



Value. Delivered.

# Nuance Investments, LLC

## Semi-Annual Call: Concentrated Value

Scott Moore, CFA  
President & Co-Chief Investment Officer

# Agenda

- Firm Overview
- Team Update
- Process Summary
- 2021 Review
- 2022 Outlook
- Conclusion
- Q&A

# Nuance Investments

- Nuance Investments, LLC (Nuance) is a boutique classic value investment firm headquartered in Kansas City, Missouri.
- From its seed capital in 2008 of \$30 million, the firm today has approximately \$7.9 billion in three strategies managed by our investment team.
- Nuance is 100% employee owned.

Strategy	Inception	Current Assets <sup>1</sup>
Nuance Concentrated Value	2008	\$900 million
Nuance Mid Cap Value	2008	\$6.9 billion
Nuance Concentrated Value Long/Short	2015	\$130 million
<b>All Cap &amp; Mid Cap Strategies</b>		<b>\$7.9 billion</b>

- Nuance is not accepting investments from new firms and is continuing to grow with existing firms and their clients.
- Nuance Strategies are capacity constrained to position Nuance for future return potential.
- The goal of the firm is to provide clients with strategies that can sustain leading risk-adjusted returns over the long-term.

<sup>1</sup>Assets include discretionary assets and assets under advisement. Assets under advisement represent UMA assets, for which we have no discretionary authority nor responsibility for arranging or effecting the purchase or sale of securities. Inclusion of these assets may make our total asset number different from assets under management reported elsewhere.



# Nuance's Investment Team

## President & Co-Chief Investment Officer



**Scott Moore, CFA**

Scott.Moore@nuanceinvestments.com

- Founder & Co-owner of Nuance Investments, LLC
- 31 years of investment analyst experience
- 29 years as a value investment analyst
- 23 years of portfolio management experience using a classic value approach
- Lead Portfolio Manager of the Nuance Concentrated Value Strategy starting 11/13/2008
- Lead Portfolio Manager of the Nuance Mid Cap Value Strategy starting 11/03/2008
- Co-manager of the Nuance Concentrated Value Long-Short Strategy
- Expertise in the Utilities, Industrials, and Financials sectors

## Vice President & Co-Chief Investment Officer



**Chad Baumler, CFA**

Chad.Baumler@nuanceinvestments.com

- Co-owner of Nuance Investments, LLC
- 15 years of investment analyst experience
- 10 years of portfolio management experience using a classic value approach
- Lead Portfolio Manager of the Nuance Concentrated Value Long-Short Strategy
- Co-manager of the Nuance Concentrated Value and Nuance Mid Cap Value products
- Expertise in the Energy, Financials, and Real Estate sectors

## Portfolio Manager



**Darren Schryer, CFA, CPA**

Darren.Schryer@nuanceinvestments.com

- 6 years with Nuance Investments
- 10 years of investment and related financial experience
- Expertise in the Health Care, Communication Services, and Information Technology sectors

## Senior Investment Analyst



**Laurie S. Kirby, CPA**

Laurie.Kirby@nuanceinvestments.com

- Co-owner of Nuance Investments, LLC
- 23 years of investment analyst experience
- 11 years with Nuance Investments
- Expertise in the Materials sector

## Senior Investment Analyst



**D. Adam West, CFA**

Adam.West@nuanceinvestments.com

- 16 years of investment analyst experience
- 12 years with Nuance Investments
- Expertise in the Information Technology, Consumer Discretionary, and Consumer Staples sectors

## Senior Investment Analyst



**Jack Meurer, CFA**

Jack.Meurer@nuanceinvestments.com

- 5 years with Nuance Investments
- Expertise in the Industrials, Energy, and Utilities sectors

# Nuance's Investment Philosophy & Process

Investing in leading business franchises trading at a discount to fair value  
can generate excess returns over time

Quantitative  
Screening

Competitive  
Analysis

Proprietary  
Financial  
Statement  
Analysis

Proprietary  
Valuation  
Study

Portfolio  
Construction

# Nuance Concentrated Value Review

## Nuance Concentrated Value November 13, 2008 - December 31, 2021

	YTD 2021	1 Year	3 Year APR	5 Year APR	7 Year APR	10 Year APR	Since Inception APR	Since Inception TR
Nuance Concentrated Value Composite (Gross)	10.80	10.80	14.18	9.93	9.68	12.78	15.01	528.49
Nuance Concentrated Value Composite (Net)	9.99	9.99	13.35	9.12	8.89	11.99	14.27	477.48
Russell 3000® Value Index	25.37	25.37	17.63	10.99	9.70	12.88	12.49	369.25
S&P 500® Index	28.71	28.71	26.04	18.46	14.92	16.54	15.76	584.11

Note: While comparing the composite return to the secondary benchmark in the audio, the since inception rate of return of the composite is misstated. The rate of return is correctly displayed in the table above.

