

# Nuance Concentrated Value Long-Short Fund (NCLSX)



Fourth Quarter 2018

## Investment Objective

The Nuance Concentrated Value Long-Short Fund seeks long-term capital appreciation by taking long positions in securities priced below, and short positions in securities priced above, our internal view of their estimated intrinsic value.

## Investment Process

Long: Buying leading businesses with stable competitive positions when they are under-earning their long-term potential and have attractive risk/reward ratios.

Short: Selling large businesses with average competitive positions when they are over-earning their long-term potential and have attractive risk/reward ratios.

## Top Five Long Holdings as of 12/31/2018

Dentsply Sirona Co.	7.48%
Sanderson Farms Inc.	6.48%
Travelers Companies Inc.	5.54%
Smith & Nephew PLC Sp ADR	5.00%
Equity Commonwealth	4.53%

Note: Holdings are subject to change. For a complete list contact Nuance Investments.

## Portfolio Constraints

- # of Long Holdings: 15 to 35
- # of Short Holdings: 0 to 50
- Long Exposure: 75% to 100%
- Short Exposure: 0% to 100%
- Max Gross Exposure: 200%

## Fund Details

Class:	Institutional
Ticker:	NCLSX
Inception:	12/31/15
Cusip:	56166Y255
Minimum Investment:	\$10,000
Investment Management Fee:	1.00%

## Top Five Short Holdings as of 12/31/2018

Waste Management Inc.	-3.95%
Republic Services Inc. Class A	-3.83%
Coca-Cola Co.	-3.81%
Ross Stores Inc.	-3.59%
Boeing Co.	-3.48%

Note: Holdings are subject to change. For a complete list contact Nuance Investments.

## Morningstar

### Overall Morningstar Rating



Out of 199 Long-Short Equity Funds  
Since inception 12/31/2015 thru 12/31/2018  
(based on Risk-Adjusted Returns)

## Portfolio Managers



Scott Moore, CFA President & CIO 28 Years of Experience	Chad Baumler, CFA Vice President 12 Years of Experience
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## Portfolio Characteristics<sup>1</sup> as of December 31, 2018

	Fund	S&P 500 Index
Weighted Average Market Cap Long/ (Short)	51.2 / (65.5)	201.2
# of Securities Long/ (Short)	29 / (50)	505
Beta*	0.2	-
R-Squared*	4.6%	-
Upside/Downside Capture Ratio*	26.4% / -12.9%**	-
Standard Deviation	9.2%	13.1%

\*Relative to the S&P 500 Index

\*\*Negative downside capture ratio represents positive performance in a down market

	3/31/17	6/30/17	9/30/17	12/31/17	3/31/18	6/30/18	9/30/18	12/31/18
Long Exposure	74.9%	75.5%	75.8%	76.3%	75.8%	75.4%	76.2%	82.3%
Short Exposure	67.7%	74.3%	77.9%	93.9%	87.9%	86.1%	99.6%	75.9%
Gross Exposure	142.7%	149.7%	153.7%	170.2%	163.7%	161.5%	175.8%	158.2%
Net Exposure	7.2%	1.2%	-2.1%	-17.6%	-12.0%	-10.7%	-23.4%	6.3%

## Average Total Returns (%) as of December 31, 2018

Inception Date 12/31/15	Since Inception	3 YR	1 YR	YTD 2018	QTD 2018
Nuance Concentrated Value Long-Short Fund (NCLSX)	6.61	6.61	5.35	5.35	7.97
S&P 500 Index	9.26	9.26	-4.38	-4.38	-13.52
Morningstar Long/Short Equity	1.78	1.78	-6.72	-6.72	-8.64

Performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by calling 1-855-682-6233.

## Sector Allocation as of 12/31/2018

GICS Sectors	Long	Net	Short
Consumer Discretionary	0.00%	-17.70%	-17.70%
Consumer Staples	13.51%	6.45%	-7.06%
Energy	0.00%	-4.53%	-4.53%
Financials	30.20%	23.29%	-6.91%
Healthcare	21.02%	19.17%	-1.86%
Industrials	4.00%	-14.61%	-18.61%
Information Technology	5.51%	5.51%	0.00%
Materials	0.00%	-3.63%	-3.63%
Real Estate	4.53%	-6.76%	-11.29%
Communication Services	1.48%	1.48%	0.00%
Utilities	2.02%	-2.32%	-4.34%

Note: Sector Classifications are determined by referencing the Global Industry Classification Standard (GICS®). Sector Allocation provided by Clearwater Analytics.

