

Nuance Concentrated Value Composite Perspectives



March 31, 2016

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 Rankings¹

1ST PERCENTILE

Lipper
Category: Multi-Cap Value
Ranking vs. Peers: 1 of 210

Morningstar
Category: Large Value
Ranking vs. Peers: 6 of 1,174

Morningstar
Category: Mid-Cap Value
Ranking vs. Peers: 1 of 375

Longer Term Performance Update

Since Inception Return: The return since inception on (11/13/2008 through 3/31/2016) is 17.7 percent (annualized and net of fees) versus the Russell 3000 Value Index at 12.5 percent and the S&P 500 Index at 14.1 percent. We are pleased with this level of outperformance over time.

Risk-Adjusted Returns: Our Sharpe Ratio (since inception on 11/13/2008 through 3/31/2016) is 1.3 (net of fees) versus Russell 3000 Value Index at 0.8 and the S&P 500 Index at 1.0.

Peer Group Returns through 3/31/2016: Comparing our product to peers displays positive results over time. On a total return basis, since 11/30/08, we ranked 33 of 1,174 (3rd percentile) peer group members in the Morningstar Large Cap Value universe, 45 of 375 (12th percentile) in the Morningstar Mid-Cap Value universe and in the Lipper Multi-Cap Value universe we ranked 15 of 210 (7th percentile).

Peer Group Risk-Adjusted Return through 3/31/2016: On a risk-adjusted return basis, since 11/30/2008, (measured by the Sharpe Ratio) we ranked 6 of 1,174 (1st percentile) peer group members in the Morningstar Large Cap Value universe, 1 of 375 (1st percentile) in the Morningstar Mid-Cap Value universe and in the Lipper Multi-Cap Value universe we ranked 1 of 210 (1st percentile).

Peer Group Analysis 11/30/2008 - 3/31/2016	Since Inception APR ¹	Standard Deviation (A) ¹	Sharpe Ratio (A) ¹
Nuance Concentrated Value Composite (Gross)	17.9	13.5	1.3
Nuance Concentrated Value Composite (Net)	17.2	13.5	1.3
Lipper Multi-Cap Value Funds Peer Group (Median)	13.3	16.1	0.8
Peer Group Ranking	15 of 210 (7th)	7 of 210 (3rd)	1 of 210 (1st)
Morningstar Large Value Peer Group (Median)	12.3	15.5	0.8
Peer Group Ranking	33 of 1,174 (3rd)	179 of 1,174 (15th)	6 of 1,174 (1st)
Morningstar Mid-Cap Value Peer Group (Median)	15.2	17.0	0.9
Peer Group Ranking	45 of 375 (12th)	3 of 375 (1st)	1 of 375 (1st)

Performance 11/13/2008 - 3/31/2016	APR [*]	TR [*]	Standard Deviation [*]	Sharpe Ratio [*]	7 Years	5 Years	3 Years	1 Year	2016 YTD
Nuance Concentrated Value Composite	18.3	246.5	13.5	1.4	19.5	13.2	11.1	4.0	6.7
Nuance Concentrated Value Composite (Net)	17.7	232.0	13.4	1.3	18.7	12.4	10.3	3.3	6.5
Russell 3000 Value Index	12.5	138.9	15.9	0.8	16.2	9.9	9.1	(2.1)	1.6
S&P 500 Index	14.1	165.2	14.6	1.0	16.9	11.6	11.8	1.8	1.3

^{*}Since Inception

Value. Delivered.

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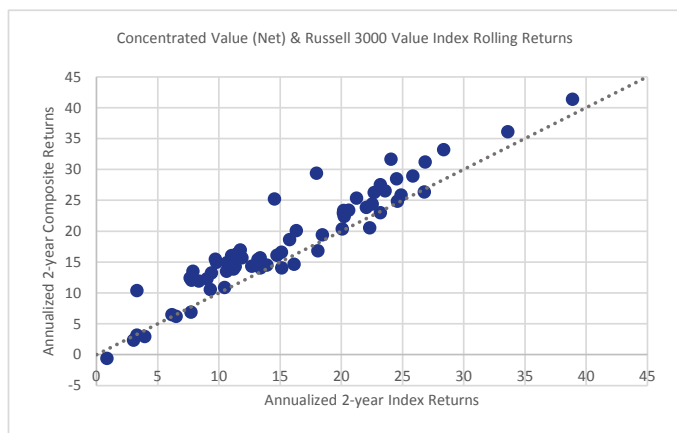
Shorter Term Performance Update (Two Year and Year-to-Date)

