

Nuance Mid Cap Value Perspectives Semi-Annual Report

December 31, 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.

Performance Update and Highlights

•Since its inception on November 3, 2008, the Nuance Mid Cap Value Composite (through June 30, 2011) is up 22.95 percent (annualized and net of fees) versus the Russell Midcap Value Index up 21.75 percent, the S&P MidCap 400 Value Index up 21.60 percent, and the S&P 500 Index up 15.05 percent.

•For the six month period ending June 30, 2011 the Nuance Mid Cap Value Composite was up 8.06 percent (net of fees) versus the Russell Midcap Value Index up 6.69 percent, the S&P MidCap 400 Value Index up 6.51 percent, and the S&P 500 Index up 6.02 percent.

•2010 will be remembered as the second straight above-average year for stock returns in general. With the S&P 500 Index up 15.06 percent, clearly the market cheered the modestly improving economy as well as higher than expected corporate profits. This coupled with below average market valuation levels at the beginning of the year led to an excellent year for investors.

11/03/08 – 12/31/10	1 Year	2 Years APR	3 Years APR	5 Years APR	Since Inception APR	Since Inception Return
Nuance Mid Cap Value Composite (Gross)	21.08	29.58	N/A	N/A	24.68	60.98
Nuance Mid Cap Value Composite (Net)	20.01	28.78	N/A	N/A	23.96	59.00
Russell Midcap Value Index	24.75	29.39	N/A	N/A	23.62	58.05
S&P MidCap 400 Value Index	22.79	28.16	N/A	N/A	23.53	57.81
S&P 500 Index	15.06	20.63	N/A	N/A	15.64	36.86

	11/03/2008 –to- 12/31/2008	2009	2010
Nuance Mid Cap Value Composite (Gross)	(4.13)	38.69	21.08
Nuance Mid Cap Value Composite (Net)	(4.13)	38.20	20.01
Russell Midcap Value Index	(5.60)	34.20	24.75
S&P MidCap 400 Value Index	(3.92)	33.77	22.79
S&P 500 Index	(5.95)	26.47	15.06

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. 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

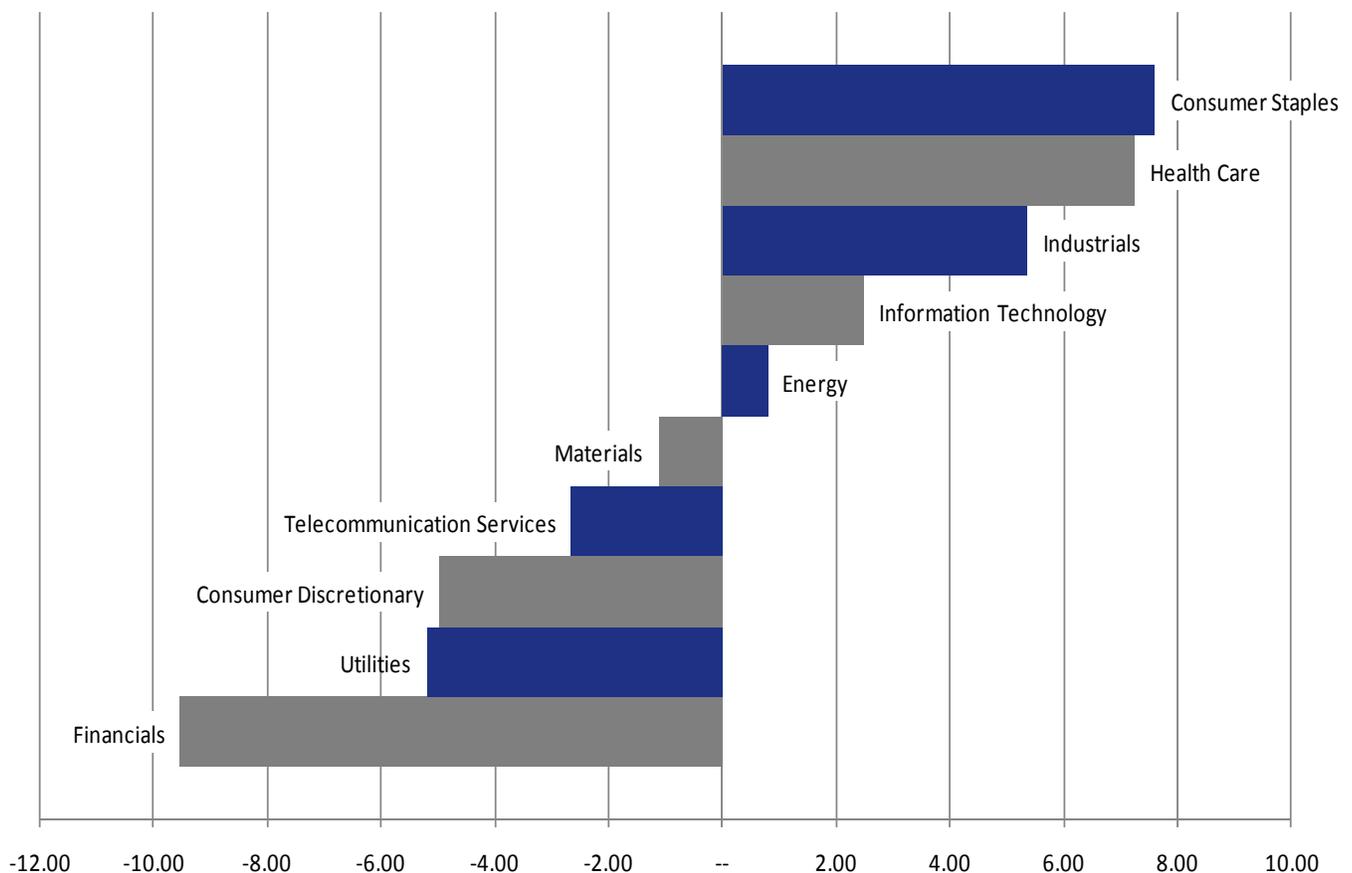
•The bright spots in your portfolio for the year centered on the Healthcare, Information Technology, Consumer Staples, and Financial sectors. Beckman Coulter Inc., General Mills Inc., Xilinx Inc., Texas Instruments Inc., and Chubb Corporation were all positive contributors to performance during 2010.

