

Nuance Mid Cap Value Perspectives Semi-Annual Report

June 30th, 2010



Commentary with President and Chief Investment Officer
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Product Overview

•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 -100 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.

•A special note to our clients that we have rebranded our firm name from Mariner Value Strategies, LLC to Nuance Investments, LLC. Nuance was chosen to convey that subtle differences (nuances) in process, research, and stock selection can make meaningful differences in the returns generated for our clients. We believe that the name encompasses the broad experience we have using our proprietary classic value approach. Finally, your investment product has been renamed Nuance Mid Cap Value. Nothing about the investment guidelines, restrictions, investment philosophy, investment team, or the overall product has changed except for the name.

Performance Update and Highlights

•Since its inception on November 3, 2008, the Nuance Mid Cap Value Composite (through June 30, 2010) is up 18.06 percent (annualized and net of fees) versus the Russell Midcap Value Index up 14.76 percent, the S&P MidCap 400 Value Index up 14.96 percent, and the S&P 500 Index up 6.52 percent. We are pleased with our performance since the inception of Nuance Mid Cap Value. For the nearly 20 months we have managed this product, the market has endured a financial collapse, fears of a depression, an actual recession, and more recent fears of a global economic collapse or at least slowing growth. Through it all, the market volatility has afforded your team ample buying opportunities of excellent companies.

•Year-to-date through June 30, 2010 the Nuance Mid Cap Value Composite is down 0.66 percent (net of fees) versus the Russell Midcap Value Index down 0.88 percent, the S&P MidCap 400 Value Index down 2.00 percent, and the S&P 500 Index down 6.65 percent. While the absolute return of the portfolio year-to-date is a bit disappointing, the relative performance was reasonable for the first six months of 2010. Continued uncertainty surrounding the duration of this economic recession, the nature of the recovery that appears to have begun, debt levels at governments around the world that are strained, and the possibility of slowing emerging market growth have all led to a down market for the year. Importantly, your portfolio continues to evolve and maintains a group of companies that collectively represent some of the leading companies from around the world that we believe are attractively valued.

11/03/08 – 06/30/10	YTD 2010	1 Year	3 Years	5 Years	10 Years	Since Inception APR	Since Inception Return
Nuance Mid Cap Value Composite	(0.66)	26.75	N/A	N/A	N/A	18.06	31.62
Russell Midcap Value Index	(0.88)	28.91	N/A	N/A	N/A	14.76	25.58
S&P MidCap 400 Value Index	(2.00)	25.61	N/A	N/A	N/A	14.96	25.95
S&P 500 Index	(6.65)	14.43	N/A	N/A	N/A	6.52	11.02

11/03/2008 –to- 12/31/2008	2009	YTD 2010
Nuance Mid Cap Value Composite	(4.13)	(0.66)
Russell Midcap Value Index	(5.60)	(0.88)
S&P MidCap 400 Value Index	(3.92)	(2.00)
S&P 500 Index	(5.95)	(6.65)

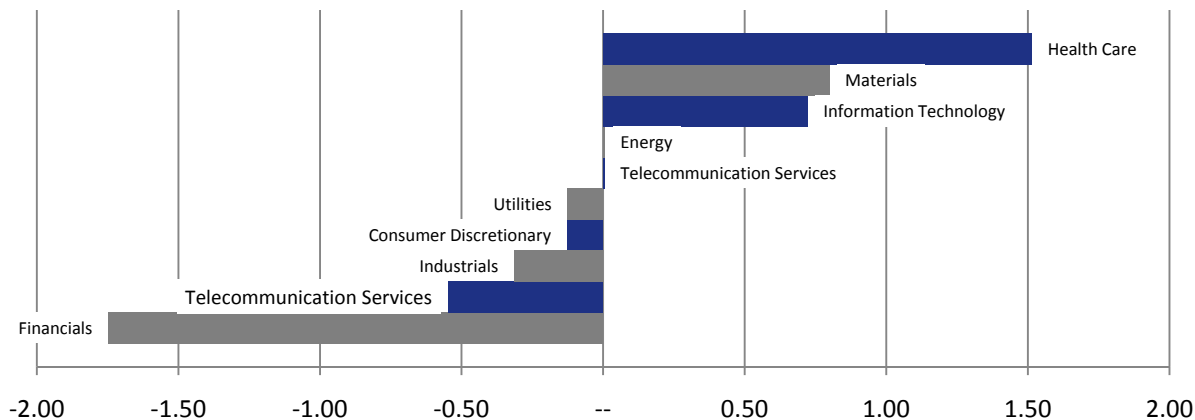
Please note: Commencement of the Nuance Mid Cap Value Composite was 11/03/08. Return figures for the Nuance Mid Cap Value Composite are provided by Advent Portfolio Exchange and are net of fees. The Primary benchmark for the Nuance Mid Cap Value Composite is the Russell Midcap Value Index. The secondary benchmarks are the S&P MidCap 400 Value Index and the S&P 500 Index. Return figures for all Indices are provided by Bloomberg. Periods over one year are annualized total return.