## Fund Expenses (including short dividends)

	Gross Expense Ratio	Net Expense Ratio
NCLSX	2.82%	2.59%

The Fund has contractually agreed to reduce its management fees, and may reimburse the Fund for its operating expenses, in order to ensure that Total Annual Fund Operating Expenses (Excluding acquired fund fees and expenses, leverage, interest, dividend and interest expense on short sales, taxes, brokerage commissions, and extraordinary expenses) do not exceed 1.30% of the average daily net assets of the Institutional Class through at least 08/28/2019. Net expense ratios are as-of the Fund's most recent prospectus and are applicable to investors.

**You should consider the fund's investment objectives, risks, charges and expenses carefully before investing. For a statutory or summary prospectus, that contains this and other information about the Funds, call 1-855-NUANCE3 (855-682-6233) or visit our website at [www.nuanceinvestments.com](http://www.nuanceinvestments.com). Please read the prospectus carefully before investing.**

**Mutual fund investing involves risk. Principal loss is possible. Investments in small and mid-capitalization companies involve additional risk such as limited liquidity and greater volatility than larger capitalization companies. Investments in foreign securities involve greater volatility and political, economic and currency risks and differences in accounting methods. The Fund is non-diversified, meaning it may concentrate its assets in fewer individual holdings than a diversified fund. Therefore, the Fund is more exposed to individual stock volatility than a diversified fund. Short sale of securities involves unlimited risk including the possibility that losses may exceed the original amount invested. However, a mutual fund investor's risk is limited to one's amount of investment in a mutual fund. The Fund is newer with limited operating history and there can be no assurance that the Fund will grow to or maintain an economically viable size, in which case the Trust's Board of Trustees ("Board of Trustees") may determine to liquidate the Fund.**

The Primary Benchmark for the Fund 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 Fund may differ markedly from that of compared indices due to varying degrees of diversification and/or other facts. Return figures for all performance shown provided by US Bank.

Nuance Investments is the advisor to the Nuance Mid Cap Value Fund, the Nuance Concentrated Value Fund and the Nuance Concentrated Value Long-Short fund which are distributed by Quasar Distributors, LLC. Fund holdings and sector allocations are subjected to change and are not a recommendation to buy or sell any security.

Past Performance is not a guarantee of future results.

<sup>1</sup>A criteria to weight the market capitalization of each stock in an index or group. In such groups of stocks, larger companies account for a greater portion of the index or group. Indexes such as the S&P 500 are an example of weighted average capitalization. Beta measures the volatility of the fund, as compared to that of the overall market. The Market's beta is set at 1.00; a beta higher than 1.00 is considered to be more volatile than the market, while a beta lower than 1.00 is considered to be less volatile. Standard Deviation is a statistical measure of the historical volatility of a mutual fund or portfolio. R-Squared is a statistical measure that represents the percentage of a fund's movement that is explained by movements in a benchmark index. Upside capture ratios are calculated by taking the fund's monthly return during months when the benchmark had a positive return and dividing it by the benchmark return during that same month; downside capture ratios are calculated by taking the fund's monthly return during the periods of negative benchmark performance. Beta is calculated using Bloomberg. Beta and R-Squared are calculated via Bloomberg using weekly returns from 12/31/2015 to 12/31/2018. Standard Deviation and Upside/Downside Capture ratios are calculated via StyleAdvisor using monthly returns from 12/31/2015 to present.

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The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star.

The Overall Morningstar Rating™ for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating™ metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. The Fund received 5 stars among 199 long-short equity funds for the three-year period ending 12/31/2018. Ratings for other share classes may vary.

## GIPS Compliance Statement

Nuance claims compliance with the Global Investment Performance Standards (GIPS®). The firm maintains a complete list and description of composites, which is available upon request. More information regarding Composite descriptions and policies for valuing portfolios, calculating performance, and compliant presentations are available upon request by contacting [client.services@nuanceinvestments.com](mailto:client.services@nuanceinvestments.com) or 816-743-7080.

