Nuance Mid Cap Value Composite Perspectives

December 31, 2018

Description of the Product

The Nuance Mid Cap 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 50-90 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 Midcap® Value Index. Clients may also compare the product to the S&P MidCap 400 Value Index and the S&P 500 Index.

Portfolio Managers

Scott Moore, CFA
President & CIO
28 Years of Experience

Chad Baumler, CFA
Vice President
12 Years of Experience

Risk-Adjusted Returns Rankings[1]

1ST PERCENTILE

Lipper
Category: Mid-Cap Value
SI Rank in Cat: 1 of 103

Morningstar
Category: Mid-Cap Value
SI Rank in Cat: 2 of 299

Longer Term Performance Update (through December 31, 2018)

Since Inception Return: The return since inception (on 11/03/2008 through 12/31/2018) is 14.5 percent (annualized and net of fees) versus the Russell Mid Cap Value Index and S&P MidCap 400 Value Index which have returned 12.2 percent and 12.1 percent respectively. We are pleased with this level of outperformance over time.

Risk-Adjusted Returns: Our Sharpe Ratio since inception through 12/31/2018 is 1.1 (net of fees) versus Russell Midcap Value Index at 0.7, the S&P MidCap 400 Value Index at 0.7 and the S&P 500 Index at 0.9.

Peer Group Returns through 12/31/2018: Comparing our product to peers displays positive results over time. On a total return basis, since 11/30/2008, we ranked 5 out of 299 (1st percentile) peer group members in the Morningstar Mid Cap Value universe. Versus the Lipper Mid Cap Value universe we ranked 2 out of 103 (1st percentile).

Peer Group Risk-Adjusted Return through 12/31/2018: On a risk-adjusted return basis, since 11/30/2008, (as measured by the Sharpe Ratio) we ranked 2 out of 299 (1st percentile) peer group members in the Morningstar Mid Cap Value universe. Versus the Lipper Mid Cap Value universe we ranked 1 out of 103 (1st percentile).

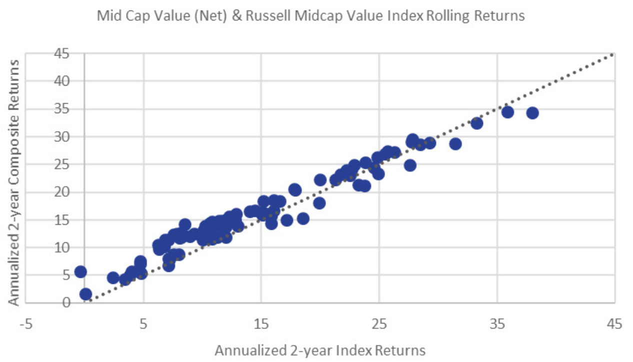
Peer Group Analysis 11/30/2008 - 12/31/2018	Since Inception APR[1]	Standard Deviation (A)[1]	Sharpe Ratio (A)[1]
Nuance Mid Cap Value Composite (Gross)	16.1	13.3	1.2
Nuance Mid Cap Value Composite (Net)	15.3	13.3	1.1
Lipper Mid-Cap Value Funds Peer Group (Median)	12.5	15.7	0.7
Peer Group Percentile and Ranking	1st (2 of 103)	1st (1 of 103)	1st (1 of 103)
Morningstar Mid-Cap Value Peer Group (Median)	12.1	15.9	0.7
Peer Group Percentile and Ranking	1st (5 of 299)	5th (16 of 299)	1st (2 of 299)

Performance 11/03/2008 - 12/31/2018	APR*	TR*	Standard Deviation*	Sharpe Ratio*	10 Years	7 Years	5 Years	3 Years	1 Year	2018 YTD
Nuance Mid Cap Value Composite (Gross)	15.3	324.5	13.4	1.1	16.0	14.2	8.9	10.7	(4.2)	(4.2)
Nuance Mid Cap Value Composite (Net)	14.5	295.0	13.5	1.1	15.2	13.3	8.2	9.9	(4.9)	(4.9)
Russell Midcap Value Index	12.2	220.9	16.0	0.7	13.0	10.9	5.4	6.0	(12.3)	(12.3)
S&P Midcap 400 Value Index	12.1	219.9	16.8	0.7	12.8	11.0	5.5	7.8	(11.9)	(11.9)
S&P 500 Index	12.2	222.4	13.7	0.9	13.1	12.7	8.5	9.2	(4.4)	(4.4)

