

Nuance Concentrated Value Composite Perspectives



October 31, 2017

Description of the Product

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.

Portfolio Managers



Scott Moore, CFA
President & CIO

26 Years of Experience

Chad Baumler, CFA
Vice President

10 Years of Experience

Risk-Adjusted Returns Rankings¹

1ST PERCENTILE

Lipper
Category: Multi-Cap Value
SI Rank in Cat: 2 of 244

Morningstar
Category: Large Value
SI Rank in Cat: 5 of 986

Morningstar
Category: Mid-Cap Value
SI Rank in Cat: 1 of 322

Longer Term Performance Update

Since Inception Return: The return since inception (11/13/2008) through 10/31/2017 is 16.9 percent (annualized and net of fees) versus the Russell 3000 Value Index and S&P 500 Index, which have returned 13.1 percent and 14.7 percent respectively. We are pleased with this level of outperformance over time.

Risk-Adjusted Returns: Our Sharpe Ratio since inception through 10/31/2017 is 1.3 (net of fees) versus Russell 3000 Value Index at 0.9 and the S&P 500 Index at 1.1.

Peer Group Returns through 09/30/2017: Comparing our product to peers displays positive results over time. On a total return basis, since 11/30/08, we ranked 26 out of 986 peer group members (3rd percentile) in the Morningstar Large Cap Value universe, 73 out of 322 (23rd percentile) in the Morningstar Mid-Cap Value universe, and 22 out of 244 (9th percentile) in the Lipper Multi-Cap Value universe.

Peer Group Risk-Adjusted Return through 09/30/2017: On a risk-adjusted return basis, since 11/30/2008, (measured by the Sharpe Ratio) we ranked 5 out of 986 peer group members (1st percentile) in the Morningstar Large Cap Value universe, 1 out of 322 (1st percentile) in the Morningstar Mid-Cap Value universe, and 2 out of 244 (1st percentile) in the Lipper Multi-Cap Value universe.

Peer Group Analysis 11/30/2008 - 09/30/2017	Since Inception APR ¹	Standard Deviation (A) ¹	Sharpe Ratio (A) ¹
Nuance Concentrated Value Composite (Gross)	17.2	12.6	1.4
Nuance Concentrated Value Composite (Net)	16.5	12.6	1.3
Lipper Multi-Cap Value Funds Peer Group (Median)	13.4	15.3	0.9
Peer Group Percentile and Ranking	9th (22 of 244)	5th (12 of 244)	1st (2 of 244)
Morningstar Large Value Peer Group (Median)	12.9	14.4	0.9
Peer Group Percentile and Ranking	3rd (26 of 986)	14th (142 of 986)	1st (5 of 986)
Morningstar Mid-Cap Value Peer Group (Median)	15.2	15.9	0.9
Peer Group Percentile and Ranking	23rd (73 of 322)	1st (3 of 322)	1st (1 of 322)

Performance 11/13/2008 - 10/31/2017	APR*	TR*	Standard Deviation*	Sharpe Ratio*	7 Years	5 Years	3 Years	1 Year	2017 YTD
Nuance Concentrated Value Composite (Gross)	17.6	327.6	12.5	1.4	14.9	15.1	9.1	17.5	9.3
Nuance Concentrated Value Composite (Net)	16.9	305.3	12.5	1.3	14.2	14.3	8.4	16.7	8.6
Russell 3000 Value Index	13.1	201.8	14.7	0.9	12.8	13.5	8.1	18.3	8.5
S&P 500 Index	14.7	242.4	13.4	1.1	14.1	15.2	10.8	23.6	16.9

*Since Inception

Value. Delivered.

