

# Nuance Mid Cap Value Composite Perspectives



June 30, 2021

## Description of the Product

The Nuance Mid Cap 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 50-90 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 Midcap® Value Index. Clients may also compare the product to the S&P MidCap 400® Value Index and the S&P 500® Index.

### Portfolio Managers



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

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

**Darren Schryer, CFA, CPA**  
Associate Portfolio Manager  
5 Years of Experience

### Risk-Adjusted Returns Rankings<sup>1</sup>

#### 1<sup>ST</sup> PERCENTILE

Lipper  
Category: Mid-Cap Value  
Ranking vs. Peers: 1 of 89

Morningstar  
Category: Mid-Cap Value  
Ranking vs. Peers: 1 of 295

## Longer Term Performance Update (through June 30, 2021)

Since Inception Return: The return since inception (on 11/03/2008 through 6/30/2021) is 15.07 percent (annualized and net of fees) versus the Russell Midcap® Value Index up 13.76 percent, the S&P MidCap 400® Value Index up 13.83 percent and the S&P 500® Index up 14.87 percent. We are pleased with this level of outperformance over time.

Risk-Adjusted Returns: Our Sharpe Ratio since inception through 6/30/2021 is 1.07 (net of fees) versus Russell Midcap® Value Index at 0.75, the S&P MidCap 400® Value Index at 0.69 and the S&P 500® Index at 0.98.

Peer Group Returns through 6/30/2021: Comparing our product to peers displays positive results over time. On a total return basis, since 11/30/2008, we ranked 19 out of 295 peer group members (7th percentile) in the Morningstar Mid-Cap Value Funds universe and 5 out of 89 (5th percentile) in the Lipper Mid-Cap Value Funds universe.

Peer Group Risk-Adjusted Return through 6/30/2021: On a risk-adjusted return basis, since 11/30/2008, (as measured by the Sharpe Ratio) we ranked 1 out of 295 peer group members (1st percentile) in the Morningstar Mid-Cap Value Funds universe and 1 out of 89 (1st percentile) in the Lipper Mid-Cap Value Funds universe.

Peer Group Returns 11/30/2008 - 6/30/2021	Since Inception APR <sup>1</sup>	Standard Deviation (A) <sup>1</sup>	Sharpe Ratio (A) <sup>1</sup>
Nuance Mid Cap Value Composite (Gross)	16.54	13.51	1.19
Nuance Mid Cap Value Composite (Net)	15.71	13.53	1.12
Morningstar Mid-Cap Value Funds Peer Group (Median)	13.80	17.73	0.72
Peer Group Percentile and Ranking	7th (19 of 295)	1st (2 of 295)	1st (1 of 295)
Lipper Mid-Cap Value Funds Peer Group (Median)	14.06	18.17	0.72
Peer Group Percentile and Ranking	5th (5 of 89)	1st (1 of 89)	1st (1 of 89)

Performance 11/03/2008 - 6/30/2021	APR <sup>1</sup>	TR <sup>1</sup>	Standard Deviation <sup>1</sup>	Sharpe Ratio <sup>1</sup>	10 Year	7 Year	5 Year	3 Year	1 Year	2021 YTD
Nuance Mid Cap Value Composite (Gross)	15.88	546.68	13.61	1.13	14.00	11.22	13.91	13.61	26.51	8.94
Nuance Mid Cap Value Composite (Net)	15.07	491.56	13.63	1.07	13.15	10.48	13.14	12.83	25.67	8.57
Russell Midcap® Value Index	13.76	411.92	17.72	0.75	11.73	9.33	11.78	11.85	53.06	19.45
S&P 400 Midcap® Value Index	13.83	415.88	19.24	0.69	11.87	9.72	12.80	11.51	61.43	22.97
S&P 500® Index	14.87	478.85	14.72	0.98	14.83	14.09	17.64	18.65	40.79	15.25

<sup>1</sup>Since Inception. Returns for periods greater than a year have been annualized.