*Since Inception

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

Rolling 2-Year Periods			Current 2-Year Period as of 12/31/2018	
11/30/2008 - 12/31/2018	Periods Beating the Index		Composite (%) Net of Fees[1]	Russell Midcap Value Index (%)
Nuance Mid Cap Value Composite	77 / 98	78.6%	4.8	-0.3



Your team at Nuance cautions our clients regarding the use of short-term performance as a tool to make manager or 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 December 31, 2018, the Nuance Mid Cap Value Composite two year rolling return is 4.8 percent (net of fees) versus the Russell Midcap Value Index and S&P 500 Index which have returned -0.3 percent and 7.9 percent respectively. Overall, we have outperformed in 77 out of the available 98 two-year periods as shown in the chart labeled Annual 2-Year Rolling Return.

Year-to-date, the Nuance Mid Cap Value Composite has returned (4.9) percent (net of fees) versus the Russell Mid Cap Value Index and the S&P 500 Index which have returned (12.3) percent and (4.4) percent respectively.

Calendar Year Performance as of 12/31/2018	11/03/08 - 12/31/08	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018 YTD
Nuance Mid Cap Value Composite (Gross)	(4.1)	38.7	21.1	4.0	22.0	35.5	9.8	3.0	21.9	16.2	(4.2)
Nuance MId Cap Value Composite (Net)	(4.1)	38.2	20.0	3.4	20.6	34.2	9.1	2.3	21.1	15.4	(4.9)
Russell Midcap Value Index	(5.6)	34.2	24.8	(1.4)	18.5	33.6	14.7	(4.8)	20.0	13.3	(12.3)
S&P MidCap 400 Value Index	(3.9)	33.8	22.8	(2.4)	19.1	34.3	12.0	(6.7)	26.5	12.3	(11.9)
S&P 500 Index	(6.0)	26.5	15.1	2.1	16.0	32.4	13.7	1.4	12.0	21.8	(4.4)

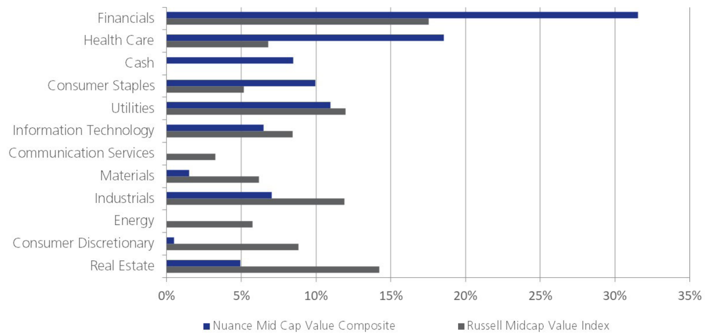
Composition of the Portfolio as of 12/31/2018

Portfolio Characteristics[2]	Nuance Mid Cap Value Composite	Russell Midcap Value Index
Weighted Average Market Cap	15.0b	12.9b
Median Market Cap	9.6b	6.6b
Price to Earnings (internal and ttm)*	15.8x	22.2x
Dividend Yield	2.1%	2.7%
Return on Equity	13.8%	12.5%
Return on Assets	5.4%	4.5%
Active Share vs Russell Midcap Value	97.7%	-
Upside/Downside Capture Ratio vs Russell Midcap Value	91.2% / 74.5%	-
Number of Securities	50	592

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

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 15.8x versus the Russell Midcap Value Index of 22.2x. We are achieving this ratio with a portfolio of companies that have a return on assets of 5.4 percent versus the Russell Midcap Value Index of 4.5 percent. This dichotomy of above average companies selling at below average multiples has the opportunity for outperformance over the long-term, in our opinion.

Sector Weights and Portfolio Positioning as of 12/31/2018



Our largest overweight remains the Financial sector as we continue to find attractive what we believe to be attractive risk – rewards in the sector. Within the Financial sector, the largest weight is in the insurance industry where a combination of low interest rates and a higher than average catastrophe year has created some significant opportunities, in our view. We remain overweight in the Healthcare sector, but we have slightly lowered our weight as recent relative outperformance in certain portfolio names resulted in what we believe to be more favorable risk – rewards elsewhere. We continue to have an overweight position in the Consumer Staples sector and are finding select opportunities in the packaged foods & meats sub-industry. Our underweight position in the Energy sector remains unchanged as we believe that crude oil related companies are likely facing a multi-year period of competitive transition. We continue to be underweight in the Real Estate, Industrials, Communication Services, and Consumer Discretionary sectors due to valuation concerns.