Shorter Term Performance Update (Two Year and Year-to-Date)

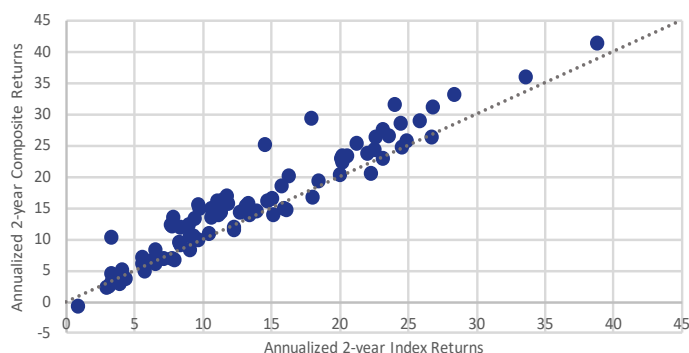
Rolling 2-Year Periods	Current 2-Year Period as of 10/31/2017		Composite (%) Net of Fees ¹	Russell 3000 Value Index (%)
	Periods Beating the Index	75%		
11/30/2008 - 10/31/2017	63/84	75%	11.9	12.2

Your team at Nuance cautions clients regarding the use of short-term performance as a tool to make investment decisions. That said, if a client wants to consider our short-term performance, we recommend emphasizing two-year rolling periods since our inception. Our normal discussion of short-term performance will center on two-year performance, but we will also note calendar year to date results as is our tradition.

For the period ending October 31, 2017, the Nuance Concentrated Value Composite two year rolling return is 11.9 percent (net of fees) versus the Russell 3000 Value Index and S&P 500 Index which have returned 12.2 percent and 13.6 percent respectively. Overall, we have outperformed in 63 out of the available 84 two-year periods as shown in the chart labeled Rolling 2-Year Return Periods.

Year-to-date, the Nuance Concentrated Value Composite has returned 8.6 percent (net of fees) versus the Russell 3000 Value Index and the S&P 500 Index, which have returned 8.5 percent and 17.8 percent respectively.

Concentrated Value (Net) & Russell 3000 Value Index Rolling Returns



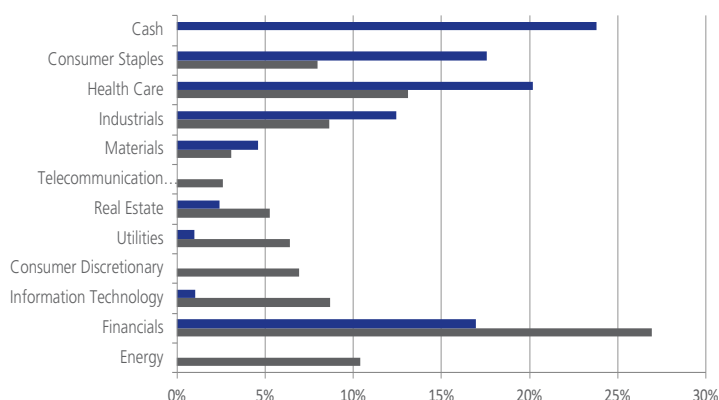
Calendar Year Performance as of 10/31/2017	11/13/08 - 12/31/08	2009	2010	2011	2012	2013	2014	2015	2016	2017 YTD
Nuance Concentrated Value Composite (Gross)	4.5	42.2	18.8	6.9	18.4	35.3	8.9	(1.3)	20.5	9.3
Nuance Concentrated Value Composite (Net)	4.5	41.7	18.1	6.3	17.8	34.5	8.1	(2.0)	19.7	8.6
Russell 3000 Value Index	0.4	19.8	16.3	(0.1)	17.6	32.7	12.7	(4.1)	18.4	8.5
S&P 500 Index	(0.5)	26.5	15.1	2.1	16.0	32.4	13.7	1.4	12.0	16.9

Composition of the Portfolio as of 10/31/2017

Portfolio Characteristics ²	Nuance Concentrated Value Composite	Russell 3000 Value Index
Weighted Average Market Cap	59.3b	112.2b
Median Market Cap	22.2b	1.5b
Price to Earnings (internal and ttm)*	20.1x	19.2x
Forward Price to Earnings	20.0x	16.3x
Dividend Yield	1.7%	2.4%
Return on Equity	57.0%	12.5%
Return on Assets	7.7%	4.4%
Active Share vs Russell 3000 Value	93.9%	-
Upside/Downside Capture Ratio vs Russell 3000 Value	88.8% / 59.6%	-
Number of Securities	30	2,098

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 adjacent table, you can see that the portfolio has a Price to Earnings ratio of 20.1x versus the Russell 3000 Value Index of 19.2x. We are achieving this ratio with a portfolio of companies that have a return on assets of 7.7 percent versus the Russell 3000 Value Index of 4.4 percent. This dichotomy of above average companies selling at average multiples has the opportunity for outperformance over the long-term, in our opinion.