<sup>1</sup>The Nuance Mid Cap Value Composite is a mid-capitalization value investment product and consists of separately managed accounts in the Nuance Mid Cap Value strategy. Rankings and peer group comparisons are created internally using data from FactSet. For comparison purposes, subsets of the Morningstar Mid-Cap Value Funds Peer Group and the Lipper Mid-Cap Value Funds Peer Group with performance history since inception have been presented as investment strategies with a similar investment style to 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 FactSet based upon strategies with monthly return data from December 2008 to present. FactSet reports on month end returns only. For more information on peer group comparisons and calculations, please refer to the full disclosures.

Value. Delivered.

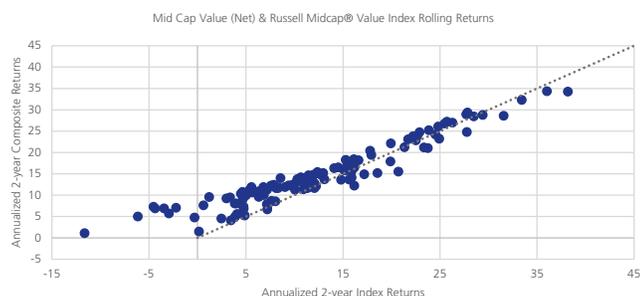
**Shorter Term Performance Update** (Two-Year and Year-to-Date)

Rolling 2-Year Return Periods	Current 2-Year Period as of 6/30/2021		
	Periods Beating the Index	Composite (%) Net of Fees <sup>1</sup>	Russell Midcap® Value Index (%)
11/30/2008 - 6/30/2021	102 / 128	79.7%	12.22
Nuance Mid Cap Value Composite			16.16

Your team at Nuance cautions our clients regarding the use of short-term performance as a tool to make manager or 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, 2021, the Nuance Mid Cap Value Composite two-year rolling return is 12.22 percent (net of fees) versus the Russell Midcap® Value Index up 16.16 percent, the S&P MidCap 400® Value Index up 17.28 percent and the S&P 500® Index up 22.99 percent. Overall, we have outperformed in 102 out of the available 128 two-year periods as shown in the chart labeled Rolling 2-Year Return Periods.

Year-to-date, the Nuance Mid Cap Value Composite has returned 8.57 percent (net of fees) versus the Russell Midcap® Value Index up 19.45 percent, the S&P MidCap 400® Value Index up 22.97 percent and the S&P 500® Index up 15.25 percent.



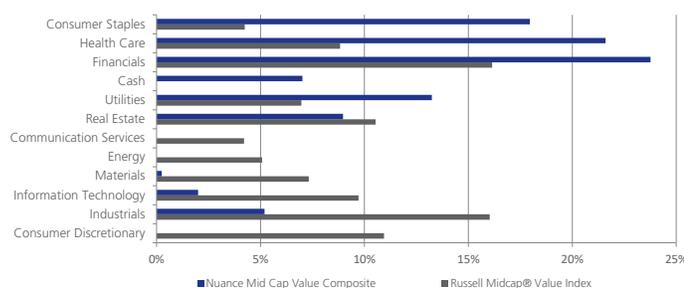
Calendar Year Performance as of 6/30/2021	11/03/08 - 12/31/08	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021 YTD
Nuance Mid Cap Value Composite (Gross)	(4.13)	38.69	21.08	4.04	22.02	35.45	9.79	2.95	21.87	16.18	(4.18)	32.52	5.52	8.94
Nuance Mid Cap Value Composite (Net)	(4.13)	38.20	20.01	3.38	20.61	34.24	9.14	2.33	21.05	15.42	(4.88)	31.62	4.79	8.57
Russell Midcap® Value Index	(5.60)	34.21	24.75	(1.38)	18.51	33.46	14.75	(4.78)	20.00	13.34	(12.29)	27.06	4.96	19.45
S&P 400 Midcap® Value Index	(3.99)	33.73	22.78	(2.43)	18.53	34.25	12.10	(6.65)	26.53	12.32	(11.88)	26.08	3.73	22.97
S&P 500® Index	(5.95)	26.46	15.06	2.11	16.00	32.39	13.69	1.38	11.96	21.83	(4.38)	31.49	18.40	15.25

