Nuance Concentrated Value Composite Perspectives

June 30, 2020

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

Chad Baumler, CFA
Vice President & Co-CIO
13 Years of Experience

Scott Moore, CFA
President & Co-CIO
29 Years of Experience

Darren Schryer, CFA, CPA
Associate Portfolio Manager
4 Years of Experience

Risk-Adjusted Returns Rankings[1]

1ST PERCENTILE

Lipper
Category: Multi-Cap Value
SI Rank in Cat: 1 of 276

Morningstar
Category: Large Value
SI Rank in Cat: 1 of 889

Morningstar
Category: Mid-Cap Value
SI Rank in Cat: 2 of 308

Longer Term Performance Update

Since Inception Return: The return since inception (11/13/2008) through 6/30/2020 is 13.9 percent (annualized and net of fees) versus the Russell 3000 Value Index and S&P 500 Index, which have returned 10.0 percent and 13.5 percent respectively. We are pleased with this level of outperformance over time.

Risk-Adjusted Returns: Our Sharpe Ratio since inception through 6/30/2020 is 1.0 (net of fees) versus Russell 3000 Value Index at 0.6 and the S&P 500 Index at 0.9.

Peer Group Returns through 6/30/2020: Comparing our product to peers displays positive results over time. On a total return basis, since 11/30/08, we ranked 9 out of 889 peer group members (1st percentile) in the Morningstar Large Cap Value universe, 2 out of 308 (1st percentile) in the Morningstar Mid-Cap Value universe, and 3 out of 276 (1st percentile) in the Lipper Multi-Cap Value universe.

Peer Group Risk-Adjusted Return through 6/30/2020: On a risk-adjusted return basis, since 11/30/2008, (measured by the Sharpe Ratio) we ranked 1 out of 889 peer group members (1st percentile) in the Morningstar Large Cap Value universe, 2 out of 308 (1st percentile) in the Morningstar Mid-Cap Value universe, and 1 out of 276 (1st percentile) in the Lipper Multi-Cap Value universe.

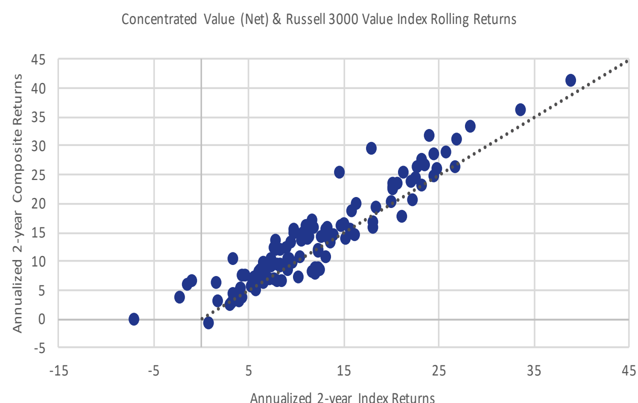
Peer Group Analysis 11/30/2008 - 6/30/2020	Since Inception APR[1]	Standard Deviation (A)[1]	Sharpe Ratio (A)[1]
Nuance Concentrated Value Composite (Gross)	14.3	13.0	1.1
Nuance Concentrated Value Composite (Net)	13.6	12.9	1.0
Lipper Multi-Cap Value Funds Peer Group (Median)	9.9	16.4	0.6
Peer Group Percentile and Ranking	1st (3 of 276)	4th (12 of 276)	1st (1 of 276)
Morningstar Large Value Peer Group (Median)	10.0	15.6	0.6
Peer Group Percentile and Ranking	1st (9 of 889)	9th (80 of 889)	1st (1 of 889)
Morningstar Mid-Cap Value Peer Group (Median)	10.8	17.7	0.6
Peer Group Percentile and Ranking	1st (2 of 308)	1st (2 of 308)	1st (2 of 308)