The definition of the firm is the foundation for firm-wide compliance and creates defined boundaries for determining the assets of the firm. In this instance, the firm is defined as Nuance Investments, LLC (Nuance). Nuance founded on November 1, 2008, was formed on the belief that the ability to outperform the broad stock market is predicated on a consistent and disciplined value investing approach. The Investment Management Team selects securities for the Nuance investment portfolios by using an extensive quantitative screening and fundamental research process that identifies leading businesses selling at a discount to fair value and that have the potential to generate above-average rates of returns over time. The Investment Management Team seeks to identify companies across a range of industries and market sectors that have leading and sustainable market share positions, above-average financial strength, and are trading at a discount to their internal view of intrinsic value. The Investment Management Team may sell an investment when it believes it has surpassed its intrinsic value by applying the screening process described above, for purposes of portfolio construction or risk management, or when a more attractive investment opportunity becomes available. For the short side, the Investment Management team seeks to identify companies across a range of industries and market sectors that have average to below average competitive positions and unattractive risk reward profiles. The total firm assets will be defined as all discretionary and non-discretionary assets under management within Nuance. This includes primary investment management accounts, sub-advisory investment management accounts and wrap accounts as well as both fee-paying and non-fee paying assets. This includes primary investment management accounts, sub-advisory investment management accounts and wrap accounts as well as both fee-paying and non-fee paying assets.

Morningstar Long-Short Equity - The Fund has been compared to various peer groups defined by investment style. The Fund is an all market capitalization value investment style. The Morningstar Long/Short Equity Peer Group (as selected by Morningstar) has been presented as an investment strategy with a similar investment style.

# Nuance Concentrated Value Long-Short Fund (NCLIX)



Fourth Quarter 2018

## Investment Objective

The Nuance Concentrated Value Long-Short Fund seeks long-term capital appreciation by taking long positions in securities priced below, and short positions in securities priced above, our internal view of their estimated intrinsic value.

## Investment Process

**Long:** Buying leading businesses with stable competitive positions when they are under-earning their long-term potential and have attractive risk/reward ratios.

**Short:** Selling large businesses with average competitive positions when they are over-earning their long-term potential and have attractive risk/reward ratios.

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Smith & Nephew PLC Sp ADR	5.00%
Equity Commonwealth	4.53%

Note: Holdings are subject to change. For a complete list contact Nuance Investments.

## Portfolio Constraints

- # of Long Holdings: 15 to 35
- # of Short Holdings: 0 to 50
- Long Exposure: 75% to 100%
- Short Exposure: 0% to 100%
- Max Gross Exposure: 200%

## Fund Details

Class:	Investor
Ticker:	NCLIX
Inception:	12/31/15
Cusip:	56166Y263
Minimum Investment:	\$2,500
Investment Management Fee:	1.00%

## Top Five Short Holdings as of 12/31/2018

Waste Management Inc.	-3.95%
Republic Services Inc. Class A	-3.83%
Coca-Cola Co.	-3.81%
Ross Stores Inc.	-3.59%
Boeing Co.	-3.48%

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## Morningstar

### Overall Morningstar Rating



Out of 199 Long-Short Equity Funds  
Since inception 12/31/2015 thru 12/31/2018  
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## Portfolio Managers



Scott Moore, CFA President & CIO 28 Years of Experience	Chad Baumler, CFA Vice President 12 Years of Experience
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## Portfolio Characteristics<sup>1</sup> as of December 31, 2018

	Fund	S&P 500 Index
Weighted Average Market Cap Long/ (Short)	51.2 / (65.5)	201.2
# of Securities Long/ (Short)	29 / (50)	505
Beta*	0.2	-
R-Squared*	4.6%	-
Upside/Downside Capture Ratio*	26.4% / -12.9%**	-
Standard Deviation	9.2%	13.1%

\*Relative to the S&P 500 Index

\*\*Negative downside capture ratio represents positive performance in a down market

	3/31/17	6/30/17	9/30/17	12/31/17	3/31/18	6/30/18	9/30/18	12/31/18
Long Exposure	74.9%	75.5%	75.8%	76.3%	75.8%	75.4%	76.2%	82.3%
Short Exposure	67.7%	74.3%	77.9%	93.9%	87.9%	86.1%	99.6%	75.9%
Gross Exposure	142.7%	149.7%	153.7%	170.2%	163.7%	161.5%	175.8%	158.2%
Net Exposure	7.2%	1.2%	-2.1%	-17.6%	-12.0%	-10.7%	-23.4%	6.3%

## Average Total Returns (%) as of December 31, 2018

Inception Date 12/31/15	Since Inception	3 YR	1 YR	YTD 2018	QTD 2018
Nuance Concentrated Value Long-Short Fund (NCLIX)	6.27	6.27	5.11	5.11	7.95
S&P 500 Index	9.26	9.26	-4.38	-4.38	-13.52
Morningstar Long/Short Equity	1.78	1.78	-6.72	-6.72	-8.64

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## Sector Allocation as of 12/31/2018

GICS Sectors	Long	Net	Short
Consumer Discretionary	0.00%	-17.70%	-17.70%
Consumer Staples	13.51%	6.45%	-7.06%
Energy	0.00%	-4.53%	-4.53%
Financials	30.20%	23.29%	-6.91%
Healthcare	21.02%	19.17%	-1.86%
Industrials	4.00%	-14.61%	-18.61%
Information Technology	5.51%	5.51%	0.00%
Materials	0.00%	-3.63%	-3.63%
Real Estate	4.53%	-6.76%	-11.29%
Communication Services	1.48%	1.48%	0.00%
Utilities	2.02%	-2.32%	-4.34%

Note: Sector Classifications are determined by referencing the Global Industry Classification Standard (GICS®). Sector Allocation provided by Clearwater Analytics.

