

Nuance Concentrated Value Perspectives Discussion



March 31, 2015

from Montage Investments

Commentary with President and Chief Investment Officer Scott 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 March 31, 2015) is up 20.09 percent (annualized and net of fees) versus the Russell 3000 Value Index up 15.00 percent and the S&P 500 Index up 16.19 percent.

For the first quarter (ending March 31, 2015), the Nuance Concentrated Value Composite was up 1.05 percent (net of fees) versus the Russell 3000 Value Index down 0.51 percent and the S&P 500 Index up 0.95 percent.

Comparing our product to peers displays excellent results over time. On a total return basis, we ranked 15th of 1,143 (1st percentile) peer group members in the Morningstar Large Cap Value universe. Versus the Lipper Multi-Cap Value Funds Peer Group we ranked 36th of 214 (17th 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 3rd out of 1,143 (1st percentile) peers in the Morningstar Large Cap Value universe. Versus the Lipper Multi-Cap Value Funds Peer Group, we ranked 1st out of 214 (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: 3 rd of 1,143	Ranking vs. Peers: 1 st of 214

Scott 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

	YTD		3 Years	5 Years	Since Inception	Since Inception	Since Inception	Since Inception
11/13/2008 - 03/31/2015	2015	1 Year	APR	APR	APR	TR	Standard Deviation (A)	Sharpe Ratio (A)
Nuance Concentrated Value Composite (Gross)	1.25	3.78	16.92	16.36	20.76	233.11	13.29	1.54
Nuance Concentrated Value Composite (Net)	1.05	2.99	16.14	15.66	20.09	221.48	13.27	1.50
Russell 3000 Value Index	(0.51)	8.93	16.31	13.65	15.00	143.96	16.12	0.92
S&P 500 Index	0.95	12.72	16.11	14.45	16.19	160.54	14.58	1.10
	11/13/08 - 12/31/08		2009	2010	2011	2012	2013	2014
Nuance Concentrated Value Composite (Gross)	4.47		42.21	18.79	6.85	18.41	35.33	8.88
Nuance Concentrated Value Composite (Net)	4.47		41.72	18.13	6.29	17.79	34.45	8.07
Russell 3000 Value Index	0.38		19.78	16.26	(0.06)	17.62	32.72	12.69
S&P 500 Index	(0.47)		26.47	15.06	2.11	16.00	32.38	13.68

Peer Group Analysis 11/30/2008 - 03/31/2015

	Since Inception APR ¹	Standard Deviation (A) ¹	Sharpe Ratio (A) ¹
Nuance Concentrated Value Composite (Gross)	20.23	13.35	1.51
Nuance Concentrated Value Composite (Net)	19.54	13.33	1.46
Morningstar Large Value Peer Group (Median)	14.79	15.49	0.97
Peer Group Percentile	1st	14th	1st
Peer Group Ranking	15 of 1,143	165 of 1,143	3 of 1,143
Lipper Multi-Cap Value Funds Peer Group (Median)	16.03	16.17	0.98
Peer Group Percentile	17th	5th	1st
Peer Group Ranking	36 of 214	11 of 214	1 of 214

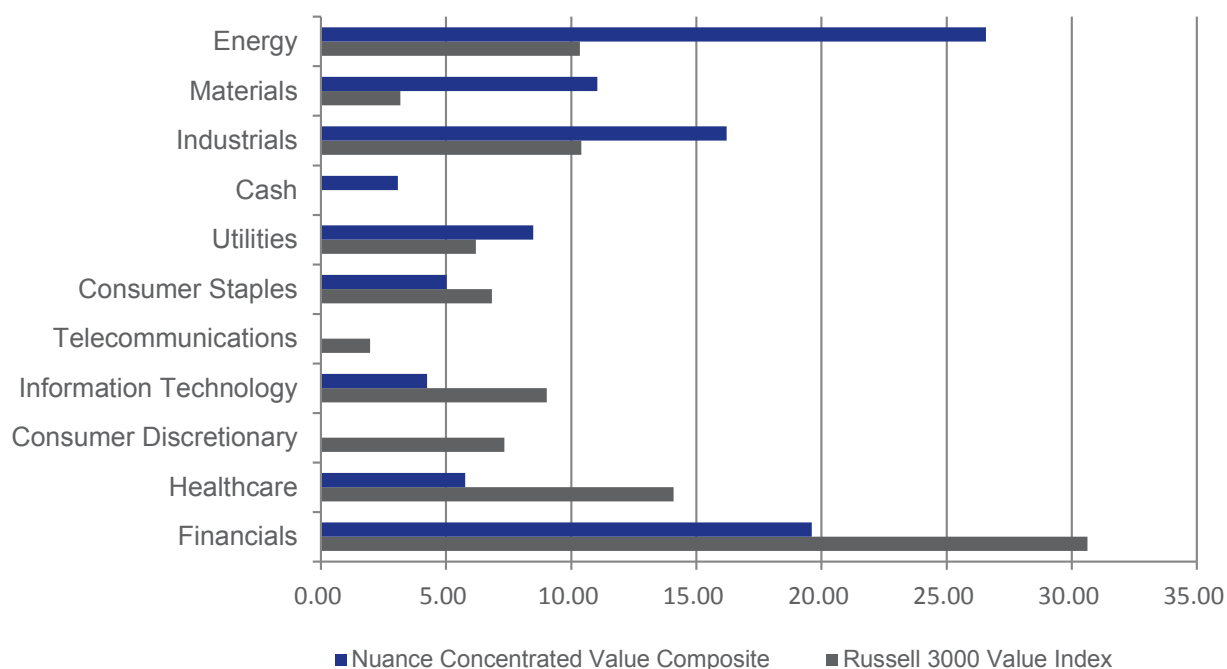
Portfolio Attribution and Investment Strategy Review:

The bright spots in your portfolio for the first quarter of 2015 included the Energy, Financials, Materials and Information Technology sectors. Frank's International NV (FI), BOK Financial Corp. (BOKF) and Goldcorp Inc. (GG) were among the best contributors.

The biggest detractors to performance were the Healthcare and Utility sectors. Our underweight stance in the outperforming Healthcare space hurt performance as well as our position in National Fuel Gas Co. (NFG) which we continue to like and have added to on weakness.

Overall, our portfolio has been relatively stable from a sector weighting perspective following our weighting additions in the Energy, Finance and Industrial sectors on underperformance that occurred in the last several months of 2014 and very early in 2015. We are now clearly overweight the Energy and Industrial sectors. Our underweights include the Consumer Discretionary sector as the combination of fully valued to overvalued stocks and evolving competitive positions make it difficult to find ideas that fit our process. We are also underweight the Real Estate Investment Trust industry, the Consumer Staples sector and the Healthcare sector as those spaces continue to appear fully valued or overvalued driven broadly by what we have termed the chase for yield.

Nuance Concentrated Value Composite vs Russell 3000 Value Index
Sector Diversification as of 03/31/2015



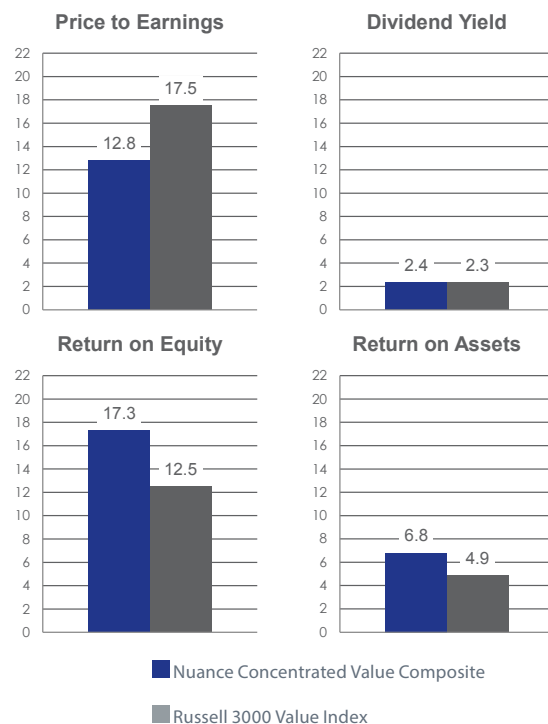
Composition of the Portfolio

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 12.8x versus the Russell 3000 Value Index of 17.5x. We are achieving this ratio with a portfolio of companies that have returns on assets of 6.8 percent versus the Russell 3000 Value Index of 4.9 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 03/31/2015	Nuance Concentrated Value Composite	Russell 3000 Value Index
Weighted Average Market Cap	32.3b	99.1b
Median Market Cap	5.7b	1.4b
Price to Earnings (internal & ttm)*	12.8x	17.5x
Forward Price to Earnings	18.7x	16.9x
Dividend Yield	2.4%	2.3%
Return on Equity	17.3%	12.5%
Return on Assets	6.8%	4.9%
Number of Securities	24	2,057

*Based on Nuance internal estimates and benchmarked against the above noted Russell index.

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.