**Composition of the Portfolio as of 6/30/2021**

Portfolio Characteristics <sup>2</sup>	Nuance Mid Cap Value Composite	Russell Midcap® Value Index
Weighted Average Market Cap	23.5b	21.1b
Median Market Cap	10.1b	11.3b
Price to Earnings (internal and ttm)*	16.9x	30.0x
Price to Earnings (ex-neg earnings)	-	19.3x
Dividend Yield	1.9%	1.5%
Return on Equity	8.8%	8.7%
Return on Assets	2.4%	1.8%
Active Share vs Russell Midcap® Value Index	97%	-
Upside/Downside Capture Ratio vs Russell Midcap® Value Index	85% / 73%	-
Number of Securities	57	695

<sup>2</sup>Based on Nuance internal estimates and benchmarked against the above noted 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 table below, you can see that the portfolio has a Price to Earnings ratio of 16.9x versus the Russell Midcap® Value Index of 30.0x. We are achieving this ratio with a portfolio of companies that have a return on assets of 2.4% versus the Russell Midcap® Value Index of 1.8%. This dichotomy of above average companies selling at below average multiples has the opportunity for outperformance over the long-term, in our opinion.

**Sector Weights and Portfolio Positioning** as of 6/30/2021

While our sector overweight and underweight exposures were unchanged during the quarter, we did make changes to the composition of the portfolio as risk reward opportunities shifted, in our view. Our largest overweight relative to the benchmark is the Consumer Staples sector where we slightly increased our positions during the quarter. Within in the sector, consumer spending behavior has undergone several changes, due to Covid-19, that we believe are transitory. In our view, many of the opportunities we are seeing within the sector are in the Food Products and Personal Products sub-industries. We remain overweight the Health Care sector and continue to see what we believe are attractive risk rewards in several select leaders, primarily in the Equipment & Supplies industry. We believe that hospital patient volumes are still running below normal as the industry continues to recover from disruption associated with the Covid-19 pandemic. The Financials sector continues to be the largest absolute weight in the portfolio as we continue to find attractive risk rewards primarily in the Insurance industry, in our view. Our overweight in the Utilities sector consists of positions within the Water Utilities industry. We remain underweight the Energy sector where we believe the sector is facing a multi-year period of competitive transition. Lastly, we remain underweight the Consumer Discretionary, Industrials, Communication Services, Materials, and Information Technology sectors primarily due to competitive uncertainty and valuation concerns.

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

Dear Clients,

For the six months ending June 30, 2021, the Nuance Mid Cap Value Composite was up 8.57 percent (net of fees) compared to the Russell Midcap® Value Index, which was up 19.45 percent, the S&P MidCap 400® Value Index, which was up 22.97 percent, and the S&P 500® Index, which was up 15.25 percent. From our perspective, since-inception performance is the most important barometer of performance, and in the period since inception (November 3, 2008 - June 30, 2021), the Nuance Mid Cap Value Composite was up 15.07 percent (annualized and net of fees) compared to the Russell Midcap® Value Index, which was up 13.76 percent, the S&P MidCap 400® Value Index, which was up 13.83 percent, and the S&P 500® Index, which was up 14.87 percent.

