

Nuance Concentrated Value Perspectives Discussion



April 30, 2015

from Montage Investments

Commentary with President and Chief Investment Officer Scott 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.

Performance Update

Since its inception on November 13, 2008, the Nuance Concentrated Value Composite (through April 30, 2015) is up 20.64 percent (annualized and net of fees) versus the Russell 3000 Value Index up 14.92 percent and the S&P 500 Index up 16.14 percent.

Year-to-date (ending April 30, 2015), the Nuance Concentrated Value Composite was up 5.62 percent (net of fees) versus the Russell 3000 Value Index up 0.17 percent and the S&P 500 Index up 1.92 percent.

Risk-Adjusted Returns Rankings¹

1st PERCENTILE

Morningstar	Lipper
Category: Large Value	Category: Multi-Cap Value
Ranking vs. Peers: 3 rd of 1,143	Ranking vs. Peers: 1 st of 214

Scott Moore, CFA



President and Chief Investment Officer

- 22+ years of investment analyst experience
- 20+ years of classic value investment experience
- 14+ years of portfolio management experience using a classic value approach
- Lead Portfolio manager of the Nuance Concentrated Value Separate Account product
- Lead Portfolio manager of the Nuance Mid Cap Value Separate Account product
- Former Sr. Portfolio Manager at American Century Investments managing over \$10 billion

11/13/2008 - 04/30/2015	YTD		3 Years APR	5 Years APR	Since Inception APR	Since Inception		
	2015	1 Year				Since Inception TR	Standard Deviation (A)	Since Inception Sharpe Ratio (A)
Nuance Concentrated Value Composite (Gross)	5.88	6.86	19.36	16.76	21.31	248.36	13.25	1.59
Nuance Concentrated Value Composite (Net)	5.62	6.14	18.58	16.06	20.64	236.02	13.23	1.54
Russell 3000 Value Index	0.17	8.95	16.99	13.15	14.92	145.64	16.01	0.92
S&P 500 Index	1.92	12.97	16.72	14.31	16.14	163.03	14.48	1.10
	11/13/08 - 12/31/08		2009	2010	2011	2012	2013	2014
Nuance Concentrated Value Composite (Gross)	4.47		42.21	18.79	6.85	18.41	35.33	8.88
Nuance Concentrated Value Composite (Net)	4.47		41.72	18.13	6.29	17.79	34.45	8.07
Russell 3000 Value Index	0.38		19.78	16.26	(0.06)	17.62	32.72	12.69
S&P 500 Index	(0.47)		26.47	15.06	2.11	16.00	32.38	13.68