Stocks we recently added to your portfolio (March 2015):

Diageo PLC (DEO): DEO produces, distills, and markets a variety of alcoholic beverages. With leading market share positions in whiskeys, vodkas, tequilas, gins and specialty beers, DEO fits our definition of a market leading franchise across the vast majority of its businesses. Short-term destocking issues, some issues in the beer franchise and currency related weakness in both fundamentals and stock price have led to modestly below normal returns on capital and a flattening of earnings growth for the firm. This has caused the stock to underperform significantly and has provided us with an excellent buying opportunity for a company with above average returns on capital, a solid balance sheet and a solid dividend yield while we wait.

Stocks we recently sold from your portfolio (March 2015):

None.

2015 First Quarter Review

The first quarter was a reasonable start for 2015 following two straight difficult quarters for our team in late 2014. Most of the outperformance was related to one-off stock performance for names like BOKF and GG, but a modest overall recovery in select energy names – particularly FI – also led to the first quarter outperformance. We continue to think the major dislocation associated with oil and natural gas prices plummeting in the latter part of 2014 and very early 2015 is creating the most compelling risk reward opportunities for our clients. As our loyal readers know, performance over one quarter is not something that we focus on here at Nuance; but, as has been our tradition since we started the firm in 2008, we want to make sure our clients are aware of how we are doing during a given calendar year.

On that note, short-term performance versus long-term performance is always an interesting topic and one I want to address with our clients in this quarterly review. Our team has tried to be very open and forthcoming regarding the pitfalls of focusing on short-term performance (both good and bad), but some market participants insist on emphasizing short-term performance that often includes quarterly data. As a result, our team decided to consider the entire topic of short-term performance and come up with a consistent way of discussing it with our clients going forward. While no measure is the perfect answer, what we seek is a logical and reasonable measure to discuss on a consistent basis. To choose such a measure, we first considered our own experiences historically and our perception regarding how investors traditionally have thought about short-term performance. Our conclusion is that many clients focus on simple one quarter and 12 month performance. Using that as a base and our short-term performance for Nuance Concentrated Value as the topic, you can see that our short-term performance as of today would be mixed to struggling.

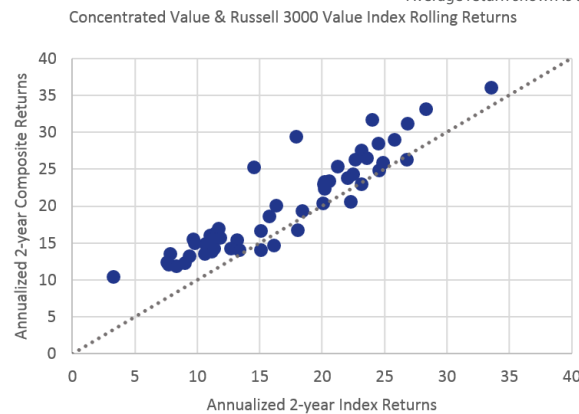
As discussed above, the first quarter was solid and showed modest outperformance. However, the 12 month period has been a struggle for us as your Nuance Concentrated Value product was up 2.99 percent (net of fees) versus the Russell 3000 Value Index up 8.93 percent. Clearly a disappointing period for our product and a direct result, in our opinion, of our underweight position across many interest rate sensitive areas of the market that have gone from fairly valued to overvalued as the 10 year treasury has fallen to historically low levels of below 2% in the last half of 2014. This, coupled with our team's additions to the Energy sector a bit early last year, has resulted in the trailing 12 month numbers being disappointing. So, is a quarter or a 12 month period the right time horizon to consider short-term performance? To answer that question I would rewind to just a few months ago and remind our clients that from 6/30/2013 to 6/30/2014 we were up 31.86 percent net of fees versus 23.70 percent for the Russell 3000 Value Index. Further, from 6/30/2013 to 3/31/2015 (21 months) we were up 15.98 percent (annualized and net of fees) versus the Russell 3000 Value Index up 15.39 percent. So, which data points reflect the short-term better? One quarter? 12 months? 18 months? 21 months? 24 months? In our opinion, based on our history, we can easily eliminate any time horizon that is 12 months or less due to the simple fact that these periods are so random that analytical work attempting to draw a conclusion based solely on those numbers is just not a good idea. Please note that we understand that 12 months and even shorter periods are certainly informational and we will always provide our clients with those results for that purpose.

Having eliminated the 12 month and shorter data, we can also easily eliminate all time periods five years and greater. We believe those are clearly long-term time horizons and are very appropriate time horizons to review within the context of studying how well an investment manager and their team has performed. So with 12 months or less eliminated and 5 years or greater eliminated, we essentially narrowed our selection to either two or three years. While we studied a myriad of data both internally and externally, ultimately we have selected two years instead of three as three years seems to fall within an intermediate term range of 3-5 years and three years might not highlight a recent negative period like we are experiencing right now which we want to make sure gets highlighted.

