Nuance Mid Cap Value Composite Perspectives

nuance INVESTMENTS

September 30, 2023

Description of the Product

The Nuance Mid Cap Value Composite is a classic value investment product investing primarily in the equity or equity-linked securities of United States based companies. The product will typically maintain 50-90 positions in the securities of companies that, in the opinion of the Nuance Investments Team, have leading and sustainable market share positions, above average financial strength, and are trading at prices materially below our internally derived view of intrinsic value. The product's primary benchmark is the Russell Midcap® Value Index. Clients may also compare the product to the S&P MidCap 400® Value Index and the S&P 500® Index.

Portfolio Managers

Left to right: Jack Meurer, Darren Schryer, Scott Moore, & Chad Baumler

Name	Title	Experience
Scott Moore, CFA	President & Co-CIO	32 years
Chad Baumler, CFA	Vice President & Co-CIO	16 years
Darren Schryer, CFA, CPA	Portfolio Manager	7 years
Jack Meurer, CFA	Assoc. Portfolio Manager	6 years

Peer Statistics[1]

1ST Percentile Sharpe Ratio

Lipper
Peers: Mid-Cap Value
Ranking vs. Peers: 1 of 67

Morningstar
Peers: Mid-Cap Value
Ranking vs. Peers: 1 of 175

Longer Term Performance Update (through September 30, 2023)

Since Inception Return: The return since inception (on 11/03/2008 through 9/30/2023) is 12.14 percent (annualized and net of fees) versus the Russell Midcap® Value Index up 11.19 percent, the S&P MidCap 400® Value Index up 11.66 percent, and the S&P 500® Index up 12.75 percent.

Risk-Adjusted Returns: Our Sharpe Ratio since inception through 9/30/2023 is 0.82 (net of fees) versus the Russell Midcap® Value Index at 0.58, the S&P MidCap 400® Value Index at 0.56, and the S&P 500® Index at 0.78.

Peer Group Returns through 9/30/2023: Comparing our product to peers displays positive results over time. On a total return basis, since 11/30/2008, we ranked 27 out of 175 peer group members (15th percentile) in the Morningstar Mid-Cap Value Funds universe and 12 out of 67 (17th percentile) in the Lipper Mid-Cap Value Funds universe.

Peer Group Risk-Adjusted Return through 9/30/2023: On a risk-adjusted return basis, since 11/30/2008, (as measured by the Sharpe Ratio) we ranked 1 out of 175 peer group members (1st percentile) in the Morningstar Mid-Cap Value Funds universe and 1 out of 67 (1st percentile) in the Lipper Mid-Cap Value Funds universe.

Peer Group Returns 11/30/2008 - 9/30/2023	Since Inception APR[1]	Standard Deviation (A)[1]	Sharpe Ratio (A)[1]
Nuance Mid Cap Value Composite (Gross)	13.46	13.67	0.93
Nuance Mid Cap Value Composite (Net)	12.66	13.69	0.87
Morningstar Mid-Cap Value Funds Peer Group (Median)	11.43	17.83	0.58
Peer Group Percentile and Ranking	15th (27 of 175)	1st (2 of 175)	1st (1 of 175)
Lipper Mid-Cap Value Funds Peer Group (Median)	11.44	17.78	0.56
Peer Group Percentile and Ranking	17th (12 of 67)	1st (1 of 67)	1st (1 of 67)

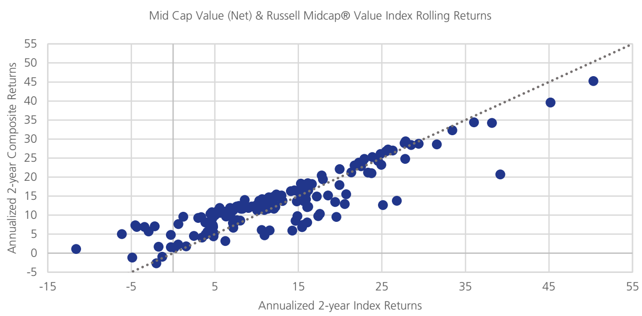
Performance 11/03/2008 - 9/30/2023	APR*	TR*	Standard Deviation*	Sharpe Ratio*	10 Year	7 Year	5 Year	3 Year	1 Year	YTD 2023
Nuance Mid Cap Value Composite (Gross)	12.93	513.24	13.75	0.88	9.28	8.41	6.26	6.12	7.52	(4.30)
Nuance Mid Cap Value Composite (Net)	12.14	452.38	13.76	0.82	8.54	7.68	5.53	5.39	6.78	(4.80)
Russell Midcap® Value Index	11.19	386.43	18.06	0.58	7.91	6.83	5.18	10.98	11.05	0.54
S&P MidCap 400® Value Index	11.66	418.03	19.51	0.56	8.64	8.36	6.06	16.69	14.50	1.56
S&P 500® Index	12.75	498.53	15.37	0.78	11.91	12.23	9.91	10.15	21.62	13.07

