

Nuance Concentrated Value Perspectives Discussion



June 30, 2014

from Montage Investments

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

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

Since its inception on November 13, 2008, the Nuance Concentrated Value Composite (through June 30, 2014) is up 23.43 percent (annualized and net of fees) versus the Russell 3000 Value Index up 16.38 percent and the S&P 500 Index up 17.10 percent.

For the first six months of 2014 (ending June 30, 2014), the Nuance Concentrated Value Composite was up 11.06 percent (net of fees) versus the Russell 3000 Value Index up 7.95 percent and the S&P 500 Index up 7.13 percent.

Comparing our product to peers displays excellent results over time. On a total return basis, we ranked 3rd of 1,115 (1st percentile) peer group members in the Morningstar Large Cap Value universe. Versus the Lipper Multi-Cap Value Funds Peer Group we ranked 14th of 227 (7th percentile).

As compared to these same peer groups on a risk-adjusted return basis (as measured by the Sharpe Ratio statistic), the Nuance Concentrated Value Composite also fared quite well. The product ranked 1st out of 1,115 (1st percentile) peers in the Morningstar Large Cap Value universe. Versus the Lipper Multi-Cap Value Funds Peer Group, we ranked 1st out of 227 (1st percentile). The 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 risk-adjusted return.

Risk-Adjusted Returns Rankings¹

1st PERCENTILE

Morningstar Lipper
Category: Large Value Category: Multi-Cap Value
Ranking vs. Peers: 1st of 1,115 Ranking vs. Peers: 1st of 227

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
- Co-owner and founder of Nuance Investments, LLC
- 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

11/13/2008 - 06/30/2014	YTD					Since Inception		
	2014	1 Year	3 Years APR	5 Years APR	Since Inception APR	Since Inception TR	Standard Deviation (A)	Since Inception Sharpe Ratio (A)
Nuance Concentrated Value Composite (Gross)	11.41	32.70	20.37	23.41	24.07	236.64	13.61%	1.72
Nuance Concentrated Value Composite (Net)	11.06	31.83	19.68	22.74	23.43	226.94	13.58%	1.67
Russell 3000 Value Index	7.95	23.70	16.73	19.27	16.38	134.90	16.75%	0.97
S&P 500 Index	7.13	24.60	16.56	18.81	17.10	143.23	15.09%	1.12
	11/13/08 - 12/31/08		2009		2010	2011	2012	2013
Nuance Concentrated Value Composite (Gross)	4.47		42.21		18.79	6.85	18.41	35.33
Nuance Concentrated Value Composite (Net)	4.47		41.72		18.13	6.29	17.79	34.45
Russell 3000 Value Index	0.38		19.78		16.26	(0.06)	17.62	32.72
S&P 500 Index	(0.47)		26.47		15.06	2.11	16.00	32.38

Peer Group Analysis 11/30/2008 - 06/30/2014

	Since Inception APR	Standard Deviation (A)	Sharpe Ratio (A)
Nuance Concentrated Value Composite (Gross)	23.47	13.61	1.72
Nuance Concentrated Value Composite (Net)	22.81	13.58	1.67
Morningstar Large Value Peer Group (median)	16.14	15.99	1.03
Peer Group Percentile	1st	12th	1st
Peer Group Ranking	3 of 1,115	133 of 1,115	1 of 1,115
Lipper Multi-Cap Value Funds Peer Group (median)	17.99	17.05	1.04
Peer Group Percentile	7th	3rd	1st
Peer Group Ranking	14 of 227	6 of 227	1 of 227

