Nuance Concentrated Value Composite Perspectives

October 31, 2015

from Montage Investments

Description of the Product

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.

Portfolio Managers

Scott Moore, CFA
President & CIO
23 Years of Experience

Chad Baumler, CFA
Vice President
8 Years of Experience

Risk-Adjusted Returns Rankings[1]

1ST PERCENTILE

Lipper
Category: Multi-Cap Value
Ranking vs. Peers: 1st of 218

Morningstar
Category: Large Value
Ranking vs. Peers: 3rd of 1,202

Morningstar
Category: Mid-Cap Value
Ranking vs. Peers: 1st of 408

Longer Term Performance Update

Since Inception Return: The total return (since inception on 11/13/2008 through 10/31/2015) is 18.4 percent (annualized and net of fees) versus the Russell 3000 Value Index up 13.4 percent and the S&P 500 Index up 15.0 percent. We are pleased with this level of outperformance over time.

Risk-Adjusted Returns: Our Sharpe Ratio (since inception on 11/13/2008 through 10/31/2015) is 1.4 (net of fees) versus Russell 3000 Value Index at 0.8 and the S&P 500 Index at 1.0.

Peer Group Returns through 9/30/2015: Comparing our product to peers displays positive results over time. On a total return basis, since 11/30/08, we ranked 18th of 1,202 (2nd percentile) peer group members in the Morningstar Large Cap Value universe, 104th of 408 (26th perctile) in the Morningstar Mid-Cap Value universe and in the Lipper Multi-Cap Value universe we ranked 27th of 218 (13th percentile).

Peer Group Risk-Adjusted Return through 9/30/2015: On a risk-adjusted return basis, since 11/30/2008, (measured by the Sharpe Ratio) we ranked 3rd of 1,202 (1st percentile) peer group members in the Morningstar Large Cap Vale universe, 1st of 408 (1st percentile) in the Morningstar Mid-Cap Value universe and in the Lipper Multi-Cap Value universe we ranked 1st of 218 (1st percentile).

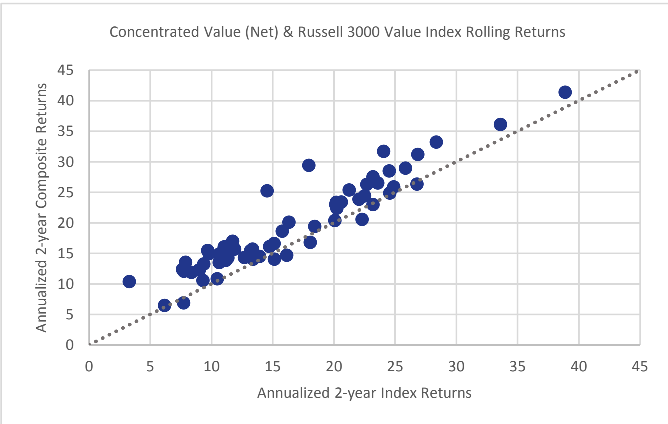
Peer Group Analysis 11/30/2008 - 09/30/2015	Since Inception APR[1]	Standard Deviation (A)[1]	Sharpe Ratio (A)[1]
Nuance Concentrated Value Composite (Gross)	17.7	13.3	1.3
Nuance Concentrated Value Composite (Net)	17.0	13.3	1.3
Lipper Multi-Cap Value Funds Peer Group (Median)	13.2	16.0	0.8
Peer Group Ranking	27 of 218 (13th)	12 of 218 (5th)	1 of 218 (1st)
Morningstar Large Value Peer Group (Median)	12.2	15.4	0.8
Peer Group Ranking	18 of 1,202 (2nd)	167 of 1,202 (14th)	3 of 1,202 (1st)
Morningstar Mid-Cap Value Peer Group (Median)	15.7	16.8	0.9
Peer Group Ranking	104 of 408 (26th)	3 of 408 (1st)	1 of 408 (1st)