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

[1]Rankings and peer group comparisons are created internally on a quarterly basis using data from FactSet. For comparison purposes, subsets of the Morningstar Mid-Cap Value Funds Peer Group and the Lipper Mid-Cap Value Funds Peer Group have been presented as investment strategies with a similar investment style to the Nuance Mid Cap Value Composite. For 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 9/30/2023	
11/30/2008 - 9/30/2023	Periods Beating the Index		Composite (%) Annualized Net of Fees	Russell Midcap® Value Index (%)
Nuance Mid Cap Value Composite	108 / 155	69.7%	(2.65)	(2.02)



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 September 30, 2023, the Nuance Mid Cap Value Composite two-year rolling return is (2.65) percent (annualized and net of fees) versus the Russell Midcap® Value Index down (2.02) percent, the S&P MidCap 400® Value Index up 1.02 percent, and the S&P 500® Index up 1.39 percent. Overall, we have outperformed in 108 out of the available 155 two-year periods as shown in the chart labeled Rolling 2-Year Return Periods.

Year-to-date, the Nuance Mid Cap Value Composite has returned (4.80) percent (net of fees) versus the Russell Midcap® Value Index up 0.54 percent, the S&P MidCap 400® Value Index up 1.56 percent, and the S&P 500® Index up 13.07 percent.

Calendar Year Performance as of 9/30/2023	11/03/08 - 12/31/08	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	YTD 2023
Nuance Mid Cap Value Composite (Gross)	(4.13)	38.69	21.08	4.04	22.02	35.45	9.79	2.95	21.87	16.18	(4.18)	32.52	5.49	12.28	(3.82)	(4.30)
Nuance Mid Cap Value Composite (Net)	(4.13)	38.20	20.01	3.38	20.61	34.24	9.14	2.33	21.05	15.42	(4.88)	31.62	4.76	11.51	(4.48)	(4.80)
Russell Midcap® Value Index	(5.60)	34.21	24.75	(1.38)	18.51	33.46	14.75	(4.78)	20.00	13.34	(12.29)	27.06	4.96	28.34	(12.03)	0.54
S&P MidCap 400® Value Index	(3.99)	33.73	22.78	(2.43)	18.53	34.25	12.10	(6.65)	26.53	12.32	(11.88)	26.08	3.73	30.65	(6.93)	1.56
S&P 500® Index	(5.95)	26.46	15.06	2.11	16.00	32.39	13.69	1.38	11.96	21.83	(4.38)	31.49	18.40	28.71	(18.11)	13.07

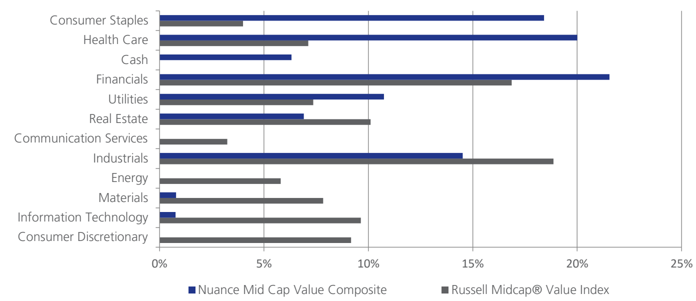
Composition of the Portfolio as of 9/30/2023

Portfolio Characteristics[2]	Nuance Mid Cap Value Composite	Russell Midcap® Value Index
Weighted Average Market Cap	20.1b	20.7b
Median Market Cap	9.9b	9.3b
Price to Earnings (Normal)*	12.8x	18.3x
Price to Earnings (Ex-Neg Earnings)	-	14.4x
Dividend Yield	3.2%	2.1%
Return on Tangible Assets (Normal)*	9.0%	6.7%
Return on Tangible Assets (Trailing)	4.6%	6.7%
Return on Assets (Normal)*	7.3%	5.3%
Return on Assets (Trailing)	3.9%	5.3%
Active Share vs Russell Midcap® Value Index	97%	-
Upside/Downside Capture Ratio vs Russell Midcap® Value Index	82% / 73%	-
Number of Securities	52	699