Performance 11/13/2008 - 6/30/2020	APR*	TR*	Standard Deviation*	Sharpe Ratio*	10 Years	7 Years	5 Years	3 Years	1 Year	2020 YTD
Nuance Concentrated Value Composite (Gross)	14.6	388.3	12.9	1.1	12.8	9.8	7.2	6.0	(1.3)	(10.2)
Nuance Concentrated Value Composite (Net)	13.9	353.8	12.9	1.0	12.0	9.0	6.5	5.2	(2.0)	(10.6)
Russell 3000 Value Index	10.0	202.6	15.9	0.6	10.2	6.9	4.4	1.4	(9.4)	(16.8)
S&P 500 Index	13.5	334.7	14.5	0.9	14.0	12.1	10.7	10.7	7.5	(3.1)

*Since Inception

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

Rolling 2-Year Periods			Current 2-Year Period as of 6/30/2020	
11/30/2008 - 6/30/2020	Periods Beating the Index		Composite (%) Net of Fees[1]	Russell 3000 Value Index (%)
Nuance Concentrated Value Composite	82 / 116	70.7%	6.0	(1.4)



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 June 30, 2020, the Nuance Concentrated Value Composite two year rolling return is 6.0 percent (net of fees) versus the Russell 3000 Value Index and S&P 500 Index which have returned (1.4) percent and 8.9 percent respectively. Overall, we have outperformed in 82 out of the available 116 two-year periods as shown in the chart labeled Rolling 2-Year Return Periods.

Year-to-date, the Nuance Concentrated Value Composite has returned (10.6) percent (net of fees) versus the Russell 3000 Value Index and the S&P 500 Index, which have returned (16.8) percent and (3.1) percent respectively.

Calendar Year Performance as of 6/30/2020	11/13/08 - 12/31/08	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 YTD
Nuance Concentrated Value Composite (Gross)	4.5	42.2	18.8	6.9	18.4	35.3	8.9	(1.3)	20.5	12.1	(3.8)	28.9	(10.2)
Nuance Concentrated Value Composite (Net)	4.5	41.7	18.1	6.3	17.8	34.5	8.1	(2.0)	19.7	11.3	(4.6)	28.0	(10.6)
Russell 3000 Value Index	0.4	19.8	16.3	(0.1)	17.6	32.7	12.7	(4.1)	18.4	13.2	(8.6)	26.2	(16.8)
S&P 500 Index	(0.5)	26.5	15.1	2.1	16.0	32.4	13.7	1.4	12.0	21.8	(4.4)	31.5	(3.1)

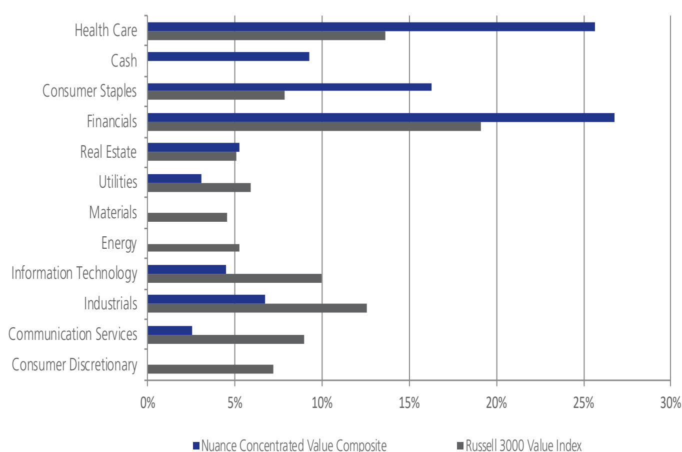
Composition of the Portfolio as of 6/30/2020

Portfolio Characteristics[2]	Nuance Concentrated Value Composite	Russell 3000 Value Index
Weighted Average Market Cap	61.7b	107.6b
Median Market Cap	13.4b	1.5b
Price to Earnings (internal and ttm)*	16.2x	20.8x
Dividend Yield	1.8%	2.8%
Return on Equity	13.4%	21.3%
Return on Assets	4.8%	5.9%
Active Share vs Russell 3000 Value	95.0%	-
Upside/Downside Capture Ratio vs Russell 3000 Value	87.3% / 63.8%	-
Number of Securities	26	2,278

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

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 adjacent table, you can see that the portfolio has a Price to Earnings ratio of 16.2x versus the Russell 3000 Value Index of 20.8x. We are achieving this ratio with a portfolio of companies that have a return on assets of 4.8 percent versus the Russell 3000 Value Index of 5.9 percent. This dichotomy of buying what we believe to be leading business franchises selling at below average multiples has the opportunity for outperformance over the long-term, in our opinion.

