

Nuance Concentrated Value Composite Perspectives



April 30, 2018

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 222

Morningstar
Category: Large Value
SI Rank in Cat: 5 of 962

Morningstar
Category: Mid-Cap Value
SI Rank in Cat: 1 of 310

Longer Term Performance Update

Since Inception Return: The return since inception (11/13/2008) through 4/30/2018 is 16.0 percent (annualized and net of fees) versus the Russell 3000 Value Index and S&P 500 Index, which have returned 12.6 percent and 14.3 percent respectively. We are pleased with this level of outperformance over time.

Risk-Adjusted Returns: Our Sharpe Ratio since inception through 4/30/2018 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 3/31/2018: Comparing our product to peers displays positive results over time. On a total return basis, since 11/30/08, we ranked 31 out of 962 peer group members (3rd percentile) in the Morningstar Large Cap Value universe, 80 out of 310 (26th percentile) in the Morningstar Mid-Cap Value universe, and 23 out of 222 (11th percentile) in the Lipper Multi-Cap Value universe.

Peer Group Risk-Adjusted Return through 3/31/2018: On a risk-adjusted return basis, since 11/30/2008, (measured by the Sharpe Ratio) we ranked 5 out of 962 peer group members (1st percentile) in the Morningstar Large Cap Value universe, 1 out of 310 (1st percentile) in the Morningstar Mid-Cap Value universe, and 2 out of 222 (1st percentile) in the Lipper Multi-Cap Value universe.

Peer Group Analysis 11/30/2008 - 3/31/2018	Since Inception APR ¹	Standard Deviation (A) ¹	Sharpe Ratio (A) ¹
Nuance Concentrated Value Composite (Gross)	16.5	12.4	1.3
Nuance Concentrated Value Composite (Net)	15.8	12.4	1.3
Lipper Multi-Cap Value Funds Peer Group (Median)	13.0	15.1	0.9
Peer Group Percentile and Ranking	11th (23 of 222)	5th (13 of 222)	1st (2 of 222)
Morningstar Large Value Peer Group (Median)	12.6	14.3	0.9
Peer Group Percentile and Ranking	3rd (31 of 962)	13th (127 of 962)	1st (5 of 962)
Morningstar Mid-Cap Value Peer Group (Median)	14.7	15.6	0.9
Peer Group Percentile and Ranking	26th (80 of 310)	1st (3 of 310)	1st (1 of 310)

Performance 11/13/2008 - 4/30/2018	APR*	TR*	Standard Deviation*	Sharpe Ratio*	7 Years	5 Years	3 Years	1 Year	2018 YTD
Nuance Concentrated Value Composite (Gross)	16.7	332.3	12.3	1.3	12.0	11.1	7.5	7.6	(1.5)
Nuance Concentrated Value Composite (Net)	16.0	308.2	12.3	1.3	11.2	10.4	6.7	6.7	(1.7)
Russell 3000 Value Index	12.6	207.4	14.5	0.9	10.5	10.5	7.8	7.4	(2.4)
S&P 500 Index	14.3	255.5	13.3	1.1	12.3	12.9	10.6	13.3	(0.4)

*Since Inception

Value. Delivered.

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

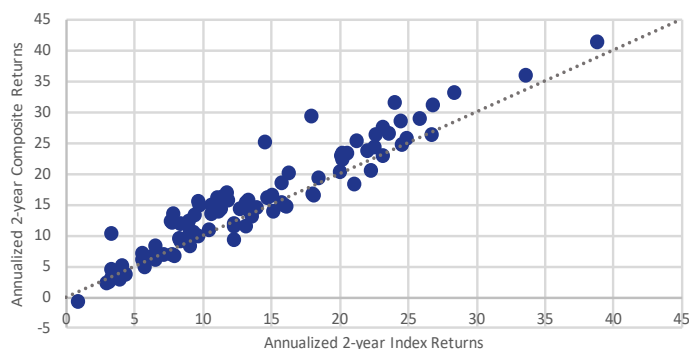
Rolling 2-Year Periods	Current 2-Year Period as of 4/30/2018		
11/30/2008 - 4/30/2018	Periods Beating the Index	Composite (%) Net of Fees ¹	Russell 3000 Value Index (%)
Nuance Concentrated Value Composite	63 / 90	70.0%	8.5
			12.3

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 April 30, 2018, the Nuance Concentrated Value Composite two year rolling return is 8.5 percent (net of fees) versus the Russell 3000 Value Index and S&P 500 Index which have returned 12.3 percent and 15.6 percent respectively. Overall, we have outperformed in 63 out of the available 90 two-year periods as shown in the chart labeled Rolling 2-Year Return Periods.