Peer Group Analysis 11/30/2008 - 03/31/2015

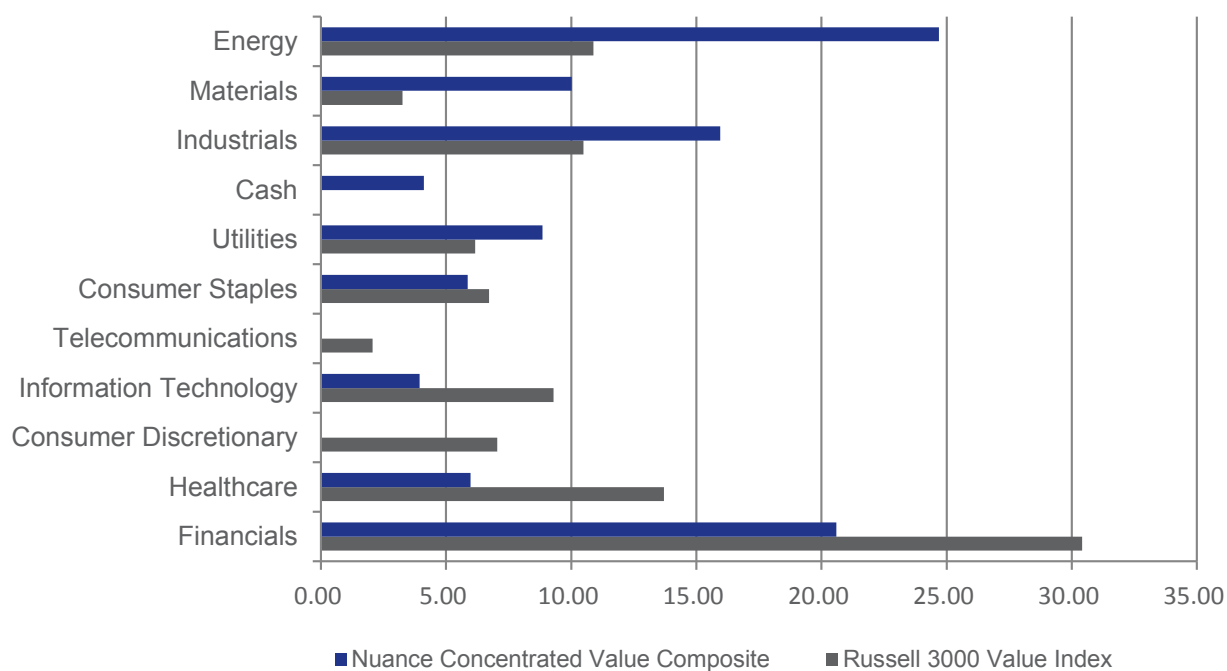
	Since Inception APR ¹	Standard Deviation (A) ¹	Sharpe Ratio (A) ¹
Nuance Concentrated Value Composite (Gross)	20.23	13.35	1.51
Nuance Concentrated Value Composite (Net)	19.54	13.33	1.46
Morningstar Large Value Peer Group (Median)	14.79	15.49	0.97
Peer Group Percentile	1st	14th	1st
Peer Group Ranking	15 of 1,143	165 of 1,143	3 of 1,143
Lipper Multi-Cap Value Funds Peer Group (Median)	16.03	16.17	0.98
Peer Group Percentile	17th	5th	1st
Peer Group Ranking	36 of 214	11 of 214	1 of 214

Portfolio Attribution:

The bright spots in your portfolio for the first four months of 2015 included the Energy, Financials, Materials and Information Technology sectors. Frank's International NV (FI), BOK Financial Corp. (BOKF) and Schlumberger Ltd (SLB) were among the best contributors.

The biggest detractors to performance were the Industrial and Healthcare sectors. Our underweight stance in the outperforming Healthcare space hurt performance as well as our position in American Science & Engineering (ASEI) which we continue to like and have added to on weakness.

Nuance Concentrated Value Composite vs Russell 3000 Value Index
Sector Diversification as of 04/30/2015

