Nuance Concentrated Value Composite Perspectives

June 30, 2022

Description of the Product

The Nuance Concentrated Value Composite is a classic value investment product investing primarily in the equity or equity-linked securities of United States based companies. The product will typically maintain 15-35 positions in the securities of companies that, in the opinion of the Nuance Investments Team, have leading and sustainable market share positions, above average financial strength, and are trading at prices materially below our internally derived view of intrinsic value. The product's primary benchmark is the Russell 3000® Value Index. Clients may also compare the product to the S&P 500® Index.

Portfolio Managers

Chad Baumler, CFA
Vice President & Co-CIO
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 Rankings[1]

1ST PERCENTILE

Lipper
Category: Multi-Cap Value
Ranking vs. Peers: 2 of 326

Morningstar
Category: Large Value
Ranking vs. Peers: 3 of 877

Morningstar
Category: Mid-Cap Value
Ranking vs. Peers: 2 of 279

Longer Term Performance Update (through June 30, 2022)

Since Inception Return: The return since inception (11/13/2008) through 6/30/2022 is 13.13 percent (annualized and net of fees) versus the Russell 3000® Value Index and S&P 500® Index, which have returned 10.85 percent and 13.28 percent, respectively.

Risk-Adjusted Returns: Our Sharpe Ratio since inception through 6/30/2022 is 1.00 (net of fees) versus the Russell 3000® Value Index at 0.65 and the S&P 500® Index at 0.86.

Peer Group Returns through 6/30/2022: Comparing our product to peers displays positive results over time. On a total return basis, since 11/30/2008, we ranked 75 out of 877 peer group members (9th percentile) in the Morningstar Large Value Funds universe, 60 out of 279 (22nd percentile) in the Morningstar Mid-Cap Value Funds universe, and 43 out of 326 (13th percentile) in the Lipper Multi-Cap Value Funds universe.

Peer Group Risk-Adjusted Return through 6/30/2022: On a risk-adjusted return basis, since 11/30/2008, (measured by the Sharpe Ratio) we ranked 3 out of 877 peer group members (1st percentile) in the Morningstar Large Value Funds universe, 2 out of 279 (1st percentile) in the Morningstar Mid-Cap Value Funds universe, and 2 out of 326 (1st percentile) in the Lipper Multi-Cap Value Funds universe.

Peer Group Analysis 11/30/2008 - 6/30/2022	Since Inception APR[1]	Standard Deviation (A)[1]	Sharpe Ratio (A)[1]
Nuance Concentrated Value Composite (Gross)	13.61	12.67	1.04
Nuance Concentrated Value Composite (Net)	12.88	12.65	0.98
Morningstar Large Value Funds Peer Group (Median)	11.07	15.81	0.67
Peer Group Percentile and Ranking	9th (75 of 877)	7th (59 of 877)	1st (3 of 877)
Morningstar Mid-Cap Value Funds Peer Group (Median)	12.13	17.71	0.63
Peer Group Percentile and Ranking	22nd (60 of 279)	1st (1 of 279)	1st (2 of 279)
Lipper Multi-Cap Value Funds Peer Group (Median)	10.98	16.20	0.64
Peer Group Percentile and Ranking	13th (43 of 326)	3rd (9 of 326)	1st (2 of 326)

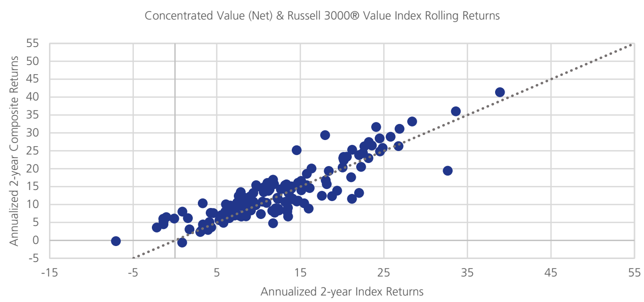
Performance 11/13/2008 - 6/30/2022	APR*	TR*	Standard Deviation*	Sharpe Ratio*	10 Year	7 Year	5 Year	3 Year	1 Year	YTD 2022
Nuance Concentrated Value Composite (Gross)	13.86	487.50	12.65	1.06	11.29	7.92	7.43	5.88	(5.21)	(6.52)
Nuance Concentrated Value Composite (Net)	13.13	437.87	12.64	1.00	10.50	7.14	6.65	5.11	(5.90)	(6.86)
Russell 3000® Value Index	10.85	307.57	15.93	0.65	10.39	7.59	7.00	6.81	(7.46)	(13.15)
S&P 500® Index	13.28	447.56	14.88	0.86	12.95	11.13	11.30	10.59	(10.62)	(19.96)

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

[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. 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.