**Nuance Performance Goals**

At Nuance, we have four overriding goals for our Mid Cap Value investment strategy:

1. First, we seek to beat our primary benchmark (the Russell Midcap® 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 are unlikely to beat our benchmark each calendar year and expect to have particular difficulty outperforming during latter stages of the investment, valuation, and economic cycles. In our experience, those periods are usually characterized by high valuations, high levels of corporate leverage, and oftentimes very narrow markets in which investors do not appear to be focused on risk in general. In pursuing this goal, we note that since the inception of the Nuance Mid Cap Value Composite on November 3, 2008, we have outperformed our primary benchmark 10 out of 13 years (including our stub year of 2008) and 9 out of 12 years (not including the 2008 stub year). In the first six months of 2021, the Nuance Mid Cap Value Composite was up 8.57 percent (net of fees) versus our primary benchmark, the Russell Midcap® Value Index, which was up 19.45 percent. If that performance holds for the full calendar year, the Nuance Mid Cap Value Composite will have outperformed 10 out of 14 years (including the stub period of 2008).
2. Second, we seek to outperform our primary benchmark (since inception and net of fees) and to do so with less risk, as measured by the standard deviation of returns. As of June 30, 2021, we have accomplished this goal, given that the Nuance Mid Cap Value Composite rose 15.07 percent (annualized and net of fees) between its inception on November 3, 2008 through June 30, 2021 compared to the Russell Midcap® Value Index, which rose 13.76 percent. Further, during the same period, the Nuance Mid Cap Value Composite had a standard deviation of 13.63 percent (annualized and net of fees), meaningfully lower than the 17.72 percent standard deviation of the Russell Midcap® Value Index.
3. Third, we seek to outperform our peers over the long term (since inception) and to do so with less risk, as measured by the standard deviation of returns. Since inception, our peer group performance has been solid, as illustrated by the Nuance Mid Cap Value Composite's 1st percentile Sharpe Ratio metrics versus our peers (see Exhibit 1 below).<sup>1</sup>

Exhibit 1<sup>1</sup>

Peer Group Returns 11/30/2008 - 6/30/2021	Since Inception APR <sup>1</sup>	Standard Deviation (A) <sup>1</sup>	Sharpe Ratio (A) <sup>1</sup>
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4. Fourth and finally, we seek to beat our secondary benchmarks over the long term (since inception) and to do so with less risk, as measured by the standard deviation of returns. Since inception on November 3, 2008 through June 30, 2021, the Nuance Mid Cap Value Composite was up 15.07 percent (annualized and net of fees) versus the S&P MidCap 400<sup>®</sup> Value Index, which was up 13.83 percent, and the S&P 500<sup>®</sup> Index, which was up 14.87 percent. Further, the Nuance Mid Cap Value Composite had a standard deviation of 13.63 (net of fees) percent during the same time period, which is lower than the 19.24 percent standard deviation of the S&P MidCap 400<sup>®</sup> Value Index and the 14.72 percent standard deviation of the S&P 500<sup>®</sup> Index. Accordingly, we believe our total return and risk-adjusted returns are on track.

Nuance Perspectives<sup>2</sup>

The first six months of 2021 can best be described as disappointing for us here at Nuance. Our Nuance Mid Cap Value Composite was up 8.57 percent (net of fees), while the Russell Midcap<sup>®</sup> Value Index (our primary benchmark) was up 19.45 percent and the S&P 500<sup>®</sup> Index (our secondary benchmark) was up 15.25 percent. Given the relative underperformance of the Nuance Mid Cap Value Composite, we believe it is safe to say that the market and your Nuance team disagree about where the best investment opportunities have been over this relatively short time period. Our longer-term results continue to be quite reasonable, in our view, as noted above.

