

Nuance Concentrated Value Composite Perspectives



December 31, 2021

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 Bauml, CFA
Vice President & Co-CIO
15 Years of Experience

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

Darren Schryer, CFA, CPA
Portfolio Manager
6 Years of Experience

Risk-Adjusted Returns Rankings¹

1ST PERCENTILE

Lipper
Category: Multi-Cap Value
Ranking vs. Peers: 3 of 334

Morningstar
Category: Large Value
Ranking vs. Peers: 6 of 895

Morningstar
Category: Mid-Cap Value
Ranking vs. Peers: 2 of 292

Longer Term Performance Update (through December 31, 2021)

Since Inception Return: The return since inception (11/13/2008) through 12/31/2021 is 14.27 percent (annualized and net of fees) versus the Russell 3000® Value Index and S&P 500® Index, which have returned 12.49 percent and 15.76 percent, respectively.

Risk-Adjusted Returns: Our Sharpe Ratio since inception through 12/31/2021 is 1.09 (net of fees) versus the Russell 3000® Value Index at 0.76 and the S&P 500® Index at 1.05.

Peer Group Returns through 12/31/2021: Comparing our product to peers displays positive results over time. On a total return basis, since 11/30/2008, we ranked 135 out of 895 peer group members (15th percentile) in the Morningstar Large Value Funds universe, 127 out of 292 (44th percentile) in the Morningstar Mid-Cap Value Funds universe, and 69 out of 334 (21st percentile) in the Lipper Multi-Cap Value Funds universe.

Peer Group Risk-Adjusted Return through 12/31/2021: On a risk-adjusted return basis, since 11/30/2008, (measured by the Sharpe Ratio) we ranked 6 out of 895 peer group members (1st percentile) in the Morningstar Large Value Funds universe, 2 out of 292 (1st percentile) in the Morningstar Mid-Cap Value Funds universe, and 3 out of 334 (1st percentile) in the Lipper Multi-Cap Value Funds universe.

Peer Group Analysis 11/30/2008 - 12/31/2021	Since Inception APR ¹	Standard Deviation (A) ¹	Sharpe Ratio (A) ¹
Nuance Concentrated Value Composite (Gross)	14.76	12.70	1.12
Nuance Concentrated Value Composite (Net)	14.02	12.69	1.07
Morningstar Large Value Funds Peer Group (Median)	12.57	15.70	0.77
Peer Group Percentile and Ranking	15th (135 of 895)	7th (60 of 895)	1st (6 of 895)
Morningstar Mid-Cap Value Funds Peer Group (Median)	13.84	17.56	0.74
Peer Group Percentile and Ranking	44th (127 of 292)	1st (1 of 292)	1st (2 of 292)
Lipper Multi-Cap Value Funds Peer Group (Median)	12.56	16.24	0.74
Peer Group Percentile and Ranking	21st (69 of 334)	3rd (9 of 334)	1st (3 of 334)

Performance 11/13/2008 - 12/31/2021	APR [*]	TR [*]	Standard Deviation [*]	Sharpe Ratio [*]	10 Year	7 Year	5 Year	3 Year	1 Year	YTD 2021
Nuance Concentrated Value Composite (Gross)	15.01	528.49	12.68	1.14	12.78	9.68	9.93	14.18	10.80	10.80
Nuance Concentrated Value Composite (Net)	14.27	477.48	12.67	1.09	11.99	8.89	9.12	13.35	9.99	9.99
Russell 3000® Value Index	12.49	369.25	15.84	0.76	12.88	9.70	10.99	17.63	25.37	25.37
S&P 500® Index	15.76	584.11	14.51	1.05	16.54	14.92	18.46	26.04	28.71	28.71

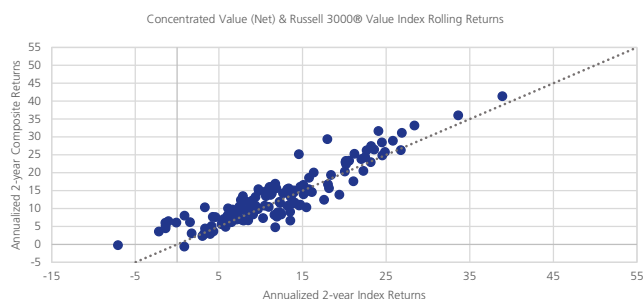
*Since Inception. Returns for periods greater than a year have been annualized.

¹The Nuance Concentrated Value Composite is an all-capitalization value investment product and consists of separately managed accounts in the Nuance Concentrated Value strategy. Rankings and peer group comparisons are created internally using data from FactSet. For comparison purposes, subsets of the Morningstar Large Value Funds Peer Group, Morningstar Mid-Cap Value Funds Peer Group, and the Lipper Multi-Cap Value Funds Peer Group with performance history since inception have been presented as investment strategies with a similar investment style to the Nuance Concentrated 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 12/31/2021		
11/30/2008 - 12/31/2021	Periods Beating the Index	Composite (%) Annualized Net of Fees	Russell 3000® Value Index (%)	
Nuance Concentrated Value Composite	89 / 134	66.4%	6.67	13.55



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 December 31, 2021, the Nuance Concentrated Value Composite two-year rolling return is 6.67 percent (annualized and net of fees) versus the Russell 3000® Value Index and S&P 500® Index which have returned 13.55 percent and 23.41 percent, respectively. Overall, we have outperformed in 89 out of the available 134 two-year periods as shown in the chart labeled Rolling 2-Year Return Periods.