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

Rolling 2-Year Return Periods			Current 2-Year Period as of 6/30/2022	
11/30/2008 - 6/30/2022	Periods Beating the Index		Composite (%) Annualized Net of Fees	Russell 3000® Value Index (%)
Nuance Concentrated Value Composite	89/140	63.6%	8.88	15.99



Your team at Nuance cautions clients regarding the use of short-term performance as a tool to make investment decisions. That said, if a client wants to consider our short-term performance, we recommend emphasizing two-year rolling periods since our inception. Our normal discussion of short-term performance will center on two-year performance, but we will also note calendar year to date results as is our tradition.

For the period ending June 30, 2022, the Nuance Concentrated Value Composite two-year rolling return is 8.88 percent (annualized and net of fees) versus the Russell 3000® Value Index and S&P 500® Index which have returned 15.99 percent and 12.18 percent, respectively. Overall, we have outperformed in 89 out of the available 140 two-year periods as shown in the chart labeled Rolling 2-Year Return Periods.

Year-to-date, the Nuance Concentrated Value Composite has returned (6.86) percent (net of fees) versus the Russell 3000® Value Index and the S&P 500® Index, which have returned (13.15) percent and (19.96) percent respectively.

Calendar Year Performance as of 6/30/2022	11/13/08 - 12/31/08	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	YTD 2022
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	(6.52)
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	(6.86)
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	(13.15)
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	(19.96)

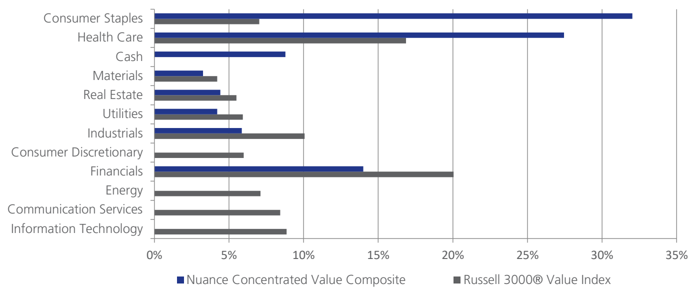
Composition of the Portfolio as of 6/30/2022

Portfolio Characteristics[2]	Nuance Concentrated Value Composite	Russell 3000® Value Index
Weighted Average Market Cap	21.3b	136.6b
Median Market Cap	11.1b	2.0b
Price to Earnings (internal and ttm)*	13.2x	14.0x
Price to Earnings (ex-neg earnings)	-	12.6x
Dividend Yield	1.8%	2.2%
Return on Equity	11.0%	15.0%
Return on Assets	3.5%	3.0%
Active Share vs Russell 3000® Value Index	98%	-
Upside/Downside Capture Ratio vs Russell 3000® Value Index	81% / 63%	-
Number of Securities	24	2,263

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

We continue to be pleased with the overall composition of the portfolio. Remember that we are seeking investment opportunities in leading business franchises with better than average valuation support. Using the adjacent table, you can see that the portfolio has a Price to Earnings ratio of 13.2x versus the Russell 3000® Value Index of 14.0x. We are achieving this ratio with a portfolio of companies that have a return on assets of 3.5 percent versus the Russell 3000® Value Index of 3.0 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 6/30/2022



While the volatility in the quarter created opportunities that we believe allowed us to take advantage of the changing risk rewards in the portfolio, our sector weightings have not shifted significantly. The largest overweight positions, relative to the index, remain the Consumer Staples and Health Care sectors. Within the Consumer Staples sector, we continue to see opportunities primarily in the Personal Products, Household Products, and Food Products industries as we believe inflationary pressure continues to impact select businesses. Our view is that earnings have been negatively impacted by rising raw material costs. We believe these costs can ultimately be mostly offset by price increases which generally lag the raw material price increases. We retain our significant overweight position to the Health Care sector as we wait patiently for elective procedures to normalize following a prolonged disruption. We continue to believe there is a meaningful backlog of deferred procedures to be worked through and under-earnings continue across many of our favored Health Care leaders. We currently have positions in several Health Care stocks, primarily in the Equipment & Supplies industry. While we remain underweight the Financials and Industrials sectors, we did modestly add to our weights in the aforementioned sectors as select stocks started to look attractive from a risk reward standpoint. We reduced our weight in the Utilities and Real Estate sectors and were able to move into to what we believe are more attractive risk rewards in other areas of the economy. We remain underweight in the Energy sector where we believe the sector is facing a multi-year period of competitive transition. Lastly, we remain underweight in the Consumer Discretionary, Communication Services, and Information Technology sectors primarily due to a combination of competitive uncertainty and valuation concerns.