Performance 11/13/2008 - 10/31/2015	APR*	TR*	Standard Deviation*	Sharpe Ratio*	5 Years	3 Years	1 Year	2015 YTD
Nuance Concentrated Value Composite (Gross)	19.1	237.1	13.3	1.4	15.8	16.8	2.5	2.4
Nuance Concentrated Value Composite (Net)	18.4	223.7	13.3	1.4	15.1	16.0	1.7	1.8
Russell 3000 Value Index	13.4	139.5	16.0	0.8	13.0	14.3	0.2	(2.3)
S&P 500 Index	15.0	165.1	14.6	1.0	14.3	16.2	5.2	2.7

*Since Inception

Shorter Term Performance Update (Two Year and Year-to-Date)

Rolling 2-Year Periods			Current 2-Year Period as of 10/31/2015	
11/13/2008 - 10/31/2015	Periods Beating the Index		Composite Avg (%) Net of Fees[1]	Russell 3000 Value Index Avg (%)
Nuance Concentrated Value Composite	53/60	88.3%	6.9	7.7



Your team at Nuance cautions clients regarding the use of short-term performance as a tool to make investment decisions. That said, if a client wants to consider our short-term performance we recommend emphasizing two-year rolling periods since our inception. Our normal discussion of short-term performance will center on two-year performance, but we will also note calendar year to date results as is our tradition.

For the period ending October 31, 2015, the Nuance Concentrated Value Composite two year rolling return is up 6.9 percent (net of fees) versus the Russell 3000 Value Index up 7.7 percent and the S&P 500 Index up 11.1 percent. Overall, we have outperformed in 53 out of the available 60 two-year periods as shown in the chart labeled Rolling 2-Year Return Periods.

Year-to-date, the Nuance Concentrated Value Composite was up 1.8 percent (net of fees) versus the Russell 3000 Value Index down -2.3 percent and the S&P 500 Index up 2.7 percent.

[1]Average return shown is the average of all month end rolling two year periods.

Calendar Year Performance as of 10/31/2015	11/13/08 - 12/31/08	2009	2010	2011	2012	2013	2014	YTD 2015
Nuance Concentrated Value Composite (Gross)	4.4	42.2	18.8	6.8	18.4	35.3	8.9	2.4
Nuance Concentrated Value Composite (Net)	4.4	41.7	18.1	6.2	17.7	34.4	8.0	1.8
Russell 3000 Value Index	0.3	19.7	16.2	(0.0)	17.6	32.7	12.6	(2.3)
S&P 500 Index	(0.4)	26.4	15.0	2.1	16.0	32.3	13.6	2.7

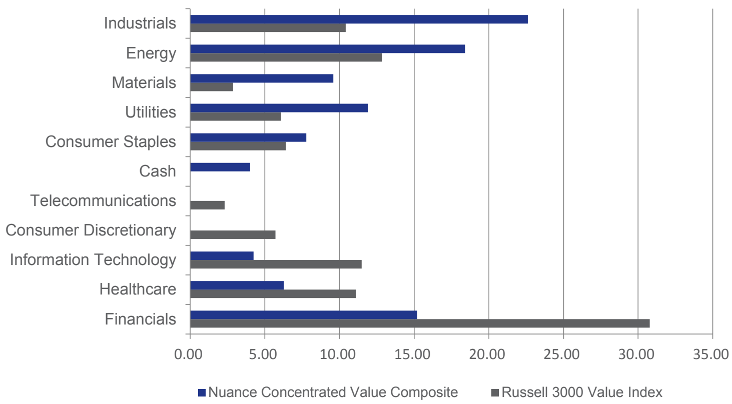
Composition of the Portfolio as of 10/31/2015