* Based on Nuance normalized earnings 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 12.8x versus the Russell Midcap® Value Index of 18.3x. We are achieving this ratio with a portfolio of companies that have a return on assets of 7.3 percent versus the Russell Midcap® Value Index of 5.3 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 9/30/2023



While our largest overweight positions, relative to the benchmark, remain the Consumer Staples and Health Care sectors, we added to our positioning within the Utilities sector during the quarter as the risk rewards have become more attractive, in our view. Our overweight in the Utilities sector is primarily made up of exposure to the Water Utilities industry as we believe these companies are under-earning. The prolonged period of low interest rates over the last decade has resulted in historically low allowed returns on equity and regulatory lag, which has been exacerbated by the recent inflationary environment. We believe these lower returns on equity will reset higher as utility regulators incorporate a more normal cost of capital environment. Within the Consumer Staples sector, we are continuing to see input cost inflation-related under-earning in a number of leaders across the Household & Personal Products industry group. Our view is that earnings in this industry group 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 are also finding what we believe to be select opportunities within the Packaged Foods & Meats sub-industry. Our overweight position in the Health Care sector is primarily in the Health Care Equipment & Supplies industry. We believe these companies are manufacturing critical, advanced medical products and display the traits we look for in competitively advantaged businesses. They sell into end markets that were severely disrupted for more than two years as patient visits and procedures of all kinds were 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, we believe 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 Financials sector remains a modestly overweight position. Our overweight position within the sector continues to be made up primarily of stocks in the Insurance and Capital Markets industries. While we remain underweight the Industrials sector, it still makes up a meaningful portion of the portfolio as we have been able to find select risk rewards across different parts of the sector, in our view. The Real Estate sector is also an underweight position where we maintain a meaningful portion of the portfolio, primarily in the Health Care REIT sub-industry. We reduced our exposure in the Information Technology and Materials sectors and moved into what we view as more attractive risk rewards in other parts of the economy. We remain underweight the Energy sector where we believe the sector is facing a multi-year period of competitive transition. Lastly, we remain underweight the Consumer Discretionary and Communication Services sectors primarily due to competitive uncertainty and valuation concerns.

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

Dear Clients,

For the nine months ending September 30, 2023, the Nuance Mid Cap Value Composite was down (4.80) percent (net of fees) compared to the Russell Midcap® Value Index, which was up 0.54 percent, the S&P MidCap 400® Value Index, which was up 1.56 percent, and the S&P 500® Index, which was up 13.07 percent. From our perspective, since-inception performance is the most important barometer of performance, and in the period since inception (November 3, 2008 - September 30, 2023), the Nuance Mid Cap Value Composite was up 12.14 percent (annualized and net of fees) compared to the Russell Midcap® Value Index, which was up 11.19 percent, the S&P MidCap 400® Value Index, which was up 11.66 percent, and the S&P 500® Index, which was up 12.75 percent.

<u>Nuance Performance Goals</u>

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

1. First, we seek to beat our primary benchmark (the Russell Midcap® Value Index) more times than not during calendar years. Calendar year performance matters to us given how important that period is to most of our clients. We are unlikely to beat our benchmark each calendar year and expect to have particular difficulty outperforming during latter stages of the investment, valuation, and economic cycles. In our experience, those periods are usually characterized by high valuations, high levels of corporate leverage, and oftentimes very narrow markets in which investors do not appear to be focused on risk in general. In pursuing this goal, we note that since the inception of the Nuance Mid Cap Value Composite on November 3, 2008, we have outperformed our primary benchmark 11 out of 15 years (including our stub year of 2008) and 10 out of 14 (not including the 2008 stub year). For the first nine months of 2023, the Nuance Mid Cap Value Composite was down (4.80) percent (net of fees) versus our primary benchmark, the Russell Midcap® Value Index, which was up 0.54 percent. If that performance holds for the full calendar year, the Nuance Mid Cap Value Composite will have outperformed 11 out of 16 years (including the stub period of 2008).

2. Second, we seek to outperform our primary benchmark (since our inception and net of fees) and to do so with less risk, as measured by the standard deviation of returns. As of September 30, 2023, we have accomplished this goal, as the Nuance Mid Cap Value Composite rose 12.14 percent (annualized and net of fees) between its inception on November 3, 2008 through September 30, 2023 compared to the Russell Midcap® Value Index, which rose 11.19 percent. Further, during the same period, the Nuance Mid Cap Value Composite had a standard deviation of 13.76 percent (annualized and net of fees), meaningfully lower than the 18.06 percent standard deviation of the Russell Midcap® Value Index.

