



Value. Delivered.

Nuance Investments, LLC

Semi-Annual Call: Concentrated Value

Scott Moore, CFA
President & Chief Investment Officer

Agenda

- Firm Overview
- Team Update
- Process Summary
- 2018 Review
- 2019 Outlook
- Conclusion

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 manages approximately \$1.9 billion in three strategies managed by our investment team.
- Nuance is 100% employee owned.
- Nuance manages three equity strategies:

Strategy	Inception	Capacity	Current Assets ¹
Nuance Concentrated Value	2008	\$1.0 billion	\$700 million
Nuance Mid Cap Value	2008	\$2.0 billion	\$1.1 billion
Nuance Concentrated Value Long/Short	2015	\$500 million	\$30 million

- Nuance strategies are all capacity constrained to ensure the ability to outperform going forward.
- The goal of the firm is to provide clients with strategies that can attain and sustain leading risk-adjusted returns over the long-term.

Nuance's Investment Team

President & Chief Investment Officer



Scott Moore, CFA

Scott.Moore@nuanceinvestments.com

- Founder & Co-owner of Nuance Investments, LLC
- 28 years of investment analyst experience
- 26 years as a value investment analyst
- 20 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 Industrial, Utility, and Communication Services sectors

Vice President & Senior Portfolio Manager



Chad Baumler, CFA

Chad.Baumler@nuanceinvestments.com

- Co-owner of Nuance Investments, LLC
- 12 years of investment analyst experience
- 7 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, Financial, and Real Estate sectors

Senior Investment Analysts



Laurie S. Kirby, CPA

Laurie.Kirby@nuanceinvestments.com

- 20 years of investment analyst experience
- 8 years with Nuance Investments
- Expertise in the Basic Materials and Industrial sectors

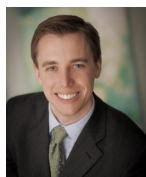
Investment Analysts



Darren Schryer, CFA, CPA

Darren.Schryer@nuanceinvestments.com

- 3 years with Nuance Investments and 4 years of related financial experience
- Expertise in the Health Care, Communication Services and Technology sectors



D. Adam West, CFA

Adam.West@nuanceinvestments.com

- 13 years of investment analyst experience
- 9 years with Nuance Investments
- Expertise in the Technology, Consumer Discretionary & Consumer Staples sectors



Jack Meurer, CFA

Jack.Meurer@nuanceinvestments.com

- 2 years with Nuance Investments
- Expertise in the Industrial sector

Nuance's Investment Philosophy & Process

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



Nuance Concentrated Value Review

Nuance Concentrated Value November 13, 2008 - December 31, 2018

	YTD 2018	1 Year	3 Years APR	5 Years APR	7 Years APR	10 Years APR	Since Inception APR	Since Inception TR
Nuance Concentrated Value Composite (Gross)	(3.82)	(3.82)	9.11	6.90	12.19	14.97	15.26	321.97
Nuance Concentrated Value Composite (Net)	(4.55)	(4.55)	8.33	6.13	11.42	14.26	14.55	296.46
Russell 3000 Value Index	(8.59)	(8.59)	6.99	5.75	10.90	11.11	11.00	187.90
S&P 500 Index	(4.39)	(4.39)	9.24	8.48	12.68	13.10	12.87	241.14

	11/13/08										
	12/31/08	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Nuance Concentrated Value Composite (Gross)	4.47	42.21	18.79	6.85	18.41	35.33	8.88	(1.28)	20.49	12.11	(3.82)
Nuance Concentrated Value Composite (Net)	4.47	41.72	18.13	6.29	17.79	34.45	8.07	(1.98)	19.70	11.29	(4.55)
Russell 3000 Value Index	0.38	19.78	16.26	(0.06)	17.62	32.72	12.69	(4.14)	18.38	13.17	(8.59)
S&P 500 Index	(0.47)	26.47	15.06	2.11	16.00	32.38	13.68	1.37	11.95	21.82	(4.39)