11/13/2008 - 3/31/2016	Rolling 2-Year Periods		Current 2-Year Period as of 3/31/2016	
	Periods Beating the Index	Composite (%) Net of Fees ¹	Russell 3000 Value Index (%)	
Nuance Concentrated Value Composite	53/65	81.5%	3.1	3.3

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 March 31, 2016, the Nuance Concentrated Value Composite two year rolling return is 3.1 percent (net of fees) versus the Russell 3000 Value Index 3.3 percent and the S&P 500 Index 7.1 percent. Overall, we have outperformed in 53 out of the available 65 two-year periods as shown in the chart labeled Rolling 2-Year Return Periods.

Year-to-date, the Nuance Concentrated Value Composite was 6.5 percent (net of fees) versus the Russell 3000 Value Index 1.6 percent and the S&P 500 Index 1.3 percent.



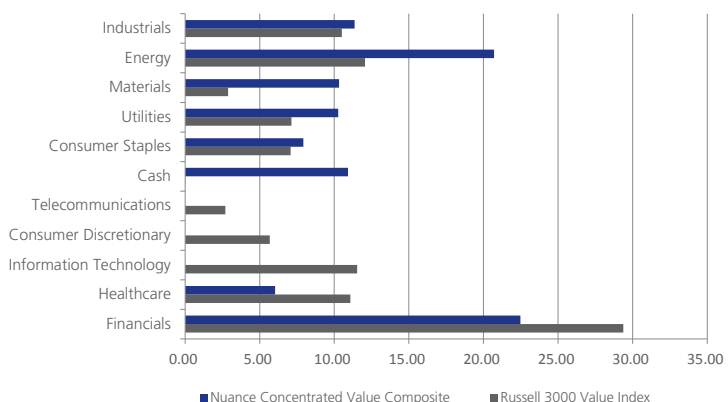
Calendar Year Performance as of 3/31/2016	11/13/08 - 12/31/08	2009	2010	2011	2012	2013	2014	2015	YTD 2016
Nuance Concentrated Value Composite (Gross)	4.4	42.2	18.8	6.8	18.4	35.3	8.9	(1.3)	6.7
Nuance Concentrated Value Composite (Net)	4.4	41.7	18.1	6.2	17.7	34.4	8.0	(2.0)	6.5
Russell 3000 Value Index	0.3	19.7	16.2	(0.0)	17.6	32.7	12.6	(4.1)	1.6
S&P 500 Index	(0.4)	26.4	15.0	2.1	16.0	32.3	13.6	1.4	1.3

Composition of the Portfolio as of 3/31/2016

Portfolio Characteristics ²	Nuance Concentrated Value Composite	Russell 3000 Value Index
Weighted Average Market Cap	29.3b	102.3b
Median Market Cap	13.9b	1.3b
Price to Earnings (internal and ttm)*	12.6x	18.1x
Forward Price to Earnings	19.2x	17.0x
Dividend Yield	2.5%	2.8%
Return on Equity	18.8%	12.9%
Return on Assets	5.0%	4.4%
Active Share vs Russell 3000 Value	94.2%	-
Upside/Downside Capture Ratio vs Russell 3000 Value	90.0%/60.8%	-
Number of Securities	24	2,009

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 12.6x versus the Russell 3000 Value Index of 18.1x. We are achieving this ratio with a portfolio of companies that have return on assets of 5.0% percent versus the Russell 3000 Value Index of 4.4% percent. This dichotomy of above average companies selling at below average multiples has the opportunity for outperformance over the long-term, in our opinion.

¹Based on Nuance internal estimates and benchmarked against the above noted Russell index.

