Nuance Mid Cap Value Perspectives Discussion

nuance INVESTMENTS

September 30, 2012

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 September 30, 2012) is up 17.44 percent (annualized and net of fees) versus the Russell Midcap Value Index up 15.85 percent, the S&P MidCap 400 Value Index up 15.41 percent, and the S&P 500 Index up 13.26 percent.

For the first nine months of 2012 (ending September 30, 2012), the Nuance Mid Cap Value Composite ended up 14.01 percent (net of fees) versus the Russell Midcap Value Index up 14.03 percent, the S&P MidCap 400 Value Index up 13.69 percent, and the S&P 500 Index up 16.45 percent.

Comparing our product to peers since our inception (ending September 30, 2012) also displays excellent results. On a total return basis, we ranked 57th out of 379 members (15th percentile) in the Morningstar Mid-Cap Value Peer Group. Versus the Lipper Mid-Cap Value Funds Peer Group we ranked 29th out of 152 members (8th percentile).

Compared to these same peer groups on a risk-adjusted return basis (as measured by Sharpe Ratio), the Nuance Mid Cap Value Composite also faired quite well. The product ranked 7th out of 379 members (2nd percentile) in the Morningstar Mid-Cap Value Peer Group. Versus the Lipper Mid-Cap Value Funds Peer Group we ranked 1st out of 152 members (1st 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.

Separate Account Morningstar® Rating

★★★★

Morningstar Rating Overall: 4 Stars
Category: Mid-Cap Value
Number Rated: 131 [1]

The top 10% of separate accounts in a category earn 5 stars, the next 22.5% earn 4 stars.

Scott A. Moore, CFA

President and Chief Investment Officer

- 21+ years of investment analyst experience
- 19+ years of classic value investment experience
- 13+ years of portfolio management experience using a classic value approach
- Co-owner and founder of Nuance Investments, LLC
- Lead Portfolio manager of the Morningstar 5-Star rated Nuance Mid Cap Value Separate Account product [2]
- Lead Portfolio manager of the Morningstar 4-Star rated Nuance Mid Cap Value Separate Account product [2]
- Former Sr. Portfolio Manager at American Century Investments managing over $10 billion

11/03/2008 - 09/30/2012	YTD 2012	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)	15.29	29.13	16.52	18.34	93.09	17.20	1.06
Nuance Mid Cap Value Composite (Net)	14.01	27.11	15.47	17.44	87.39	17.27	1.00
Russell Midcap Value Index	14.03	29.27	13.84	15.85	77.73	21.57	0.73
S&P MidCap 400 Value Index	13.69	31.78	12.87	15.41	75.13	21.61	0.70
S&P 500 Index	16.45	30.21	13.19	13.26	62.73	19.35	0.52

	11/13/08 - 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 Midcap 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 - 09/30/2012

	Since Inception APR	Standard Deviation (A)	Sharpe Ratio (A)
Nuance Mid Cap Value Composite (Gross)	20.57	16.97	1.20
Nuance Mid Cap Value Composite (Net)	19.64	17.05	1.14
Morningstar Mid-Cap Value Peer Group (median)	17.87	20.30	0.87
Peer Group Percentile	15th	8th	2nd
Peer Group Ranking	**57 of 379**	**32 of 379**	**7 of 379**
Lipper Mid-Cap Value Funds Peer Group (median)	18.63	20.62	0.88
Peer Group Percentile	8th	1st	1st
Peer Group Ranking	**29 of 152**	**3 of 152**	**1 of 152**

Portfolio Attribution and Investment Strategy Review:

