

Nuance Concentrated Value Perspectives Discussion



October 31, 2011

from Montage Investments

Commentary with President and Chief Investment Officer Scott A. Moore, CFA

The month of October showed a strong rebound in both the market and your portfolio following a difficult summer and early fall. Uncertainties surrounding the sustained soft economy in the United States and difficulties in Europe have caused continued volatility in the market. Your team at Nuance embraces volatility as it provides us with ample opportunities to buy leading market share positioned companies at favorable prices. As we look at your portfolio today, we continue to find leading business franchises trading at a discount to our internal view of fair value. Remember that we study each company we own on its own business merits, confirm that the company maintains number one or number two market share positions in their various niche industries, and that their market share positions are sustainable competitively. We want to avoid poorly positioned companies or companies losing market share on a sustainable basis as those companies are more difficult to value, in our opinion.

Performance Update

We continue to be pleased with our overall performance. Since its inception on November 13, 2008, the Nuance Concentrated Value Composite (through October 31, 2011) is up 22.66 percent (annualized and net of fees) versus the Russell 3000 Value Index, up 11.38 percent, and the S&P 500 Index, up 13.81 percent.

Year-to-date through October 31, 2011, the Nuance Concentrated Value Composite is up 4.75 percent (net of fees) versus the Russell 3000 Value Index, down 1.54 percent, and the S&P 500 Index, up 1.30 percent.

	YTD		Since Inception	Since Inception	Since Inception	Since Inception
11/13/08 - 10/31/11	2011	1 Year	Inception APR	Inception Return	Sharpe Ratio (A)	Standard Deviation (A)
Nuance Concentrated Value Composite (Gross)	5.27	14.97	23.24	85.78	1.37	16.16
Nuance Concentrated Value Composite (Net)	4.75	14.40	22.66	83.19	1.34	16.12
Russell 3000 Value Index	(1.54)	5.98	11.38	37.63	0.61	21.34
S&P 500 Index	1.30	8.09	13.81	46.72	0.77	19.00

Please visit our new and improved 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 Investments website updates and information via traditional mail, e-mail, or on Facebook.

Thank you for your continued confidence and support.

Scott A. Moore, CFA

Stocks we recently added to your portfolio:

Helmerich & Payne Inc. (HP): HP is a leading provider of land drilling services to the natural gas and oil industries primarily in North America. HP also has a very strong balance sheet. We were able to purchase HP in early October at what we believe were attractive prices due to uncertainty surrounding near-term drilling activity as natural gas and oil prices were declining. As these prices approach more normal levels, the earnings power of HP will improve and we believe the valuation of HP will improve as well.

Illinois Tool Works Inc. (ITW): ITW is a leading designer and manufacturer of fasteners, components, equipment, and consumable products for the broad industrial sector. ITW maintains leading market share positions across its product line. Due to guidance provided by the company in late September and early October which portrayed difficult economic conditions in Europe and North America for several of its primary business lines (including global construction), the stock traded off. We believe based on prices seen in early October, ITW provides our clients with an excellent risk versus reward profile and provides us with an excellent dividend yield while we wait on improved earnings and sentiment.

Stocks we recently sold from your portfolio:

Southwestern Energy Co. (SWN): We sold our position in SWN as we believe the risk versus reward profile of HP (see our discussion above) was significantly more attractive than that of SWN. SWN's valuation has been supported recently by rumors of a potential acquisition. These rumors have resulted in a relatively full valuation from your team's perspective.

Please note: Commencement of the Nuance Concentrated Value Composite was 11/13/08. Return figures for the Nuance Concentrated Value Composite are provided by Advent Portfolio Exchange. The Primary benchmark for the Nuance Concentrated Value Composite is the Russell 3000 Value Index. The secondary benchmark is the S&P 500 Index. Return figures for all indices are provided by Bloomberg. Annualized Standard Deviation & Annualized Sharpe Ratio figures are provided by PerTrac Analytical Platform. Periods over one year are annualized total return. The Sharpe Ratio is a calculation of a product's risk-adjusted performance over time. The ratio was calculated by taking the product's annualized excess return over a risk-free rate (using the Citigroup 3-month Treasury Bill as the risk-free rate) and dividing by its annualized standard deviation calculated using monthly return data. The Russell 3000 Value Index measures the performance of those Russell 3000 companies with lower price-to-book ratios and lower forecasted growth values. The S&P 500 Index is a market-value weight index provided by Standard & Poor's comprised of 500 stocks chosen for market size and industry group representation. 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 portfolio may differ markedly from that of compared indices due to varying degrees of diversification and/or other facts. Individuals cannot invest directly in any index. Nuance's performance returns have been audited by Absolute Performance Verification through March 31, 2011. To obtain a copy of the Global Investment Performance Standards (GIPS®) authorization letter or a GIPS® compliant presentation please contact Katie Carver at 816.743.7080 or Katie.Carver@nuanceinvestments.com. Past Performance is not a guarantee of future results. Please request a copy of Nuance's Full General Disclosures for more information. 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. The views and opinions expressed are those of the portfolio manager at the time of publication and are subject to change. There is no guarantee that these views and opinions will come to pass. Investing involves risk, including the possible loss of principal.