

Nuance Mid Cap Value Perspectives Discussion



December 31, 2011

from Montage Investments

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

The Nuance Mid Cap Value Composite is a classic value separate account 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

Since its inception on November 3, 2008, the Nuance Mid Cap Value Composite (through December 31, 2011) is up 17.04 percent (annualized and net of fees) versus the Russell Midcap Value Index up 15.10 percent, the S&P MidCap 400 Value Index up 14.67 percent, and the S&P 500 Index up 11.19 percent.

For the entirety of 2011 (ending December 31, 2011), the Nuance Mid Cap Value Composite ended up 3.38 percent (net of fees) versus the Russell Midcap Value Index down 1.38 percent, the S&P MidCap 400 Value Index down 2.39 percent, and the S&P 500 Index up 2.11 percent.

Comparing our product to peers also displays excellent results. On a total return basis, we ranked 76th out of 410 (19th percentile) peer group members in the Morningstar Mid-Cap Cap Value universe. Versus the Lipper Mid-Cap Value Funds Peer Group we ranked 42nd out of 205 (20th percentile) and finally, versus the eVestment US Mid Cap Value Equity Peer Group, the product ranked number 41st out of 107 (38th percentile).

As compared to these same peer groups on a risk-adjusted return basis (as measured by Sharpe Ratio), the Nuance Mid Cap Value Composite also fared quite well. The product ranked 9th out of 410 (2nd percentile) peers in the Morningstar Mid-Cap Value universe. Versus the Lipper Mid-Cap Value Funds Peer Group we ranked 2nd out of 205 (1st percentile). Versus the eVestment US All Mid Cap Value Equity Peer Group, the product ranked 10th out of 107 (9th percentile). The Sharpe Ratio is calculated by subtracting the return of the risk-free index (Citigroup 3-month Treasury Bill) from the Composite return divided by the Standard Deviation of the Composite to get the risk-adjusted return.

Scott A. Moore, CFA



**President and
Chief Investment Officer**

- 20+ years of investment analyst experience
- 18+ years of classic value investment experience

- 12+ years of portfolio management experience using a classic value approach
- Co-owner and founder of Nuance Investments, LLC
- Former Senior Portfolio Manager at American Century Investments managing over \$10 billion¹
- Former Lead portfolio manager of the 5-Star Morningstar rated American Century Mid Cap Value Fund (ACMVX) from 2004-2008¹
- Former Co-portfolio manager of the 5-Star Morningstar rated American Century Equity Income (TWEIX) and 4-Star Morningstar rated American Century Value Fund (TWWLX) from 1999-2008¹

¹© 2008 Morningstar. Mutual Fund star ratings provided by Morningstar on 10/31/2008. From 9/2/2008 to 10/31/2008, Mr. Moore was a consultant, rather than portfolio manager due to an employment agreement with American Century Investments. American Century Mid Cap Value received recognition while Mr. Moore was the Lead Portfolio Manager from 4/1/2004 to 10/31/2008. American Century Equity Income received recognition while Mr. Moore was a Co-portfolio manager from 2/1/1999 to 10/31/2008. American Century Value received recognition while Mr. Moore was a Co-portfolio manager from 2/1/1999 to 10/31/2008.

11/03/2008 - 12/31/2011	1 Year	3 Years APR	Since Inception APR	Since Inception Return	Since Inception Standard Deviation (A)	Since Inception Sharpe Ratio (A)
Nuance Mid Cap Value Composite (Gross)	4.04	20.44	17.74	67.49	18.18	0.96
Nuance Mid Cap Value Composite (Net)	3.38	19.69	17.04	64.37	18.22	0.92
Russell 3000 Value Index	(1.38)	18.21	15.10	55.86	23.45	0.63
S&P MidCap 400 Value Index	(2.39)	17.06	14.67	54.04	23.35	0.62
S&P 500 Index	2.11	14.13	11.19	39.75	20.84	0.36
11/03/2008 - 12/31/2011	11/03/08 - 12/31/08		2009		2010	2011
Nuance Mid Cap Value Composite (Gross)	(4.13)		38.69		21.08	4.04
Nuance Mid Cap Value Composite (Net)	(4.13)		38.20		20.01	3.38
Russell 3000 Value Index	(5.60)		34.20		24.75	(1.38)
S&P MidCap 400 Value Index	(3.92)		33.77		22.79	(2.39)
S&P 500 Index	(5.95)		26.47		15.06	2.11