Sector Weights and Portfolio Positioning as of 6/30/2020



The biggest change to the portfolio during the quarter was in the Industrial sector where we significantly lowered our weight and are now underweight the benchmark. We had several names in the sector relatively outperform during the first half of the year and have exited or reduced those positions as we moved into what we believe are better risk rewards elsewhere. We added to our positions in the Consumer Staples and Real Estate sectors as we are seeing some attractive risk rewards in select names. The Healthcare and Financial sectors remain our largest sector overweights relative to the benchmark. In the Healthcare sector, we remain overweight as we continue to see attractive risk rewards in several select leaders. We believe many of those risk rewards are attractive as the market generally believes that elective procedures will be delayed and that the healthcare system will be hampered by the need to have capacity available for Coronavirus patients. In the Financial sector, we believe many of our leaders are under-earning on what we would consider below normal interest rates. We remain underweight the Energy sector where we believe the sector is facing a multi-year period of competitive transition. Lastly, we remain underweight in the Consumer Discretionary, Communication Services, Utilities, Materials and Information Technology sectors primarily due to valuation concerns.

Stocks We Added to Your Portfolio (Second Quarter 2020):

Beiersdorf AG (BDRFY): BDRFY is a leading supplier of personal care products and the number two producer of tape style adhesives. The company's brands include Nivea, Eucerin, La Prairie, and Aquaphor, among others. In the geographical regions in which it competes, the company has #1 or #2 market share positions in deodorants, lotions, sunscreens, facial moisturizers, anti-aging creams, and facial cleansers. Its adhesives business is much smaller than its personal care business, but it is the #2 producer of niche tape style adhesive products used in automobiles, microelectronic products, construction, packaging, and retail tape in Europe under the Tesa brand. The adhesives business is under-earning at this point due to slowing activity in automobile manufacturing and industrial production, but longer-term adhesives have been gaining share from traditional fasteners such as nuts and bolts. Growth in its personal care products was already slowing, but the pandemic has caused products such as sunscreen and anti-aging creams to decline materially due to stay at home orders across the world. While we believe these events to be transitory, the company has a strong balance sheet with a high net cash position, and we believe the stock price currently presents an attractive risk reward.

Epiroc AB (EPOKY): EPOKY is the former mining business of Atlas Copco (ATLKY) and was spun out as a separate entity in June 2018. The company is a leading global provider of underground and construction equipment for rock drilling, excavation, demolition, and building recycling. With what we believe is a better balance sheet than the peer group combined with a solid competitive position, we took advantage of recent volatility to enter the stock at what we view as an attractive risk reward relative to other opportunities.

Everest RE Group, Ltd (RE): We have initiated an investment in RE, a leading US Property & Casualty re-insurer, as the risk reward has begun to look attractive, in our view. RE is one of our favorite global re-insurers, and we believe current prices represent a reasonable risk reward for our clients.

Johnson & Johnson (JNJ): JNJ is a leading diversified healthcare company with a solid position in pharmaceuticals, medical devices, and consumer health products. The company has a stable return on capital profile, a strong balance sheet at only 0.5x levered, and a balanced capital allocation plan featuring a near 3% dividend yield. We exited our position in March in favor of better risk reward opportunities as JNJ significantly outperformed the broader market during the first quarter selloff. In June, we initiated a new position in JNJ as it underperformed during the market rebound and once again offered a compelling relative opportunity at only 19x normal earnings vs a market multiple in the mid-20s.

White Mountains Insurance Group Ltd (WTM): WTM is a leading P&C insurer in the US that recently sold a majority of its operating companies at a large gain, leaving WTM's balance sheet in solid condition. Recent weakness across all P&C insurers has afforded the opportunity to make another investment in WTM near 1.0x tangible book value per share, a level that has proved to be an attractive entry point for our clients in the past.