Underperformance of nearly 1,100 basis points generally requires multiple underperforming sectors, which was the case during the first six months of 2021. The Nuance Mid Cap Value Composite had no exposure to the Energy sector (+49.71 percent), the best-performing sector in the primary benchmark, the Russell Midcap<sup>®</sup> Value Index. We continue to avoid the Energy sector due to what we believe are long-term competitive challenges within the sector. The Nuance Mid Cap Value Composite also underperformed due to below-average stock selection in the Financials sector. Despite an overweight in this outperforming sector, our investments were focused on the lagging Insurance industry. Stocks including Travelers Companies, Inc. (TRV), Everest Re Group, Ltd. (RE), and Chubb Limited (CB) hurt performance. These results were in keeping with a broader market theme, in our opinion. TRV, RE, and CB were each up for the six-month period but they did not gain as much as other stocks in a market where investors appeared focused, we believe, on companies with lower-quality competitive positions, greater leverage, and higher risk characteristics. As our clients are aware, these are not attractive traits within the Nuance investment process and thus are not areas we gravitate toward. Other underperforming sectors included the Health Care sector where our overweight stance and below-average short-term stock selection hurt performance. Top holding Smith & Nephew PLC (SNN) was another example of a stock that was up (+3.01 percent) but that was not up as much as other names during the first six months of 2021. SNN continues to be representative of our investment thesis/process and is a top holding as of this writing. Lastly, we note underperformance in each of the Real Estate, Utilities, and Consumer Staples sectors. Equity Commonwealth (EQC), SJW Group (SJW), and Beiersdorf AG (BDRFY) were three examples in those respective sectors. We continue to like each of those companies' risk rewards versus the market set of opportunities.

The positive sectors for the Nuance Mid Cap Value Composite during the six-month period were just not meaningful enough to offset the negatives. That said, the Industrials and Communication Services sectors both ended up as modestly positive contributors. The other best performing sectors were actually negative attribution contributors. The Information Technology, Materials, and Consumer Discretionary sectors hurt performance.

Taken together, and as we discussed at the end of the first quarter, the degree of the Nuance Mid Cap Value Composite's underperformance certainly gives us pause and causes us to reflect more broadly on market sentiment, the market environment, and the traits leading and lagging the market. Attribution studies and factor studies are tools that help us in our reviews. Overall, it is our opinion that the market has been in a rather aggressive late-cycle moment when the risk component of the risk reward profile is generally not considered very much. Further, we have previously discussed our view on debt and leverage at length in our writings, and we have also discussed the apparent lack of downside risk appreciation that generally results from leverage. Finally, we would note that we believe there is a broader, seemingly speculative nature to this shorter time period that seems to be a common thread in historical late cycle market periods. Considered together, these traits generally do not coincide with the investment opportunity set generated by our Nuance investment process; thus, when the market broadly prefers these traits, the Nuance Mid Cap Value Composite can go through periods of underperformance. We believe the first half of 2021 was one of those periods.

With all of that said, the underperformance comes with opportunity, in our opinion. Generally speaking, when our group of stocks underperform, that can lead to those same stocks becoming even better risk rewards within the context of our Nuance investment process. We would analogize these periods to a rubber band stretching, just like our risk rewards are stretching. There are many examples we could discuss this quarter, but we would highlight one broad

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<sup>2</sup>For more information on how to obtain our calculation methodology, or a list showing the contribution of each holding in the composite to the overall composite performance, please contact Nuance Investments at 816-743-7080. The holdings identified do not represent all of the securities purchased sold or recommended for the portfolio. The reader should not assume that investments in the securities identified were or will be profitable.

category of note. As Covid-19 continues to impact the world and has an even greater impact on the non-United States (U.S.) parts of the world, we are seeing natural and logical opportunities outside the U.S. We continue to like companies like Beiersdorf AG Un-sponsored ADR (BDRFY), a consumer and adhesive conglomerate with net cash on the balance sheet, United Utilities Group PLC Sponsored ADR (UUGRY), a monopoly water utility with a greater than 4 percent dividend yield, and Smith & Nephew PLC Sponsored ADR (SNN), a medical device company that, we believe, is significantly under-earning due to Covid-19 causing deferred treatments for multiple types of orthopedic issues. Each of these companies are significantly under-valued versus the broader set of risk rewards we see on our Nuance Approved List and suggests an interesting opportunity, in our opinion.

As always, we continue to optimize your risk reward using our time-tested Nuance process. This Nuance process places 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 over time as well. Once we have studied and understood those characteristics, we prepare our own proprietary financial statements for each business, attempting to normalize the financial statements of our potential investment 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 typically invest in the companies on our Nuance Approved List that, in our opinion, have significantly better risk rewards than the market set of opportunities. This overall process is designed to buy clients better-than-average companies, but only when we believe they have both less downside risk and more upside potential than the market set of opportunities.