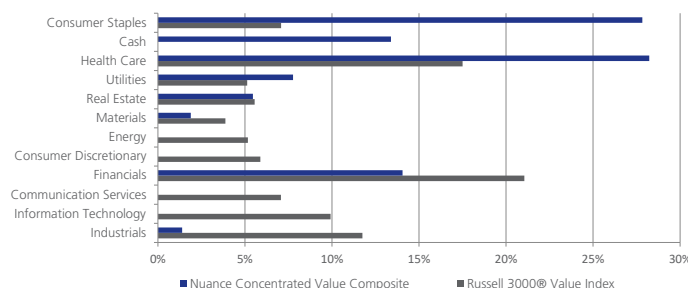
Year-to-date, the Nuance Concentrated Value Composite has returned 9.99 percent (net of fees) versus the Russell 3000® Value Index and the S&P 500® Index, which have returned 25.37 percent and 28.71 percent respectively.

Calendar Year Performance as of 12/31/2021	11/13/08 - 12/31/08	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	YTD 2021
Nuance Concentrated Value Composite (Gross)	4.47	42.24	18.79	6.85	18.41	35.33	8.88	(1.28)	20.49	12.11	(3.82)	28.92	4.25	10.80
Nuance Concentrated Value Composite (Net)	4.47	41.70	18.13	6.29	17.79	34.45	8.07	(1.98)	19.70	11.29	(4.55)	28.00	3.48	9.99
Russell 3000® Value Index	0.37	19.76	16.23	(0.10)	17.55	32.69	12.70	(4.13)	18.40	13.19	(8.58)	26.26	2.87	25.37
S&P 500® Index	(0.47)	26.46	15.06	2.11	16.00	32.39	13.69	1.38	11.96	21.83	(4.38)	31.49	18.40	28.71

Composition of the Portfolio as of 12/31/2021

Portfolio Characteristics ²	Nuance Concentrated Value Composite	Russell 3000® Value Index
Weighted Average Market Cap	24.6b	156.3b
Median Market Cap	13.8b	2.5b
Price to Earnings (internal and ttm)*	15.4x	19.5x
Price to Earnings (ex-neg earnings)	-	17.3x
Dividend Yield	1.5%	1.8%
Return on Equity	10.6%	13.1%
Return on Assets	3.7%	2.6%
Active Share vs Russell 3000® Value Index	98%	-
Upside/Downside Capture Ratio vs Russell 3000® Value Index	82% / 64%	-
Number of Securities	22	2,304

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 15.4x versus the Russell 3000® Value Index of 19.5x. We are achieving this ratio with a portfolio of companies that have a return on assets of 3.7 percent versus the Russell 3000® Value Index of 2.6 percent. 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 12/31/2021

The biggest change to the portfolio during the quarter was our increased exposure to the Consumer Staples sector. We were able to increase our exposure as we believe certain companies have been negatively impacted by rising material costs. While we believe these costs can ultimately be mostly offset by price increases, those increases generally lag the raw material price increases, and we believe that lag has created some transitory under-earning. In the Health Care sector, we continue to believe that hospital patient volumes are still running below normal as the industry continues to recover from disruption associated with the Covid-19 pandemic. In our opinion, this has created opportunities within the Health Care Equipment & Supplies industry which makes up a large portion of our overweight position in the sector. Our overweight in the Utilities sector is made up of exposure to the Water Utilities industry as we believe these companies are under-earning as the base returns on equity awarded by regulators have been pressured by the historically low interest rate environment. While we are underweight the Financials sector relative to the benchmark, it continues to make up a meaningful weight in the portfolio as we continue to find what we believe are attractive risk rewards primarily in the Insurance industry, in our view. 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 a combination of competitive uncertainty and valuation concerns.

Stocks We Added to Your Portfolio (Fourth Quarter 2021):

Bioventus, Inc. (BVS): BVS is a leading provider of minimally invasive hyaluronic acid knee injections for treatment of osteoarthritis along with other niche products in bone fracture stimulation, bone graft substitutes, and peripheral nerve stimulation. They are currently under-earning on orthopedic volumes that are still running below normal, in our opinion. The stock significantly underperformed in November which allowed us to initiate a position at what we believe to be a favorable risk reward.

GCP Applied Technologies (GCP): GCP is a pure play construction chemical company. They are a leading producer in the United States (U.S.) of concrete admixtures, cement admixtures, and building envelope materials. The company is being acquired by Saint-Gobain S.A., a French multinational Corporation, which produces a variety of construction and high-performance materials for \$32.00 per share in an all-cash deal. The deal is expected to close in the second half of 2022. After reviewing the potential transaction, we believe the acquisition is very likely to be approved and there are minimal financing or regulatory concerns. Based on the terms of the deal versus the price we are paying, we believe GCP shares present an attractive risk reward relative to most other market opportunities.

