



**Value. Delivered.**

Nuance Investments, LLC

Semi-Annual Call: Concentrated Value Long-Short

Chad Baumler, CFA

Vice President & Portfolio Manager

# Agenda

- Firm Overview
- Team Update
- Process Summary
- Performance
- 2016 Review
- Q&A

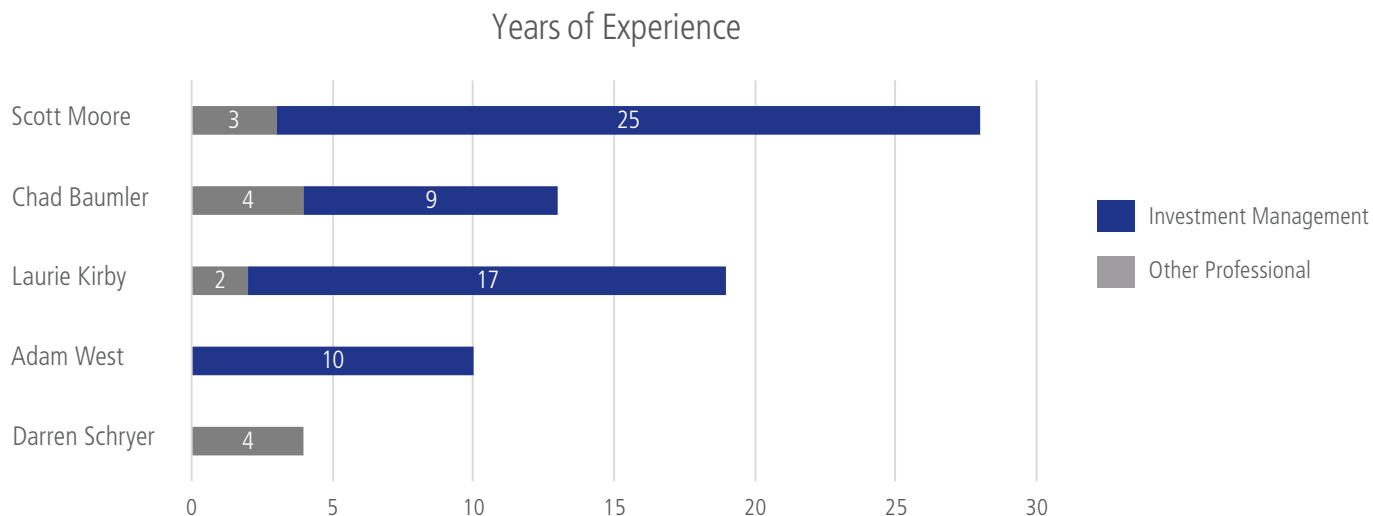
# Nuance Investments

- Nuance Investments, LLC (Nuance) is a boutique classic value firm headquartered in Kansas City, MO with approximately \$1.5 billion in assets<sup>1</sup>.
- Nuance was founded in 2008 with the belief that focusing on future return potential is actually more important than attractive historical returns.
- Nuance manages three equity strategies:

Strategy	Inception	Capacity	Current Assets <sup>1</sup>
Nuance Concentrated Value	2008	\$1.0 billion	\$980 million
Nuance Mid Cap Value	2008	\$2.0 billion	\$530 million
Nuance Concentrated Value Long/Short	2015	\$500 million	\$40 million

- Our strategies are capacity constrained to position Nuance for future return potential.
- Our strategies intend to remain open to existing clients but will close to new clients once our products reach capacity.
- Nuance's firm-wide goal is achieving leading risk-adjusted returns for all products.
- The Nuance investment team has over 60 years of combined investment experience.

# Nuance Investment Team



Name	Scott Moore, CFA	Chad Baumler, CFA	Laurie Kirby, CPA	Adam West, CFA	Darren Schryer, CPA
Title	CIO, Portfolio Manager	VP, Portfolio Manager	Sr. Investment Analyst	Sr. Investment Analyst	Investment Analyst
Coverage	Utilities Telecom Industrials	Energy Finance	Materials Industrials	Technology Cons Staples Cons Discretionary	Healthcare

# Nuance Investment Philosophy

	Investing Long	Investing Short
Competitive Position	Leading and Stable	Large and Average
Earnings Power	Under-earning Long-term Potential	Over-earning Long-term Potential
Valuation	Attractive Risk/Reward	Asymmetric Risk/Reward
Goal	Excess Returns over an Economic Cycle	Absolute Returns over an Economic Cycle