Peer Group Analysis 11/30/2008 - 12/31/2011

Lipper Mid-Cap Value Funds

	Since Inception APR	Standard Deviation (A)	Sharpe Ratio (A)
Nuance Mid Cap Value Composite (Gross)	20.50	17.94	1.14
Lipper Mid-Cap Value Funds Peer Group (median)	18.12	21.86	0.81
Peer Group Percentile	20th	2nd	1st
Peer Group Ranking	42 of 205	4 of 205	2 of 205

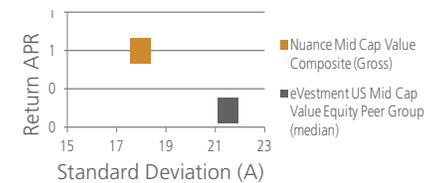
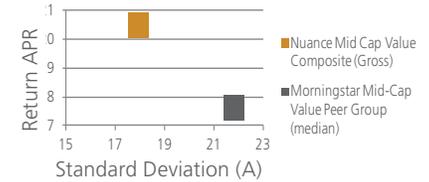
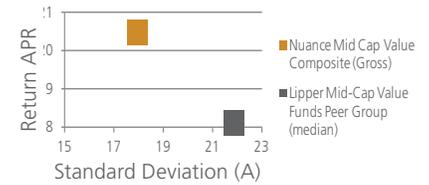
Morningstar Mid-Cap Value

	Since Inception APR	Standard Deviation (A)	Sharpe Ratio (A)
Nuance Mid Cap Value Composite (Gross)	20.50	17.94	1.14
Morningstar Mid-Cap Value Peer Group (median)	17.63	21.78	0.81
Peer Group Percentile	19th	8th	2nd
Peer Group Ranking	76 of 410	31 of 410	9 of 410

eVestment US Mid Cap Value Equity

	Since Inception APR	Standard Deviation (A)	Sharpe Ratio (A)
Nuance Mid Cap Value Composite (Gross)	20.50	17.94	1.14
eVestment US Mid Cap Value Equity Peer Group (median)	19.73	21.49	0.90
Peer Group Percentile	38th	6th	9th
Peer Group Ranking	41 of 107	6 of 107	10 of 107

Risk & Reward 11/30/2008 - 12/31/2011



Portfolio Attribution and Investment Strategy Review

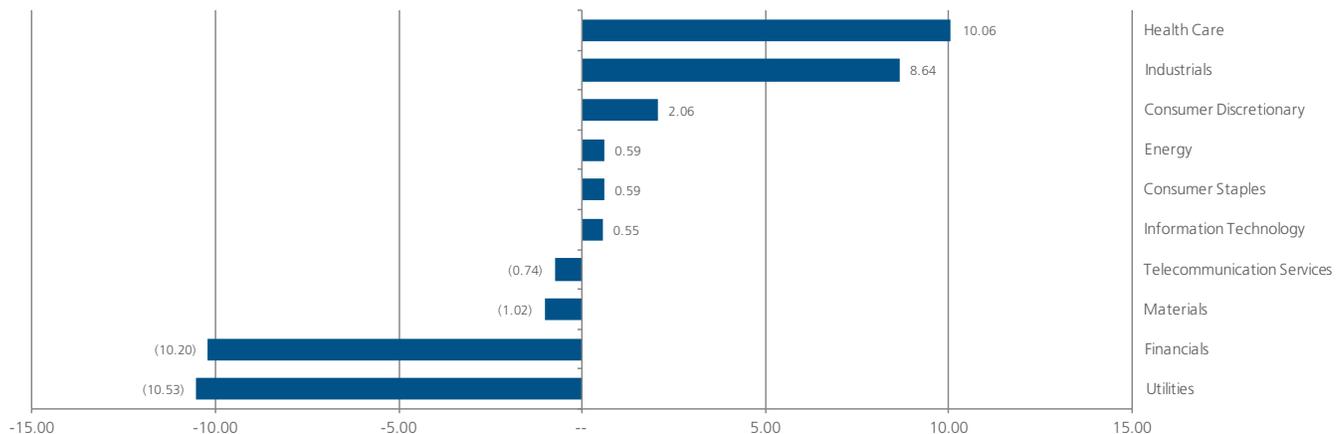
The bright spots in your portfolio for 2011 centered on the Consumer Staples, Energy, Materials, and Finance sectors. Graham Packaging Co. Inc., Great Plains Energy Inc., Imperial Oil LTD, EQT Corp., and Chubb Corp. were some of the largest contributors for the year.