Nuance Perspectives from President & CIO, Scott Moore, CFA

Dear Clients,

2018 Summary

2018 was a not so subtle reminder that market volatility, valuations, and risk tolerance can and will shift over time. With that backdrop, we are generally pleased to share that your Nuance Mid Cap Value composite was down just (4.88) percent (net of fees) versus the Russell Mid Cap Value Index down (12.31) percent and the S&P 500 Index down (4.39) percent. That makes the 9th year out of 11 (including the stub year of 2008) that we have outperformed our primary benchmark. Further, we continue to be quite pleased that since our inception on 11/3/2008, the Nuance Mid Cap Value Composite is up 14.46 percent (annualized and net of fees) versus the Russell Mid Cap Value Index up 12.16 percent and the S&P 500 Index up 12.20 percent.

At the end of a volatile year it is always instructional to remind ourselves of the big picture Nuance Investments, LLC performance goals and performance metrics we have emphasized since our inception. Consistency is such an important part of earning a client's trust, and we hope our messages over the years has been nothing if not consistent. That message is manifested in three big picture firm goals by product:

1. We intend to beat our primary benchmark more times than not throughout an investment, valuation, or economic cycle and that calendar year performance matters to us given how important that period is to most of our clients. We will certainly not beat our benchmarks each calendar year and will have particular trouble during latter stages of the investment, valuation, and/or economic cycle as those periods are usually characterized by high valuations, high leverage, and often times very narrow markets that don't care much about risk in general (as was the case in 2017 as an example). On this goal we would suggest so far so good as we have outperformed our primary benchmark 9 out of 11 years (including the stub year of 2008) since the inception of your Nuance Mid Cap Value composite.

2. We intend to beat our primary benchmark (the Russell Mid Cap Value Index) and our peers over the long term (since inception) and do so with less risk as measured by the standard deviations of our returns. Again, the evidence is solid as the Nuance Mid Cap Value composite is up 14.46 percent (net of fees) versus the Russell Mid Cap Value Index up 12.16 percent. Further your Nuance Mid Cap Value composite has had a standard deviation of those returns of 13.45% percent which is lower than that of the Russell Mid Cap Value Index of 15.99 percent. Our peer group performance has also been solid as illustrated by our 1st percentile Sharpe Ratio metrics versus our peers as seen at Exhibit 1.

Exhibit 1

Peer Group Analysis 11/30/2008 - 12/31/2018	Since Inception APR[1]	Standard Deviation (A)[1]	Sharpe Ratio (A)[1]
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Peer Group Percentile and Ranking	1st (5 of 299)	5th (16 of 299)	1st (2 of 299)

3. Lastly, we also intend to beat our secondary benchmark and peers over the long term (since inception) and do so with less risk as measured by the standard deviations of our returns. Our final primary goal is also quite solid as the Nuance Mid Cap Value composite is up 14.46 percent (net of fees) versus the S&P 500 Index up 12.20 percent and the S&P Mid Cap 400 Value Index up 12.12 percent. Further your Nuance Mid Cap Value composite has had a standard deviation of those returns 13.45 percent which is lower than that of the S&P 500 Index of 13.73 percent and the S&P Mid Cap 400 Value Index at 16.78. As such, our total return and risk-adjusted returns are right on track.

As we progress through our 11th year managing the Nuance Mid Cap Value composite, we are pleased to be able to say we have met the goals we set out for our clients and for ourselves, and we want to ensure our clients that each day we are striving and competing and studying to continue this pace well into the future.