	11/13/08 - 12/31/08	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	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

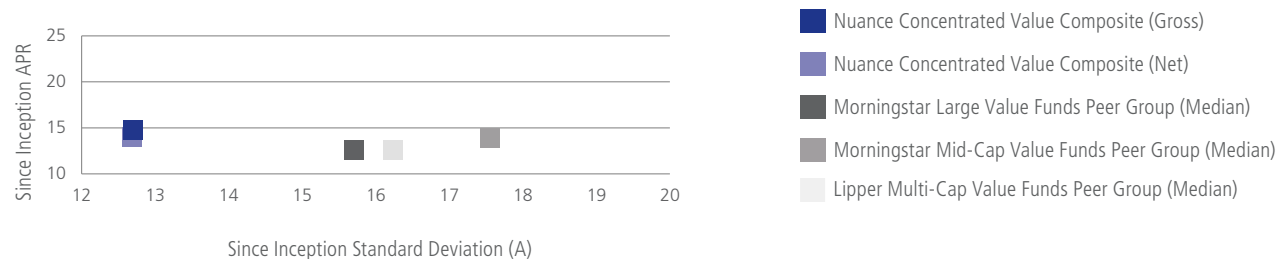
Commencement of the Nuance Concentrated Value Composite was 11/13/08. Return figures for the Nuance Concentrated Value Composite are provided by Clearwater Analytics. The primary benchmark for the Nuance Concentrated Value Composite is the Russell 3000® Value Index. The secondary benchmark is the S&P 500® TR Index. Return figures for all indices are provided by FactSet. Investors cannot invest directly in any index. Returns for periods greater than a year have been annualized.

# Nuance Concentrated Value Review

**Nuance Concentrated Value** November 30, 2008 - December 31, 2021

	Since Inception APR	Since Inception Standard Deviation (A)	Since Inception Sharpe Ratio (A)
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)

## Risk & Reward November 30, 2008 - December 31, 2021



The 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.

# 2021 Nuance Concentrated Value Review

## Overall Performance through December 31, 2021

- Nuance Concentrated Value was up 9.99 percent (net of fees) versus its primary benchmark, the Russell 3000® Value Index, up 25.37 percent and the S&P 500® Index up 28.71 percent for 2021.
- Since Inception (11/13/08) on an annualized basis, Nuance Concentrated Value has returned 14.27 percent (net of fees) compared to the Russell 3000® Value Index return of 12.49 percent and the S&P 500® Index of 15.76 percent.
- Since Inception (11/13/08) on an annualized basis, Nuance Concentrated Value has a standard deviation of 12.67 percent (net of fees) compared to the Russell 3000® Value Index at 15.84 percent and the S&P 500® Index of 14.51 percent.
- Including the stub year in 2008, Nuance Concentrated Value has now outperformed its primary benchmark 11 out of the 14 years it has been in existence.

## Positive Attribution

- Sanderson Farms, Inc. (SAFM), Kimberly-Clark Corporation (KMB), and Northern Trust Corporation (NTRS)
- Underweight: Communication Services and Information Technology

## Negative Attribution

- Health Care: Smith & Nephew PLC (SNN) and Zimmer Biomet Holdings, Inc. (ZBH)
- Consumer Staples: Beiersdorf AG (BDRFY) and Cal-Maine Foods, Inc. (CALM)
- Financials: Travelers Companies, Inc. (TRV), Everest Re Group, Ltd. (RE), and Chubb Limited (CB)
- Real Estate: Equity Commonwealth (EQC)
- Underweight: Energy
- Cash

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. Holdings identified do not represent all of the securities purchased, sold or recommended for the adviser's clients. Past performance does not guarantee future results. Please refer to disclosures for more information.