Universal Health Services, Inc. (UHS): UHS is a leading provider of behavioral and acute health services in the U.S. In behavioral health, we like the company's position as the leader of a fragmented market with the ability to continue taking share by rolling up new locations and the tailwind from increasing acceptance of and access to care. We also like that UHS maintains one of the most conservative balance sheets among healthcare facilities, an industry that has historically embraced very high debt levels. The company is currently under-earning as they deal with higher labor costs and constrained volumes as a result of the Covid-19 pandemic, a dynamic we believe to be transitory. The stock has notably underperformed the market, which has allowed the company to institute an opportunistic repurchase plan that could see them repurchase up to 15 percent of the shares outstanding at what we believe to be a discount to fair value and allowed us the opportunity to re-initiate a position at a favorable risk reward.

Stocks We Eliminated from Your Portfolio (Fourth Quarter 2021):

Diageo PLC (DEO): DEO produces, distills, and markets a variety of alcoholic beverages. With leading market share positions in Scotch whiskey, vodkas, gins, and stout beers, DEO fits our definition of a market leading franchise across the vast majority of its businesses. After a period of outperformance, we exited the position as we found what we believe to be more attractive risk reward opportunities elsewhere.

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 including a 2.5 percent dividend yield. The stock has appreciated nicely since we initiated our most recent position last year, and we closed our position in the quarter in favor of what we view as better risk reward opportunities. We continue to like the business and will look to re-enter our position in the future.

MetLife, Inc (MET): Following a period of meaningful price appreciation, we have sold our position in MET as we look to upgrade the risk reward in the portfolio. MET continues to be a favored life insurance company on our Nuance Approved List, and we will continue to monitor for the next attractive entry point for our clients in the future.

Northrop Grumman Corporation (NOC): NOC is a leading aerospace and defense supplier primarily for the United States Department of Defense. Following a period of strong outperformance, we exited our position as the shares now trade at a premium to our internal estimate of fair value. We continue to like this disciplined and competitively advantaged defense contractor and will look to re-enter at a more favorable risk reward.

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

Dear Clients,

For the calendar year ending December 31, 2021, the Nuance Concentrated Value Composite was up 9.99 percent (net of fees) compared to the Russell 3000® Value Index, which was up 25.37 percent, and the S&P 500® Index, which was up 28.71 percent. From our perspective, since-inception performance is the most important barometer of performance, and in the period since inception (November 13, 2008 - December 31, 2021), the Nuance Concentrated Value Composite was up 14.27 percent (annualized and net of fees) compared to the Russell 3000® Value Index, which was up 12.49 percent, and the S&P 500® Index, which was up 15.76 percent.

Nuance Performance Goals

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

1. First, we seek 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 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 Concentrated Value Composite on November 13, 2008, we have outperformed our primary benchmark 11 out of 14 years (including our stub year of 2008) and 10 out of 13 (not including the 2008 stub year).
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 December 31, 2021, we have accomplished this goal, given that the Nuance Concentrated Value Composite rose 14.27 percent (annualized and net of fees) between its inception on November 13, 2008 through December 31, 2021 compared to the Russell 3000® Value Index, which rose 12.49 percent. Further, during the same period, the Nuance Concentrated Value Composite had a standard deviation of 12.67 percent (annualized and net of fees), meaningfully lower than the 15.84 percent standard deviation of the Russell 3000® 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 also been solid, as illustrated by the Nuance Concentrated Value Composite's 1st percentile Sharpe Ratio metrics versus our peers (see Exhibit 1 below).¹

Exhibit 1¹

Peer Group Analysis 11/30/2008 - 12/31/2021	Since Inception APR ¹	Standard Deviation (A) ¹	Sharpe Ratio (A) ¹
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4. Fourth and finally, we seek to beat our secondary benchmark 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 13, 2008 through December 31, 2021, the Nuance Concentrated Value composite was up 14.27 percent (annualized and net of fees) versus the S&P 500® Index, which was up 15.76 percent. Further, the Nuance Concentrated Value Composite had a standard deviation of 12.67 percent (net of fees) during the same time period, which is lower than the 14.51 percent standard deviation of the S&P 500® Index. As such our Sharpe Ratio was 1.09 versus the S&P 500® Index's Sharpe Ratio of 1.05. Accordingly, we believe our risk-adjusted returns are on track, though we are disappointed that since-inception performance is behind our secondary benchmark.

Nuance Perspectives²2021 Year in Review

The year 2021 can best be described as disappointing for us here at Nuance. Our Nuance Concentrated Value Composite was up 9.99 percent (net of fees), while the Russell 3000® Value Index (our primary benchmark) was up 25.37 percent and the S&P 500® Index (our secondary benchmark) was up 28.71 percent. Given the relative underperformance of the Nuance Concentrated Value Composite, we believe it is safe to say that the market and your Nuance team disagreed about where the best investment opportunities were for the entirety of the calendar year. Our longer-term results continue to be reasonable, in our view, as

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²For more information on how to obtain our calculation methodology, 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 our clients. Past performance does not guarantee future results.

noted above. That said, underperformance of approximately 1,500 basis points generally requires multiple underperforming sectors and issues, which was the case during 2021.