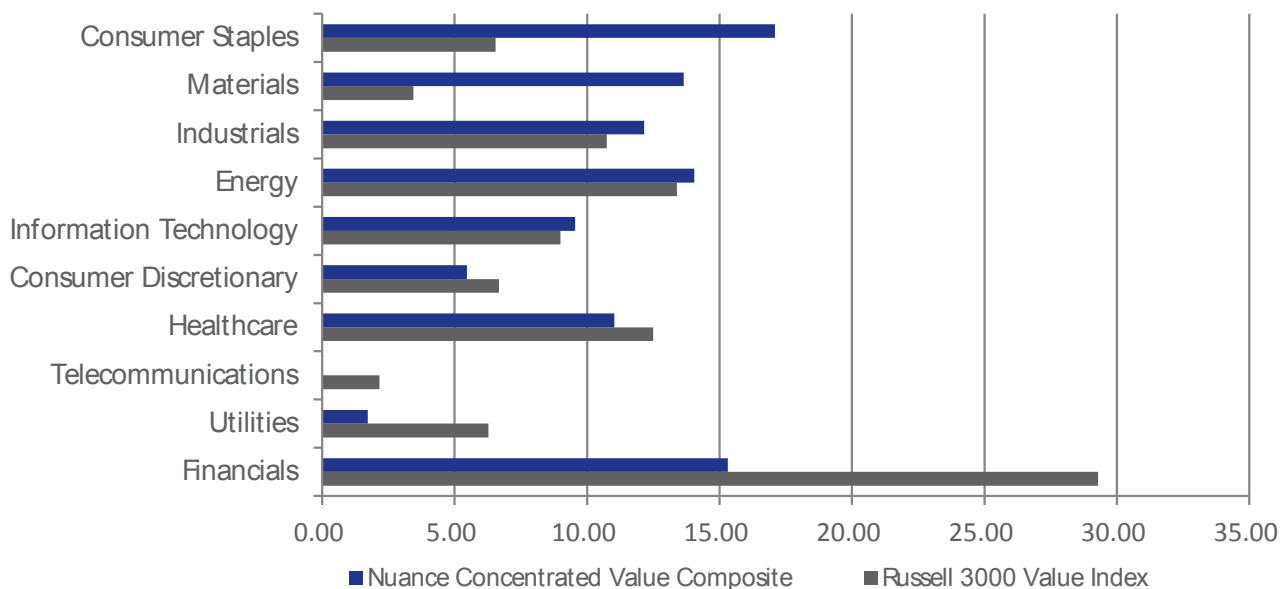
Portfolio Attribution and Investment Strategy Review:

The bright spots in your portfolio for the first six months of 2014 included the Materials, Industrial, and Energy sectors. Clean Harbors Inc., Imperial Oil LTD, Compass Minerals International, and Goldcorp Inc. were significant outperformers.

The biggest detractors to performance was in the Real Estate Investment Trust (REIT) industry and Healthcare sector. A large underweight in a nicely outperforming REIT industry hurt performance while Patterson Companies Inc. also underperformed.

Going forward, we are finding interesting opportunities in the Basic Materials and Consumer Staples sectors. We continue to be underweight the Finance and the Utility sectors. Those two spaces are not showing opportunities and continue to appear fully valued or overvalued in our opinion.

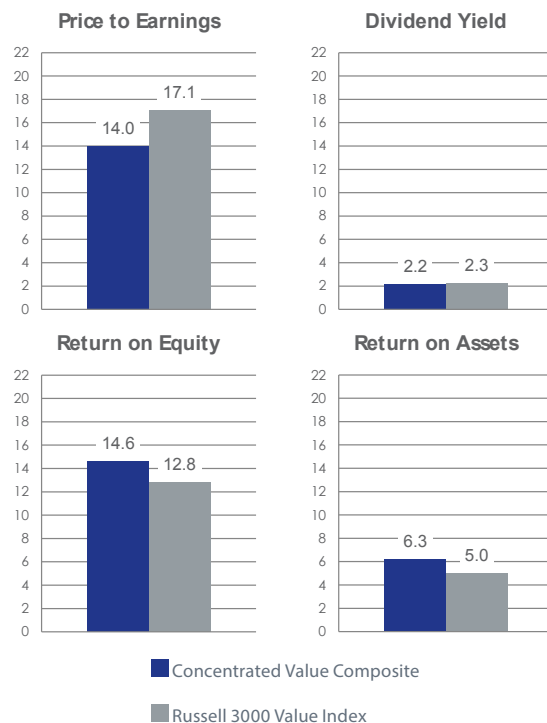
Nuance Concentrated Value Composite vs Russell 3000 Value Index
Sector Diversification as of 06/30/2014



Composition of the Portfolio

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 table below, you can see that the portfolio has a Price to Earnings ratio of 14.0x versus the Russell 3000 Value Index of 17.1x. We are achieving this ratio with a portfolio of companies that have returns on assets of 6.3 percent versus the Russell 3000 Value Index of 5.0 percent. This dichotomy of above average companies selling at below average multiples is a recipe for outperformance over the long term in our opinion.

Characteristics as of 06/30/2014	Nuance Concentrated Value Composite	Russell 3000 Value Index
Weighted Average Market Cap	24.8b	101.2b
Median Market Cap	13.5b	1.4b
Price to Earnings	14.0x	17.1x
Dividend Yield	2.2%	2.3%
Return on Equity	14.6%	12.8%
Return on Assets	6.3%	5.0%
Number of Securities	24	2,009



Composite&IndexstatisticsprovidedbyBloomberg&Russell,respectively:WeightedAverageMarket Cap,MedianMarket Cap,DividendYield&NumberofSecurities. ReturnonEquity&ReturnonAsset statistics are internally calculated using Bloomberg data. The P/E statistics are a Nuance internal calculation.Characteristicscalculationsuseholdingsatmarketcloseonthestateddate,inclodingcashand cash equivalents.