3. Third, we seek to outperform our peers over the long term (since inception) and to do so with less risk, as measured by the standard deviation of returns. Since inception, our peer group performance has also been solid, as illustrated by the Nuance Mid Cap Value Composite's 1st percentile Sharpe Ratio metrics versus our peers (see Exhibit 1 below).

Exhibit 1[1]

Peer Group Returns 11/30/2008 - 9/30/2023	Since Inception APR[1]	Standard Deviation (A)[1]	Sharpe Ratio (A)[1]
Nuance Mid Cap Value Composite (Gross)	13.46	13.67	0.93
Nuance Mid Cap Value Composite (Net)	12.66	13.69	0.87
Morningstar Mid-Cap Value Funds Peer Group (Median)	11.43	17.83	0.58
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Peer Group Percentile and Ranking	17th (12 of 67)	1st (1 of 67)	1st (1 of 67)

4. Fourth and finally, we seek to beat our secondary benchmarks over the long term (since inception) and to do so with less risk, as measured by the standard deviation of returns. Since inception on November 3, 2008 through September 30, 2023, the Nuance Mid Cap Value Composite was up 12.14 percent (annualized and net of fees) versus the S&P MidCap 400® Value Index, which was up 11.66 percent, and the S&P 500® Index, which was up 12.75 percent. Further, the Nuance Mid Cap Value Composite had a standard deviation of 13.76 percent (annualized and net of fees) during the same time period, which is lower than the 19.51 percent standard deviation of the S&P MidCap 400® Value Index and the 15.37 percent standard deviation of the S&P 500® Index. As such our Sharpe Ratio was 0.82 versus the S&P MidCap 400® Value Index Sharpe Ratio of 0.56 and the S&P 500® Index Sharpe ratio of 0.78. Accordingly, our risk-adjusted returns are on track.

YTD Attribution[2]

1. Our positioning within the Industrials sector was a detractor from performance. Mueller Water Products, Inc. (MWA) and Knorr-Bremse AG (KNRRY) outperformed; however, our largest Industrials holding, 3M Company (MMM), underperformed in the period. MMM remains one of our favorite ideas and is an investment we have added to over the course of the year. Additionally, we had no exposure to several outperforming industries within Industrials such as Building Products, which was up more than 35% in the period, and is an area where our work indicates widespread over-earning.
2. The Utilities sector also detracted from performance as our investments in several water utilities such as SJW Group (SJW) underperformed.
3. Our stock selection in the Materials sector contributed to performance as investments in Ecolab Inc. (ECL) and AptarGroup, Inc. (ATR) outperformed.
4. Our stock selection in the Financials and Real Estate sectors detracted from performance as investments in Northern Trust Corporation (NTRS), Travelers Companies, Inc. (TRV), and Healthcare Realty Trust Incorporated (HR) underperformed in the period.
5. Our underweight position to several sectors including Consumer Discretionary, Energy, and Information Technology detracted from performance while our underweight to Communication Services benefited performance.
6. Consumer Staples was a small contributor to performance as Henkel AG & Co. (HENKY & HENOY) and Beiersdorf AG (BDRFY) outperformed while Kimberly-Clark Corporation (KMB) underperformed.
7. The Healthcare sector was neutral to performance as our investment in Dentsply Sirona, Inc. (XRAY) outperformed while Baxter International Inc. (BAX) underperformed in the period.
8. Our cash position was a modest positive contributor to performance in the period.

Nuance Perspectives[2]

Expectations. Over the years, our Nuance team has discussed performance-oriented expectations with all of our clients. Always making sure to say that there are no guarantees, but to give you an idea of what we believe makes our Nuance Mid Cap Value Composite relatively unique. Generally speaking, we believe in four universal investing truths. These four truths underpin our philosophy and process and anchor our client's trust, in our view.

1. Value (as a style of investing) has beaten Growth (as a style of investing) over the long-term but both broad categories have their merits and their place in a portfolio. That said, over the long-term, underweight Value as a style at your own peril. See Exhibit 2 below.