Sector Weights and Portfolio Positioning as of 3/31/2016

We have recently been adding to our weighting in the Financial sector over the last quarter as a retreat in interest rates led these stocks back to attractive levels. We continue to be underweight in the Financial sector as a whole however, as the Real Estate Investment Trust (REIT) industry appears fully to overvalued due to what we have termed the chase for yield. As the market rallied over the last six weeks of the quarter, we saw some of our Industrial names start to move closer to our internal view of fair value, and our weighting in the Industrial space went from overweight to more in-line with the benchmark. The portfolio continues to be overweight Energy, Utilities and Materials as it has been over the last several quarters. We are also underweight the Consumer Discretionary, Healthcare and Technology sectors primarily due to valuation concerns as a result of what we view as the favor for growth over value.

Stocks We Added to Your Portfolio (March 2016):

Abbott Laboratories (ABT): ABT discovers, develops and manufactures a diverse group of health care products and services including dominant market share positions in nutritional, medical devices and diagnostics. After repositioning the assets away from pharmaceuticals through a spin-off of that business, we have come away positively disposed on the overall business of ABT in the last few years. That said, until recently, we have not been enamored with its valuation. However, recent concerns over slowing emerging market revenue and profit growth has led to a sharp correction in the valuation which we believe has led to a good entry point in the stock. With what we consider to be a solid balance sheet, sustainable market share positions and a reasonable valuation, we like the risk reward versus the market today.

M & T Bank Corporation (MTB): MTB is a leading banking franchise with exposure to the states of New York, Maryland, Pennsylvania, Delaware, New Jersey and Virginia. With solid deposit market share franchises in each state as well as a sound balance sheet, we have added MTB to our list of strong regional bank franchises that we find attractive due to what we believe are below normal returns on capital being driven by the persistently low levels of interest rates today. With what we believe are solid valuation support and dividend yield, we like MTB versus other market alternatives today.

Stocks We Eliminated from Your Portfolio (March 2016):

American Science and Engineering (ASEI): We sold our entire position in ASEI following a very disappointing string of quarterly earnings announcements that required us to sell our position at a loss. While certainly not something we relish, there are times when an investment thesis does not play out. In this case, we originally purchased the stock believing that the company was under-earning its potential due to below trend sales activity for their security x-ray equipment and border technology equipment. We also believed they were under-earning due to significant cash on the balance sheet that was not earning the shareholders any return. Throughout the investment, we believed that continued political unrest around the world, terrorist activity and border police issues would lead the firm back to more normal levels of business activity and more normal margins. However, despite what can only be described as extreme amounts of unrest around the world, the company simply is not selling its product. In fact, the company has reported losses in three of the last six quarters reported. This final quarter was our last straw and led us to be concerned that the cash on the balance sheet was actually not a source of under-earnings, but rather a safety net for the losses that continue to occur. This combination led us to sell our shares and move on to what we consider more attractive risk reward situations.

MKS Instruments Inc. (MKSI): We sold our position in MKSI following multiple years of solid performance. A recent acquisition has leveraged the company's balance sheet for the first time since we began following the company and that has significantly raised the potential for downside risk going forward. That said, we continue to like the business and will be monitoring the debt reduction path and look to repurchase the stock at some point at better valuation levels.

Nuance Perspectives from President & CIO, Scott Moore, CFA

We continue to be pleased with the performance of your Nuance Concentrated Value Composite. Year-to-date through the first quarter, we are up 6.5 percent (net of fees) versus the Russell 3000 Value Index up 1.6 percent and the S&P 500 Index up 1.3 percent. For the last 12 months, we are up 3.3 percent (net of fees) versus the Russell 3000 Value Index down (2.1) percent and the S&P 500 Index up 1.8 percent. Most importantly to us, since inception, your Nuance Concentrated Value Composite is up 17.66 percent (annualized and net of fees) versus the Russell 3000 Value Index up 12.5 percent and the S&P 500 Index up 14.1 percent.