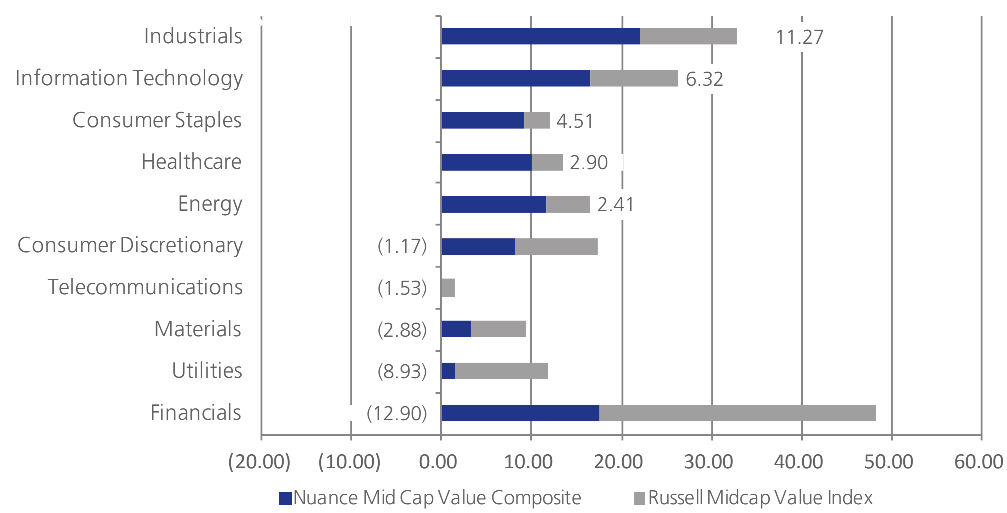
The bright spots in your portfolio for the first nine months of 2012 centered on the Utility, Healthcare, and Consumer Discretionary sectors. The Utility sector was positive for us as we were underweight this underperforming sector. We have discussed our view of the risks of high dividend yielding stocks in earlier write-ups and continue to be concerned about these stocks.

The Healthcare and Consumer Discretionary sectors were led by individual stock selection. Steris Corporation, Patterson Cos. Inc., Lowe's Inc., and Hasbro all helped us achieve outperformance. The Energy sector was a partial source of underperformance. Our overweight stance in this underperforming group led to the underperformance. From a stock perspective, Ultra Petroleum Corp, and Apache Corp. were both detractors. We continue to believe that both of these company provide excellent prospects for future gains.

Going forward, we continue to find opportunities in the Energy, Healthcare, Industrial, and Information Technology sectors. We continue to be underweight in the Utility sector and the Real Estate Investment Trust Industry. Those industries appear overvalued due to the market's current appetite for companies with a historically high dividend payout ratios and their subsequently high absolute dividend yield. We believe that while yield is a very important part of the total return equation, simply looking for high yielding stocks does not lead to outperformance.

Nuance Mid Cap Value Composite vs Russell Midcap Value Index

Sector Diversification as of 09/30/2012

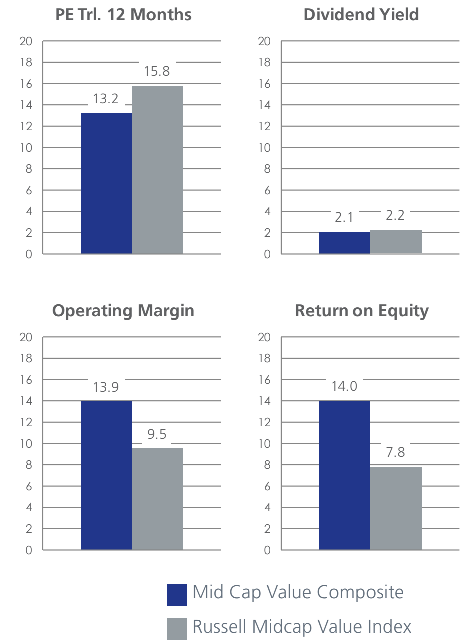


Composition of the Portfolio

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 13.2 x versus the Russell Midcap Value Index of 15.8 x. We are achieving this ratio with a portfolio of companies that have returns on equity of 14.0 percent versus the Russell Midcap Value Index of 7.8 percent. This dichotomy of above average companies selling at below average multiples is a recipe for outperformance over the long term in our opinion.

Characteristics as of 09/30/2012	Nuance Mid Cap Value Composite	Russell Midcap Value Index
Weighted Average Market Cap	12.8b	8.2b
Median Market Cap	5.5b	4.0b
PE Trailing 12 Months	13.2x	15.8x
Dividend Yield	2.1%	2.2%
Operating Margin	13.9%	9.5%
Return on Equity	14.0%	7.8%
Return on Assets	2.7%	2.0%
Number of Securities	57	555

Composite & Index statistics provided by Bloomberg using holdings at market close on the date stated, including cash and cash equivalents.