The biggest detractors were in the Utility and Consumer Discretionary sectors. In the Utility sector, an underweight stance in an outperforming group offset excellent stock selection. In the Consumer Discretionary space, Hasbro Inc. lagged the market and underperformed for year. We continue to like this financially strong toy manufacturer and have added to our positions.

Going forward, we are finding opportunities in the Healthcare, Industrial, and Technology sectors as they have been laggards within the marketplace. More specifically, companies that were once considered to have above-average growth prospects are now trading at prices consistent with much slower growing companies. We have become underweight in the Utility sector and continue our underweight stance in the Real Estate Investment Trust industry. Those two spaces are not showing opportunities for your team and appear overvalued in general due to the market's current appetite for companies with a historically high dividend payout ratios and their subsequently high absolute dividend yield. We are of the belief, that while yield is a very important part of the total return equation, that simply looking for high yielding stocks does not lead to outperformance. We think that is what the market is doing at present, and that herd mentality is leading to excellent value opportunities elsewhere.

Nuance Mid Cap Value Composite vs Russell Midcap Value Index

Sector Diversification as of 12/31/2011



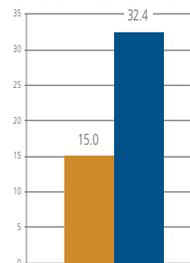
Statistics and Valuation Support

We continue to be pleased with the overall composition of the portfolio. Remember that we are seeking to find investment opportunities in 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 15.0x versus the Russell Midcap Value Index of 32.4x. We are achieving this ratio with a portfolio of companies that have returns on assets of 8.8 percent versus the Russell 3000 Value Index of 6.0 percent. This dichotomy of above average companies selling at below average multiples is a recipe for outperformance over the long term in our opinion.

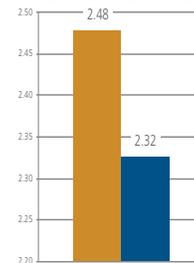
Statistic	Nuance Mid Cap Value Composite	Russell Midcap Value Index
Weighted Average Market Cap	13.4 b	7.7 b
Median Market Cap	9.2 b	3.7 b
PE Trailing 12 Months	17.4 x	36.4 xf
PE EPS Estimates Year 1	15.0 x	32.4 x
Dividend Yield	2.48 %	2.32 %
Price to Sales	1.9 x	2.2 x
Return on Assets	8.4 %	5.4 %
Return on Equity	18.0 %	10.5 %
Number of Securities	56	528

Note: Characteristics provided by FactSet and exclude Cash and Cash equivalents.

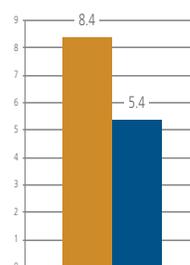
P/E EPS Est. Year 1



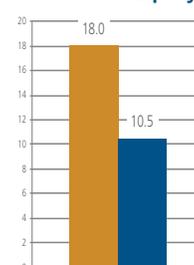
Dividend Yield



Return on Assets



Return on Equity



■ Nuance Mid Cap Value Composite
■ Russell Mid Cap Value Index

Semi-Annual Review and Outlook

Three years since the inception of our firm, we are pleased to continue providing our clients with above-average returns with below average risk. From an economy that was teetering on the brink of the most serious economic and financial crisis since the Great Depression in late 2008 and early 2009, to the persistency of the market recovery in later 2009 and into 2010, to a relatively volatile but market neutral 2011, we have seen a great deal of uncertainty and an incredible creation of opportunity over this period. As always, your team and its process continues. We 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.