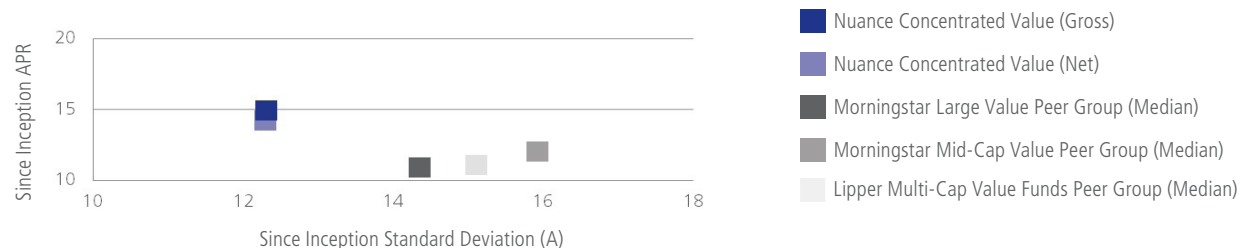
Commencement of the Nuance Concentrated Value Composite was 11/13/08. Return figures for the Nuance Concentrated Value Composite are provided by Clearwater Analytics. The primary benchmark for the Nuance Concentrated Value Composite is the Russell 3000 Value Index. The secondary benchmark is the S&P 500 Index. Return figures for all indices are provided by Bloomberg. Investors cannot invest directly in any index.

Nuance Concentrated Value Review

Nuance Concentrated Value November 30, 2008 - December 31, 2018

	Since Inception APR	Since Inception Standard Deviation (A)	Since Inception Sharpe Ratio (A)
Nuance Concentrated Value Composite (Gross)	14.93	12.31	1.18
Nuance Concentrated Value Composite (Net)	14.22	12.30	1.13
Morningstar Large Value Peer Group (Median)	10.92	14.35	0.74
Peer Group Percentile and Ranking	3rd (25 of 915)	11th (104 of 915)	1st (5 of 915)
Morningstar Mid-Cap Value Peer Group (Median)	12.06	15.92	0.73
Peer Group Percentile and Ranking	4th (11 of 299)	1st (2 of 299)	1st (1 of 299)
Lipper Multi-Cap Value Funds Peer Group (Median)	11.11	15.11	0.70
Peer Group Percentile and Ranking	4th (8 of 220)	6th (14 of 220)	1st (3 of 220)

Risk & Reward November 30, 2008 - December 31, 2018



Rankings and peer groups created internally using data from Zephyr Style Advisor. Risk-Adjusted Return (Sharpe Ratio), Standard Deviation and return calculations for the Composite and indices provided by Zephyr Style Advisor. The Composite has been compared to various peer groups defined by investment style. The Composite is an all market capitalization value investment style. Subsets of the Morningstar Large Value Peer Group, Mid Cap Value Group and the Lipper Multi-Cap Value Funds Peer Group have been presented as investment strategies with similar investment styles. For peer group comparisons all Returns, Standard Deviation and Sharpe Ratio calculations, including those of the Composite were calculated by Zephyr Style Advisor based upon strategies with monthly return data from December 2008 to present. Zephyr reports on month end returns only. For the purposes of peer group comparisons Since Inception returns are shown beginning 11/30/2008. The Sharpe Ratio is a calculation of a product's risk-adjusted performance over time. The Ratio is calculated by taking a product's annualized excess return over a risk-free rate (The Firm uses the Citigroup month Treasury Bill as the risk-free rate) and dividing by its annualized standard deviation calculated using monthly returns.

2018 Nuance Concentrated Value Review

Overall Performance

- Nuance Concentrated Value down -4.55% (net of fees) versus Russell 3000 Value Index down -8.59% and the S&P 500 Index down -4.39% for 2018.
- Since Inception (11/13/08) on an annualized basis, Nuance Concentrated Value has returned 14.55% (net of fees) compared to the Russell 3000 Value Index return of 11.00% and the S&P 500 Index at 12.87%.
- Since Inception (11/13/08) on an annualized basis, Nuance Concentrated Value has a standard deviation of 12.27% (net of fees) compared to the Russell 3000 Value Index at 14.61% and the S&P 500 Index at 13.52%.
- Including the stub year in 2008, Nuance Concentrated Value has now outperformed its primary benchmark 9 out of the 11 years it has been in existence.

