Nuance Concentrated Value Perspectives Discussion

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from Montage Investments

November 30, 2013

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

The Nuance Concentrated 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 15-35 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 3000 Value Index. Clients may also compare the product to the S&P 500 Index.

Risk-Adjusted Returns Rankings[1]

1st PERCENTILE

Morningstar
Category: Large Value
Ranking vs. Peers: 1st of 1,103

Lipper
Category: Multi-Cap Value
Ranking vs. Peers: 1st of 234

Performance Update

We continue to be pleased with our overall performance. Since its inception on November 13, 2008, the Nuance Concentrated Value Composite (through November 30, 2013) is up 23.14 percent (annualized and net of fees) versus the Russell 3000 Value Index, up 16.08 percent, and the S&P 500 Index, up 17.05 percent.

Year-to-date through November 30, 2013, the Nuance Concentrated Value Composite is up 30.56 percent (net of fees) versus the Russell 3000 Value Index, up 29.51 percent, and the S&P 500 Index, up 29.12 percent.

	YTD 2013	1 Year	3 Years APR	5 Years APR	Since Inception APR	Since Inception Return	Since Inception Standard Deviation (A)	Since Inception Sharpe Ratio (A)
Concentrated Value Composite (Gross)	31.78	35.93	21.48	23.18	23.84	194.24	14.08	1.67
Concentrated Value Composite (Net)	30.56	34.64	20.68	22.47	23.14	185.87	14.03	1.63
Russell 3000 Value Index	29.51	32.39	17.94	16.56	16.08	112.34	17.48	0.91
S&P 500 Index	29.12	30.29	17.70	17.58	17.05	121.44	19.15	1.08

Monthly Review and Outlook

Well it is tax time. With a relatively quiet month in the market, we thought it would be an excellent time to discuss taxes with our clients. First and foremost we are aware of taxes and the implications of taxes to your total return. We use multiple techniques to minimize your tax burden including tax loss swaps and being very aware of the time horizon where investments change from short term to long term capital gains. This year is a reasonably significant one from a tax perspective. While the exact number varies by account, we believe that the realized capital gains for this year will range from 10 percent of the value of the account up to approximately 20-25 percent of the value of your account this year. This is very likely more than what you will normally see from us and the amount relates directly to the amount of gains achieved this year and the shear significance of the upside of your portfolio over the last couple of years. When your portfolio is up greater than 30 percent in just 12 months, there will clearly be some profit taking. We get asked a great deal about taxes and turnover and why we have them. What we explain is that buying into weakness and selling stocks into strength (after achieving significant outperformance) is a natural part of our process. If a stock goes up 30-40 percent, for example, in a flat or up 10 percent market, then rest assured that the risk versus reward profile of that investment has changed significantly. And the risk potential in particular has gone up by about 30 percent. As such, we will start capturing profits for our clients to ensure the portfolio continues its long term strategy of owning leading business franchises with sound competitive positions that have significant upside potential coupled with significant downside protection. This strategy does lead to some tax burden years like this one. But ultimately it also protects your capital by ensuring we have investments with less than average downside potential. As always, your portfolio of companies is comprised of excellent and mature businesses that do not have unlimited upside potential, but certainly significant upside potential. As such, as they achieve or surpass our view of fair value, we move on to better opportunities. This year, the robust nature of the returns has led to taxes. We hope those nice returns for the last few years makes you feel a bit better about your visit to your tax consultant. Thank you for your continued interest and support.

Stocks we recently added to your portfolio:

None

Stocks we recently sold from your portfolio:

3M Co (MMM): We captured the excellent outperformance of one of our favorite companies over time. The company surpassed our internal view of fair value and we moved the proceeds into other names.

National Fuel Gas Co NJ (NFG): Much like MMM, NFG has been an excellent investment for us since its inception in your portfolio and the risk began to outweigh the going forward reward. As such we eliminated it from your portfolio.

Southwest Airlines Co (LUV): Talk about an outstanding stock. We purchased LUV initially at around $10 and had an ultimate average price a bit above that level. We exited the last of our stock north of $18 as it surpassed our internal view of fair 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 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

President and Chief Investment Officer

GIPS Disclaimer

	Gross of Fees Return	Net of Fees Return	Benchmark Return (RAV Index)	Benchmark Return (SPX 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 (RAV Index)
YTD 2008 (11/13/08-12/31/08)	4.47	4.47	0.38	(0.47)	N/A	7	$9,126,951	$18,657,997	4.57%	-	-
2009	42.21	41.72	19.78	26.47	1.17	79	$87,342,803	$137,943,058	0.60%	-	-
2010	18.79	18.13	16.26	15.06	0.25	145	$119,543,453	$181,201,036	0.46%	-	-
2011	6.85	6.29	(0.06)	2.11	0.48	181	$96,831,359	$152,976,943	0.85%	16.13	21.31
2012	18.41	17.79	17.62	16.00	0.19	259	$154,693,966	$214,936,666	0.77%	13.05	16.02
YTD 2013 (11/30/2013)	31.78	30.56	29.51	29.12	N/A	398	$396,546,817	$477,716,121	0.82%	12.66	13.61

Important Disclaimer

Nuance Investments, LLC (the "Firm") is a Registered Investment Advisor. The Firm's Nuance Concentrated Value Composite (the "Composite") is a composite of actual accounts invested in the Nuance Concentrated Value investment strategy. The inception date for the Composite is 11/13/2008. 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 3000 Value Index. The Russell 3000 Value Index measures the performance of the broad value segment of the U.S. equity universe. It includes those Russell 3000 companies with lower price-to-book ratios and lower forecasted growth values. The Secondary Benchmark for the Composite is the S&P 500 Index. 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. 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 August 1, 2010 Nuance operated under the name Mariner Value Strategies, LLC.

(1) Risk-Adjusted Return (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 an mid market capitalization value investment style. The Morningstar Large Value Peer Group (as selected by Morningstar) and the Lipper Multi-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 09/30/2013. Zephyr reports on month end returns only. For the purposes of peer group comparisons Since Inception returns are shown beginning 11/30/2008. 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.