•The Consumer Discretionary and Industrial sectors were the primary disappointments during 2010. An underweight stance in both of these outperforming sectors was the primary negative to performance.

•Going forward, we continue to find opportunities in the Healthcare and the Information Technology sectors and have increased our weighting in the Consumer Staples sector as increased competitive pressure from generic companies coupled with rising commodity costs have pressured near term earnings. Kimberly-Clark Corporation and Clorox Co. are companies that we have increased our exposure to during recent months.

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

Sector Diversification – 12/31/10



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 Price to Earnings ratio of 16.7x versus the Russell Mid Cap Value Index of 31.9x. We are achieving this ratio with a portfolio of companies that have returns on assets of 6.6 percent versus the Russell Mid Cap Value Index of 3.7 percent. This phenomenon of owning 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	13.1b	7.7b
Median Market Cap	7.4b	3.8b
PE Trailing 12 Months	19.2x	31.5x
PE EPS Estimates Year 1	16.7x	31.9x
Dividend Yield	2.28%	1.91%
Price to Sales	2.1x	2.1x
Return on Assets	6.6%	3.7%
Return on Equity	17.2%	8.5%
Number of Securities	64	541

2010 Year End Review and 2011 Outlook

Since we opened the Nuance Investments, LLC doors in late 2008, we have endured the 2008 and 2009 financial and real estate crisis, the resulting recession, fears of a global depression, and a market meltdown and subsequent recovery that defined the term "volatility." Through it all, your team has continued to do what we always do. Focus our attention 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 and valuation.

2010 was another excellent year for investors and we are certainly pleased with our overall results. Modestly improving economic news, solid earnings results, and inexpensive valuations at year-end 2009 resulted in another above-average year for stocks in general. As discussed above, your Nuance Mid Cap Value Composite was up 20.01 percent (net of fees) versus the Russell Midcap Value Index up 24.75 percent, S&P MidCap 400 Value Index up 22.79 percent, and the S&P 500 Index up 15.06 percent.

We are gratified that for these first 26 months of our young firm we have delivered above-average results for our clients. We want to emphasize, however, that we will not outperform our benchmark each and every year. That is simply not a realistic assumption over time and frankly watching indexes is not what we spend our time doing. Rather, we continue to search the world for leading business franchises selling out discounts to what they are worth. By diligently focusing on this task day in and day out, we believe that outperformance will accrue to our clients over the long term.

When considering our 2011 outlook, we started by looking at history first. Since its inception on November 3, 2008, the Nuance Mid Cap Value Composite (through December 31, 2010) is up 59.00 percent (non-annualized and net of fees) versus the Russell Midcap Value Index up 58.05 percent, the S&P MidCap 400 Value Index up 57.81 percent, and the S&P 500 Index up 36.86 percent. We are choosing to show our clients these non-annualized numbers to highlight just how much market values have appreciated in the past 26 months. In our opinion, valuation levels for stocks are not as attractive as they have been during these that last two years. That fact alone makes us appreciate that there are risks in today's marketplace. But within a marketplace with many fairly valued companies, we continue to find excellent company-specific opportunities. As of today, your portfolio is 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

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