Wright Medical Group NV (WMGI): WMGI is a leading manufacturer of foot, ankle, and shoulder implants. The company is being acquired by diversified medical device leader Stryker Corp (SYK) for $30.75/share in an all-cash deal. We believe this is a sensible strategic fit for SYK, financing is in place, and the deal will close without issue in 2020 after some minor planned divestitures are finalized. We exited our position in April in favor of better relative opportunities as the stock significantly outperformed during the market selloff. We re-entered our position in June as the relative risk reward opportunity once again became attractive during the market rebound.

Stocks We Eliminated from Your Portfolio (Second Quarter 2020):

ABB Ltd (ABB): We exited our position in ABB following a period of outperformance. We continue to like ABB's position within the structurally advantaged electrical equipment, automation, and robotics spaces and will look for a more favorable risk reward opportunity in the future.

Epiroc AB (EPOKY): We exited our position in EPOKY following a period of outperformance. Our average cost on purchasing the stock was slightly over $10/share and our average cost selling was over $12/share. We continue to like EPOKY's leading competitive position in underground mining equipment and services and will look for better valuation opportunities in the future.

Everest RE Group, Ltd (RE): We have exited our investment in RE, a leading US Property & Casualty re-insurer, after a meaningful recovery in the stock

from the spring 2020 lows. Our average purchase price in the stock was in the $166/share range and our average selling cost was roughly $208/share. RE continues to be one of our favorite global re-insurers, and we will be monitoring the risk reward closely for potential re-entry into the security.

Reinsurance Group of America (RGA): RGA is a leading reinsurer of life and health insurance policies globally. Recent underperformance in the Financials sector as a whole has provided us with an opportunity to execute a number of intra-sector tax loss swaps during the 2nd quarter of 2020 in an effort to harvest tax losses. Our investment in RGA was sold and will be closely monitored for potential re-entry post the wash sale period.

Schneider Electric SE (SBGSY): We exited our position in SBGSY following a period of outperformance as the stock has exceeded our internal estimate of fair value. We continue to like SBGSY's position within the structurally advantaged electrical equipment and industrial automation spaces and will look for more favorable valuation opportunities in the future.

Wabco (WBC): We exited our position in WBC as ZF Friedrichshafen completed its acquisition for $136.50 per share in cash.

Wright Medical Group NV (WMGI): WMGI is a leading manufacturer of foot, ankle, and shoulder implants. The company is being acquired by diversified medical device leader Stryker Corp (SYK) for $30.75/share in an all-cash deal. We believe this is a sensible strategic fit for SYK, financing is in place, and the deal will close without issue in 2020 after some minor planned divestitures are finalized. We exited our position in April in favor of better relative opportunities as the stock significantly outperformed during the market selloff and have since re-entered our position in June as the relative risk reward opportunity once again become attractive during the market rebound.

Nuance Perspectives from President & Co-CIO, Scott Moore, CFA

To Our Clients,

After almost 12 years of a similar writing style, your Nuance Perspectives is getting a facelift of sorts. The substance should be similar to the past, but hopefully, a more consistent structure will help give you a more cohesive and consistent context for our products, the going forward opportunities, and the world around us. The first section of the quarterly write-up will be a short introductory note. The second will be a summary of our performance both for the calendar year as well as longer-term. The third will be a free discussion of a topic that your Nuance team is finding particularly intriguing about today's opportunity set; we will call that section Nuance Perspectives. It could be a specific company that has caught our eye or maybe a theme. The Nuance Perspectives portion of the commentary has always been my personal favorite, and the place to truly convey the views of the team regarding the investment opportunity set from our seats in Kansas City.