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 Mid Cap 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 (RMV Index)	Benchmark Return (MIDV 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 (RMV Index)	3 Year Annualized Standard Deviation (MIDV Index)
YTD 2008 (11/03/08-12/31/08)	(4.13)	(4.13)	(5.60)	(3.99)	N/A	1	\$9,531,045	\$18,657,997	0.0%	-	-	-
2009	38.69	38.20	34.21	33.73	-	4	\$50,600,141	\$137,943,058	1.1%	-	-	-
2010	21.08	20.01	24.75	22.78	0.1	4	\$60,702,099	\$181,201,036	1.1%	-	-	-
2011	4.04	3.38	(1.38)	(2.43)	0.1	4	\$55,186,800	\$152,976,943	0.9%	18.2	23.1	23.2
2012	22.02	20.61	18.51	18.53	0.1	4	\$58,463,905	\$214,936,666	1.0%	14.6	17.0	18.4
2013	35.45	34.24	33.46	34.25	0.1	8	\$80,358,264	\$507,569,897	1.0%	13.1	13.9	15.6
2014	9.79	9.14	14.75	12.10	0.1	13	\$130,238,086	\$1,071,186,382	0.7%	10.7	9.9	11.4
2015	2.95	2.33	(4.78)	(6.65)	0.1	17	\$145,638,450	\$913,545,839	0.6%	11.2	10.9	12.4
2016	21.87	21.05	20.00	26.53	0.1	22	\$416,346,621	\$1,466,221,847	0.1%	11.5	11.5	13.6
2017	16.18	15.42	13.34	12.32	0.0	23	\$586,931,538	\$1,784,338,191	0.0%	10.5	10.5	12.4
2018	(4.18)	(4.88)	(12.29)	(11.88)	0.2	21	\$852,510,018	\$1,724,795,756	0.0%	10.2	12.1	14.1
2019	32.52	31.62	27.06	26.08	0.2	43	\$2,297,275,123	\$3,486,104,071	0.0%	9.4	13.0	15.8
2020	5.52	4.79	4.96	3.73	0.3	59	\$4,586,107,319	\$5,949,248,916	0.0%	14.5	22.9	26.2
YTD 2021 As-of: 6/30/2021	8.94	8.57	19.45	22.97	N/A	61	\$5,270,596,981	\$6,959,163,948	0.0%	14.5	23.3	26.8

## 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 – 3/31/21 by Absolute Performance Verification. The verification reports are available upon request. A firm that claims compliance with the GIPS® standards must establish policies and procedures for complying with all the applicable requirements of the GIPS® standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance have been designed in compliance with the GIPS® standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. Nuance is an investment adviser registered with the Securities and Exchange Commission. The firm maintains a complete list and description of composites and broad distribution pooled funds which are 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 performance returns are presented after actual standard management fees, performance-based management fees and all trading expenses that may occur. No other fees are deducted aside from trading and management fees for the calculation of net of fee performance. 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. Nuance updated its index performance source from Bloomberg to FactSet effective 12/31/2020. Historical index returns have been amended to reflect FactSet source information.

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 a Significant Security & Cash Flow Policy since inception of the composite. An account will be removed from a composite if a client has given specific instructions that prevent full investment of securities or cash flow(s) in a timely manner (defined as 5 business days or greater), or if a single security or cash flow is equal or greater than 10 percent of the total account value based on the beginning of the month market value.