As we examine the opportunity landscape, we believe today's market continues to provide us with ample investment opportunities during this latter stage of the business and valuation cycle. As a point of reference, as of 3/31/16, the median company in our proprietary universe of leading business franchises (about 250 industry leaders) is trading at an approximate 10% premium to the Nuance team's view of fair value for the entire group. Said another way, the universe appears to be approximately 10% overvalued. To be clear, this modest overvaluation is not atypical at this stage of the economic and valuation cycle. Importantly, within that broad landscape, we are finding what we believe are solid risk reward opportunities across a wide variety of industries including commercial banks, industrial machinery, capital markets and energy service. On the overvalued side of the equation, we are not finding

Nuance Perspectives from President & CIO, Scott Moore, CFA

opportunities within the consumer staples and consumer discretionary sectors or the real estate investment trust (REIT) industry. Lastly, I would note that valuation disparities between the overvalued and undervalued companies on our approved list of approximately 250 leading business franchise is at an attractive level, in our opinion. There are times in the market when valuation disparities between overvalued and undervalued businesses are modest and as such we consider our potential to outperform is modest. We do not think that is the case today based on our bottoms-up study of these businesses and their valuations. It is always an interesting time to be an investor. There is always uncertainty. There is always opportunity. We think today's market is ripe with opportunity and we hope our portfolio will bear fruit in the years to come as a result.

We have written about BOK Financial Corp (BOKF) before, but I think it is a good idea to highlight this company once again. BOKF is the leading commercial lender in the state of Oklahoma with approximately 14% market share. With a wide variety of fee income businesses and a conservative credit culture, BOKF has historically displayed the exact characteristics that we look for in a long investment: higher and more stable returns on capital than peers over multiple cycles. When these attributes are combined with a conservative balance sheet and a rational attitude towards capital spending, BOKF registers strong and stable competitive position, in our opinion.

BOKF is expected to earn \$4.25 per share in 2016 according to estimates, and we believe they are under-earning their long-term potential for two key reasons. The first reason has to do with the conservative balance sheet that I mentioned above. We estimate that BOKF has between \$250M and \$500M of excess capital on their balance sheet today that is earning close to nothing. Putting this capital to work via share buybacks, acquisitions and/or organic loan growth should provide a boost to earnings over the next few years. Additionally, we believe BOKF's net interest income is being artificially compressed due to cyclically low interest rates. If rates were to normalize, then earnings power should normalize too. We believe these two factors will allow the earnings power of the company to reset to a higher, and more normalized, level in the future.

BOKF is trading at just under 1.3x tangible book value as of 3/31/16. This compares to a 10-year average of 1.6x and a 20-year average of 1.9x. We believe the stock has been under pressure recently due to the fact that BOKF has 18% of their loan book invested in energy loans as of 12/31/15. As one might imagine, energy loans have not been the most favored category of loans by Wall Street recently, as crude oil prices have been weak over the last year or two. While this is interesting, we can't refute that BOKF has 18% of its loans invested in energy, this is indeed fact. However, we believe it overstates the economic reality of the situation. Upon further review, one can see that BOKF only has approximately half of its earning assets invested in loans, while the other half is invested in fixed income securities. Additionally, within the energy loan book, roughly two-thirds of the loans are secured by oil wells, while the remainder are secured by pipelines, gas wells and other energy related loans. Even after severely stress testing this small piece of the total earning assets, we feel comfortable that BOKF can weather the energy storm and may in fact come out of this downturn with greater market share than in the beginning. As a result, we believe the current valuation of the security offers potentially attractive upside. Additionally, because of relatively inexpensive price-to-tangible-book value multiple and the stable competitive position of the company mentioned earlier, we believe the investment offers reasonable support on the downside.

Please visit our website at www.nuanceinvestments.com for more information about our team, our process and value investing. Follow us on LinkedIn and Twitter! 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-	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
2015	(1.3)	(2.0)	(4.1)	1.4	0.2	607	\$715,577,980	\$913,545,839	0.1%	11.4	10.9
YTD 2016 (3/31/2016)	6.7	6.5	1.6	1.3	N/A	622	\$740,024,597	\$1,008,078,403	0.1%	11.8	11.5

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 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 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, the Nuance Concentrated Value Strategy and the Nuance Concentrated Value Long-Short Fund. 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 3/31/2016. 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 that 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.