We certainly hope all of our clients, their families, and their friends are doing well and staying safe. The COVID-19 contagion continues to create confusion and uncertainty on global health, the global economy, and certainly stocks and markets in general. These can be very unsettling times for investors, and we hope our experience in handling crisis situations and using market volatility and uncertainty to create potential longer-term risk adjusted returns is helpful in some small way. Having lived and invested through the Technology sector boom and bust of 1999-2000, the September 11, 2001 World Trade Center attacks, the Commodity boom and bust of 2007-2009, the leveraged Finance boom and bust of 2006-2009, the slow growth "decade of adding leverage" 2009-2020, and now the COVID-19 crisis, we believe our Nuance process is built for these periods. Our job as a team is to stay focused on our task of finding for our clients what we believe to be solid companies trading at a discount to their intrinsic value using our time-tested Nuance process.

Our team continues to spend a great deal of time studying and analyzing the nature of COVID-19 related business issues with our companies and their peers. There are certainly serious areas of concern as well as areas of opportunity due to continued confusion and short-term thinking, in our view. Like we indicated at the end of the first quarter, there are no guarantees to our view and opinions, but sorting through the areas of concern and the areas of opportunity continues to be our task. The bottom line is that we would suggest the biggest area of concern relates to the possible domino effect of COVID-19 causing a long and deep recession that will trigger leveraged businesses across our economy to face significant stress. As we have now noted for more than a year, leverage is such an important issue and has been a very misunderstood risk in this market for quite some time. Permanent equity value destruction in the form of stress-induced equity offerings or even bankruptcy is a real risk at many companies throughout the market, and we have seen a great many of those offerings this past quarter. Near-term earnings results have been--and are likely to continue to be—poor, and frankly, valuations have recovered almost completely to the pre-COVID-19 period. This is difficult to reconcile and does not fit any historical period of difficult economic and corporate earnings activity, in our opinion. The issue appears to lie in the market simply not focusing on the risk side of the risk reward equation. History has not been kind to those who ignore risk in our business.

Nuance Performance

At Nuance, we have three overriding goals for each of our strategies as it relates to performance:

1. We aim to beat our primary benchmark (the Russell 3000 Value Index) more times than not during calendar years. Calendar year performance matters to us given how important that period is to most of our clients. We will certainly not beat our benchmarks each calendar year and expect to have particular trouble during latter stages of the investment, valuation, and/or economic cycle as those periods are usually characterized by high valuations, high leverage, and often times very narrow markets that don't care much about risk in general. On this goal, we would suggest so far so good as we have outperformed our primary benchmark 10 out of 12 years (including our stub year of 2008) since the inception of your Nuance Concentrated Value composite on 11/13/2008. For the year to date period, the Nuance Concentrated Value Composite was down (10.58) percent (12/31/2019 through 6/30/2020 and net of fees) versus the Russell 3000 Value Index down (16.75) percent and the S&P 500 Index down (3.09) percent. Should this outperformance versus our primary benchmark persist through the rest of the calendar year, that would be 11 out of 13 years (including the stub year of 2008) that we have beaten our primary benchmark.
2. Our second objective is to outperform our primary benchmark (the Russell 3000 Value Index) and our peers over the long term (since inception) and do so with less risk as measured by the standard deviation of our returns. Again, the evidence is solid thus far as the Nuance Concentrated Value

composite is up 13.88 percent since its inception on 11/13/2008 (annualized and net of fees) versus the Russell 3000 Value Index up 9.98 percent. Further, your Nuance Concentrated Value composite has had a standard deviation of those returns of 12.91 percent (since inception and net of fees) which is meaningfully lower than that of the Russell 3000 Value Index of 15.88 percent. Our peer group performance has also been solid as illustrated by our 1st percentile Sharpe Ratio metrics versus our peers since our first full month of performance, as seen at Exhibit 1.