Our Core offerings are the Nuance Mid Cap Value Strategy, the Nuance Concentrated Value Strategy and the Nuance Concentrated Value Long-Short Strategy. For more information regarding Composite List and descriptions and policies for valuing investments, calculating performance, and preparing GIPS reports, or to obtain a composite report [client.services@nuanceinvestments.com](mailto: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 creation and 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® TR Value Index and S&P 500® TR Index. The S&P MidCap 400® TR 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® TR Index is a market-value weighted index representing the performance of 500 widely held publicly traded large-capitalization stocks. Individuals cannot invest directly in any index. These indices are used for comparison purposes only and are not meant to be indicative of a portfolio's performance, asset composition, or volatility. The performance of the Composite may differ markedly from that of compared indices due to varying degrees of diversification and/or other facts. Return calculations for the Composite are provided by Clearwater Analytics. Return calculations for all indices are provided by FactSet. 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 returns are presented after actual standard management fees, performance-based management fees, and all trading expenses that may occur. No other fees are deducted aside from trading and management fees for the calculation of net of fee performance.

(1) The Nuance Mid Cap Value Composite is a mid-capitalization value investment product and consists of separately managed accounts in the Nuance Mid Cap Value strategy. Over the product life, the Nuance Mid Cap Value Separate Account Product has been classified by Morningstar in the following categories: Mid Value. Lipper does not provide product level classifications. Rankings and peer group comparisons are created internally using data from FactSet. For comparison purposes, subsets of the Morningstar Mid-Cap Value Funds Peer Group and the Lipper Mid-Cap Value Funds Peer Group have been presented as investment strategies with a similar investment style to 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 FactSet based upon strategies with monthly return data from December 2008 to present. FactSet reports on month end returns only. Additional Information: Portfolio composition will vary over time and may change without notice. Current investment style and assigned peer groups may differ from the styles presented. The Nuance Mid Cap Value Composite is compared to various fund peer groups as defined by investment style and is constructed in a manner that is substantially similar to the guidelines and classifications of the Morningstar and Lipper fund peer groups to which it is compared, however, fund peer groups may differ from similarly constructed product composite groups. Morningstar Categories are based on the average holdings statistics over the past three years and are applied to both funds and separate accounts. Morningstar Style Box Methodology is based on growth versus value scores using historical measures of various portfolio components and weights. A complete description of Morningstar's Category classifications and Style Box Methodology can be found at <https://www.morningstar.com/research/signature>. Lipper's Fund Classifications have a prospectus-based methodology with diversified funds having an additional portfolio-based classification and are applied to open-ended funds but not to separate accounts or product composites. A complete description of Lipper's fund classification methodology can be found at <https://lipperalpha.refinitiv.com>. The number of peers (i.e., the ranking) includes only those Category Peers with similar return timeframes to the Nuance Mid Cap Value Composite. 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 FactSet. The following characteristics are calculated using FactSet data: Weighted Average Market Cap, 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), P/E (price of a company's stock relative to its earnings per share). Characteristics for P/E, DY, ROE & ROA use an index aggregation calculation methodology (the index method sums the weighted portfolio value of the numerator and the denominator first, then divides those sums to determine the portfolio and benchmark values). Characteristics calculations use holdings at market close on the stated date, including cash & cash equivalents. The P/E excluding negative earners omits companies with negative earnings from the calculation to provide readers with an additional tool during periods of extreme volatility. Active share, as calculated by FactSet, is a statistic that measures a strategy's holdings relative to the holdings of the appropriate benchmark. 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 and results are gross of fees for the period since inception through the stated date. Upside/downside ratios are calculated using FactSet.

Portfolio holdings and sector allocations are subjected to change and are not a recommendation to buy or sell any security. As of 6/30/2021 portfolio weights of top and bottom attributors discussed are as follows: Sanderson Farms, Inc. (SAFM) 4.6%, Dentsply Sirona, Inc. (XRAY) 2.0%, Valley National Bancorp (VLY) 0.7%, Northrop Grumman Corporation (NOC) 2.5%, MetLife, Inc. (MET) 0.9%, Smith & Nephew PLC (SNN) 4.3%, SJW Group (SIW) 2.7%, BDX 6.06/01/23 Pfd (BDXB) 3.7%, Beiersdorf AG (BDRFY) 5.9%, Equity Commonwealth (EQC) 5.0%.

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.