Exhibit 2

Asset Class Long-Term Returns
(June 30, 1927 - June 30, 2023)

Investment Style	Annualized Return	Standard Deviation	Sharpe Ratio
Value Stocks	13.2%	25.8%	0.39
Growth Stocks	9.7%	21.3%	0.30
Large Company Stocks	10.2%	18.7%	0.37
Small Company Stocks	11.8%	28.2%	0.31
Long-Term Government Bonds	5.1%	8.7%	0.21
Intermediate Government Bonds	4.9%	4.4%	0.37
1 Month Treasury Bill	3.2%	0.9%	-

Definition: The 1 Month Treasury Bill is used as the Risk-Free Rate
Source: Professors Eugene F. Fama and Kenneth R. French via the Kenneth R. French Data Library, Ibbotson Associates, Nuance Investments Analysis

[1]Rankings and peer group comparisons are created internally on a quarterly basis using data from FactSet. For comparison purposes, subsets of the Morningstar Mid-Cap Value Funds Peer Group and the Lipper Mid-Cap Value Funds Peer Group have been presented as investment strategies with a similar investment style to the Nuance Mid Cap Value Composite. For more information on peer group comparisons and calculations, please refer to the full disclosures. [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, or a list showing the attribution of each holding or sector to the overall composite performance, please contact Nuance Investments at client.services@nuanceinvestments.com.

2. Our Nuance Mid Cap Value Composite was designed with the goal to beat its value peers and benchmarks over time (with less risk) and thus we believe it to be a reasonable place for clients to put their Value-oriented investments for the long-term. See our Longer Term Performance Update on page one for our performance since inception.

3. There are certain market environments when the Nuance Mid Cap Value Composite is less likely to meet its performance goals. We certainly hope we can overcome risk/style/valuation issues in any given year through stock selection and overall execution of our Nuance investment process, but we will not be able to make that happen every year. These challenging environments have relatively consistent traits - in our opinion - that are as follows:

   a). When Beta (Risk), as an investment factor, is favored by market participants, and thus, the higher the stock specific risk, the better. From a factor perspective, this has been the single most important indicator of periods when our products might struggle. Specifically, when the riskiest 1st and/or 2nd quintile of stocks (highest beta) are significantly outperforming, we will potentially struggle versus both our primary and secondary benchmarks. Not always, however, and 2020 is a recent example of stock selection and process execution overcoming this factor and keeping up with our primary benchmark. As a firm who takes great care to avoid the riskiest portions of the market, this can be difficult for us during shorter-term periods.

   b) When Growth (Style), as an investment factor, is favored by market participants, and thus, generally mature and reasonably growing companies that our process favors are unloved. This factor is particularly emphasized when a client compares us to the S&P 500® Index. Versus the Russell Midcap® Value Index, we can be more growth-oriented than that benchmark at times as well as more value-tilted at times.

   c) When Valuation, as an investment factor, is out of favor and is not considered important by market participants. Note that we typically use dividend yield as the factor we review, rather than earnings or book value when doing factor-based reviews. This is due to cyclical and accounting issues respectively. Periods where valuation is considered mundane typically coincides with Beta (Risk) and Growth (Style) being favored, in our experience. This factor is particularly emphasized when a client compares us to the S&P 500® Index. Versus the Russell Midcap® Value Index, we can be more growth-oriented than that benchmark at times as well as more value-tilted at times.

4. When the opposite market environment exists for these three factors, we generally – not always – believe we do quite well in terms of meeting our performance goals.

This year has been a full-blown encapsulation of point number three. Beta (Risk), Growth (Style), and the lack of interest in Valuation have significantly led the market and as such we are having a difficult first nine months of 2023 versus both the S&P 500® Index and also our primary benchmark, the Russell Midcap® Value Index. A few details below courtesy of Bank of America's fantastic quantitative analyst Savita Subramanian and her team.

Underperformance of Low Beta (Risk), Value (Style), and Dividend Yield (Valuation)

Equal-Weighted S&P 500® Index Factor Return Quintile Spreads

Year	Beta (Risk Factor)	Growth (Style Factor)	Dividend Yield (Valuation Factor)	Average (Factor Returns)
1993	-2%	18%	-5%	4%
1994	-4%	0%	-4%	-3%
1995	-4%	1%	11%	3%
1996	-8%	-8%	-1%	-6%
1997	-16%	5%	3%	-3%
1998	-16%	-11%	-9%	-12%
1999	-80%	-49%	-39%	-56%
2000	51%	27%	27%	35%
2001	23%	28%	19%	23%
2002	34%	23%	20%	26%
2003	-50%	-30%	-26%	-35%
2004	8%	14%	5%	9%
2005	3%	0%	0%	1%
2006	0%	16%	9%	8%
2007	9%	-13%	-7%	-4%