Exhibit 1[(1)]

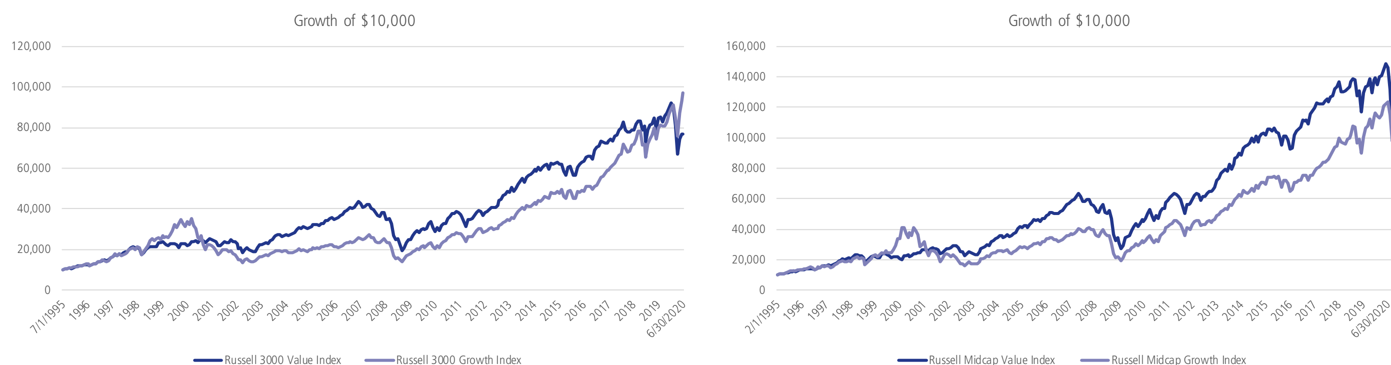
Peer Group Analysis 11/30/2008 - 6/30/2020	APR	Standard Deviation (A)	Sharpe Ratio (A)
Nuance Concentrated Value Composite (Gross)	14.31	12.95	1.06
Nuance Concentrated Value Composite (Net)	13.58	12.94	1.01
Morningstar Large Value Peer Group (Median)	9.99	15.62	0.61
Peer Group Percentile and Ranking	1st (9 of 889)	9th (80 of 889)	1st (1 of 889)
Morningstar Mid-Cap Value Peer Group (Median)	10.83	17.65	0.57
Peer Group Percentile and Ranking	1st (2 of 308)	1st (2 of 308)	1st (2 of 308)
Lipper Multi-Cap Value Funds Peer Group (Median)	9.92	16.40	0.56
Peer Group Percentile and Ranking	1st (3 of 276)	4th (12 of 276)	1st (1 of 276)

3. Lastly, we also aim to beat our secondary benchmarks over the long term (since inception) and do so with less risk as measured by the standard deviation of our returns. Our final primary goal has also been achieved thus far as the Nuance Concentrated Value composite is up 13.88 percent since its inception on 11/13/2008 (annualized and net of fees) versus the S&P 500 Index up 13.46 percent. Further, your Nuance Concentrated Value composite has had a standard deviation of those returns of 12.91 percent (net of fees) which is lower than the S&P 500 Index of 14.50 percent. As such, our total return and risk-adjusted returns are right on track with this goal.

Nuance Perspectives

It is the final performance goal – beating the S&P 500 Index with less risk over the long-term - that I want to focus on in greater detail in this commentary. The S&P 500 Index has done quite well over the last couple of years and several clients have asked about our views on value investing, in general, over time. Having lived through a few value style bear markets and a few value style bull markets, we generally believe that buying more value-oriented investments has been a sound way of producing risk adjusted returns over the very long term. Exhibit 2 depicts the Russell 3000 Value versus the Russell 3000 Growth and the Russell Midcap Value versus the Russell Midcap Growth over the roughly 25-year time period since each index's inception (7/1/1995 for the Russell 3000 Value & Growth and 2/1/1995 for the Russell Midcap Value & Growth) through 6/30/2020. In both cases, you will note the long periods of value outperformance versus growth stylistically. You will also note the two periods where value has fallen behind. The first was the period from 1999-2000 during a period of time that came to be known as the Technology Bubble. This period was categorized by one sector – the Technology sector – demanding investor attention in what could be labeled a 'herd-like' manner.