2018 Review

Like all years, 2018 was full of investable events, intrigue, and ever-changing risk rewards for companies and their valuations. We can really break the year into two distinct periods. The first three quarters seemed to continue the latter half of 2017's appetite for expensive valuations, leverage in general and almost a blind eye to the clear risks that we have noted to our clients since the middle of 2017. Those risks include an acceleration of technology-driven competitive disruptions, lower corporate income taxes that we do not believe sustainably raised long-term returns on capital (thus creating a short-term over-earning period for many companies), and of course, above average debt levels in the broad industrial sectors of the economy as well as governments around the world. Put another way, financial executives and the government have done just about everything they can to pull forward demand in non-recurring ways. These types of market environments are not new for your team, but it is safe to say they are not exactly our favorite environment as most of you have read or heard me discuss many times. Once again, we underperformed our primary and secondary benchmark through the end of the third quarter. The fourth quarter, however, was a much different environment with the Russell Mid Cap Value Index down (14.97) percent and the S&P 500 Index down (13.52) percent. During this period our Nuance Mid Cap Value composite was down (6.40) percent (net of fees). The reasons for the downturn were many and included each of the risks we have been outlining since the middle of 2017.

From an attribution perspective for the entirety of 2018, our overweight position in Financials, particularly Insurance, drove over 200 bps of outperformance, and our overweight position in Healthcare added almost 150 bps of outperformance. Our overweight cash position along with our stock picks in the Materials sector both added over 100 bps to outperformance as well. In the Energy sector, our underweight position, due to our view of the competitive uncertainties surrounding fossil fuels going forward, added almost 100 bps, and our underweight in both the Industrial and Consumer Discretionary sectors both added approximately 70 bps of outperformance. All in, 800+ bps outperforming year is something we are quite pleased to report. Some of our positives for the year included Ecolab Inc. (ECL), Aptargroup Inc. (ATR), Equity Commonwealth (EQC), and Smith & Nephew (SNN). Our negatives really led to only one true poor performer – Dentsply Sirona, Inc. (XRAY) – a company that we have added to on weakness and continue to like going forward.

XRAY traded down sharply during 2018 as negativity related to cuts to guidance afforded us the opportunity to build a large position in the stock. The company has guided to earnings of $2.00 - $2.15 per share for 2018 as compared to our calculation of approximately $2.70 in normal earnings power. XRAY faced several issues that we believe are transitory and are causing the company to under-earn its more normalized mid-cycle returns. First, one of the company's primary distributors, Patterson Companies, Inc. (PDCO), found themselves significantly over-stocked in XRAY equipment at the end of last year after they laid off a portion of their salesforce, struggled to implement a new ERP system, and faced expiration of an exclusive contract to sell XRAY chairside milling units in the US. These factors have led to an estimated $100M in net distributor destocking by the end of 2018. Second, XRAY sells 2/3 of their product outside the US, and the rapid strengthening of the dollar during the 2nd quarter created an unexpected currency translation headwind. Finally, the company has seen an increase in competitive pressure in imaging equipment from value manufacturers, which they've addressed by adding reps, increasing promotional activity and un-bundling some of their imaging and chairside milling equipment to help serve the value segment of the market with a more affordable standalone scanner. XRAY has adjusted net debt of 2x our normal EBITDAR, which we believe is acceptable leverage for a leading dental manufacturer. They pay only a modest dividend, but they're taking advantage of the share price dislocation to ramp up repurchase activity, buying back $250M in the second quarter which would allow them to reduce their share count by 11% if they complete their full $1B authorization at these prices. The stock is currently trading at 14.0x our normal earnings as compared to a historical range of 17-19x and a trough of 10x and our group of approximately 250 Nuance Approved List members at 24-25x. We believe XRAY's upside to fair value is approximately 30-35% and downside to trough value also at approximately 30-35%. While it has a solid risk reward on an absolute basis, on a relative basis this appears to be an even better opportunity versus a broadly expensive stock market where our entire list of leading businesses is around 15-20% overvalued with as much as 55-60% downside.

2019 Outlook - Patience was Paramount in 2018. What about 2019?

Stock selection is always paramount and that will be the focus of our 2019 outlook which brings us back to our Nuance process. Within that process, our goal is to find businesses that have competitively sustainable franchises for your portfolio. We aim to find businesses that we believe have transitorily negative event items that have resulted in earnings and cash flow generation that are currently below our view of mid-cycle levels. We try to make sure that your holdings have solid balance sheets as opposed to leveraged balance sheets that suggest significant downside risk for those stocks from these valuations. Lastly, we believe that our portfolio holding weights are calibrated to remember not just the upside potential in a stock but also the downside capital risk of each and every stock we own for you. Overall, we are continuing to execute our time-tested bottoms-up Nuance process, studying one stock at a time (sometimes for decades) with an absolute focus on strong and consistent fundamental research and logical and thorough competitive advantage studies, financial statement modeling, and valuations studies. Today, our bottoms up work rolls up into a Nuance universe that is trading at 21x our normalized earnings (off the peaks near 25-26x) and within a historical range of 9-10x during recessionary periods all the way to those recent peaks of 25-26x. While these valuation metrics are off their peaks, they continue to be very high valuations from our perspective and are the primary reason for a continued overall cautious view of the opportunity set.