One of the most glaring areas of underperformance for our Nuance Concentrated Value Composite was the result of having no exposure to the Energy sector, the best-performing sector in the primary benchmark, the Russell 3000® Value Index. We continue to avoid the Energy sector due to what we believe are long-term competitive challenges within the sector. Buoyed by short-term boosts in demand and coming off multiple years of supply investment shortfalls, fossil fuel prices rebounded for both oil and natural gas in 2021. That led to the Energy sector portion of the Russell 3000® Value Index being up a robust 56.12 percent for 2021. Our team – through a significant and ongoing research effort – made the decision in 2017 that the Energy sector would likely be heading into a multi-decade transition that would see demand fall from today's levels and ultimately slowly contract. This, in our opinion, creates a group of companies that are likely to lose market share over the long-term, thus stifling normal growth and leading to potentially dilutive acquisition and capital allocation decisions to get primary legacy businesses away from the transition. That stance for the firm was a significant contributor for our clients in 2018, 2019, and 2020 (using FactSet two-factor Brinson Attribution). In 2018 we had positive attribution of 97 basis points (bps), in 2019 we gained 129 bps of attribution, and 2020 saw 274 bps of attribution. To quote last year's 2020 year-end commentary, "our identification of the competitive structural issues within the businesses that comprise the Energy sector in 2017 continued to bolster relative performance. The Energy sector was down significantly during the 2020 calendar year and our investment strategy's lack of exposure added more than 200 bps to relative returns." For 2021, that identification and work within the context of our Nuance process did not bear fruit, and we lost close to 125 bps as a result. Would we change our stance after reflecting on 2021's poor performance year? The simple answer is no. We continue to believe that there are and will be structural issues over time in the traditional fossil fuel-led portions of the Energy sector, and we remain void the space just like we are in any company, industry, or sector facing significant competitive transitions. Our going forward Energy-related investments will be centered on electrical equipment, electric supplies, and other niche areas, products, technology, and services that support solar, geothermal, wind-oriented energy, and other sustainable energy sources that materialize over time all within the context of our investment process.

The Nuance Concentrated Value Composite also underperformed due to below-average stock selection in the Financials sector coupled with an underweight stance for this outperforming sector for the year. Our investments were focused on the lagging Insurance industry and stocks including Travelers Companies, Inc. (TRV), and Everest Re Group, Ltd. (RE) hurt performance. These results were in keeping with a broader market theme, in our opinion. TRV and RE were each up for the twelve-month period, but they did not gain as much as the Russell 3000® Value Index in 2021 in a market where investors appeared focused, we believe, on companies with lower-quality competitive positions, greater leverage, and/or potentially higher valuations based on our internal Nuance definitions. The Financials sector is a large and expansive sector with competitive challenges and technological disruption observed within many of its industries and sub-industries, in our opinion. The consumer finance space (both consumer banks and services) is an example of an area within the Financials sector that we believe is fraught with competitive disruption and going forward competitive uncertainty that does not fit our Nuance process, yet that space did generally well in 2021. As our clients are aware, these are not attractive traits within the context of the Nuance investment process and thus are not areas we gravitate toward.

Another significant underperforming sector was the Health Care sector where our overweight stance and below-average stock selection hurt performance. Top holding Smith & Nephew PLC (SNN) is an example as it was down for the year as the different variants of Covid-19 once again extended the recovery of elective procedures particularly in Europe. That extension of the recovery was a theme across the Health Care sector and is the primary reason for underperformance, in our opinion. SNN continues to be representative of our investment process and is a top holding as of this writing and one of our compelling risk rewards heading into 2022. We will discuss the Health Care sector in more depth in the 2022 outlook.

We would also note underperformance in the Real Estate and the Consumer Staples sectors. Our investments in the Real Estate sector delivered negative attribution for 2021, primarily driven by our investment in Equity Commonwealth (EQC). EQC is an office REIT controlled by Sam Zell with more than \$23 per share in net cash on its balance sheet. During 2021, EQC made a failed takeover attempt which was perceived negatively by the market and caused the stock to underperform, in our opinion. As of the end of the year, with the stock near \$26 and net asset value per share of more than \$28, we still believe in our investment in EQC. Additionally, our underweight allocation to the Residential, Specialized (which includes self-storage), and Retail REITs caused negative relative performance, as those three GICS® sub-industries were all up more than 40 percent for the year, and we had no exposure to those sub-industries. Beiersdorf AG (BDRFY) was our worst performing Consumer Staples sector stock as cost pressure hurt near-term earnings and the stock underperformed. We continue to like both EQC and BDRFY and maintain top ten positions in each. Finally, modestly negative performance occurred in the Utilities, Industrials, and Materials sectors.

The positive sectors for the Nuance Concentrated Value Composite during the twelve-month period were just not meaningful enough to offset the negatives. That said, Communication Services was a positive sector for us as the sector underperformed the market and we were void the space. Additionally, the Information Technology sector was a positive for us as well as we were underweight the underperforming sector. Taken together, and as we discussed previously this year, the degree of the Nuance Concentrated 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. Overall, it is our opinion that the market has been in an aggressive late-cycle period where the risk component of the risk reward profile is generally not a paramount factor. 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 market environment 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 process; thus, when the market broadly prefers these traits, the Nuance Concentrated Value Composite can go through periods of underperformance. Clearly, 2021 was one of those times and a very difficult period. That said, underperformance can certainly breed opportunity, in our opinion, and we will discuss that more meaningfully below following a more detailed review of our portfolio attribution.