Year	Beta (Risk Factor)	Growth (Style Factor)	Dividend Yield (Valuation Factor)	Average (Factor Returns)
2008	23%	14%	5%	14%
2009	-105%	-19%	-47%	-57%
2010	-19%	-8%	-1%	-9%
2011	23%	11%	19%	18%
2012	-9%	-11%	-7%	-9%
2013	-12%	-9%	-12%	-11%
2014	22%	2%	5%	10%
2015	20%	-8%	-3%	3%
2016	-11%	23%	20%	11%
2017	-8%	-12%	-4%	-8%
2018	15%	7%	-5%	6%
2019	-10%	-3%	-2%	-5%
2020	-8%	-8%	-38%	-18%
2021	-18%	6%	11%	0%
2022	9%	8%	29%	16%
YTD '23	-11%	-13%	-16%	-13%

Source: Bank of America US Equity & Quant Strategy, FactSet

Definitions:
Beta (Risk Factor): return of the lowest-risk quintile minus highest-risk quintile, rebalanced monthly
Growth (Style Factor): return of the lowest growth (value) quintile minus highest growth quintile, rebalanced monthly
Dividend Yield (Valuation Factor): return of the highest-yield quintile minus lowest-yield quintile, rebalanced monthly

Note: Highlighted rows indicate levels of significant underperformance for low beta or the average of all three factors (the Firm selected 15% and 10% as its levels, respectively)

So what is the point we are attempting to convey to our clients? As we have discussed over the years, these types of market environments are difficult for our clients, and we certainly understand and commiserate. Further, these periods can sometimes be difficult to contend with and explain. Yet, they are semi-regular in nature and should be understood within the context of a full cycle of performance for any investment product. Please also understand that there is still a full quarter of performance left in this year and sentiment and investor attentions can shift rapidly. In our upcoming fourth quarter year-end commentary, we will expand upon this further and marry it with our own historical performance to provide even further context for our long-standing goals of consistency and transparency regarding expectations for our product's performance. The punchline will be the same then as it is today. If you are a believer in value-oriented, risk-aware, and valuation-matters investing, then these somewhat extraordinary periods can create opportunity. Around here we say "the rubber band is stretching." Put another way, losing for a period of time creates better risk rewards mathematically and can possibly lead to pretty extraordinary reversals, in our opinion. As always, there is no guarantee.

Now let's talk about those rubber bands that are stretching.

Here are a few of our top positions as of 9/30/23:

3M Company (MMM): MMM is a diversified industrial conglomerate with leading market share positions across a variety of businesses including industrial materials and adhesives, healthcare consumables, safety equipment, and consumer products. MMM has been a market share gainer over this last economic cycle as the company has benefited from structural tailwinds such as adhesives gaining share from traditional fasteners, aging populations, and increasing safety and regulatory standards. MMM's high and stable return on capital profile makes its roughly 2.0 times net debt to our internal estimate of normalized earnings before interest, taxes, depreciation, amortization and rent expense (EBITDAR) balance sheet attractive, in our opinion. Recent cyclical weakness in sales from some of MMM's consumer-oriented end markets has caused under-earnings, and when combined with two high profile legal battles, has soured investor sentiment, in our opinion. MMM's stock is currently trading at around 12.0 times our estimate of normalized earnings. Additionally, over the last few months MMM has announced two important legal settlements, and we believe the company has de-risked a major portion of the potential liability from the two legal battles previously mentioned. With further clarity on these liabilities and with cyclical under-earnings and under valuation, in our view, we believe MMM is an attractive position to hold in our clients' portfolios and is a top ten holding.

Henkel AG & Co. KGaA Sponsored ADR (HENKY & HENOY): HENKY is a leading global producer of adhesives for a variety of applications, and a producer of household products, including the Persil®, All® and Snuggle® brands. HENKY holds a number one or number two market share position in most of its product categories and has exhibited stable to gaining market share over time. Additionally, HENKY's balance sheet has only modest amounts of financial leverage and has an A S&P Credit Rating. We believe HENKY is currently under-earning its long-term potential as raw material inflation from key inputs such as resins and other petrochemicals has taken margin levels and earnings below HENKY's history and what we would consider normal. These falling earnings have caused the stock price to trend down as well, and according to our internal research, the stock is trading at around 10.0 times our estimate of normalized earnings. Additionally, we have been studying a sum of the parts framework for HENKY for quite some time and believe that at the current stock price, we are paying around 6.0 times our estimate of normalized earnings for HENKY's consumer products business, which is at a discount when compared to global peers. We believe HENKY's market share position, inexpensive valuation, and solid balance sheet create a situation that could position us for a win with this stock in multiple ways over time.