Positive Attribution

- Materials: Ecolab Inc. (ECL) & Aptar Group (ATR)
- Health Care: Smith & Nephew (SNN), Becton Dickinson (BDX), Abbott Laboratories (ABT)
- Financials: Everest Re (RE) & WR Berkley (WRB)
- Cash
- Underweight Energy & Consumer Cyclical

Negatives

- Dentsply Sirona (XRAY)

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.

2019 Nuance Concentrated Value Outlook

Investment Environment

- Nuance Universe of roughly 250 companies (Nuance Master List) is largely overvalued
- Valuations are expensive: Universe trading 21x our normalized earnings, off peak of 25-26x
- Leverage remains
- Competitive transitions are accelerating

Opportunities

- Health Care: Dentsply Sirona (XRAY)
- Consumer Staples: Sanderson Farms (SAFM)
- Property & Casualty Insurance - Travelers Companies, Inc. (TRV) & Everest RE Group, Ltd. (RE)
- Life & Health Insurance - MetLife Inc. (MET) & Reinsurance Group of America (RGA)

Risks

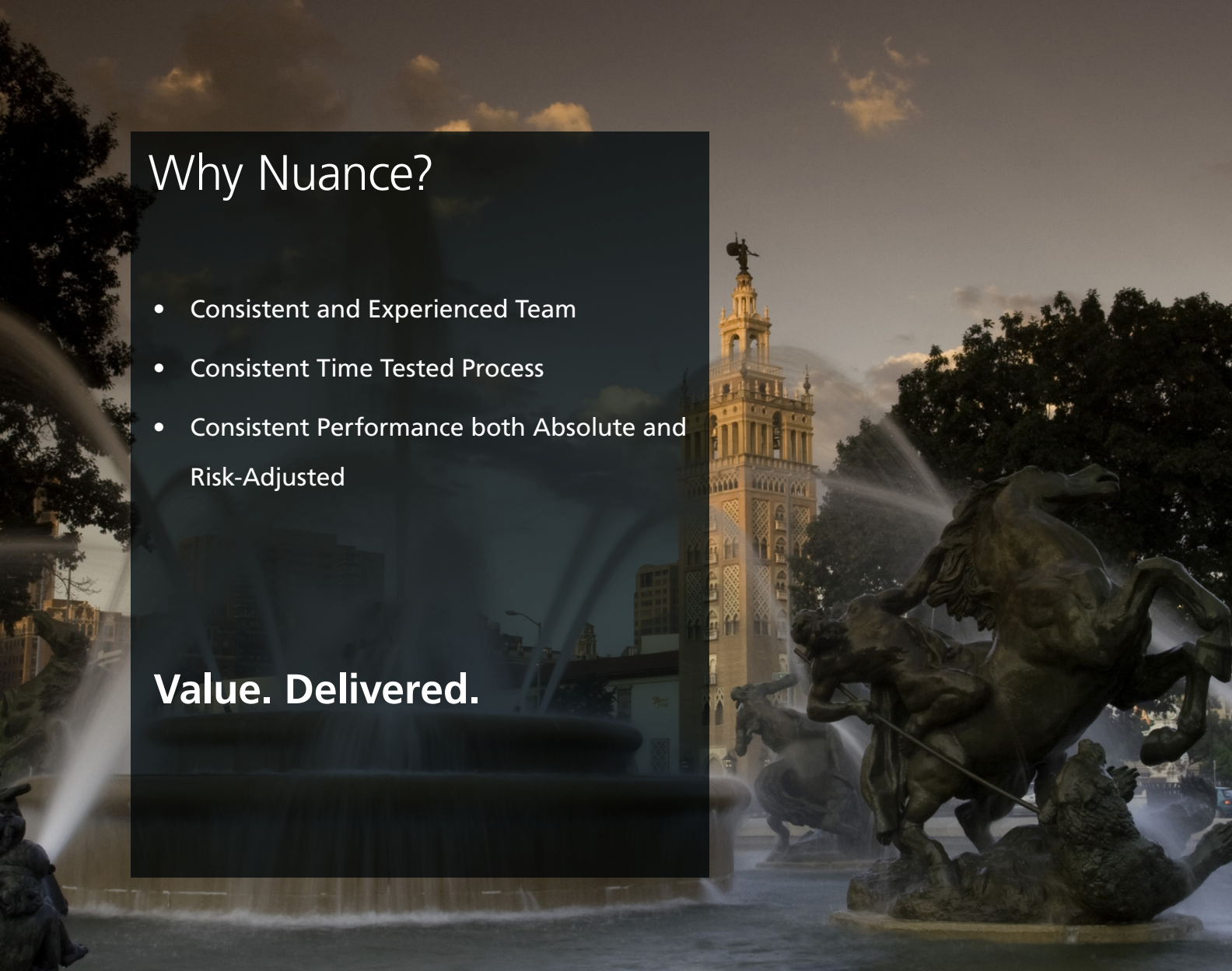
- Competitive Transitions: Energy & Consumer Cyclical
- Valuation
- Leverage