2021 Attribution Analysis

For the 12 months ended December 31, 2021, the Nuance Concentrated Value Composite was up 9.99 percent (net of fees) versus our primary benchmark, the Russell 3000® Value Index, which was up 25.37 percent. Thus, the strategy underperformed its benchmark by 15.38 percent. In studying the attribution (per

FactSet two-factor Brinson Attribution), we make the following observations:

1. Our overweight in the Health Care sector was a meaningful detractor to performance. Our investments were primarily in companies that had exposure to elective procedures, where we believed that Covid-19-related disruptions had caused material transitory under-earning. Subsequent waves of Covid-19 variants and associated impacts such as hospital staffing shortages caused a more protracted return to normal earnings power in many of those companies, in our view. Positive contributors in areas that recovered more quickly, such as Dentsply Sirona, Inc. (XRAY) in dental, were not sufficient to offset the negative contribution from stocks such as Smith & Nephew plc (SNN) in orthopedics, which remains operating well below what we consider to be normal levels. We continue to have a positive view on the Health Care sector as of the end of 2021.
2. Our overweight in the Consumer Staples sector was also a meaningful detractor to performance. Our investment in personal care products leader Beiersdorf AG (BDRFY) was our worst performing stock in 2021, and the announced acquisition of Sanderson Farms, Inc. (SAFM), our best performing stock in 2021, was not sufficient to offset it.
3. Stock selection in the Financials sector contributed negatively to performance as the negative contribution from our investments in insurers such as Travelers Companies, Inc. (TRV) and Everest Re Group, Ltd. (RE) exceeded the positive contribution from investments in banks and diversified financials such as Valley National Bancorp (VLY) and Northern Trust Corporation (NTRS).
4. Our investment in Equity Commonwealth (EQC) was a negative contributor to performance as they were unable to complete any meaningful acquisitions, and we believe their large net-cash balance sheet proved to be a drag in the up-trending market of 2021.
5. Our underweight of the Energy sector was a negative contributor to our performance as 2021 experienced a cyclical rebound in commodity prices and Energy was the best performing sector in the Russell 3000® Value Index. We continue to believe there are major competitive issues impacting the companies making up the Energy sector as new technologies take share from legacy fossil fuels and we retain a negative view of the sector despite its short-term outperformance.
6. We made no investments in the Communication Services sector in 2021 as we saw the risk of significant competitive threats, over-earning, and high leverage in many companies in the sector. The Communication Services sector was the worst performing sector in the Russell 3000® Value Index and our underweight position contributed positively to our performance.
7. Our underweight position in the Information Technologies and Industrials Sectors contributed positively to performance, as did our investment in Northrop Grumman Corporation (NOC).
8. Lastly, our cash position had a negative total effect as the Russell 3000® Value Index was up 25.37 percent in 2021.

2022 Outlook

Opportunities for 2022 emphasize taking full advantage of the market's current propensity to under-appreciate valuation and financial strength (lack of debt) as primary investment opportunities and factors. Specifically, we are centered on three issues that we believe are creating transitorily negative issues and thus opportunity at our companies, two of which are relatively new and one that is stubbornly persistent. The two relatively new issues are the ongoing Covid-19 disruptions (new since first quarter of 2020) and the newer cost and inflationary pressures we are seeing across the economy that manifested clearly in 2021. The older and more stubborn issue is the oddity of low interest rates in the face of these very same cost and inflationary numbers. Inflationary pressures mean different things to different investors. At Nuance, they have historically led to classic margin pressures for our businesses that buy raw materials for use in their products. According to our research, these pressures can typically persist for 6-24 months before the pressures either abate or revert, or the inflationary pressures are passed through to customers in the form of pricing. During this margin compression period, we have observed significant investment opportunities created over time. We have some examples forthcoming.

Stock selection is always at the forefront of Nuance's approach and therefore is once again the focus of this 2022 outlook. As we look forward to 2022 and hope for continued incremental normalcy in our day-to-day lives, Nuance's bottoms-up investment work suggests a Nuance Approved List that trades at an approximate price-to-earnings (P/E) multiple of more than 33.0x (based on Nuance internal estimates and up from approximately 30.0x at December 31, 2020), which is the mid-cycle or normalized earnings for the companies we track and study and an internal estimate of valuation we have used since the inception of the firm. These valuation levels would be at peaks relative to the available history of our investment process. For context, the multiple has ranged from trough levels of approximately 10.0x price-to-earnings multiples (again, using our mid-cycle earnings estimates) during 2009 all the way up to the peak levels now actually above 33x that we are observing today. We continue to be keenly aware that that these broad valuation metrics should be reminding everyone of the downside risk in stocks, but alas, that doesn't seem to be a focus.

Against this backdrop, we believe significant pockets of opportunity have been created by the aforementioned transitorily negative factors of Covid-19, inflationary cost pressures, and the habitually low interest rate levels. These three primary issues are leading us to focus our capital in the less cyclical parts of the market as we approach 2022. We will emphasize three areas of opportunity we are seeing: the Health Care sector, the Consumers Staple sector, and the Insurance industry within the Financials sector. We will take these one at a time.