Portfolio Characteristics[2]	Nuance Concentrated Value Composite	Russell 3000 Value Index
Weighted Average Market Cap	35.6b	100.4b
Median Market Cap	4.5b	1.3b
Price to Earnings (internal and ttm)*	12.7x	17.2x
Forward Price to Earnings	17.7x	15.5x
Dividend Yield	2.7%	2.5%
Return on Equity	24.9%	13.1%
Return on Assets	6.4%	4.5%
Active Share vs Russell 3000 Value	95.5%	-
Upside/Downside Capture Ratio vs Russell 3000 Value	89.2%/59.8%	-
Number of Securities	24	2,030

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 12.7x versus the Russell 3000 Value Index of 17.2x. We are achieving this ratio with a portfolio of companies that have return on assets of 6.4 percent versus the Russell 3000 Value Index of 4.5 percent. This dichotomy of above average companies selling at below average multiples has the opportunity for outperformance over the long-term, in our opinion.

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

Sector Weights and Portfolio Positioning as of 10/31/2015



Overall, our portfolio has been relatively stable from a sector weighting perspective following our weighting additions in the Energy, Finance and Industrial sectors on underperformance that occurred in the last several months of 2014 and very early in 2015. We are now clearly overweight the Energy, Industrial sectors and Materials. Our underweights include the Consumer Discretionary sector as the combination of fully valued to overvalued stocks and evolving competitive positions make it difficult to find ideas that fit our process. We are also underweight the Real Estate Investment Trust (REIT) industry, the Information Technology sector, the Healthcare sector and the Telecommunication sector as those spaces continue to appear fully valued or overvalued driven broadly by what we have termed the chase for yield or recent market momentum particularly in Technology.

Stocks We Added to Your Portfolio (October 2015):

Deere & Co. (DE): We added DE to the portfolio after multiple years of underperformance. DE is the world's leading supplier of agricultural, constructive and forestry equipment with outstanding and stable market share positions. A slow decline in commodity prices like corn and wheat resulted in DE's primary customer – the farmer – deferring spending on equipment and thus DE's earnings and cash flows per share have gone from over-earning in 2011-2014 to significantly under-earning today. As such, the value of the firm has declined significantly and we like the valuation levels at today's prices. With an excellent balance sheet and what we believe to be a safe 3.0% plus dividend yield, we like the risk reward in DE.

Stocks We Eliminated from Your Portfolio (October 2015):

Sysco Corporation (SYY): We eliminated SYY from your portfolio in the very low $40's following significant outperformance from our initial purchases. Recent announcements related to an activist potentially helping the company expand their margins, as well as a significant share buyback announcement, bolstered the stock and its valuation to what we consider full levels. We continue to like this leading food distributor and will look for better risk reward opportunities in the

Nuance Perspectives from President & CIO, Scott Moore, CFA

Why should I use Nuance Concentrated Value product rather than a Russell 3000 Value or S&P 500 Index ETF? This is a question I seem to be getting regularly these days. My answer to the question is complex and some might suggest that I am being self-serving, but I am paid to give my opinion and I, of course, will do just that. Our job at Nuance, and with our Nuance Concentrated Value product, is to attempt to provide our clients with above-average returns with below average risk over the long term. We define that more specifically by saying we aim to beat the Russell 3000 Value Index (our primary benchmark) and the S&P 500 Index (our secondary benchmark) over the long term with less risk (measured through the Sharpe Ratio). Assuming we can meet this goal, I believe the answer to the question is rather obvious. If we can beat the benchmarks with less risk, then our clients and our client's clients would have made more money (after fees) and done so with less risk than the market.

So is history on our side? I think I will let you decide that by restating our results since our inception. I also want to continue emphasizing our longer term performance and will continue to write and emphasize this very important statistic going forward. We strongly believe that the best measure of any money manager's performance are periods greater than five years and the longer the better. Your Nuance Concentrated Value product is up 18.4 percent (APR and net of fees) versus the Russell 3000 Value Index up 13.4 percent and the S&P 500 Index up 15.0 percent since its inception on November 13, 2008 nearly seven years ago. On a net of fee and non-annualized percentage rate basis, your Nuance Concentrated Value product is up 223.7 percent versus the Russell 3000 Value Index up 139.5 percent and the S&P 500 Index up 165.1. Take a good look at those numbers, let them sink in just a bit, and I will re-ask the question. Why should I use Nuance Concentrated Value rather than a Russell 3000 Value ETF or an S&P 500 Index ETF?