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
- 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.

No Warranties

Nuance takes care to ensure that the information provided is accurate and up to date. However this documentation is provided without warranties of any kind, either expressed or implied, including but not limited to warranties of title or implied warranties of merchantability or fitness for a particular purpose. Opinions expressed herein are subject to change without notice. All information and content in this book is furnished "as is," without warranty of any kind, express or implied, including but not limited to implied warranties of merchantability, fitness for a particular purpose, or non-infringement. The Company will not assume any liability for any loss or damage kind, arising, whether direct or indirect, caused by the use of any part of the information provided.

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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. Nuance Concentrated Value charges .95% for clients with assets under \$25 million, .90% for clients with assets under management between \$25-50 million, .85% for clients with assets under management between \$50-75 million, .80% for clients with assets under management between \$75-\$100 million, and .75% for clients with 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. Gross of fee performance returns are presented before management fees but after all trading expenses. No other fees or expenses are deducted for gross of fee performance. Net of fee performance returns are presented after actual standard management fees, actual performance-based management fees and all trading expenses. 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.

- (1) 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.
- (2) The market capitalization of at least 80 percent of the portfolio will generally be maintained in companies with market capitalizations between the smallest and largest members of the Russell Mid Cap Index (defined using a trailing 12 month average of the smallest and largest members on a month to month basis).

The P/E Statistics are a Nuance internal calculation. The dollar-weighted harmonic mean of individual company P/E ratios is used. This approach first considers holdings' E/P, which are then summed on a dollar-weighted basis across the entire portfolio to achieve a portfolio E/P ratio. Finally, the inverse of this ratio is taken to arrive at the Portfolio P/E ratio. The Dividend Yield is calculated based on how much an investment pays in dividends each year relative to its share price. The Return on Equity is calculated by dividing net income by shareholder equity. The Return on Assets is calculated based on net income divided by average total assets. Return calculations for the Composite are provided by Clearwater Analytics. Return calculations for all indices are provided by Bloomberg.

Disclaimer and Notes Continued

Portfolio holdings and sector allocations are subjected to change and are not a recommendation to buy or sell any security. As of 12/31/2018 portfolio weights of names discussed are as follows: Abbott Laboratories (ABT) 0.00%, AptarGroup Inc. (ATR) 0.00%, Becton Dickinson Co. (BDX) 0.00%, Ecolab Inc. (ECL) 0.00%, Metlife Inc. (MET) 4.07%, Everest Re Group (RE) 3.59%, Reinsurance Group of America Inc. (RGA) 3.58%, Sanderson Farms Inc. (SAFM) 6.57%, Smith & Nephew PLC Sp ADR (SNN) 5.22%, Travelers Companies Inc. (TRV) 5.46%, WR Berkley Corp. (WRB) 1.00%, and Dentsply Sirona Co. (XRAY) 7.76%.

Past performance is not indicative of future results.