- In 2021, the market disagreed with us that the Health Care sector was attractive. For 2022, the outlook is even better, in our opinion, as we compare our Health Care holdings' risk rewards to the market set of opportunities. Health Care continues to be a classic Nuance process opportunity group for 2022 as the traits being displayed, such as sustainable competitive advantages, above-average returns on capital through market cycles, and solid balance sheets, fit our core Nuance investment process at a high level. However, we believe transitory factors are causing this advantaged group of businesses to under-earn their mid-cycle or normal level of earnings, which we believe is leading the market to underestimate the long-term positive traits and value of these businesses. Covid-19 has been the key source of under-earnings since early to mid-2020 as care providers have dealt with procedure limitations, staffing shortages, and other uncommon disruptions, which has masked the underlying strength and long-term attractiveness of much of the Health Care

space, in our view. Aging demographics, a less cyclical sector generally, and a technology-oriented set of barriers for many of the companies sets this group apart from the market over time. Combine that with the near-term transitory issues and we feel very comfortable with our overweight heading into the new year. Today, we are near a maximum overweight position given the quality of the companies we own, the under-earnings for transitory reasons, and the attractive valuations. Baxter International (BAX), Smith & Nephew PLC Sponsored (SNN), a new name in Zimmer Biomet Holdings, Inc. (ZBH), and Universal Health Services, Inc. (UHS) are all examples of compelling risk reward opportunities in today's market, in our view.

- We also believe the Consumer Staples sector, another non-cyclical space (a broader theme actually), has become incrementally more attractive as an underperforming 2021 generally enhanced the risk rewards for some of our favorite stocks, in our opinion, and our weighting in the sector is near maximum levels. The companies that comprise this sector have broadly faced numerous headwinds in 2021 including higher labor and transportation costs, rising raw material costs, and difficult comparisons coming off the pandemic-oriented buying binge that occurred for many household goods in 2020. Key raw materials within this sector for both products themselves as well as packaging needs include pulp, which is made from timber and has been buoyed by above trend housing demand for lumber; resin, which is a hydrocarbon derivative; as well as various chemicals. The price of these commodities has been increasing rapidly and has created a near-term transitory headwind across most of the companies that comprise the sector's cost of goods sold, in our view. As one example, Kimberly-Clark Corporation's (KMB) 3rd quarter 2021 regulatory filings suggested that cost of goods sold for the nine-month period ending September 30, 2021 increased by almost 10 percent while its revenues were up low single digits, creating significant margin pressure. Historically, and much like in previous cycles where a commodity inflation occurs, the price increases lag the commodity increases and we believe it will likely take 6 to 24 months for pricing to catch up with costs and margins to normalize higher. A recent example within the Consumer Staples sector where this transitory period existed was between 2006 and 2008, which was another period where commodity prices went up significantly and temporarily impacted returns on capital for many companies in the space resulting in lower short-term earnings, lower valuations, and a risk reward opportunity for our clients and team.
- Finally, we continue to be overweight the Insurance industry within the Financials sector. Financials are a large and expansive sector with competitive challenges and technological disruption observed within many of its industries. The consumer finance space is an example of an area within Finance that we believe is fraught with competitive disruption and going forward competitive uncertainty that does not fit our Nuance process, yet that space did generally well in 2021. That said, within the sector are industries and companies with what we believe to be solid long-term competitive positions. We continue to see the Property & Casualty Insurance industry as a primary opportunity space, with leading businesses like Travelers Companies, Inc. (TRV) one of our largest holdings as of December 31, 2021. Improving fundamentals, improved pricing, and solid financial positions have resulted in the space rebounding, but not enough to outperform the broader market and the more speculative or competitively challenged spaces in the Financials sector, in our view. As such, we continue to emphasize the space.

Nuance Stocks

We will highlight three stocks heading into 2022. BAX, KMB, and BDRFY are each top 10 holdings and names we have added to throughout 2021 as their risk rewards have improved to historically attractive levels versus the market set of opportunities, in our opinion.

Baxter International Inc. (BAX): BAX is a leading manufacturer of kidney dialysis supplies and equipment along with IV fluids, pumps, nutritional compounds, pharmaceutical compounding supplies, pre-filled pharmaceutical bags, and certain surgical supplies. We believe the company is under-earning amid widespread declines in total hospital volumes due to Covid-19 mitigation efforts and elective surgery deferrals, a situation we view as transitory. They're also in the midst of an accretive acquisition of Hill-Rom Holdings, Inc. (HRC) which will bring in a leading position in hospital beds and patient monitoring equipment, products that we view as highly complementary to Baxter's IV pumps business. Prior to the HRC acquisition, we viewed Baxter as having normal earnings power of around \$4.00 per share, notable under-earning when compared to expectations of \$3.60 in earnings in 2021, primarily related to the above mentioned Covid-19 disruptions. However, the HRC acquisition, which closed in December with a total consideration of \$12.4 billion in an all-cash deal, is highly accretive to earnings, with our estimate of normal earnings power increasing to around \$5.30 after accounting for cost synergies that are highly likely to be realized, in our opinion. Baxter's typically strong balance sheet of approximately 1.0 times net debt to earnings before interest, taxes, depreciation, amortization, and rent (EBITDAR) was stretched to approximately 4.0 times on the deal, a level that we view as reasonable for a company with such a strong competitive position and stable return profile like BAX. We also like that the company has a clear plan and has committed to de-lever to under 3.0x leverage within 2 years. Today, the stock is trading at approximately 16.0-17.0x our estimate of normalized earnings and offers a compelling risk reward opportunity versus the broader set of our Nuance market opportunities (represented by our Nuance Master list of approved companies) which are trading at greater than 30.0x as a group.