Exhibit 2



* Source: FactSet

As for the more recent period, we would recount what we wrote in September of 2019 Perspectives:

"Today, our team is focused on—and aims to be experts at—identifying these competitive transitions. From digital photography to newspapers, to ATM machines, to dental distribution companies, the list of identified transitions is long and valued. As I think back through my investment career and its own cycles, it is apparent that the number of technological advancements and competitive disruptions are accelerating, and your team sees them as opportunities to avoid disruptions that our benchmarks cannot. Further, we see significant opportunities to delve into the positive side of these disruptions for long term investment opportunities and ideas. We believe this focus on competitive change is so critical to generating alpha for our clients over the long term. One example is the disruption that we first noted in 2017 regarding our belief that over the next 5-20 years, we will see market share losses for oil and natural gas exploration companies to what we would describe as solar power electricity infrastructure shifts. These shifts are multi-faceted but have led us to avoid traditional fossil fuel companies for the foreseeable future as we expect demand for oil and natural gas to flatten and eventually decline as the combination of conservation,

technological advancements, the migration to electric cars, and the migration to more solar rooftop technology eventually take significant market share from gasoline combustion engines and coal and natural gas sources of electricity. This solar-related infrastructure shift also suggests to us positive market share shifts towards electrical equipment companies and others who will benefit from changes in the energy infrastructure build. Companies like Schneider Electric SE (SBGSY), ABB Ltd. (ABB), and Legrand SA (LGRDY) are good examples of how your team will be playing the broad energy space over time.

For perspective, we went back to 12/31/2002 and reviewed the Russell 3000 Value Index (RAV) and the S&P 500 Index (SPX) and estimated what percentage of the index we believed was in the midst of a competitive transition at that time. We realize that these are best guess estimates but still interesting data. At that time, we believed a portion of the Paper and Forest Products industry (0.98 percent of the RAV and 0.48 percent of the SPX), a portion of the old Telecommunication Services sector (7.09 percent of the RAV and 4.19 percent of the SPX), a portion of the Specialty Retail industry (0.78 percent of the RAV and 2.08 percent of the SPX), and a portion of the Multi-line Retail industry (0.85 percent of the RAV and 3.98 percent of the SPX) were being disrupted, in our opinion. There were others, but this gives our readers an idea. Just taking those disruptions suggests approximately 9-10 percent of the RAV and 10-11 percent of the SPX had some form of competitive disruption occurring at year-end 2002. Today there is undoubtedly acceleration."

That is a long-winded way of saying we believe that during these last few years there has been a reason for the underperformance of value indices versus growth indices outside of the simple narrative that the Technology sector has outperformed and is expensive. Although, we believe that to be generally correct as well. In our view, there has been an outsized impact on value indices versus growth indices as it relates to competitive transitions. Which is – in our opinion – why the Energy sector has underperformed and hurt the value indices. Two things are likely to occur over time that normalizes this dynamic, in our opinion. First, the competitively transforming industries or sectors will shrink to the point where they would not be a significant part of the benchmark. Second, the law of large numbers and economic rules of rational returns on capital will likely catch up to the very expensive members of the S&P 500 Index. That combination has historically created the value versus growth cycles (among other things) and we believe that pattern should lead us back to more normal cycles between value and growth over time.

In summary, we believe that value investing over the very long term is a sound way to generate risk-adjusted returns for clients. But more importantly than that, we believe that using our Nuance bottoms-up, one stock at a time approach might even improve upon that. As always, we would never guarantee anything, but we believe our results are certainly interesting in that regard. During our Nuance process, we place a significant emphasis on determining if a company has leading and sustainable market share positions across the vast majority of its businesses, can deliver above-average returns on capital versus peers over a business cycle, and has a strong financial position versus its peers in our view. With those characteristics studied and understood, we then prepare our own proprietary financial statements for each business that attempt to normalize the financial statement to a state of normalcy or to what we think of as a mid-business cycle state. With those financial statements created, we then study historical valuation data to ascertain a fair value and downside value for each of the leading businesses that we believe have the traits of a successful investment. At that stage, we then only invest in the companies on our list that, in our opinion, have significantly better risk rewards than the market set of opportunities. This process, designed to buy clients better-than-average companies we believe have less downside and more upside has the potential to outperform the market over time with less risk, in our opinion, making the serious assumption that we execute that process appropriately.

Please visit our website 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. Call us at 816-743-7080. Click here for historical Concentrated Value Perspectives.