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)
YTD 2008 (11/13/08-12/31/08)	4.47	4.47	0.38	(0.47)	N/A	7	\$9,126,951	\$18,657,997	4.57%	-	-
2009	42.21	41.72	19.78	26.47	1.17	79	\$87,342,803	\$137,943,058	0.60%	-	-
2010	18.79	18.13	16.26	15.06	0.25	145	\$119,543,453	\$181,201,036	0.46%	-	-
2011	6.85	6.29	(0.06)	2.11	0.48	181	\$96,831,359	\$152,976,943	1.13%	16.13	21.31
2012	18.41	17.79	17.62	16.00	0.19	259	\$154,693,966	\$214,936,666	0.98%	13.05	16.02
2013	35.33	34.45	32.72	32.38	0.66	411	\$418,085,862	\$507,569,897	0.41%	12.20	13.08
2014	8.88	8.07	12.69	13.68	0.20	581	\$886,246,169	\$1,071,186,382	0.16%	10.44	9.49
2015	(1.28)	(1.98)	(4.14)	1.37	0.18	607	\$715,577,980	\$913,545,839	0.12%	11.39	10.90
2016	20.49	19.70	18.38	11.95	0.14	694	\$937,752,729	\$1,466,221,847	0.06%	11.10	11.12
2017	12.11	11.29	13.17	21.82	0.14	726	\$1,011,853,027	\$1,784,338,191	0.02%	10.09	10.48
YTD 2018 (12/31/2018)	(3.82)	(4.55)	(8.59)	(4.39)	0.18	588	\$689,732,835	\$1,724,795,756	0.03%	9.39	11.21

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 – 3/31/2018 by Absolute Performance Verification. The verification reports are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

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. Net of fee returns are reduced by Actual investment advisory fees and other expenses that may be incurred in the management of the account. 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. Nuance Concentrated Value charges .95% for clients with assets under \$25 million, .90% for clients with assets under management between \$25-50 million, .85% for clients with assets under management between \$50-75 million, .80% for clients with assets under management between \$75-\$100 million, and .75% for clients with assets greater than \$100 million. Nuance reserves the right to modify fee structures on an account by account basis at its discretion. The firm does not currently assess any Performance Based Fees. 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.

GIPS Compliance Disclosures Continued

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 portfolio's 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 (portfolios) in the Concentrated Value strategy. The composite was created on November 13, 2008. Nuance Concentrated Value seeks to achieve long-term capital appreciation by investing primarily in equity securities (including common stocks, preferred stocks and convertible 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; however the portfolio may invest up to 25% of its assets in equity securities of foreign companies 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. Cash will generally not be greater than 25 percent of the market value of the portfolio. 50 percent of the portfolio assets will generally not have positions of greater than 5 percent. Each security position will generally not be greater than 15 percent of the market value of the portfolio. Each portfolio will not exceed a 25 percent weighting in one industry as defined by Global Industry Classification Standards (GICS®). A typical portfolio will hold between 15 and 35 securities. There is no minimum separate account asset level necessary for inclusion in the composite.

Benchmark: For comparison purposes, the composite is measured against Russell 3000® Value Index as a primary 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 Russell 3000® Value Index is constructed to provide a comprehensive, unbiased, and stable barometer of the broad value market. The Index is completely reconstituted annually to ensure new and growing equities are included and that the represented companies continue to reflect value characteristics. Secondary index is the S&P 500 Index TR. It should be noted that the Russell Midcap® Value Index was considered the primary index until June 30, 2010. Beginning July 1, 2010 the primary index is considered the Russell 3000® Value Index. The change in index was due to further study surrounding the market for all-cap strategies and the appropriate index for these strategies.

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 the following Significant Cash Flow Policy. An account will be removed from a composite if a client has given specific instructions that prevent full investment of the cash flow(s) in a timely manner (defined as 5 business days or greater), or if a single cash flow is equal or greater than 10 percent of the total account value based on the beginning of the month market value. If these circumstances exist, the account will be removed from the composite and added back to the composite on the first day of the following month. More information regarding Composite descriptions and policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request by contacting client.services@nuanceinvestments.com or 816-743-7080.