Stocks We Added to Your Portfolio (Second Quarter 2022):

Alleghany Corporation (Y): Y is a leading North American reinsurer with an $11.0 billion market cap. Berkshire Hathaway announced on March 21, 2022, that it would acquire Y for $848.02 per share in cash. After reviewing the potential transaction, we believe the acquisition is very likely to be approved and close in the third quarter of 2022 as there are minimal financing or regulatory concerns. Based on the terms of the deal versus the price we are paying, we believe Y shares present an attractive risk reward.

Charles Schwab Corp (SCHW): We are re-entering SCHW, one of our favorite Financials sector constituents, after a recent period of underperformance and a falling stock price. With over $7.0 trillion of client assets, SCHW is a leading provider of a variety of financial services to individual investors, independent investment managers, retirement plans, and institutions. Recent market volatility has provided, what we believe to be, a reasonable entry point for our clients into this leading business franchise at an attractive risk reward.

Knorr-Bremse AG (KNRRY): KNRRY is a German-based global leader in braking systems and safety critical sub-systems for rail and commercial vehicles. Covid-19-related declines in passenger rail traffic have resulted in the postponement of projects and the extension of maintenance cycles causing transitory under-earning in KNRRY's core passenger rail business, in our opinion. With additional weakness in the shares following the recent geopolitical uncertainty in Europe, we initiated a position in what we believe is a relatively attractive risk reward.

Mueller Water Products, Inc. (MWA): MWA is a leading manufacturer of fire hydrants, specialty valves, and pipe repair products for water infrastructure markets. In recent quarters, MWA has experienced margin pressure due to challenges from higher inflation, a lack of labor availability, and supply chain disruptions. Additionally, the company is in the middle of a heavy capital spending cycle as management is upgrading the company's manufacturing capacity, which has weighed on free cash flow. We believe these dynamics to be transitory in nature as the company expects to complete its capital projects by 2023 and has taken pricing actions to offset cost inflation. Recent weakness in the shares has created what we believe is an attractive risk reward opportunity in the stock.

United Utilities Group PLC (UUGRY): UUGRY is one of the largest water utility companies in the United Kingdom, primarily serving the northwestern region of England. We believe the company is under-earning today due to historically low allowed returns on equity and regulatory lag, which has been exacerbated by the recent inflationary environment. Following a period of poor performance, we have re-established a position in UUGRY at what we believe is an attractive risk reward.

Stocks We Eliminated from Your Portfolio (Second Quarter 2022):

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. We exited our small position in the quarter after a period of modest underperformance in favor of other investments in the Health Care Equipment & Supplies industry that we view as more attractive options at this time.

NuVasive, Inc. (NUVA): NUVA is a leading manufacturer of spine implants, tools, and supplies with a portfolio that is oriented toward innovative products and minimally invasive techniques. We exited our small position in the quarter after a period of modest outperformance in favor of other investments in the Health Care Equipment & Supplies industry that we view as more attractive options at this time.

Sanderson Farms, Inc. (SAFM): SAFM is the third-largest chicken producer in the United States (U.S.) and has been gaining market share for the past 20 years, according to our research. The company is #1 or #2 in many areas of the Southeastern U.S., and we believe it is the lowest cost processor of poultry. In August 2021, SAFM agreed to be acquired by a joint venture between Cargill and Continental Grain Company for $203 per share. The stock has now outperformed over the past couple of years due to the announced acquisition and recent strong fundamentals in the chicken industry. However, the closing of the acquisition is in question due to regulatory scrutiny on the poultry processing industry, and with the stock trading near the deal price and above our fundamental fair value, we exited the position as we found what we believe to be more attractive risk reward opportunities elsewhere.