Kimberly-Clark Corporation (KMB): KMB is a leading global manufacturer of a variety of staple household products, including the Huggies®, Pull-ups®, Depends®, Cottonelle®, and Scott® brands. KMB has leading market share positions in the geographies where it competes and is generally ranked number one or number two in its product categories. Additionally, KMB has a reasonable balance sheet and has exhibited very rational capital allocation policies over time with regards to its acquisition strategy and dividend payout policy. KMB is currently earning around $6.50 per share, and we believe normalized earnings are closer to $8.00 per share. The key driver of its under-earnings, in our opinion, relates to a key raw material input: pulp. The price of pulp has been stubbornly high the last 12 to 18 months and has been a source of gross margin compression. However, in the last few quarters pulp spot prices have corrected to levels more in-line with long-term averages, and we believe these falling pulp prices, when combined with KMB's internal cost cutting measures, will allow earnings to recover to levels we consider normal within the next year or two. Today KMB is trading at around 15.5 times our estimate of normalized earnings which compares favorably to our Nuance Approved List. KMB is also paying just under a 4.0 percent dividend yield to wait for the earnings recovery to transpire.

Dentsply Sirona, Inc. (XRAY): XRAY is the leading global manufacturer of high-end dental equipment and consumables with leading market share positions in a variety of dental products and equipment including restoratives, preventatives, implants, endodontic tools, and CAD/CAM equipment. XRAY's balance sheet leverage of around 2.5 times net debt to our internal estimate of normalized earnings before interest, taxes, depreciation, amortization and rent expense (EBITDAR) is consistent with its history and, in our opinion, is appropriate given the lower volatility-nature of its business. XRAY is expected to earn around $2.00 per share this year per Wall Street estimates, and we believe normalized earnings are closer to $2.50 per share. The primary driver of the under-earnings for XRAY is related to supply chain disruptions that are in the process of being mitigated and internal cost restructuring that has yet to fully flow through to the bottom line. At a closing price of $34.16 per share at quarter end, XRAY was trading at 13-14 times our estimate of normalized earnings, a valuation multiple that we believe suggests a very attractive risk reward versus the market.

Northern Trust Corporation (NTRS): NTRS a leading global provider of wealth management and private banking services to high-net-worth individuals and a leading global asset custodian for a variety of asset owners including North American hedge funds, sovereign wealth funds and corporate pension plans. NTRS has been a market share gainer over this last economic cycle and boasts a peer-leading S&P Credit Rating of A+, due, in our opinion, to its history of more conservative leverage levels, conservative loan underwriting and limited credit risk within its securities book. NTRS is expected to earn around $6.50 per share in 2023, per Wall Street estimates, versus our estimate of normalized earnings of closer to $7.00 per share. We believe the primary source of the under-earnings for NTRS is its non-interest expense base, which has outpaced revenue growth over the last few years due to higher expenses related to compensation and technology investment. The management team has publicly recognized the expense/ revenue mismatch, and we believe expenses could be back to normal levels over the next year or two. As of quarter end, NTRS was trading at $69.48 per share which equates to roughly 10.0 times our internal view of normalized earnings and yields more than 4.0 percent. According to our internal research, this inexpensive valuation level has only been observed during one other period in the last 15 years and explains why NTRS is currently a top ten holding.

We hope you can see the commonalities between these five stocks from five completely different sectors of the economy that make up nearly one-third of our portfolio: market share leading companies with appropriate balance sheet leverage, that are under-earning their long-term potential due to transitory reasons, and that are trading at attractive valuation multiples on an absolute and relative basis, in our opinion. And believe it or not, there are others.

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 Mid Cap Value Perspectives.

Thank you for your continued confidence and support.