¹Based on Nuance internal estimates and benchmarked against the above noted Russell index.

Sector Weights and Portfolio Positioning as of 10/31/2017

The portfolio remains stable from a sector weighting standpoint, and we continue to believe the opportunity set remains limited. We have been adding to our weight in the Financial sector as just a small reset in future interest rate expectations has created an opportunity in what we view as select high quality financial institutions. We continue to be overweight in the Industrial sector as we are seeing select opportunities primarily in the transportation industry. We remain overweight the Consumer Staples and Healthcare sectors. We are now underweight the Energy sector as we believe the sector is facing a multi-year period of competitive transition. We continue to be underweight the Utilities, Real Estate, Consumer Discretionary, and Information Technology sectors primarily due to valuation concerns.

Stocks We Added to Your Portfolio (October 2017):

AptarGroup, Inc. (ATR): ATR is a leading global manufacturer in the niche dispensing market with products serving the personal care/beauty, home care, pharmaceuticals, and food & beverage end markets. ATR's ability to innovate has cemented the company as the technology leader within the dispensing and closures markets. The company holds a #1 or #2 share in every market in which it operates. We also believe the company has one of the best balance sheets across the packaging sector. We consider the risk/reward of the security to be attractive versus other market opportunities, but valuations do appear to be full. As such, we are starting with a very small weighting and will look to grow the weight on weakness.

Cerner Corp. (CERN): CERN is a leading provider of electronic medical records software. CERN has been gaining market share consistently over the last decade. We believe this, coupled with a strong balance sheet, creates the profile of an attractive investment. Recently, a timing-related bookings miss caused a selloff in CERN shares and provided an opportunity to re-enter the stock.

The Clorox Company (CLX): CLX is a leading provider of household and personal care products, with market leading positions in bleach, surface cleaning products, trash bags, charcoal, and natural personal care products. The company's brands include Clorox branded cleaners, Glad trash bags and storage products, Kingsford charcoal, and Burt's Bees. CLX is facing some near-term headwinds with commodity input costs rising due to resin prices, some heightened promotional activity by competitors and retailers, and poor macroeconomic conditions in certain parts of Latin America. We believe these are transitory issues and have created an attractive risk/reward for CLX relative to other opportunities.

Ecolab Inc. (ECL): ECL is the global leader in water, hygiene, energy, and other technologies and services that provide and protect clean water, safe food, abundant energy, and a healthy environment. The company provides chemicals and on-site service for customers in the food, health care, hospitality, and industrial markets. ECL holds the #1 or #2 position in nearly every market it operates and in some cases, is 2 to 3 times bigger than the next competitor. The company has experienced modest underearning from energy-related and food service-related end market clients. ECL represents a reasonable value today versus the market and justifies a position in the portfolio.

Everest Re Group, Ltd. (RE): RE is a leading US Property & Casualty re-insurer with stable-to-gaining share over the last decade and the best balance sheet amongst its peer group. Following a large, hurricane-driven catastrophe quarter in 3Q17 that had a dramatic effect on RE's run rate earnings power, we believe RE is currently under-earning its long-term potential. With RE trading at 10x our estimate of normalized earnings, we felt the company was a good addition to our clients' portfolio.