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

Dear Clients,

For the six months ending June 30, 2022, the Nuance Concentrated Value Composite was down (6.86) percent (net of fees) compared to the Russell 3000® Value Index, which was down (13.15) percent, and the S&P 500® Index, which was down (19.96) percent. From our perspective, since-inception performance is the most important barometer of performance, and in the period since inception (November 13, 2008 - June 30, 2022), the Nuance Concentrated Value Composite was up 13.13 percent (annualized and net of fees) compared to the Russell 3000® Value Index, which was up 10.85 percent, and the S&P 500® Index, which was up 13.28 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). For the first six months of 2022, the Nuance Concentrated Value Composite was down (6.86) percent (net of fees) versus our primary benchmark, the Russell 3000® Value Index, which was down (13.15) percent. If that performance holds for the full calendar year, the Nuance Concentrated Value Composite will have outperformed 12 out of 15 years (including the stub period of 2008).
2. Second, we seek to outperform our primary benchmark (since inception and net of fees) and to do so with less risk, as measured by the standard deviation of returns. As of June 30, 2022, we have accomplished this goal, given that the Nuance Concentrated Value Composite rose 13.13 percent (annualized and net of fees) between its inception on November 13, 2008 through June 30, 2022 compared to the Russell 3000® Value Index, which rose 10.85 percent. Further, during the same period, the Nuance Concentrated Value Composite had a standard deviation of 12.64 percent (annualized and net of fees), meaningfully lower than the 15.93 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 1[1]

Peer Group Analysis 11/30/2008 - 6/30/2022	Since Inception APR[1]	Standard Deviation (A)[1]	Sharpe Ratio (A)[1]
Nuance Concentrated Value Composite (Gross)	13.61	12.67	1.04
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Peer Group Percentile and Ranking	22nd (60 of 279)	1st (1 of 279)	1st (2 of 279)
Lipper Multi-Cap Value Funds Peer Group (Median)	10.98	16.20	0.64
Peer Group Percentile and Ranking	13th (43 of 326)	3rd (9 of 326)	1st (2 of 326)

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 June 30, 2022, the Nuance Concentrated Value composite was up 13.13 percent (annualized and net of fees) versus the S&P 500® Index, which was up 13.28 percent. Further, the Nuance Concentrated Value Composite had a standard deviation of 12.64 percent (annualized and net of fees) during the same time period, which is lower than the 14.88 percent standard deviation of the S&P 500® Index. As such our Sharpe Ratio was 1.00 versus the S&P 500® Index's Sharpe Ratio of 0.86. Accordingly, we believe our risk-adjusted returns are on track, though we are disappointed that since-inception performance is modestly behind our secondary benchmark.

2022 YTD Attribution Analysis[2]

For the six months ending June 30, 2022, the Nuance Concentrated Value Composite was down (6.86) percent (net of fees) compared to the Russell 3000® Value Index, which was down (13.15) percent. Thus, the strategy outperformed its benchmark by 6.29 percent. In studying the attribution (per FactSet two-factor Brinson Attribution), we make the following observations:

1. Our stock selection in the Financials sector was a significant positive contributor to performance as our investments in property & casualty insurers such as Travelers Companies, Inc. (TRV) outperformed in the period.

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2. Our stock selection in the Health Care sector was a significant detractor from performance as our investments in Baxter International Inc. (BAX), ICU Medical, Inc. (ICUI), Dentsply Sirona, Inc. (XRAY), and Smith & Nephew PLC (SNN) all underperformed in the period.
3. Within the Consumer Staples sector, our overweight position combined with our stock picks contributed to outperformance. Our stock picks in Cal-Maine Foods, Inc. (CALM), Kimberly-Clark Corporation (KMB), Beiersdorf AG (BDRFY), and Clorox Company (CLX) more than offset positions in underperformers such as Henkel AG & Co. (HENKY).
4. Our underweight of the Energy sector was a meaningful detractor from performance as geopolitical instability exacerbated a cyclical rebound in commodity prices and Energy was the best performing sector in the period.
5. Our stock selection within the Real Estate sector was a positive contributor to performance as Equity Commonwealth (EQC) executed on an accretive stock repurchase plan at a discount to net asset value and was up in the period.
6. Our stock selection in the Utilities sector was a modest detractor from performance while our stock selection in Materials was a modest contributor to performance.
7. Our underweight positioning to several sectors including Information Technology, Consumer Discretionary, and Communication Services contributed to performance as those sectors underperformed in the period.
8. While our underweight position in the Industrials sector was a positive contributor to performance, our stock selection within the sector was a modest detractor from performance as 3M Company (MMM) underperformed in the period.
9. Our average cash weighting of 13.1 percent contributed to performance as the benchmark was down in the period.