# Performance Summary

## Nuance Concentrated Value Long-Short Fund

Average Total Returns (%) as of December 31, 2016

Inception Date 12/31/15	Since Inception Return	3 YR	1 YR	YTD	QTD	Gross Expense Ratio	Net Expense Ratio
Nuance Concentrated Value Long-Short Fund (NCLSX) - Institutional	17.41	-	17.41	17.41	4.73	3.88%	2.18%
Nuance Concentrated Value Long-Short Fund (NCLIX) - Investor	17.11	-	17.11	17.11	4.65	4.13%	2.43%
S&P 500 Index	11.96	-	11.96	11.96	3.82		
Morningstar Long/Short Equity	2.13	-	2.13	2.13	2.25		

**Performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the fund may be lower or higher than the performance quoted. Short term performance, in particular, is not a good indication of the fund's future performance, and an investment should not be made solely based on returns. Performance data current to the most recent month end may be obtained by calling 1-855-682-6233.** The Fund has contractually agreed to reduce its management fees, and may reimburse the Fund for its operating expenses, in order to ensure that Total Annual Fund Operating Expenses (Excluding acquired fund fees and expenses, leverage, interest, dividend and interest expense on short sales, taxes, brokerage commissions, and extraordinary expenses) do not exceed 1.55% of the average daily net assets of the Investor Class and 1.30% of the average daily net assets of the Institutional class through at least 08/27/2017. Net expense ratios are as-of the Fund's most recent prospectus and are applicable to investors.

The Fund has been compared to various peer groups defined by investment style. The Fund is an all market capitalization value investment style. The Morningstar Long/Short Equity Peer Group (as selected by Morningstar) has been presented as an investment strategy with a similar investment style. Please refer to disclosures below for more information. A basis point is one hundredth of one percent. R-squared values range from 0 to 1 and are a statistical measure that explains what percentage of a fund's performance can be explained by the benchmark's performance. Beta is a measure of the volatility of a portfolio compared to the market and is calculated by dividing the covariance of a portfolio's and benchmark's returns by the variance of the benchmark's returns.

# 2016 Year in Review

## Net Equity Exposure

- Net 10% long as of 12/31/2016
- Down from net 81% long as of 1/4/2016
- Variable net equity exposure aiming to capitalize on valuation opportunities in marketplace

## Long Investment Portfolio

- 75% gross exposure as of 12/31/2016
- Good opportunities exist but opportunity set is narrowing
- Areas of opportunity include: Healthcare, Energy Equipment & Services, and Multi-National Consumer Staples

## Short Investment Portfolio

- 65% gross exposure as of 12/31/2016
- Good opportunities exist and opportunity set is expanding
- Areas of opportunity include: Consumer Discretionary, Industrials, and Real Estate

Earnings Before Interest, Tax, Depreciation and Amortization, also known as EBITDA, is a metric used in assessing the operating earnings of a company. GICS is a reference to the Global Industry Classification Standard which classifies companies into sectors, industry groups, industries, and sub-industries.

# Top 5 Holdings Long/Short

December 31, 2016

Top 5 Long	Weight	GICS Sector
Franks Intl NV	9.6%	Energy
National Fuel Gas Co NJ	7.5%	Utilities
Diageo PLC Sp ADR	6.4%	Cons Staples
Schlumberger Ltd	5.0%	Energy
Northern Trust Corp	4.2%	Financials

Top 5 Short	Weight	GICS Sector
Waste Management Inc	-3.9%	Industrials
Home Depot Inc	-3.8%	Cons Disc
Ross Stores Inc	-3.7%	Cons Disc
Altria Group Inc	-3.7%	Cons Staples
Southwest Airlines Co	-3.7%	Industrials

	3/31/16	6/30/16	9/30/16	12/31/16	3/31/17	6/30/17	9/30/17	12/31/17
Cash	12.4%	13.2%	24.1%	24.6%	-	-	-	-
Long Equities	87.6%	86.8%	75.9%	75.4%	-	-	-	-
Short Equities	30.7%	61.9%	61.6%	65.1%	-	-	-	-
Gross Exposure	118.3%	148.8%	137.6%	140.5%	-	-	-	-
Net Exposure	56.9%	24.9%	14.3%	10.4%	-	-	-	-

Top 5 holdings subject to change. Sector Classifications are generally determined by referencing the Global Industry Classification Standard (GICS®) Codes developed by Standard & Poor's and Morgan Stanley Capital International. Sector Allocations are a percent of equity investments and subject to change. The Portfolio represents the Nuance Concentrated Value Long-Short Fund.