## Fund Expenses (including short dividends)

	Gross Expense Ratio	Net Expense Ratio
NCLIX	3.07%	2.84%

The Fund has contractually agreed to reduce its management fees, and may reimburse the Fund for its operating expenses, in order to ensure that Total Annual Fund Operating Expenses (Excluding acquired fund fees and expenses, leverage, interest, dividend and interest expense on short sales, taxes, brokerage commissions, and extraordinary expenses) do not exceed 1.55% of the average daily net assets of the Investor Class through at least 08/28/2019. Net expense ratios are as-of the Fund's most recent prospectus and are applicable to investors.

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The Primary Benchmark for the Fund 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 Fund may differ markedly from that of compared indices due to varying degrees of diversification and/or other facts. Return figures for all performance shown provided by US Bank.

Nuance Investments is the advisor to the Nuance Mid Cap Value Fund, the Nuance Concentrated Value Fund and the Nuance Concentrated Value Long-Short fund which are distributed by Quasar Distributors, LLC. Fund holdings and sector allocations are subjected to change and are not a recommendation to buy or sell any security.

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<sup>1</sup>A criteria to weight the market capitalization of each stock in an index or group. In such groups of stocks, larger companies account for a greater portion of the index or group. Indexes such as the S&P 500 are an example of weighted average capitalization. Beta measures the volatility of the fund, as compared to that of the overall market. The Market's beta is set at 1.00; a beta higher than 1.00 is considered to be more volatile than the market, while a beta lower than 1.00 is considered to be less volatile. Standard Deviation is a statistical measure of the historical volatility of a mutual fund or portfolio. R-Squared is a statistical measure that represents the percentage of a fund's movement that is explained by movements in a benchmark index. Upside capture ratios are calculated by taking the fund's monthly return during months when the benchmark had a positive return and dividing it by the benchmark return during that same month; downside capture ratios are calculated by taking the fund's monthly return during the periods of negative benchmark performance. Beta is calculated using Bloomberg. Beta and R-Squared are calculated via Bloomberg using weekly returns from 12/31/2015 to 12/31/2018. Standard Deviation and Upside/Downside Capture ratios are calculated via StyleAdvisor using monthly returns from 12/31/2015 to present.

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The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star.

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## GIPS Compliance Statement

Nuance claims compliance with the Global Investment Performance Standards (GIPS®). The firm maintains a complete list and description of composites, which is available upon request. More information regarding Composite descriptions and policies for valuing portfolios, calculating performance, and compliant presentations are available upon request by contacting [client.services@nuanceinvestments.com](mailto:client.services@nuanceinvestments.com) or 816-743-7080.

The definition of the firm is the foundation for firm-wide compliance and creates defined boundaries for determining the assets of the firm. In this instance, the firm is defined as Nuance Investments, LLC (Nuance). Nuance founded on November 1, 2008, was formed on the belief that the ability to outperform the broad stock market is predicated on a consistent and disciplined value investing approach. The Investment Management Team selects securities for the Nuance investment portfolios by using an extensive quantitative screening and fundamental research process that identifies leading businesses selling at a discount to fair value and that have the potential to generate above-average rates of returns over time. The Investment Management Team seeks to identify companies across a range of industries and market sectors that have leading and sustainable market share positions, above-average financial strength, and are trading at a discount to their internal view of intrinsic value. The Investment Management Team may sell an investment when it believes it has surpassed its intrinsic value by applying the screening process described above, for purposes of portfolio construction or risk management, or when a more attractive investment opportunity becomes available. For the short side, the Investment Management team seeks to identify companies across a range of industries and market sectors that have average to below average competitive positions and unattractive risk reward profiles. The total firm assets will be defined as all discretionary and non-discretionary assets under management within Nuance. This includes primary investment management accounts, sub-advisory investment management accounts and wrap accounts as well as both fee-paying and non-fee paying assets. This includes primary investment management accounts, sub-advisory investment management accounts and wrap accounts as well as both fee-paying and non-fee paying assets.

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