Portfolio Attribution and Investment Strategy Review

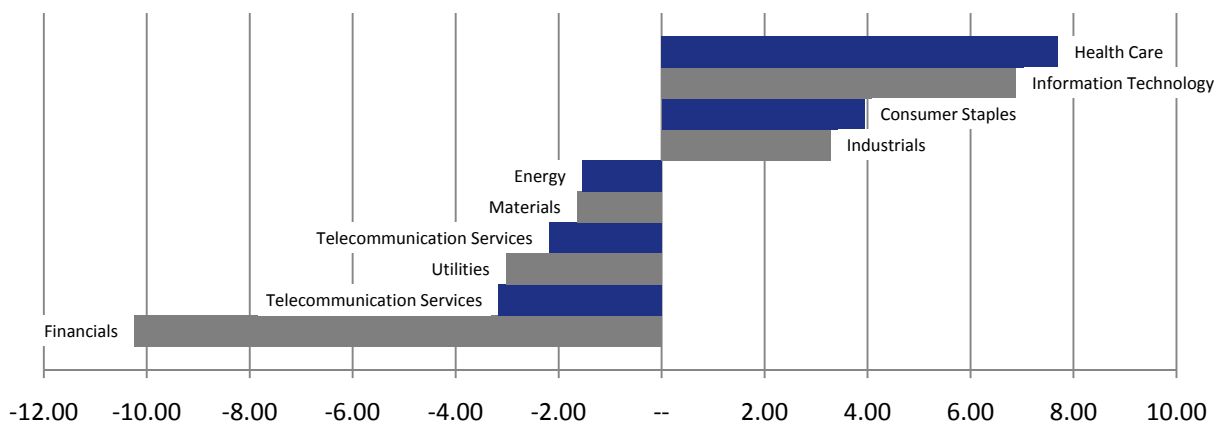
- The bright spots in your portfolio for the first six months of the year centered on the Healthcare, Information Technology and Materials sectors. STERIS Corporation, Beckman Coulter, Inc., Graham Packing co. Inc., and Xilinx Inc. were all positive contributors to performance during the first six month of the year.
- The Financial sector was the primary disappointment for the first six months. Poor stock selection in Commercial Banks and an underweight stance in Real Estate Investment Trusts (REITS) were the primary reason. There were not any specific banks or REITS that led to the underperformance, just the market bidding up what are, in our opinion, lower quality banks and valuation-stretched REITS.
- From a sector weighting perspective, we continue to find opportunities in the Healthcare, Information Technology, and Consumer Staples sectors. Remember that these opportunities are found and studied one company at a time and that the sector weighting is the result of the opportunity set presented by these individual investment opportunities rather than a broad macro call on the economy or the sector.
- We continue our underweight stance in Financials (primarily REITS) and the Consumer Discretionary sectors.
- Over the past six months changes to our positions include a reduction in our Utility industry weightings due to weight reductions in several outperforming names including IDACORP Inc., WGL Holdings Inc., and Westar Energy Inc. We have also increased our weighting in the industrial sector given its recent sell-off and have added to names like Kaydon Corp. and Pall Corp.

Nuance Mid Cap Value Composite -vs- Russell Midcap Value Index

Portfolio Attribution - 12/31/09 – 06/30/10



Sector Diversification - 06/30/10



Please note: Sector Classifications are generally determined by referencing the Global Industry Classification Standard (GICS) Codes developed by Standard & Poor's and Morgan Stanley Capital International. Sector Allocations are a percent of equity investments and subject to change.

Statistics and Valuation Support

· We continue to be pleased with the overall composition of the portfolio. Remember that we are seeking to find investment opportunities in above average companies with better than average valuation support. Using the table below, you can see that the portfolio has a PE EPS Estimates Year 1 ratio of 15.1x versus the Russell Mid Cap Value Index of 22.0x. We are achieving this ratio with a portfolio of companies that have Returns on Assets of 6.2 percent versus the Russell Mid Cap Value Index of 3.3 percent. This dichotomy of above average companies selling at below average multiples is a recipe for outperformance over the long term in our opinion.

Statistic	Nuance Mid Cap Value	Russell Midcap Value Index
Weighted Average Market Cap	9.5 b	6.0 b
Median Market Cap	6.9 b	3.1 b
PE Trailing 12 Months	22.9 x	35.9 x
PE EPS Estimates Year 1	15.1 x	22.0 x
Dividend Yield	2.61 %	2.27 %
Price to Sales	1.9 x	1.8 x
Return on Assets	6.2 %	3.3 %
Return on Equity	16.3 %	7.8 %
Number of Securities	71	542

Outlook

· The recent market sell-off appears related to the continued uncertainty surrounding the duration of this economic recession, the nature of the recovery that appears to have begun, debt levels at governments around the world that are strained, and the possibility of slowing emerging market growth. As is often the case, a material sell-off has once again fostered what appears to be excellent value-oriented opportunities for your portfolio.

· As we have written on numerous occasions and emphasize as a team each day we have never considered ourselves to be economists making economic predictions. Rather, our team continues to focus on studying one company at a time, insuring that each company we own maintains a sound and solid competitive position and insuring that the companies we own are undervalued based on our own internally derived view of sustainable cash flows and earnings.

· Importantly, as of today, our client's portfolios are comprised of leading market share companies, with solid financial strength, that are trading at significant discounts to our internal view of fair or intrinsic value.

· Please visit our website at www.nuanceinvestments.com for more information about our team, our process, and value investing. You can also get real-time access to the Nuance Investment website updates and information via traditional mail or e-mail. Simply contact us at client.services@nuanceinvestments.com or call 816-743-7080 to sign-up.

Thank you for your continued confidence and support,



Scott A. Moore, CFA