# Questions & Answers

Please send any additional questions to [Client.Services@nuanceinvestments.com](mailto:Client.Services@nuanceinvestments.com)

# Disclaimer and Notes

## Copyright

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## Additional Notes and Disclosures

The primary benchmark for the Fund 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 Fund may differ markedly from that of compared indices due to varying degrees of diversification and/or other facts. Return figures for all performance shown provided by US Bank.

**You should consider the fund's investment objectives, risks, charges and expenses carefully before investing. For a statutory or summary prospectus, that contains this and other information about the Funds, call 1-855-NUANCE3 (855-682-6233) or visit our website at [www.nuanceinvestments.com](http://www.nuanceinvestments.com). Please read the prospectus carefully before investing.**

**Mutual fund investing involves risk. Principal loss is possible. Investments in small and mid-capitalization companies involve additional risk such as limited liquidity and greater volatility than larger capitalization companies. Investments in foreign securities involve greater volatility and political, economic and currency risks and differences in accounting methods. The Fund is non-diversified, meaning it may concentrate its assets in fewer individual holdings than a diversified fund. Therefore, the Fund is more exposed to individual stock volatility than a diversified fund. Short sale of securities involves unlimited risk including the possibility that losses may exceed the original amount invested. However, a mutual fund investor's risk is limited to one's amount of investment in a mutual fund. The Fund is new with no operating history and there can be no assurance that the Fund will grow to or maintain an economically viable size, in which case the Trust's Board of Trustees ("Board of Trustees") may determine to liquidate the Fund.**

Diversification does not assure a profit or protection against a loss in a declining market.

Nuance Investments, LLC is majority owned by Montage Investments, LLC.

Nuance Investments is the advisor to the Nuance Mid Cap Value Fund, the Nuance Concentrated Vale Fund and the Nuance Concentrated Value Long-Short fund which are distributed by Quasar Distributors, LLC. Fund holdings and sector allocations are subjected to change and are not a recommendation to buy or sell any security.

Each Morningstar category average represents a universe of funds with similar objectives.

**Past Performance is not a guarantee of future results.**

Absolute return strategies are not intended to outperform stocks and bonds during strong market rallies.

# GIPS Compliance Statement

## Compliance Statement

Nuance claims compliance with the Global Investment Performance Standards (GIPS®). The firm maintains a complete list and description of composites, which is available upon request. More information regarding Composite descriptions and policies for valuing portfolios, calculating performance, and compliant presentations are available upon request by contacting [client.services@nuanceinvestments.com](mailto:client.services@nuanceinvestments.com) or 816-743-7080.

## Definition of the Firm

The definition of the firm is the foundation for firm-wide compliance and creates defined boundaries for determining the assets of the firm. In this instance, the firm is defined as Nuance Investments, LLC (Nuance), a majority owned subsidiary of Montage Investments, LLC ("Montage"). Montage is a wholly owned subsidiary of Mariner Holdings, LLC. Nuance founded on November 1, 2008, was formed on the belief that the ability to outperform the broad stock market is predicated on a consistent and disciplined value investing approach. The Investment Management Team selects securities for the Nuance investment portfolios by using an extensive quantitative screening and fundamental research process that identifies leading businesses selling at a discount to fair value and that have the potential to generate above-average rates of returns over time. The Investment Management Team seeks to identify companies across a range of industries and market sectors that have leading and sustainable market share positions, above-average financial strength, and are trading at a discount to their internal view of intrinsic value. The Investment Management Team may sell an investment when it believes it has surpassed its intrinsic value by applying the screening process described above, for purposes of portfolio construction or risk management, or when a more attractive investment opportunity becomes available. For the short side, the Investment Management team seeks to identify companies across a range of industries and market sectors that have average to below average competitive positions and unattractive risk reward profiles. The total firm assets will be defined as all discretionary and non-discretionary assets under management within Nuance. This includes primary investment management accounts, sub-advisory investment management accounts and wrap accounts as well as both fee-paying and non-fee paying assets surpassed its intrinsic value by applying the screening process described above, for purposes of portfolio construction or risk management, or when a more attractive investment opportunity becomes available. This includes primary investment management accounts, sub-advisory investment management accounts and wrap accounts as well as both fee-paying and non-fee paying assets