Those numbers are not risk-adjusted, which to us at Nuance is very important. Our since inception standard deviation is 13.3 percent (net of fees) versus the Russell 3000 Value Index standard deviation of 16.0 percent and the S&P 500 Index standard deviation of 14.6 percent. All of this data is since our inception on November 13, 2008. Those numbers lead us to calculate since inception Sharpe Ratios (our own internal choice to measure risk-adjusted returns) of 1.4 for Nuance Concentrated Value (net of fees) versus the Russell 3000 Value Index 0.8 and the S&P 500 Index 1.0. Take a good look at those numbers and I will re-ask the question. Why should I use Nuance Concentrated Value rather than a Russell 3000 Value ETF or an S&P 500 Index ETF?

To be crystal clear, there are no future guarantees that our historical results are predictive nor that we will beat those or any other ETF's over the short-term or over any particular year. Despite our long tenured team, our very consistent classic value process and the aforementioned track record, there are no guarantees with investment results. But I know how I answer the question: Why should I use Nuance Concentrated Value rather than a Russell 3000 Value ETF or an S&P 500 Index ETF?

Lastly, your team continues to find leading business franchises with sustainable competitive positions that are trading below our internally derived view of fair or intrinsic value. We believe in our time tested process of finding best of breed businesses with better than the market downside support and better than the market upside over the long term.

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)	4.5	4.5	0.4	(0.5)	N/A	7	$9,126,951	$18,657,997	4.6%	-	-
2009	42.2	41.7	19.8	26.5	1.2	79	$87,342,803	$137,943,058	0.6%	-	-
2010	18.8	18.1	16.3	15.1	0.3	145	$119,543,453	$181,201,036	0.5%	-	-
2011	6.9	6.3	(0.1)	2.1	0.5	181	$96,831,359	$152,976,943	1.1%	16.1	21.3
2012	18.4	17.8	17.6	16.0	0.2	259	$154,693,966	$214,936,666	1.0%	13.1	16.0
2013	35.3	34.5	32.7	32.4	0.7	411	$418,085,862	$507,569,897	0.4%	12.2	13.1
2014	8.9	8.1	12.7	13.7	0.2	581	$886,246,169	$1,071,186,382	0.2%	10.4	9.5
YTD 2015 (10/31/2015)	2.4	1.8	(2.3)	2.7	N/A	600	$790,729,321	$986,725,154	0.2%	11.1	10.7

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 – 03/31/15 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 Performace 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 20 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 Nuance. 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 Disclosures

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 TR. The S&P 500 Index TR 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 September 1, 2010 Nuance operated under the name Mariner Value Strategies, LLC.

(1) Risk-Adjusted Return (Sharpe Ratio), Standard Deviation and return 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 all market capitalization value investment style. The Morningstar Large Value Peer Group, Mid Cap Value 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 09/30/2015. 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.

(2) Index statistics are provided by Russell. Characteristics calculations use holdings at market close on the stated date, including cash & cash equivalents. The following Composite characteristics are calculated using Bloomberg: Median Market Cap (midpoint of market capitalization of the stocks in the portfolio), Dividend Yield (annual dividends relative to share price), Return on Equity (net income divided by shareholder equity), Return on Assets (net income divided by average total assets). 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. Active share, as calculated by Morningstar Direct, is a statistic the measures a strategy's holdings relative to the holdings of the appropriate benchmark. Standard deviation is a measure of volatility showing the average deviations of a return series from its mean. The upside capture ratio is an indication of a manager's ability to match returns in periods of market strength, while the downside capture ratio measures a manager's ability to curtail losses in periods of index weakness. Results are gross of fees for the period since inception through present. Both upside/downside ratios and standard deviation are calculated using Style Advisor.

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.