Orbital ATK, Inc. (OA): Northrup Grumman Corporation (NOC) has agreed to acquire Orbital ATK, Inc. (OA) for cash and stock totaling approximately \$134.50 per share in cash. We have followed and liked NOC for quite some time and believe the combined company will provide a solid competitive position going forward. Further, after studying the combined company, we believe the anti-trust related issues are modest and that financing issues should be manageable. As such, we have a high degree of confidence the deal will result in a new combined company. After studying the valuation of the combined company, we have chosen to invest in the OA stock rather than the NOC stock for this investment due to its superior risk reward versus market alternatives.

Waters Corp. (WAT): WAT provides high-performance liquid chromatography, mass spectrometry and thermal analysis products and services to the pharmaceutical, industrial, food service and academic industries. With leading market share positions and a stable, sticky customer base, we believe WAT is well positioned from a competitive standpoint. Recent range-bound trading has created a favorable risk/reward scenario as compared to the rest of our investable universe even though valuation appears full. We are starting with a very small weighting in one of our favorite companies.

Stocks We Eliminated from Your Portfolio (October 2017):

Emerson Electric Co. (EMR): EMR designs and manufactures a variety of electronic and electrical equipment, automation products and systems and a variety of other products and services for industrial, commercial and consumer markets globally. After a period of solid performance, we have exited our position and will look for better opportunities to re-enter the position.

Frank's International (FI): FI is the leading global provider of highly engineered tubular services within the energy equipment and services sub-industry. We have exited FI following a complete re-review of the Energy sector. That review and its findings are noted in the September 30, 2017 Nuance Perspectives.

National Fuel Gas Co. (NFG): We exited our position in NFG after a re-review of the valuation of the company's west coast crude oil exploration and production business put the company at modestly above our fair value. We continue to follow and monitor NFG for future investment opportunities.

Patterson Companies, Inc. (PDCO): PDCO is a leading distributor of dental and veterinary supplies in North America and Europe. The growing threat of competitive disruption in the dental and veterinarian distribution businesses led to us closing our position in PDCO after a modest gain.

Nuance Perspectives from President & CIO, Scott Moore, CFA

Dear Clients,

We continue to be pleased with the performance of your Nuance Concentrated Value Composite. Year to date (through 10/31/2017) we are up 8.59 percent (net of fees) versus the Russell 3000 Value Index up 8.45 percent and the S&P 500 Index up 16.91 percent. Most importantly to us, since our inception on 11/13/2008, the Nuance Concentrated Value Composite is up 16.88 percent (annualized and net of fees) versus the Russell 3000 Value Index up 13.11 percent and the S&P 500 Index up 14.71 percent.

As we traditionally do as the holiday season approaches, we want to address tax related issues and remind our clients of our view on taxes and how our time-tested process deals with taxes. First and foremost, we are aware of taxes and the implications of taxes to your total return. We use multiple techniques to minimize the tax burden, including tax loss swaps and an awareness of the time horizon where investments change from short-term to long-term capital gains. Assuming nothing of significance happens in November and December, we are of the opinion that the tax burden for taxable clients should be relatively modest this year. While the exact tax gain or loss numbers vary by account, we estimate that the realized capital gains (both short and long term) for this year will likely range from 0-5 percent of the value of the account. This is an estimate as we still have over a month left in the investment year, but it should be a reasonable approximation.

We get asked a great deal about taxes and turnover in our strategy. What we explain is that buying into weakness and selling stocks into strength (after achieving significant performance) is a natural part of our process. For example, if a stock goes up 20, 30, or 40 percent while the broader market is flat or increases 10 percent, then rest assured that the risk versus reward profile of that investment has changed significantly, and the risk potential, in particular, has gone up by about 20, 30, or 40 percent. As such, we start capturing profits for our clients to ensure the portfolio continues its long-term strategy of owning leading business franchises with sound competitive positions that, in our opinion, have better than the market upside potential coupled with better than the market downside support. This strategy does lead to some tax burden over time for our taxable accounts. Ultimately however, it positions us to hold investments with less than average downside potential, in our opinion.