Kimberly-Clark Corporation (KMB): KMB is a leading global manufacturer of a variety of staple household products, including diapers, wipes, feminine care products, adult incontinence products, and toilet paper. KMB's portfolio includes many notable brands our readers may recognize including Huggies®, Pull-ups®, Depends®, Cottonelle®, and Scott®. The Household Products sub-industry has long been a favorite sub-industry, given its stable demand profile, steady organic revenue growth rate, and limited risk of major technological disruption given the incumbents' scale, branding, and innovation. KMB has leading market shares in the geographies where it competes and is generally ranked #1 or #2 in its product categories, according to our research. Additionally, over the last few economic cycles, KMB has exhibited a high level of return on capital consistency with predictable peaks and troughs, has maintained reasonable leverage on its S&P A-rated balance sheet, and has displayed rational capital allocation policies, including its current 60 percent dividend payout ratio, which on today's stock price yields over 3 percent. This combination of product leadership and consistency with regards to its returns on capital, balance sheet and capital allocation policies has led our team to conclude that KMB has a solid competitive position and is well positioned for the future. KMB is expected to earn around \$6.25 per share in 2021 per Wall Street consensus estimates and we believe the company is under-earning its long-term potential. KMB has faced numerous headwinds in 2021 including higher labor and transportation costs. However, the largest issue facing KMB's reported earnings has been rising raw material costs, in our opinion. For KMB, key raw materials for its products and packaging include pulp, which is made from timber and has been buoyed by above trend housing demand for lumber, and to a lesser extent resin, which is a hydrocarbon derivative. The price of both commodities has been increasing rapidly and has created a near-term transitory headwind for KMB and its cost of goods sold. In fact, according to KMB's 3rd quarter 2021 regulatory filings, KMB's cost of goods sold for the nine-month period ending September 30, 2021 increased by almost 10 percent while its revenues were up low single digits, creating

significant margin pressure. KMB has already implemented price increases to help offset these raw material costs increases. Yet, much like in previous cycles including the commodity inflation cycle that happened between 2006 and 2008, the price increases have lagged the commodity increases and the Investment Team believes it will likely take a year or two for pricing to catch up with costs and margins to normalize higher. If organic revenues were to continue to grow in the low single digits, commodity inflation was to stabilize lower, and KMB was able to pass along price increases similar to prior cycles, then we believe KMB's earnings per share could reset higher. As of December 31, 2021, our average cost in KMB was approximately \$133 per share which equated to just over 17.5x the Investment Team's estimate of normalized earnings, a multiple that is below KMB's historical average and a multiple that is significantly more attractive than our Nuance proprietary long universe median multiple of more than 30.0x. If KMB's earnings per share were to reset higher and KMB's P/E multiple were to expand to levels in line with history, then meaningful absolute and relative upside could be generated, in our opinion. Additionally, we believe KMB's stable and well positioned balance sheet, when combined with its attractive dividend yield, should provide reasonable downside support for the stock in a market downturn. The combination of a company with an excellent competitive position in a desirable Household Products sub-industry, transitory under-earnings, and an inexpensive valuation is what the Investment Team looks for in an investment and explains why KMB was a top position in the Nuance Concentrated Value Composite at the end of the fourth quarter of 2021.