For 2011 specifically, market volatility was the story of the year. That volatility continued to be fueled by economic uncertainties around the world, a persistently high unemployment rate in the United States, and the unprecedented debt levels in the United States and Europe. These negatives were somewhat offset by the continued excellent execution of many companies that we own and follow.

From a valuation perspective, your team would suggest that the market (as defined by our internal follow list of approximately 300 companies) is somewhat undervalued. This follows the impressive stock market gains of 2009, 2010, and the first six months of 2011. That said, 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.

Again, our team appreciates your confidence and trust in our investment expertise. Overall, we are gratified to have delivered above-average results with below-average risk to our clients. We want to mention, 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 at 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.

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

GIPS Disclaimer

	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 Net)	3 Year Annualized Standard Deviation (RMV Index)
YTD 2008 (11/03/08-12/31/08)	(4.13)	(4.13)	(5.60)	(3.92)	N/A	1	\$9,531,045	\$18,657,997	0.00%	-	-
2009	38.69	38.20	34.20	33.77	-	4	\$50,600,141	\$137,943,058	0.94%	-	-
2010	21.08	20.01	24.75	22.79	0.20	4	\$60,702,099	\$181,201,036	1.36%	-	-
2011	4.04	3.38	(1.38)	(2.39)	0.13	4	\$55,186,800	\$152,976,943	0.86%	17.99 %	22.78 %

Important Disclaimer

Please note: 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. 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 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 Advent Portfolio Exchange. Return calculations for all indices are provided by Bloomberg. The Composite has been compared to various peer groups defined by investment style. The Composite is a Mid-Cap value investment style. The Morningstar Mid-Cap Value Peer Group, the Lipper Mid-Cap Value Funds Peer Group and the eVestment US Mid Cap Value Equity Peer Group have been presented as investment strategies with similar investment styles. For peer group comparisons all Returns, Standard Deviation and Sharpe Ratio calculations, including those of the Composite were calculated by the data provider as indicated based upon strategies with monthly return data from December 2008 to present. All peer group comparisons shown utilize monthly return data only therefore since inception performance and statistics for the composite begin December 2008. Data for the Morningstar and Lipper Peer Groups provided by Zephyr Style Advisor and for the eVestment Peer Group by eVestment Alliance. The Standard Deviation of a product measures the average deviations of a return series from its mean, and is often used as a measure of risk. A large standard deviation implies that there have been large swings in the return series of the manager. 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. The Price-Earnings Ratio (P/E Ratio) is a valuation ratio of a company's current share price compared to its per-share earnings as calculated by the market value per share divided by earnings per share. The Dividend Yield is calculated based on how much an investment pays in dividends each year relative to its share price. The Price-To-Sales Ratio (Price to Sales) is a ratio for valuing a stock relative to its own past performance, other companies or the market itself as calculated by dividing a stock's current price by its revenue per share for the trailing 12 months. The Return on Assets is calculated by dividing net income by total assets. The Return on Equity is calculated by dividing net income by shareholder equity. A Cash Flow is a revenue or expense stream that changes an account over a given period. 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.

The Composite's performance returns have been audited by Absolute Performance Verification through March 31, 2011. The verification report is available upon request by contacting Katie Carver at 816-743-7080 or katie.carver@nuanceinvestments.com. Verification assesses whether (1) The Firm has complied with all the composite requirements of the Global Investment Performance Standards (GIPS®) 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.

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. 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. Nuance Investments, LLC is majority owned by Montage Investments, LLC. Prior to June 1, 2010 Nuance operated under the name Mariner Value Strategies, LLC.