# 2022 Nuance Concentrated Value Outlook

## Investment Environment

- Nuance Universe of roughly 250 companies (Nuance Master List) is largely overvalued
- Covid-19 continues to be an evolving transitory issue
- Inflationary Pressures
- Leverage remains - Government and Corporate

## Opportunities

- Our overall portfolio Price to Earnings, based on normal earnings, is 15.4x versus our universe of 33.2x (as of 12/31/21)
- Health Care: Smith & Nephew PLC (SNN), Baxter International, Inc. (BAX), Zimmer Biomet Holdings, Inc. (ZBH), and Universal Health Services, Inc. (UHS)
- Consumer Staples: Beiersdorf AG (BDRFY) and Kimberly-Clark Corporation (KMB)
- Property & Casualty Insurance: Travelers Companies, Inc. (TRV)

## Risks

- Covid-19
- Leverage
- Valuation
- Competitive Transitions: Energy, Consumer Cyclical, and Distributors

Holdings identified do not represent all of the securities purchased, sold or recommended for the adviser's clients. Past performance does not guarantee future results. Please refer to disclosures for more information.

# Why Nuance?

- Consistent and Experienced Team
- Consistent Time-Tested Process
- Goal is consistent Performance both  
Absolute and Risk-Adjusted

Value. Delivered.



# Disclaimer and Notes

## **Not An Offer or Inducement**

Nuance Investments, LLC's (Nuance or the Company) presentation book has been prepared for informational purposes only and does not constitute an offer or solicitation to sell shares or securities in the Company or any related or associated company. Any such offer or solicitation will be made only by means of the Company's offer of discretionary investment management services under written contract. None of the information or analyses presented are intended to form the basis for any investment decision, and no specific recommendations are intended. Accordingly this book does not constitute investment advice or counsel or solicitation for investment in any security. This book does not constitute or form part of, and should not be construed as, any offer for sale or subscription of, or any invitation to offer to buy or subscribe for, any securities, nor should it or any part of it form the basis of, or be relied on in any connection with, any contract or commitment whatsoever. The Company expressly disclaims any and all responsibility for any direct or consequential loss or damage of any kind whatsoever arising directly or indirectly from: (i) the use of this presentation book, (ii) reliance on any information contained herein, (iii) any error, omission or inaccuracy in any such information or (iv) any action resulting therefrom.

## **Investment Performance**

Investors should seek financial advice regarding the appropriateness of investing in any securities or investment strategies discussed or recommended in this documentation and should understand that statements regarding future prospects may not be realized. Investors should note that income from such securities may fluctuate and that each security's price or value may rise or fall. Accordingly, investors may receive back less than originally invested.

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## **Fees and Related**

The full fee schedule for all Nuance products is available upon request. It should be noted that the collection of fees produces a compounding effect on the total rate of return net of management fees. Fees for separate accounts in the Nuance Concentrated Value composite generally are 0.95% for assets under \$25 million, 0.90% for assets under management between \$25-50 million, 0.85% for assets under management between \$50-75 million, 0.80% for assets under management between \$75-100 million, and 0.75% for assets greater than \$100 million. Incentive fee structures and performance-based fee structures are available for qualified clients and are negotiated individually. Nuance reserves the right to modify fee structures on an account by account basis at its discretion. In instances where Nuance has multiple accounts under an advisory relationship, Nuance typically calculates the amount of assets under management for the purpose of determining the applicable fee breakpoint by including all assets under that relationship. Gross of fee performance returns are presented before management fees but after all trading expenses that may occur. No other fees or expenses are deducted for gross of fee performance. 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. Valuations are net of all applicable withholding taxes. Portfolios are valued in accordance with GIPS® Valuation Principles. More information regarding standard investment management fees and the calculation of performance-based investment management fees is available upon request.

## **Additional Notes and Disclosures**

The use of derivatives may be employed for purposes of currency hedging and or to equitize the cash position of the portfolios.

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.

# Disclaimer and Notes Continued

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.

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%), CALM (3.0%), CB (1.5%), EQC (5.5%), KMB (7.3%), NTRS (3.5%), RE (2.5%), SAFM (4.7%), SNN (6.9%), TRV (6.5%), UHS (4.2%), 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.

# GIPS Compliance Disclosures

## Nuance Concentrated Value Composite

	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	1.17	79	\$87,342,803	\$137,943,058	0.6%	-	-	-
2010	18.79	18.13	16.23	15.06	0.25	145	\$119,543,453	\$181,201,036	0.5%	-	-	-
2011	6.85	6.29	(0.10)	2.11	0.48	181	\$96,831,359	\$152,976,943	1.1%	16.1	21.3	19.0
2012	18.41	17.79	17.55	16.00	0.19	259	\$154,693,966	\$214,936,666	1.0%	13.1	16.0	15.3
2013	35.33	34.45	32.69	32.39	0.66	411	\$418,085,862	\$507,569,897	0.4%	12.2	13.1	12.1
2014	8.88	8.07	12.70	13.69	0.20	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	0.18	607	\$715,577,980	\$913,545,839	0.1%	11.4	10.9	10.6
2016	20.49	19.70	18.40	11.96	0.14	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	0.14	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)	0.18	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	0.14	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	0.19	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	0.07	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.