Despite that overall cautious outlook, we believe the risk reward of your portfolio has certainly been enhanced throughout the year due to the additional year of business growth and value for all of our Nuance universe companies coupled with the down-market period. Along with that shift, our overall portfolio risk reward has risen to a reasonable +15-20% upside to fair value on current financial statements with growth into the future versus a -30-35% to a recession like downside level. This compares to the entire Nuance universe set of opportunities that is still overvalued to fair value by 15-20% on current financial statements and downside in a recession like period being 55-60%. In our opinion, opportunities today are focused on the Insurance industry, the Consumer Staples sector, and the Healthcare sector with XRAY being our largest holding in that space.

In Insurance, an above-average level of catastrophes (hurricanes and fires) in 2017 and 2018 has resulted in significant earnings erosion (under-earnings) across the Insurance industry, and the subsequent stock underperformance has led to new opportunities as we have discussed previously.

Today, we are able to buy shares in a company like The Travelers Companies, Inc. (TRV), the leading US small commercial P&C underwriter, at approximately 10-11x our mid-cycle earnings. We also believe that Everest RE Group, Ltd. (RE) represents an attractive opportunity today as this leading North American reinsurer is trading at approximately 10x our internally derived normalized earnings. Unrelated to the catastrophe losses, but still within the sector, are Metlife, Inc. (MET) and Reinsurance Group of America (RGA).

Within the Consumer Staples sector, we would highlight Sanderson Farms Inc. (SAFM), a fully-integrated poultry processing company that produces, processes, markets, and distributes fresh and frozen chicken products as well as prepared chicken products. SAFM is the third largest producer in a quite fragmented United States chicken market behind Tyson Foods Inc. (TSN) and Pilgrim's Pride Corp. (PPC). Further, a more regionally focused review of SAFM's market share leads to our own conclusion that they are #1 or #2 in most of its southeastern and south centrally located United States markets. Bigger picture, chicken is considered a reasonably healthy (lowest levels of calories and fat and highest levels of protein content) and a favored food option. Additionally, chicken has gained significant market share versus other protein categories and generic packaged food options for multiple decades now. That said, the business is certainly cyclical, and demand and capacity issues, along with feed costs (50 percent of costs), are the primary causes of that cyclicality. Within the protein universe, SAFM is a pure-play chicken producer with a best in class balance sheet (net cash) and solid returns on capital versus the broad industrial universe of companies as well as versus the non-packaged food niche of companies. With solid returns on capital through cycles and an understandable level of cyclicality, SAFM fits our definition of a leading business franchise quite well. With Wall Street earnings expectations of only $1-2 per share versus our mid-cycle levels of close to $10 per share, you can see the one-off and non-correlated nature of this investment. With the stock trading between $90 and $100, we are buying this market share gaining debt free food company at 9-10x our view of mid-cycle earnings versus our entire Nuance universe at 21x. At 15x, the stock could trade to $150, and we believe there is always a chance for a private transaction down the road. In summary, it should come as no surprise that we are overweight the Insurance industry, the Consumer Staples sector, and the Healthcare sector all based on one-off high-quality franchises that have transitory issues.

1. We hope that our clients are pleased that we have met our internal goals for performance since our inception in 2008. Outperforming the Russell Mid Cap Value Index since our inception is a primary goal for all of us, and we assure our clients that we will remain steadfastly focused on that goal for the next decade and beyond.

2. Leverage, over-earnings, and valuation are still serious issues we are facing on a stock by stock basis despite the downdraft of the 4th quarter, and as such, we continue to believe patience will be important going forward.

3. The increased volatility in the 4th quarter plus the normal day to day issues facing our Nuance Master List has led us to a portfolio with what we believe are solid risk rewards traits versus the broad market, and we are quite pleased with its construction.