Year-to-date, the Nuance Concentrated Value Composite has returned (1.7) percent (net of fees) versus the Russell 3000 Value Index and the S&P 500 Index, which have returned (2.4) percent and (0.4) percent respectively.

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



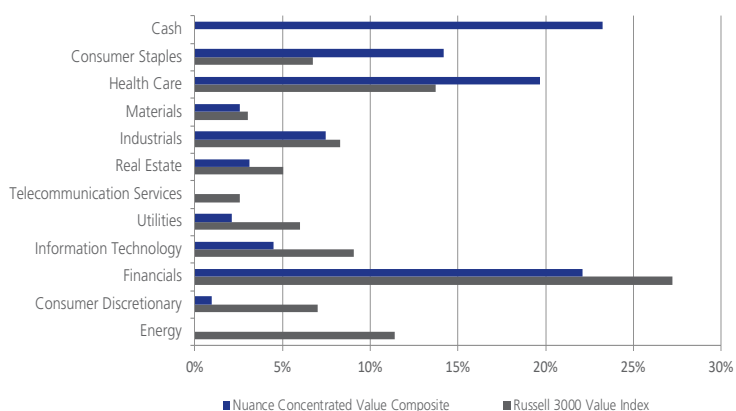
Calendar Year Performance as of 4/30/2018	11/13/08 - 12/31/08	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018 YTD
Nuance Concentrated Value Composite (Gross)	4.5	42.2	18.8	6.9	18.4	35.3	8.9	(1.3)	20.5	12.1	(1.5)
Nuance Concentrated Value Composite (Net)	4.5	41.7	18.1	6.3	17.8	34.5	8.1	(2.0)	19.7	11.3	(1.7)
Russell 3000 Value Index	0.4	19.8	16.3	(0.1)	17.6	32.7	12.7	(4.1)	18.4	13.2	(2.4)
S&P 500 Index	(0.5)	26.5	15.1	2.1	16.0	32.4	13.7	1.4	12.0	21.8	(0.4)

Composition of the Portfolio as of 4/30/2018

Portfolio Characteristics ²	Nuance Concentrated Value Composite	Russell 3000 Value Index
Weighted Average Market Cap	48.3b	111.3b
Median Market Cap	17.0b	1.5b
Price to Earnings (internal and ttm)*	16.3x	16.6x
Forward Price to Earnings	17.3x	15.1x
Dividend Yield	1.8%	2.5%
Return on Equity	40.0%	18.2%
Return on Assets	6.7%	4.6%
Active Share vs Russell 3000 Value	93.5%	-
Upside/Downside Capture Ratio vs Russell 3000 Value	87.5% / 59.6%	-
Number of Securities	35	2,100

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 16.3x versus the Russell 3000 Value Index of 16.6x. We are achieving this ratio with a portfolio of companies that have a return on assets of 6.7 percent versus the Russell 3000 Value Index of 4.6 percent. This dichotomy of above average companies selling at below 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 4/30/2018

Overall, we believe the opportunity set remains limited, but we continue to find what we believe to be select leaders with better risk-rewards than other market opportunities. While we did slightly lower our weight in the Consumer Staples sector due to some tax harvesting, our two largest overweight sectors remain the Consumer Staples and Healthcare sectors. Our exposure in the Financial sector is below the benchmark, but we continue to see opportunities within the sector. An above-average catastrophe loss year created an opportunity in what we view as select high quality financial institutions, specifically in the insurance industry. We have also added to our position in the Information Technology sector. We are still underweight the sector as a whole, due to what we would consider valuation concerns, but we are finding small pockets of opportunity. We continue to underweight the Energy sector as we believe the sector is facing a multi-year period of competitive transition. We also remain underweight the Consumer Discretionary sector primarily due to valuation concerns.

Stocks We Added to Your Portfolio (April 2018):

3M Company (MMM): MMM is a diversified industrial company with a range of market leading businesses notably in adhesives and tapes, health and oral care consumables, and personal safety equipment. The company is currently dealing with softness in select end markets including automotive aftermarket, dental, and electronics. We believe these headwinds are transitory in nature and recent underperformance has created an attractive entry point in the stock.