As always, our portfolio of companies is comprised of competitively well-positioned businesses that do not have unlimited upside potential, but certainly carry significant upside in our opinion. As the businesses achieve or surpass our view of fair value, we move on to what we view as better opportunities. This year, despite above average returns, the tax burden appears only modest. That said, regardless of a large tax burden or this year's smaller tax burden, we hope the longer-term portfolio returns makes you feel a bit better about your visit to your tax consultant.

Please visit our [website](#) for more information about our team, our process and value investing. Follow us on [LinkedIn](#) and [Twitter](#)! You may also receive information via traditional mail or [email](#). Call us at 816-743-7080. Click [here](#) for historical Concentrated Value Perspectives.

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)	4.5	4.5	0.4	(0.5)	N/A	7	\$9,126,951	\$18,657,997	4.6%	-	-
2009	42.2	41.7	19.8	26.5	1.2	79	\$87,342,803	\$137,943,058	0.6%	-	-
2010	18.8	18.1	16.3	15.1	0.3	145	\$119,543,453	\$181,201,036	0.5%	-	-
2011	6.9	6.3	(0.1)	2.1	0.5	181	\$96,831,359	\$152,976,943	1.1%	16.1	21.3
2012	18.4	17.8	17.6	16.0	0.2	259	\$154,693,966	\$214,936,666	1.0%	13.1	16.0
2013	35.3	34.5	32.7	32.4	0.7	411	\$418,085,862	\$507,569,897	0.4%	12.2	13.1
2014	8.9	8.1	12.7	13.7	0.2	581	\$886,246,169	\$1,071,186,382	0.2%	10.4	9.5
2015	(1.3)	(2.0)	(4.1)	1.4	0.2	607	\$715,577,980	\$913,545,839	0.1%	11.4	10.9
2016	20.5	19.7	18.4	12.0	0.1	694	\$937,752,729	\$1,466,221,847	0.1%	11.1	11.1
YTD 2017 (10/31/2017)	9.3	8.6	8.5	16.9	N/A	729	\$1,013,218,268	\$1,764,513,636	0.0%	10.1	10.4

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 – 03/31/2017 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. Nuance has adopted the following Significant Cash Flow Policy. 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 if a single cash flow is equal or greater than 10 percent of the total account value based on the beginning 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 following month.

Our Core offerings are the Nuance Mid Cap Value Strategy, the Nuance Concentrated Value Strategy and the Nuance Concentrated Value Long-Short 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 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 Clearwater Analytics. 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 September 1, 2010 Nuance operated under the name Mariner Value Strategies, LLC.

(1) Risk-Adjusted Return (Sharpe Ratio), Standard Deviation and return calculations 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, Mid Cap Value 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 10/31/2017. 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.

(2) Index statistics are provided by Russell. Characteristics calculations use holdings at market close on the stated date, including cash & cash equivalents. The following Composite characteristics are calculated using Bloomberg: Median Market Cap (midpoint of market capitalization of the stocks in the portfolio), Dividend Yield (annual dividends relative to share price), Return on Equity (net income divided by shareholder equity), Return on Assets (net income divided by average total assets). 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. Active share, as calculated by Morningstar Direct, is a statistic that measures a strategy's holdings relative to the holdings of the appropriate benchmark. Standard deviation is a measure of volatility showing the average deviations of a return series from its mean. The upside capture ratio is an indication of a manager's ability to match returns in periods of market strength, while the downside capture ratio measures a manager's ability to curtail losses in periods of index weakness. Results are gross of fees for the period since inception through present. Both upside/downside ratios and standard deviation are calculated using Style Advisor.

Portfolio holdings and sector allocations are subjected to change and are not a recommendation to buy or sell any security. As of 10/31/2017 portfolio weights of names discussed are as follows: AptarGroup, Inc. (ATR) 0.49%, Cerner Corp. (CERN) 1.05%, The Clorox Company (CLX) 0.99%, Ecolab Inc. (ECL) 0.99%, Everest Re Group, Ltd. (RE) 0.99%, Orbital ATK, Inc. (OA) 1.99% and Waters Corp. (WAT) 0.53%.

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.