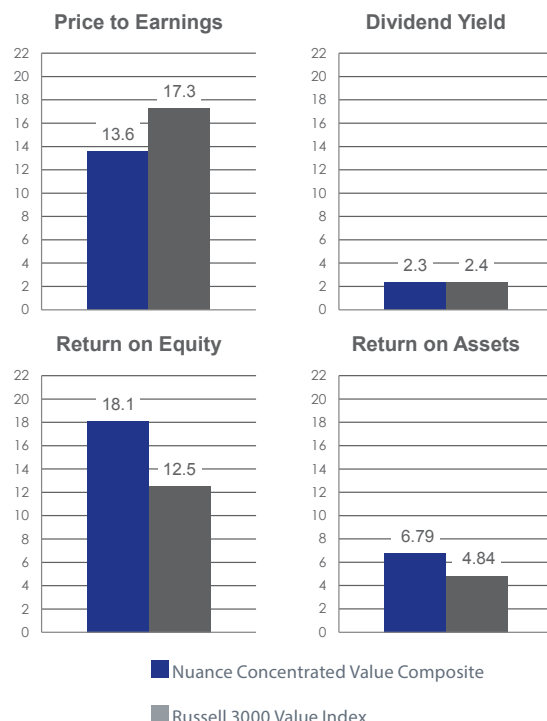


Composition of the Portfolio

We continue to be pleased with the overall composition of the portfolio. Remember that we are seeking 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 13.6x versus the Russell 3000 Value Index of 17.3x. We are achieving this ratio with a portfolio of companies that have returns on assets of 6.8 percent versus the Russell 3000 Value Index of 4.8 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 04/30/2015	Nuance Concentrated Value Composite	Russell 3000 Value Index
Weighted Average Market Cap	34.0b	102.8b
Median Market Cap	6.7b	1.3b
Price to Earnings (internal & ttm)*	13.6x	17.3x
Forward Price to Earnings	19.1x	17.2x
Dividend Yield	2.3%	2.4%
Return on Equity	18.1%	12.5%
Return on Assets	6.8%	4.8%
Number of Securities	23	2,074

*Based on Nuance internal estimates and benchmarked against the above noted Russell index.



Composite & Index statistics provided by Bloomberg & Russell, respectively: Weighted Average Market Cap, Median Market Cap, Dividend Yield & Number of Securities. Return on Equity & Return on Asset statistics are internally calculated using Bloomberg data. The P/E statistics are a Nuance internal calculation. Characteristics calculations use holdings at market close on the stated date, including cash and cash equivalents.

Stocks we recently added to your portfolio (April 2015):

LPL Financial Holdings Inc. (LPL): LPL is the largest independent broker/dealer in the US with 14,000 advisors and nearly \$500B in assets. Recently, expectations for LPL's long-term earnings power have come down, as a result of both abnormally high regulatory expenses and falling interest rate expectations, leading the stock to underperform the overall stock market materially. This led to an attractive entry point for your clients in a company that has consistently gained share in the independent financial advice channel since The Great Recession.

Stocks we recently sold from your portfolio (April 2015):

Cabot Microelectronics Corp. (CCMP): We eliminated CCMP from your portfolio after an extended move in the stock resulted in its valuation surpassing our internal view of fair value. We continue to like CCMP and will monitor the company for attractive entry points in the future.

Compass Minerals International Inc. (CMP): After multiple years of owning this stock and seeing the successful recovery of both the earnings power and the stock valuation, we decided to allocate your client's capital into better risk rewards. As with CCMP, we continue to like the market share position and the business at CMP and will look for opportunities in the future should there be a mild winter that results in less than normal use of salt for snow and ice removal.

Monthly Review and Outlook:

As most of our readers know, your team and the market saw two significant dislocations that occurred in the latter half of 2014 and very early 2015. The first of those dislocations was in the energy sector as a rare (but not unprecedented) drop in oil and natural gas prices to near our internal view of trough levels during the seventh year of an economic expansion. The second dislocation was the return of the 10 year treasury to historically low levels below two percent during the same period. In both cases, the dislocations led to stock price movements which created opportunity for our clients. In energy we added significantly to our highest quality equipment and service names in the 4th quarter and early 1st quarter of 2015. Related to interest rates and interest rate sensitive sectors, we saw the return to very high valuation levels in utilities, real estate investment trusts, some healthcare, and also consumer cyclical and staples names. Conversely, the low rates hurt net interest margins and returns on capital at some banks and resulted in banks retreating and valuations becoming more attractive. All of that led your portfolio to be overweight in select energy and regional banks names, while underweight in real estate investment trusts, healthcare and the consumer sector. That positioning hurt us late last year and very early this year, but the risk rewards were such that we were, and are still, very comfortable with our positioning. It is another example of the market chasing positive news to the point where valuations suggest a great deal of risk while at the same time punishing stocks of great companies to levels where risk is actually somewhat limited during the period of unrest.

Fast forward to April 30, 2015, and we are starting to see the fruits of our repositioning. Year to date, we are now up 5.62 percent (net of fees) versus the Russell 3000 Value Index up .17 percent and the S&P 500 Index up 1.92 percent. We would also note that over the last three years we are now up 18.58 percent (annualized and net of fees) versus the Russell 3000 Value Index up 16.99 percent and the S&P 500 Index up 16.72 percent. Most importantly, it is our job to find you leading business franchises trading at discounts to their intrinsic value due to transitory reasons and buy those stocks for you when there is more downside protection than other stocks and more upside potential as well. This takes a disciplined and longstanding investment process that is executed with a great deal of care and a sincere emphasis on downside protection as well as upside potential.