### Fees and Returns:

Nuance is an investment adviser registered with the Securities and Exchange Commission. The firm maintains a complete list and description of composites, which is available upon request. Results are based on fully discretionary separate accounts under management, including those accounts no longer with the firm. The U.S. Dollar is the currency used to express performance returns and assets. Performance results are presented both net and gross of management fees and include the reinvestment of income. Both gross and net of fee returns are reduced by trading expenses that may occur. 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. The full fee schedule for all Nuance products is available upon request. It should be noted that the collection of fees produces a compounding effect on the total rate of return net of management fees. Fees for separate accounts in the Nuance Concentrated Value Composite generally are 0.95% for assets under \$25 million, 0.90% for assets under management between \$25-50 million, 0.85% for assets under management between \$50-75 million, 0.80% for assets under management between \$75-100 million, and 0.75% for assets greater than \$100 million. Nuance

# GIPS Compliance Disclosures Continued

reserves the right to modify fee structures on an account by account basis at its discretion. Incentive fee structures and performance-based fee structures are available for qualified clients and are negotiated individually. In instances where Nuance has multiple accounts under an advisory relationship, Nuance typically calculates the amount of assets under management for the purpose of determining the applicable fee breakpoint by including all assets under that relationship. Nuance's annual advisory fee is 0.85% of the average daily net assets for the Nuance Concentrated Value Fund. For the Nuance Concentrated Value Fund, the net expense ratio is 1.29% and 1.04% of the average daily net assets attributable to the Investor Class and the Institutional Class shares, respectively. Nuance has contractually agreed to reduce its management fees and pay fund expenses until at least 8/28/2022, to ensure that total annual fund operating expenses (exclusive of certain expenses as indicated in the prospectus) do not exceed 1.28% of the average daily net assets of the Investor Class and 1.03% of the average net assets of the Institutional Class. The net expense ratio represents what investors have paid as of the prospectus dated 8/27/2021. 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.

## Definition of the Firm

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

**Strategy:** Our Core offerings are the Nuance Mid Cap Value Strategy, the Nuance Concentrated Value Strategy and the Nuance Concentrated Value Long-Short Strategy. The Nuance Concentrated Value Composite consists of separately managed accounts and pooled investment funds (portfolios) in the Nuance Concentrated Value strategy. The composite was created and inception on November 13, 2008. Nuance Concentrated Value seeks to achieve long-term capital appreciation by investing primarily in equity securities of companies organized in the United States that the Investment Management Team believes are high quality, though temporarily out of favor. The Investment Management Team will invest primarily in the equity securities of U. S. companies. The portfolio may invest up to 25% of its assets in equity securities of foreign companies in countries classified as developed by MSCI. Nuance utilizes MSCI to classify its international holdings. The country classification of a company is generally determined by the company's country of incorporation and the primary listing of its securities. MSCI will classify a company in the country of incorporation if its securities have a primary listing in this country. In such cases where a company's securities have a primary listing outside of the country of incorporation, an additional analysis is performed to determine the company's country classification. 50 percent of the portfolio assets will generally not have positions of greater than 5.00 percent. The portfolio generally will not exceed a 25% weighting in Cash. Each security position will not be greater than 15.00 percent of the market value of the portfolio. The portfolio will not exceed a 25% weighting in one industry as defined by GICS® classification standards (GICS®). A typical portfolio will hold between 15 and 35 companies. This is not a fundamental diversification limit. There is no minimum separate account asset level necessary for inclusion in the composite.

**Benchmark:** For comparison purposes, the composite is measured against the Russell 3000® Value Index as the primary index. The Russell 3000® Value Index measures the performance of the 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.

**Dispersion:** 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. If these circumstances exist, the account will be removed from the composite and added back to the composite on the first day of the following month. More information regarding Composite List and descriptions and policies for valuing investments, calculating performance, and preparing GIPS® reports are available upon request by contacting client. services@nuanceinvestments.com or 816-743-7080. To obtain information about the pooled funds included in this strategy, please contact client.services@nuanceinvestments.com or 816-743-7080.