Quarterly Review and Outlook

While we have performed roughly in-line with our benchmark indices this year, we felt it might be a good time to discuss underperformance and how your Nuance team thinks about underperformance. Since our inception in 2008, we have outperformed our primary benchmarks in 2008, 2009, and 2011. We underperformed in 2010. Thus far this year we are up 14.01 percent (net of fees) versus our primary benchmark (the Russell Midcap Value index) up 14.03 percent. While not exactly major underperformance this year, our clients should be aware that periods of underperformance do indeed happen and that they are actually quite normal.

So why do we underperforme from time to time and what do we do to fix it? First we underperform because our stocks do not perform as well as those in our index. This happens when several of the stocks we see as undervalued are not yet seeing fundamental improvement significant enough for the market to take notice. For example. one of our worst performing stocks this year is Ultra Petroleum Corp. (UPL). This low cost supplier of natural gas is currently earning below trend levels of earning and cash flow due to below normal natural gas prices. Your team believes that natural gas is an undervalued commodity due to excess supply that is currently in the marketplace. Over time, we believe that natural gas will take market share from fuels like oil, propane, and coal for a variety of energy needs. As that market share happens, above-average growth for natural gas will ensue and the oversupply will naturally correct. This will lead to higher natural gas prices and higher earnings and cash flows for UPL. While that is our belief, it might take some patience for our thesis to unfold. Thus far this year, that is happening with UPL as the stock has lagged.

So what does the UPL story mean? It is a reminder that during certain periods, stocks and markets will not agree with what our team believes. And during those periods we might just underperform. Importantly, during periods of underperformance we continue to do what we always do. Search the world for leading business franchises with sustainable competitive positions and analyzable financial statements and value. We do this to provide our clients with what we believe is a high quality portfolio of undervalued companies. While UPL's underperformance made us re-review our thesis over the last few months, the bottom line is that we have chosen to continue to own the stock because we think the future is much brighter than the current fundamentals and market price suggest. Further, the fact that the market has disagreed with us for the first nine month of the year means little. We just continue to focus on our process and providing you with excellent businesses at inexpensive valuations.

Again, our team appreciates your confidence and trust. Overall, we are gratified to have delivered above-average results for our clients with below-average risk since our inception nearly four years ago. 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 Gross)	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
YTD 2012 (09/30/2012)	15.29	14.01	14.03	13.69	N/A	4	$62,904,310	$206,544,761	0.87%	14.79	17.61

Important Disclaimer

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. Standard Deviation and Sharpe Ratio calculations for the Composite and indices provided by Zephyr Style Advisor. 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 and the Lipper Mid-Cap Value Funds 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 Zephyr Style Advisor based upon strategies with monthly return data from December 2008 to present. Zephyr reports on month end returns only. For the purposes of peer group comparisons Since Inception returns are shown beginning 11/30/2008. 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 Operating Margin is calculated by dividing operating income by net sales. The Return on Equity is calculated by dividing net income by shareholder equity. The Growth of $100 chart is calculated by Zephyr Style Advisor assuming the same cash value at inception and the variance of the investment using monthly return data for each strategy. 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.

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 September 1, 2010 Nuance operated under the name Mariner Value Strategies, LLC.

(1) The Morningstar® ratings (the "Rating(s)") provided are as of 06/30/2012. The Rating is a measure of a separate account's risk-adjusted return, relative to other separate accounts in the same Morningstar Category. Separate accounts are rated from 1 to 5 stars, with the best performers receiving 5 stars and the worst performers receiving 1 star. Separate accounts are rated for up to three periods (three, five, and 10 years), and ratings are recalculated each quarter. The Morningstar Rating for separate accounts uses an enhanced risk-adjusted return measure, which accounts for all variations in a separate account's monthly performance, with more emphasis on downward variation. Separate accounts are ranked against others in the same category and stars are assigned as follows: the top 10% of separate accounts in a category earn 5 stars, the next 22.5% 4 stars, the middle 35% 3 stars, the next 22.5% 2 stars, and the bottom 10% 1 star. The Morningstar Category identifies separate accounts based on their actual investment styles as measured by their underlying representative holdings (portfolio statistics and compositions). Ratings are not indicative of Nuance's future performance. For more information regarding the rating methodology, please contact client.services@nuanceinvestments.com.

(2) The Morningstar® ratings (the "Rating(s)") provided are as of 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.