Stocks we recently added to your portfolio (during June 2014):

BOK Financial Corp. (BOKF): BOKF is a multi-bank holding company with its primary operations in the state of Oklahoma. The company is currently under earning its potential due to compressed net interest margins as well as a significant overcapitalization position. These factors combined with recent underperformance of the stock has led to an interesting opportunity in this high quality, market share gaining bank.

Knowles Corporation (KN): KN is a leading provider of advanced acoustic components like microphones and hearings aids to electronic devices around the world. With dominant market share, growing markets, and the potential for margin expansion as the company becomes more focused outside of a large entity, we think the potential for valuation expansion is significant.

Conagra Foods Inc. (CAG): CAG is a leading packaged food company with leading market share positions in a wide variety of food product areas, including both branded and generic foods as well as food service items. Recent disappointing company guidance has resulted in a significant erosion of the stock value of CAG and created an interesting buying opportunity. With expectations being set at more reasonable levels and an over 3.5 percent dividend yield (based on our largest purchases prices) we think the risk versus reward opportunity is attractive.

Stocks we recently sold from your portfolio (during June 2014):

Schlumberger LTD (SLB): SLB was recently removed from our portfolio after an outstanding period of outperformance because we felt the company surpassed our view of fair value. As such we move on to other opportunities and will look for weakness or disappointment to provide us with another opportunity to buy one of our favorite energy sector names.

Capital Federal Financial Inc. (CFFN): We exited our position in CFFN as we believed there were better opportunities for outperformance. We will look for better entry points for CFFN in the future and we continue to follow this company.

Second Quarter 2014

We hope that this past six months of performance was pleasing to our clients. Achieving greater than 10 percent returns in six months is certainly a positive period for us. However, with the continuation of a now five year rally in the market (and in our products), we are fielding more and more calls asking us about valuations and about the opportunity set going forward. And while we answer these questions daily and have for a very long time, there are certain periods during a market cycle when the question becomes more difficult to answer. Such is life in July of 2014. Our group of nearly 300 leading business franchises which we have studied and monitored for years is clearly at the higher end of a normal valuation range (our opinion). As such the opportunity set for our products and clients has narrowed. Themes today are scarce and our portfolio appears and is focused on one-off stock issues and opportunities. So the obvious question is does this market environment bother us? The answer is certainly not. Fairly valued to moderately overvalued markets are typical for us to navigate and during these periods were are usually able to find leading business franchises with transitorily negative events that have hurt their earnings and cash flows temporarily. These negative events and the resulting inexpensive valuations that result are normal even during these periods. Today would include holdings in Sysco Corp., Mosaic Corp., and Target Corporation as examples. In each case there is a company-specific negative event(s) occurring that has dampened the earnings power of the company below what we believe to be normalized levels. This same issue has also resulted in a negative sentiment which has resulted in stock price underperformance which has led to valuation levels that are attractive from our perspective. Such is the makeup of your portfolio today.

We also want to use this letter to introduce Chad Baumler, CFA® to your Nuance investment team. Chad will be a portfolio manager for all products at Nuance and his expertise in classic value investing as a portfolio manager and investment analyst is certainly a positive development for your team. I personally hired Chad (while at my former firm) from the University of Texas MBA program and had a hand in training him. I have known him and the quality of his work for a very long time. Chad likes to say that I have given him his only two jobs in the investment world. The first at my former firm, and the second and hopefully last one here at Nuance Investments. As a long-time friend and colleague I could not be happier to add him to our already outstanding staff of investment professionals.

We will close this letter stating that we continue to be pleased with our long term performance, but as always, we remind our readers that outperformance versus our primary and secondary benchmarks is not a given nor should it be your expectation for any single year or quarter. There will be times that the market and our team will simply disagree and the result will be underperformance.

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

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 Gross)	3 Year Annualized Standard Deviation (RAV Index)
YTD 2008	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
2013	35.33	34.45	32.72	32.38	N/A	411	\$418,085,862	\$507,569,897	0.79%	12.20	13.08
YTD 2014 (06/30/2014)	11.41	11.06	7.95	7.13	N/A	537	\$854,554,887	\$1,037,500,875	0.38%	12.12	13.20

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 Disclaimer

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. 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.

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 Equity is calculated by taking the net income divided 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

(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 an 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 06/30/2014. 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.