a 25% weighting in in one industry as defined by GICS classification standards (GICS®).

(4) A typical portfolio will hold between 15 and 35 companies. This is not a fundamental diversification limit.

Monthly Performance (Net of Fees)

|                         |                              | Jan     | Feb     | Mar  | Apr    | May    | Jun    | Jul    | Aug    | Sep    | Oct    | Nov    | Dec  | YTD    |
|-------------------------|------------------------------|---------|---------|------|--------|--------|--------|--------|--------|--------|--------|--------|------|--------|
| 11/13/2008 - 12/31/2008 | Concentrated Value Composite |         |         |      |        |        |        |        |        |        |        | 3.76   | 0.69 | 4.47   |
|                         | Russell 3000 Value Index     |         |         |      |        |        |        |        |        |        |        | (1.36) | 1.76 | 0.38   |
| 2009                    | Concentrated Value Composite | (1.10)  | (10.55) | 7.99 | 9.34   | 3.46   | 3.93   | 9.49   | 3.85   | 3.15   | (1.15) | 4.97   | 3.67 | 41.72  |
|                         | Russell 3000 Value Index     | (11.72) | (13.41) | 8.60 | 11.13  | 5.85   | (0.70) | 8.44   | 5.19   | 3.95   | (3.35) | 5.44   | 2.22 | 19.78  |
| 2010                    | Concentrated Value Composite | (2.67)  | 2.64    | 5.04 | 2.71   | (5.84) | (3.01) | 2.32   | (2.49) | 7.58   | 2.36   | 1.58   | 7.51 | 18.13  |
|                         | Russell 3000 Value Index     | (2.82)  | 3.28    | 6.66 | 2.96   | (8.24) | (5.89) | 6.80   | (4.53) | 7.99   | 3.07   | (0.29) | 7.95 | 16.26  |
| 2011                    | Concentrated Value Composite | 1.64    | 3.90    | 0.05 | 4.76   | 1.11   | (2.56) | (2.87) | (4.00) | (5.72) | 9.27   | 0.42   | 1.04 | 6.29   |
|                         | Russell 3000 Value Index     | 2.08    | 3.80    | 0.48 | 2.58   | (1.11) | (2.09) | (3.32) | (6.45) | (7.83) | 11.68  | (0.47) | 1.98 | (0.06) |
| 2012                    | Concentrated Value Composite | 4.85    | 3.79    | 1.45 | (1.80) | (6.04) | 4.62   | 0.72   | 2.53   | 1.82   | (0.36) | 2.29   | 3.12 | 17.79  |
|                         | Russell 3000 Value Index     | 4.01    | 3.79    | 2.99 | (1.05) | (5.89) | 4.96   | 0.88   | 2.24   | 3.21   | (0.55) | 0.01   | 2.23 | 17.62  |
| YTD 2013 (09/30/2013)   | Concentrated Value Composite | 7.04    | 0.97    | 4.40 | 0.71   | 2.56   | (3.00) | 6.41   | (2.44) | 3.84   |        |        |      | 21.88  |
|                         | Russell 3000 Value Index     | 6.46    | 1.41    | 3.98 | 1.39   | 2.60   | (0.85) | 5.48   | (3.84) | 2.76   |        |        |      | 20.71  |

Growth of \$100 11/13/2008 - 09/30/2013



## 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 Gross) | 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                        | 1.17                               | 79  | \$87,342,803                           | \$137,943,058                     | 0.60%                        | -  | -  |
| 2010                         | 18.79                | 18.13              | 16.26                        | 15.06                        | 0.25                               | 145   | \$119,543,453                          | \$181,201,036                     | 0.46%                        | -  | -  |
| 2011                         | 6.85                 | 6.29               | (0.06)                       | 2.11                         | 0.48                               | 181   | \$96,831,359                           | \$152,976,943                     | 0.85%                        | 16.13  | 21.31  |
| 2012                         | 18.41                | 17.79              | 17.62                        | 16.00                        | 0.19                               | 259   | \$154,693,966                          | \$214,936,666                     | 0.77%                        | 13.05  | 16.02  |
| YTD 2013 (09/30/2013)        | 22.78                | 21.88              | 20.71                        | 19.79                        | N/A                                | 365   | \$327,106,504                          | \$403,140,385                     | 0.92%                        | 12.41  | 13.55  |

The Composite's performance returns have been audited by Absolute Performance Verification through March 31, 2013. 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.

## Important Disclosures

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 TR. 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 facts. Return calculations for the Composite are provided by Advent Portfolio Exchange. Return calculations for all indices are provided by Bloomberg. The Price-Earnings Ratio (P/E Ratio) is a valuation ratio of a company's current share price compared to its per-share earnings as calculated by the market value per share divided by earnings per share. The Dividend Yield is calculated based on how much an investment pays in dividends each year relative to its share price. The Return on Equity is calculated by dividing net income by shareholder equity. The Return on Assets is calculated based on net income divided by average total assets. The Growth of \$100 chart is calculated by Zephyr Style Advisor assuming the same cash value at inception and the variance of the investment using monthly return data for each strategy. 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.

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 August 1, 2010 Nuance operated under the name Mariner Value Strategies, LLC.

(1) Risk-Adjusted Return (Sharpe Ratio) calculations and Standard Deviation for the Composite and indices provided by Zephyr Style Advisor. The Composite has been compared to various peer groups defined by investment style. The Composite is a mid market capitalization value investment style. The Morningstar Large Value Peer Group (as selected by Morningstar) and the Lipper Multi-Cap Value Funds Peer Group have been presented as investment strategies with similar investment styles. 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 09/30/2013. 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.