Reinsurance Group of America, Inc. (RGA): RGA is a leading reinsurer of life and health insurance policies globally. Following a period of relative underperformance driven by a worse than expected flu season, the risk/ reward of RGA appears favorable to start a position in our clients' portfolios.

White Mountains Insurance Group, Ltd. (WTM): WTM is a leading P&C insurer in the US. After selling off a majority of their operating companies at a large gain, WTM's balance sheet is in pristine condition at 0% debt to capitalization. This conservative balance sheet, when combined with a recent Dutch tender offer to reduce total shares outstanding by 13%, has allowed for a solid entry point into WTM at a discount to its tangible book value/ share.

Xilinx, Inc. (XLNX) – Xilinx is the world's leading supplier of programmable logic semiconductors. These semiconductors are used in low volume or constantly changing environments such as communication networks, data centers, some industrial settings, and certain applications in automobiles. We recently initiated a position as the company is under earning due to a large amount of net cash on the balance sheet and delays in wireless network upgrades from 4G to 5G.

Stocks We Eliminated from Your Portfolio (April 2018):

Blue Buffalo Pet Products (BUFF): Blue Buffalo is the leading producer of all-natural pet food in the U.S. All-natural is a growing category within pet food, and the company has been gaining market share. We entered into a position in BUFF after it was announced that the company was being acquired by General Mills (GIS). We were confident that GIS would be able to close this acquisition without any issues. We exited our position when the acquisition closed on April 24th.

Heartland Express, Inc (HTLD): We have eliminated HTLD from the portfolio following a reasonable return for the entirety of the position held. We will wait for better opportunities to re-renter the company.

United Bankshares, Inc (UBSI): After a relatively short holding period, we decided to exit our position in UBSI to harvest a short-term tax loss and upgrade our clients' risk/reward by redeploying the capital into our Insurance sub-industry investments.

Nuance Perspectives from President & CIO, Scott Moore, CFA

Dear Clients,

As of 4/30/2018, your Nuance Concentrated Value Composite was down (1.73) percent (net of fees) versus the Russell 3000 Value Index down (2.40) percent and the S&P 500 Index down (0.38) percent. Most importantly to us, since our inception on 11/13/2008, the Nuance Concentrated Value Composite is up 16.01 percent (annualized and net of fees) versus the Russell 3000 Value Index up 12.60 percent and the S&P 500 Index up 14.34 percent.

We are certainly pleased to be ahead of our primary benchmark thus far this year, but we would note that the first four months of 2018 are showing classic late cycle investing traits. To be specific, the push-pull of good earnings and expensive valuation multiples result in a tug of war that manifests itself in increased volatility during these periods. As our loyal readers know, we relish increased volatility periods as opportunities within our more mature and competitively advantaged list of companies can arise. At this point in the valuation cycle, we are seeing only modestly attractive opportunities being presented but are certainly hopeful for more valuation change and volatility to come. We would continue to beg patience as we wait on better risk rewards. Late cycle periods are classic for clients to be impatient as many do not see the clear downside risk that exists in each of the companies that we own, let alone the downside risk of the market as an entire entity.

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
2017	12.1	11.3	13.2	21.8	0.1	726	\$1,011,853,027	\$1,784,338,191	0.0%	10.1	10.5
YTD 2018 (4/30/2018)	(1.5)	(1.7)	(2.4)	(0.4)	N/A	678	\$944,612,285	\$1,779,746,861	0.0%	9.7	10.5

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 – 03/31/2018 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 equal-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. Prior to January 1, 2017 dispersion was calculated using an asset-weighted methodology. The calculation methodology was updated based on a new performance system dispersion calculation. 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 3/31/2018. 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 4/30/2018 portfolio weights of names discussed are as follows: 3M Company (MMM) 0.99%, Reinsurance Group of America, Inc. (RGA) 0.98%, White Mountains Insurance Group, Ltd. (WTM) 1.00%, Xilinx, Inc. (XLNX) 2.03%, Blue Buffalo Pet Products (BUFF) 0.00%, Heartland Express, Inc. (HTLD) 0.00%, and United Bankshares, Inc. (UBSI) 0.00%.

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.