Please visit our website at www.nuanceinvestments.com for more information about our team, our process and value investing. You may also receive information via traditional mail or email by contacting us at client.services@nuanceinvestments.com or call 816-743-7080.

Thank you for your continued confidence and support.



Scott A. Moore, CFA

GIPS Disclosures

	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 Gross)	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	1.13%	16.13	21.31
2012	18.41	17.79	17.62	16.00	0.19	259	\$154,693,966	\$214,936,666	0.98%	13.05	16.02
2013	35.33	34.45	32.72	32.38	0.66	411	\$418,085,862	\$507,569,897	0.41%	12.20	13.08
2014	8.88	8.07	12.69	13.68	0.20	581	\$886,246,169	\$1,071,186,382	0.16%	10.44	9.49
2015 (YTD 04/30/2015)	5.88	5.62	0.17	1.92	N/A	575	\$ 869,753,528	\$ 1,059,104,840	0.17%	10.72	9.94

Compliance Statement

Nuance claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS® standards. Nuance has been independently verified for the periods 11/03/08 – 03/31/14 by Absolute Performance Verification. The verification reports are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards 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. Nuance is an investment adviser registered with the Securities and Exchange Commission. The firm maintains a complete list and description of composites, which is available upon request. Results are based on fully discretionary separate accounts under management, including those accounts no longer with the firm. The U.S. Dollar is the currency used to express performance returns and assets. Performance results are presented both net and gross of management fees and include the reinvestment of income. Both gross and net of fee returns are reduced by trading expenses. Net of fee returns are reduced by Actual investment advisory fees and other expenses that may be incurred in the management of the account. The firm does not currently assess any Performance Based Fees. From the inception of each composite until 12/31/10, Time Weighted Return was compounded on a monthly basis. Beginning 01/01/11 through present, Time Weighted Return was compounded on a daily basis.

Dispersion is calculated from gross of fee returns using an asset-weighted standard deviation methodology. Only those accounts included for the full calculation period are part of the dispersion calculation. The 3-year Ex-post annualized standard deviation value is calculated using 36 consecutive monthly gross of fee returns to the end calculation period. Since Inception, Nuance has adopted the following Significant Cash Flow Policy for both composites. An account will be removed from a composite if a client has given specific instructions that prevent full investment of the cash flow(s) in a timely manner (defined as 5 business days or greater), or cumulative cash flow(s) are equal or greater than 3 percent of the total composite market value based on the end of month market value, or if cumulative cash flow(s) are equal or greater than 10 percent of the total account value based on the end of month market value. If these circumstances exist, the account will be removed from the composite and added back to the composite on the first day of the month following the date that the account is fully invested (defined as being within ten percent of the model portfolios cash target).

Our Core offerings are the [Nuance Mid Cap Value Strategy](#) and the [Nuance Concentrated Value Strategy](#). More information regarding Composite descriptions and policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request by contacting client.services@nuanceinvestments.com or 816-743-7080.

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.

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.

The P/E Statistics are a Nuance internal calculation. The dollar-weighted harmonic mean of individual company P/E ratios is used. This approach first considers holdings' E/P, which are then summed on a dollar-weighted basis across the entire portfolio to achieve a portfolio E/P ratio. Finally, the inverse of this ratio is taken to arrive at the Portfolio P/E ratio. The Dividend Yield is calculated based on how much an investment pays in dividends each year relative to its share price. 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.

(1) Risk-Adjusted Return (Sharpe Ratio) calculations and Standard Deviation 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 all market capitalization value investment style. The Morningstar Large Value Peer Group 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 03/31/2015. 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.

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.