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
2015	(1.3)	(2.0)	(4.1)	1.4	0.2	607	$715,577,980	$913,545,839	0.1%	11.4	10.9
2016	20.5	19.7	18.4	12.0	0.1	694	$937,752,729	$1,466,221,847	0.1%	11.1	11.1
2017	12.1	11.3	13.2	21.8	0.1	726	$1,011,853,027	$1,784,338,191	0.0%	10.1	10.5
2018	(3.8)	(4.6)	(8.6)	(4.4)	0.2	588	$689,732,835	$1,724,795,756	0.0%	9.4	11.2
2019	28.9	28.0	26.2	31.5	0.1	522	$795,289,051	$3,486,104,071	0.0%	9.1	12.2
YTD 2020 (6/30/2020)	(10.2)	(10.6)	(16.8)	(3.1)	N/A	544	$717,485,464	$4,492,774,273	0.0%	13.4	18.4

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 – 3/31/19 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. Incentive fee structures and performance-based fee structures are available for qualified clients and are negotiated individually. 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 equal-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. Prior to January 1, 2017 dispersion was calculated using an asset-weighted methodology. The calculation methodology was updated based on a new performance system dispersion calculation. Nuance has adopted the following Significant Cash Flow Policy. 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 if a single cash flow is equal or greater than 10 percent of the total account value based on the beginning of the 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 following month.

Our Core offerings are the Nuance Mid Cap Value Strategy, the Nuance Concentrated Value Strategy and the Nuance Concentrated Value Long-Short 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 Disclosures

Nuance Investments, LLC (the "Firm") is a Registered Investment Advisor. The Firm's Nuance Mid Cap Value Composite (the "Composite") is a composite of actual accounts invested in the Nuance Mid Cap Value investment strategy. The inception date for the Composite is 11/03/2008. 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 Midcap Value Index. The Russell Midcap Value Index measures the performance of the mid-cap value segment of the U.S. equity universe. It includes those Russell Midcap Index companies with lower price-to-book ratios and lower forecasted growth values. The Secondary Benchmarks for the Composite are the S&P MidCap 400 Value Index and the S&P 500 Index TR. The S&P MidCap 400 Value Index measures value in separate dimensions across six risk factors. The value factors include book value to price ratio, sales to price ratio, and dividend yield. 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 Clearwater Analytics. 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.

(1) Rankings and peer groups created internally using data from Zephyr Style Advisor. Risk-Adjusted Return (Sharpe Ratio), Standard Deviation and return calculations for the Composite and indices provided by Zephyr Style Advisor. The Composites have been compared to various peer groups defined by investment style. Subsets of the Morningstar Large Value Peer Group, the Morningstar Mid Cap Value Peer Group and the Lipper Multi-Cap Value Funds Peer Group with performance history since inception have been presented as investment strategies with similar investment styles for the Nuance Concentrated Value Composite. Subsets of the Morningstar Mid Cap Value Peer Group and the Lipper Mid-Cap Value Peer Group with performance history since inception have been presented as investment strategies with similar investment styles for the Nuance Mid Cap Value Composite. 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 present. 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. Portfolio and and Index P/E are calculated as the weighted average of individual company P/E ratios. 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.

Holdings identified do not represent all of the securities purchased, sold or recommended for the adviser's clients. Portfolio holdings and sector allocations are subjected to change and are not a recommendation to buy or sell any security. As of 6/30/2020 portfolio weights of names discussed are as follows: Beiersdorf AG Unsp ADR (BDRFY) 2.49%, Epiroc AB Unsp ADR (EPOKY) 0.00%, Everest Re Group (RE) 0.00%, Johnson & Johnson (JNJ) 2.02%, White Mountains Insurance Group Co. (WTM) 0.80%, Wright Medical Group NV (WMGI) 2.02%, ABB Ltd. (ABB) 0.00%, Reinsurance Group of America Inc. (RGA) 0.00%, Schneider Electric ADR (SBGSY) 0.00% and WABCO Holdings, Inc. (WBC) 0.00%.

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.