Nuance Perspectives[2]

We are pleased with our first six months of performance following the first meaningful pullback in domestic equity markets since the early 2020 Covid-19-induced selloff. Global uncertainty abounds as the Russian military attacks on Ukraine, rising inflation levels, rising interest rates, rapidly rising energy prices, and the prospects for continued central bank tightening all have raised concerns with investors. These concerns, coupled with what we believed to be high levels of valuations across much of the broad stock market at year-end 2021 and debt levels at the government and corporate levels being above normal, resulted in a market pullback.

For some context surrounding the degree of valuation compression thus far in 2022, we would lean on our historical valuation data for our Nuance Universe (consisting of our Nuance list of approved companies). At the end of 2021, the median company on our list of leading business franchises was trading at a price-to-earnings ratio of approximately 32.0x our estimate of normalized mid-cycle earnings. For our list of mature businesses, that's a valuation multiple we viewed as well above average and near historical peaks that we have observed over multiple full investment cycles. As of the end of the second quarter of 2022, that median multiple has shrunk to a slightly more palatable price-to-earnings ratio of 24.5x. However, according to our research, 24.5x is still significantly higher than historical norms, suggesting patience is still an appropriate line of thinking as we head into the heat of the summer.

Additionally, we are still observing many companies across a wide swath of the economy that are operating at or near their peak historical returns on capital; we observe these companies in sectors, industries, and sub-industries including, but not limited to, the Energy and Materials sectors, the Semiconductors & Semiconductor Equipment, Retailing, and Transportation industries, and the Electrical Equipment, Life Sciences Tools & Services, Household Durables, and Industrial Machinery sub-industries. These are generally pro-cyclical sections of the economy, in our view, and it isn't surprising to us that the market is finally starting to question the sustainability of peak earnings power as the economy weans off a period of record fiscal and monetary stimulus and extremely low interest rates. The good news is that we are starting to see select new opportunities, and we have brought our cash position from 15.2 percent on February 28, 2022 to 8.8 percent as of June 30, 2022. However, we believe that the new opportunity set is not broad-based, and we continue to emphasize the Health Care and Consumer Staples sectors as overweight areas in the portfolio.

Our process focuses on investing in companies that we believe are under-earning normal levels for a transitory reason, and the primary pocket of opportunity we are highlighting today is in the Health Care Equipment & Supplies industry. We've written about this opportunity in the past, and we write in detail about top Health Care holding Baxter International Inc. (BAX) below; the opportunity set is similar across our top Health Care Equipment & Supplies holdings, in our opinion. Smith & Nephew PLC (SNN), Dentsply Sirona, Inc. (XRAY), and ICU Medical, Inc. (ICUI), along with Baxter, manufacture critical advanced medical products and display the traits we look for in competitively advantaged businesses. They sell into end-markets that have been severely disrupted for more than two years as patient visits and procedures of all kinds have run well below normal due to the impacts of Covid-19, including high cancellation rates, procedure delays, and insufficient care provider staffing to meet demand. We believe the magnitude and duration of this disruption has created a large backlog of procedures that will need to be made up over the next 1-2 years. More recently, raw material availability and input cost inflation in items including resins and metals have also squeezed margins at these companies. Offsetting price actions can take 1-2 years to implement in this industry, which is prolonging the period of under-earning, in our opinion. Nevertheless, this remains a high conviction, under-earning group of excellent businesses, in our view. The stocks have also all underperformed this year, leaving the average multiple of these four Health Care Equipment & Supplies holdings at a price-to-earnings ratio of approximately 11.6x our estimate of normalized earnings, a meaningful discount to the median company on our list referenced above. We maintain a near-maximum overweight position in the Health Care Equipment & Supplies industry today.