Beiersdorf AG Unsponsored ADR (BDRFY): BDRFY is a market-share leader in tape-style adhesives and serves the electronics, automotive, paper/packaging, construction, and consumer end markets. The company is also a leader in consumer products such as deodorants, sun care products, body lotions, facial moisturizers, and anti-aging creams. We believe the company is underearning as of this writing, primarily because of disruptions caused by the spread of Covid-19. The adhesives business had already started to weaken prior to the pandemic, but Covid-19 related government restrictions in much of the world shut down some manufacturing end markets for several months. Additionally, certain portions of the company's consumer products were negatively affected by Covid-19. Sunscreen saw much lower demand amid restrictions on travel or in some European and Asian countries, even leaving one's house. The company's ultra-premium skin care line (La Prairie®) experienced disruptions as consumers traded down to lower-priced items and as sales from travel-related end markets declined significantly. The skin care market in general has been relatively weak, as consumers have focused more on personal care items during stay-at-home orders. In addition, the company's balance sheet is much stronger than its peers, in our view, with a large net cash position compared to most of its peers, which carry approximately 2x net debt to EBITDAR. We believe this affords the company ample financial flexibility to take advantage of merger and acquisition opportunities, possibly raise its dividend, and/or engage in other capital allocation positive activities. Overall, we believe BDRFY is likely to experience a significant period of underearning as we expect it to earn approximately \$0.70 per share in 2021, well below our estimate of \$1.15-\$1.20 in normalized earnings per share (mid-cycle). At a stock price as of today's writing at approximately \$20.50, the result is a price-to-normalized-earnings multiple of approximately 17.0-18.0x, which is significantly more attractive than other market opportunities, 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 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)	3 Year Annualized Standard Deviation (SPX Index)
YTD 2008 (11/13/08-12/31/08)	4.47	4.47	0.37	(0.47)	N/A	7	\$9,126,951	\$18,657,997	4.6%	-	-	-
2009	42.24	41.70	19.76	26.46	1.2	79	\$87,342,803	\$137,943,058	0.6%	-	-	-
2010	18.79	18.13	16.23	15.06	0.3	145	\$119,543,453	\$181,201,036	0.5%	-	-	-
2011	6.85	6.29	(0.10)	2.11	0.5	181	\$96,831,359	\$152,976,943	1.1%	16.1	21.3	19.0
2012	18.41	17.79	17.55	16.00	0.2	259	\$154,693,966	\$214,936,666	1.0%	13.1	16.0	15.3
2013	35.33	34.45	32.69	32.39	0.7	411	\$418,085,862	\$507,569,897	0.4%	12.2	13.1	12.1
2014	8.88	8.07	12.70	13.69	0.2	581	\$886,246,169	\$1,071,186,382	0.2%	10.4	9.5	9.1
2015	(1.28)	(1.98)	(4.13)	1.38	0.2	607	\$715,577,980	\$913,545,839	0.1%	11.4	10.9	10.6
2016	20.49	19.70	18.40	11.96	0.1	694	\$937,752,729	\$1,466,221,847	0.1%	11.1	11.1	10.7
2017	12.11	11.29	13.19	21.83	0.1	726	\$1,011,853,027	\$1,784,338,191	0.0%	10.1	10.5	10.1
2018	(3.82)	(4.55)	(8.58)	(4.38)	0.2	588	\$689,752,219	\$1,724,795,756	0.0%	9.4	11.2	11.0
2019	28.92	28.00	26.26	31.49	0.1	522	\$795,289,051	\$3,486,104,071	0.0%	9.1	12.2	12.1
2020	4.25	3.48	2.87	18.40	0.2	539	\$834,339,154	\$5,948,860,811	0.0%	14.5	20.2	18.8
YTD 2021 As of: 12/31/2021	10.80	9.99	25.37	28.71	0.1	458	\$798,174,233	\$6,660,123,316	0.0%	14.1	19.6	17.4

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 – 3/31/21 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 report, please contact 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 creation and inception date for the Composite is 11/13/08. 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 is the S&P 500® TR Index. 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 factors. 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 Concentrated Value Composite is an all-capitalization value investment product and consists of separately managed accounts in the Nuance Concentrated Value strategy. Over the product life, the Nuance Concentrated Value Separate Account Product has been classified by Morningstar in the following categories: Large Value and Mid-Cap 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 Large Value Funds Peer Group, Morningstar Mid-Cap Value Funds Peer Group, and the Lipper Multi-Cap Value Funds Peer Group have been presented as investment strategies with a similar investment style to the Nuance Concentrated 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 Concentrated 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 Concentrated 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.

The Price to Earnings ratio measures the price of a company's stock in relation to its earnings per share. The Nuance price to earnings multiple is the median price to normalized earnings ratio across the Nuance approved list and is a proprietary calculation. As of 12/31/2021 portfolio weights of names discussed are as follows: BAX (6.2%), BDRFY (8.2%), BVS (0.6%), DEO (0.0%), EQC (5.5%), GCP (1.9%), HRC (0.0%), JNJ (0.0%), KMB (7.3%), MET (0.0%), NOC (0.0%), NTRS (3.5%), RE (2.5%), SAFM (4.7%), SNN (6.9%), TRV (6.5%), UHS (4.2%), VLY (0.0%), XRAY (1.9%), and ZBH (4.0%). The information presented related to the Nuance investment decision and selection process is intended to be informational in nature, speak to our process and does not represent a recommendation in any specific security or securities. Information not specific to a cited source constitutes the opinion of the Nuance investment team and should not be relied upon to make investment decisions. Investors should be aware of the risks associated with data sources including without limitation, fundamental, technical, qualitative and quantitative factors used in our investment process. Errors may exist in data acquired from third party vendors, the development of investment ideas, the analysis of data and the portfolio construction process. While Nuance takes steps to verify information so as to minimize the potential impact of potential errors, we cannot guarantee that errors will not occur.

Portfolio holdings and sector allocations are subjected to change and are not a recommendation to buy or sell any security. As of 12/31/2021 portfolio weights of top and bottom attributors are as follows:

Top Attributors (Portfolio Weight): SAFM (4.7%), KMB (7.3%), NTRS (3.5%), MET (0.0%), VLY (0.0%)

Bottom Attributors (Portfolio Weight): BDRFY (8.2%), SNN (6.9%), EQC (5.5%), ZBH (4.0%), CALM (3.0%)

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.