With those conclusions made, we studied our own performance in this context. The results are interesting and we hope helpful for clients today and over the coming decades of our relationship. Since our inception in November of 2008, Nuance Concentrated Value's composite has had 53 periods of monthly 2-year returns. Upon review of those periods, we have outperformed our benchmark 47 out of the 53 possible data points. The maximum period of outperformance was the 2-year period from 12/31/2008 to 12/31/2010 with your product being up 29.39 (annualized and net of fees) percent versus the Russell 3000 Value Index up 17.95 percent (annualized). The maximum period of underperformance was 12/31/2012 to 12/31/2014 with your product being up 20.54 percent (annualized and net of fees) versus the Russell 3000 Value Index being up 22.29 percent. The following chart might sum things up a bit better:

Average Annual 2-Year Rolling Return				
11/30/2008 - 03/31/2015	Periods Beating the Index		Composite Avg (%) Net of Fees ¹	Russell 3000 Value Index Avg (%)
Nuance Concentrated Value Composite	47/53	89%	20.6	17.4

¹Average return shown is the average of all month end rolling two year periods.



What is the most important messages to take away from our discussion? First, be cautious trying to measure an investment manager over very short periods of time. While 12 months can be interesting, we would suggest that rolling 2-year periods would be a reasonable way to think about short-term performance and how your manager has done in various short-term periods over the life of the product. Second, and critically, long-term performance coupled with a consistent team operating a consistent process is the best way to measure investment manager performance, in our opinion. Short-term results will vary given market sentiment, volatility, fear, greed, bubbles and just plain old naivety. But long-term results matter and, we think, show the true value add that can be brought to investors who do their due diligence and have a bit of patience.

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 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	1.13%	16.13	21.31
2012	18.41	17.79	17.62	16.00	0.19	259	\$154,693,966	\$214,936,666	0.98%	13.05	16.02
2013	35.33	34.45	32.72	32.38	0.66	411	\$418,085,862	\$507,569,897	0.41%	12.20	13.08
2014	8.88	8.07	12.69	13.68	0.20	581	\$886,246,169	\$1,071,186,382	0.16%	10.44	9.49
2015 (YTD 03/31/2015)	1.25	1.05	(0.51)	0.95	N/A	572	\$ 846,420,014	\$ 1,033,603,021	0.17%	10.72	10.08

Compliance Statement

Nuance claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS® standards. Nuance has been independently verified for the periods 11/03/08 – 03/31/14 by Absolute Performance Verification. The verification reports are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards 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. Nuance is an investment adviser registered with the Securities and Exchange Commission. The firm maintains a complete list and description of composites, which is available upon request. Results are based on fully discretionary separate accounts under management, including those accounts no longer with the firm. The U.S. Dollar is the currency used to express performance returns and assets. Performance results are presented both net and gross of management fees and include the reinvestment of income. Both gross and net of fee returns are reduced by trading expenses. Net of fee returns are reduced by Actual investment advisory fees and other expenses that may be incurred in the management of the account. The firm does not currently assess any Performance Based Fees. From the inception of each composite until 12/31/10, Time Weighted Return was compounded on a monthly basis. Beginning 01/01/11 through present, Time Weighted Return was compounded on a daily basis.

Dispersion is calculated from gross of fee returns using an asset-weighted standard deviation methodology. Only those accounts included for the full calculation period are part of the dispersion calculation. The 3-year Ex-post annualized standard deviation value is calculated using 36 consecutive monthly gross of fee returns to the end calculation period. Since Inception, Nuance has adopted the following Significant Cash Flow Policy for both composites. An account will be removed from a composite if a client has given specific instructions that prevent full investment of the cash flow(s) in a timely manner (defined as 5 business days or greater), or cumulative cash flow(s) are equal or greater than 3 percent of the total composite market value based on the end of month market value, or if cumulative cash flow(s) are equal or greater than 20 percent of the total account value based on the end of month market value. If these circumstances exist, the account will be removed from the composite and added back to the composite on the first day of the month following the date that the account is fully invested (defined as being within ten percent of the model portfolios cash target).

Our Core offerings are the [Nuance Mid Cap Value Strategy](#) and the [Nuance Concentrated Value Strategy](#). More information regarding Composite descriptions and policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request by contacting client.services@nuanceinvestments.com or 816-743-7080.

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.

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 P/E Statistics are a Nuance internal calculation. The dollar-weighted harmonic mean of individual company P/E ratios is used. This approach first considers holdings' E/P, which are then summed on a dollar-weighted basis across the entire portfolio to achieve a portfolio E/P ratio. Finally, the inverse of this ratio is taken to arrive at the Portfolio P/E ratio. 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 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 all market capitalization value investment style. The Morningstar Large Value Peer Group 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 03/31/2015. 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.

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.