To bring these specifics to one of our holdings, Baxter International Inc. (BAX), is a leading manufacturer of IV fluids, pumps, nutritional compounds, pharmaceutical compounding supplies, pre-filled pharmaceutical bags, and kidney dialysis supplies and equipment. Following its recent accretive acquisition of Hill-Rom Holdings, Inc. (HRC), BAX now also holds leading positions in patient monitoring equipment and high-end hospital beds, according to our research. The Health Care Equipment GICS® sub-industry has been an area of the economy that we have historically viewed favorably given the critical nature of its products, the high regulatory barriers to entry, its oligopolistic market structure, and the very steady market share positions of its leaders. BAX is no exception with its #1 or #2 market share ranks within the various product categories that make up the Fluid & Drug Delivery market. When you combine BAX's attractive and steady market share history with its strong investment grade balance sheet, we believe BAX's overall competitive position is solid, and that BAX is well positioned to maintain or gain its share of the anticipated growth in overall global healthcare spending in the coming years.

BAX is expected to earn around $4.15 per share this year per Wall Street consensus estimates, and we believe the company is under-earning its long-term potential for two primary reasons. The first source of under-earnings is related to the lower-than-normal elective medical procedures that are currently being

[2]The holdings identified do not represent all of the securities purchased, sold, or recommended for our clients. Past performance does not guarantee future results. For 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.

performed around the world. After an unprecedented drop in elective procedures in 2020 and 2021 due to Covid-19-induced facility closures and patient deferrals, elective procedure volume has started its recovery but still sits nearly 5 percent below normal according to our internal estimates. Lower-than-normal volumes have led to lower-than-normal revenues and earnings, a situation that we view as transitory with a high probability of full recovery within the next year or two. The second source of under-earnings is related to BAX's acquisition of HRC. The HRC acquisition, which closed in December 2021 with a total consideration of $12.4 billion in an all-cash deal, is highly accretive for BAX after accounting for an expected $200 million of cost synergies, in our view. These synergies have a very high likelihood of being realized, in our opinion, due to the similar customer base and geographical distribution networks of legacy BAX and HRC. If either or both sources of under-earnings were to normalize, then we believe earnings per share could move higher and approach the mid $5.00's. As of June 30, 2022, BAX was trading at $64.23 per share which equated to approximately 12.0 times our view of normalized earnings. This level of multiple is well below BAX's 30-year average price-to-earnings multiple of more than 20.0 times and is also well below our Nuance Universe median price-to-earnings multiple, which today sits at around 24.0-25.0 times. If BAX's earnings per share were to reset higher to these levels we consider normal due to the reasons discussed above, and its price-to-earnings multiple was to expand to its long-term average, then meaningful absolute and relative upside could be generated by investing in BAX's shares as of June 30, 2022, in our opinion. The combination of a company with a compelling competitive position including a solid and stable market share, transitory under-earnings that could recover in the next year or two, and an inexpensive absolute and relative valuation is what we look for in an investment and explains why BAX was a top holding at the end of the second quarter of 2022.

As always, we continue to optimize the risk reward of your portfolio 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)	-	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
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
YTD 2022 As of: 6/30/2022	(6.52)	(6.86)	(13.15)	(19.96)	N/A	462	$700,281,915	$5,898,881,535	0.0%	13.9	19.7	18.6

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 – 3/31/22 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 Adviser. 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 facts. Return calculations for the Composite are provided by Clearwater Analytics. Return calculations for all indices are provided by FactSet. A full schedule of fees for all Firm products is available upon request. The collection of fees has a compounding effect on the total rate of return net of investment management fees. Net of fee performance returns are presented after actual standard management fees, performance-based management fees, and all trading expenses that may occur. No other fees are deducted aside from trading and management fees for the calculation of net of fee performance.

(1) The Nuance 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 6/30/2022 portfolio weights of names discussed are as follows: BAX (6.9%), BDRFY (6.8%), BVS (0.0%), CALM (2.8%), CLX (5.6%), EQC (4.4%), HENKY (7.9%), HRC (0.0%), ICUI (3.5%), KMB (7.8%), KNRRY (1.4%), MMM (2.9%), MWA (1.5%), NUVA (0.0%), SAFM (0.0%), SCHW (1.0%), SNN (6.7%), TRV (4.5%), UUGRY (1.0%), XRAY (5.8%), and Y (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 subject to change and are not a recommendation to buy or sell any security. As of 6/30/2022 composite portfolio weights of top and bottom attributors are as follows:

Top Attributors (Portfolio Weight): CALM (2.8%), TRV (4.5%), EQC (4.4%), BDRFY (6.8%), KMB (7.8%)

Bottom Attributors (Portfolio Weight): BAX (6.9%), XRAY (5.8%), ICUI (3.5%), HENKY (7.9%), SNN (6.7%)

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.