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 (RMV Index)	Benchmark Return (MIDV 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 (RMV Index)
YTD 2008 (11/03/08-12/31/08)	(4.1)	(4.1)	(5.6)	(3.92)	N/A	1	$9,531,045	$18,657,997	0.0%	-	-
2009	38.7	38.2	34.2	33.77	-	4	$50,600,141	$137,943,058	1.1%	-	-
2010	21.1	20.0	24.8	22.79	0.1	4	$60,702,099	$181,201,036	1.1%	-	-
2011	4.0	3.4	(1.4)	(2.39)	0.1	4	$55,186,800	$152,976,943	0.9%	18.2	23.1
2012	22.0	20.6	18.5	19.10	0.1	4	$58,463,905	$214,936,666	1.0%	14.6	17.0
2013	35.5	34.2	33.6	34.25	0.1	8.	$80,358,264	$507,569,897	1.0%	13.1	13.9
2014	9.8	9.1	14.7	12.04	0.1	13	$130,238,086	$1,071,186,382	0.7%	10.7	9.9
2015	3.0	2.3	(4.8)	(6.66)	0.1	17	$145,638,450	$913,545,839	0.6%	11.2	10.9
2016	21.9	21.1	20.0	26.5	0.1	17	$416,346,621	$1,466,221,847	0.0%	11.5	11.5
2017	16.2	15.4	13.3	12.3	0.0	23	$586,931,538	$1,784,338,191	0.0%	10.5	10.5
YTD 2018 (12/31/2018)	(4.2)	(4.9)	(12.3)	(11.9)	0.1	21	$852,510,018	$1,724,795,756	0.0%	10.2	12.1

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 – 3/31/2018 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 Performace 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 Fund. 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 Mid Cap Value Composite (the "Composite") is a composite of actual accounts invested in the Nuance Mid Cap Value investment strategy. The inception date for the Composite is 11/03/2008. 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 Midcap Value Index. The Russell Midcap Value Index measures the performance of the mid-cap value segment of the U.S. equity universe. It includes those Russell Midcap Index companies with lower price-to-book ratios and lower forecasted growth values. The Secondary Benchmarks for the Composite are the S&P MidCap 400 Value Index and the S&P 500 Index TR. The S&P MidCap 400 Value Index measures value in separate dimensions across six risk factors. The value factors include book value to price ratio, sales to price ratio, and dividend yield. 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.

(1) Rankings and peer groups created internally using data from Zephyr Style Advisor. Risk-Adjusted Return (Sharpe Ratio), Standard Deviation and return calculations for the Composite and indices provided by Zephyr Style Advisor. The Composites have been compared to various peer groups defined by investment style. Subsets of the Morningstar Large Value Peer Group, the Morningstar Mid Cap Value Peer Group and the Lipper Multi-Cap Value Funds Peer Group with performance history since inception have been presented as investment strategies with similar investment styles for the Nuance Concentrated Value Composite. Subsets of the the Morningstar Mid Cap Value Peer Group and the Lipper Mid-Cap Value Peer Group with performance history since inception have been presented as investment strategies with similar investment styles for the Nuance Mid Cap Value Composite. 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 present. 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 the 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 12/31/2018 portfolio weights of names discussed are as follows: Dentsply Sirona, Inc. (XRAY) 6.54%, Sanderson Farms Inc. (SAFM) 5.97%, Smith & Nephew (SNN) 5.11%, The Travelers Companies, Inc. (TRV) 3.99%, Equity Commonwealth (EQC) 3.97%, Reinsurance Group of America (RGA) 3.57%, Metlife, Inc. (MET) 3.01%, Everest RE Group, Ltd. (RE) 2.53%, Ecolab Inc. (ECL) 1.01%, Metlife, Inc. (MET Float Perp Pfd) 1.00%, Aptargroup Inc. (ATR) 0.50%, Patterson Companies, Inc. (PDCO) 0.00%, Tyson Foods Inc. (TSN) 0.00%, and Pilgrim's Pride Corp. (PPC) 0.00%.

Holdings identified do not represent all of the securities purchased, sold or recommended for the adviser's clients. For a full list, please contact client.services@nuanceinvestments.com or 816-743-7080.
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.