Scott A. Moore

Scott A. Moore, CFA

GIPS® Disclosures

	Gross of Fees Return	Net of Fees Return	Benchmark Return (RMV Index)	Benchmark Return (MIDV Index)	Composite Dispersion (Full Period)	Number of Separate Accounts (End of Period)	Total Composite Assets (End of Period)	Total Firm Assets (End of Period)	% of Non-Fee paying accounts	3 Year Annualized Standard Deviation (Composite Gross)	3 Year Annualized Standard Deviation (RMV Index)	3 Year Annualized Standard Deviation (MIDV Index)
YTD 2008 (11/03/08-12/31/08)	(4.13)	(4.13)	(5.60)	(3.99)	-	1	$9,531,045	$18,657,997	0.0%	-	-	-
2009	38.69	38.20	34.21	33.73	-	4	$50,600,141	$137,943,058	1.1%	-	-	-
2010	21.08	20.01	24.75	22.78	0.1	4	$60,702,099	$181,201,036	1.1%	-	-	-
2011	4.04	3.38	(1.38)	(2.43)	0.1	4	$55,186,800	$152,976,943	0.9%	18.2	23.1	23.2
2012	22.02	20.61	18.51	18.53	0.1	4	$58,463,905	$214,936,666	1.0%	14.6	17.0	18.4
2013	35.45	34.24	33.46	34.25	0.1	8	$80,358,264	$507,569,897	1.0%	13.1	13.9	15.6
2014	9.79	9.14	14.75	12.10	0.1	13	$130,238,086	$1,071,186,382	0.7%	10.7	9.9	11.4
2015	2.95	2.33	(4.78)	(6.65)	0.1	17	$145,638,450	$913,545,839	0.6%	11.2	10.9	12.4
2016	21.87	21.05	20.00	26.53	0.1	22	$416,346,621	$1,466,221,847	0.1%	11.5	11.5	13.6
2017	16.18	15.42	13.34	12.32	0.0	23	$586,931,538	$1,784,338,191	0.0%	10.5	10.5	12.4
2018	(4.18)	(4.88)	(12.29)	(11.88)	0.2	21	$852,510,018	$1,724,795,756	0.0%	10.2	12.1	14.1
2019	32.52	31.62	27.06	26.08	0.2	43	$2,297,275,123	$3,486,104,071	0.0%	9.4	13.0	15.8
2020	5.49	4.76	4.96	3.73	0.3	59	$4,585,719,214	$5,948,860,811	0.0%	14.5	22.9	26.2
2021	12.28	11.51	28.34	30.65	0.2	59	$5,353,939,144	$6,660,123,316	0.0%	14.1	22.3	25.4
2022	(3.82)	(4.48)	(12.03)	(6.93)	0.2	78	$4,295,774,730	$5,575,739,313	0.0%	15.4	24.8	26.8
YTD 2023 As of: 9/30/2023	(4.30)	(4.80)	0.54	1.56	N/A	53	$3,504,762,403	$4,706,206,832	0.0%	13.8	19.9	21.8

Compliance Statement

Nuance claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS® standards. Nuance has been independently verified for the periods 11/03/08 – 3/31/23 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 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 and 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 our 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 Mid Cap Value Composite (the "Composite") is a composite of actual accounts invested in the Nuance Mid Cap Value investment strategy. The creation and inception date for the Composite is 11/03/08. 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. Actual account returns may be higher or lower than the Composite returns due to differences in portfolio holdings, timing of security transactions, and account inception date. The Primary Benchmark for the Composite is the Russell Midcap® Value Index. The Russell Midcap® Value Index measures the performance of the mid-cap value segment of the U.S. equity universe. It includes those Russell Midcap® Index companies with lower price-to-book ratios and lower forecasted growth values. The secondary benchmarks are the S&P MidCap 400® TR Value Index and S&P 500® TR Index. The S&P MidCap 400® TR Value Index measures value in separate dimensions across six risk factors. The value factors include book value to price ratio, sales to price ratio, and dividend yield. The S&P 500® TR Index is a market-value weighted index representing the performance of 500 widely held publicly traded large-capitalization stocks. Individuals cannot invest directly in any index. 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. 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. A full schedule of fees for all Firm products is available upon request.

(1) The Nuance Mid Cap Value Composite is a mid-capitalization value investment product and consists of separately managed accounts in the Nuance Mid Cap Value strategy. Rankings and peer group comparisons are created internally on a quarterly basis using data from FactSet. Nuance pays a licensing fee to FactSet to access their platform and to use their data, including peer group rankings, in marketing materials. The peer groups consist of mutual funds within the stated category with performance history available from the Composite inception date. For peer group comparisons, all Returns, Standard Deviation and Sharpe Ratio calculations, including those of the Composite were calculated by FactSet based upon funds with monthly net return data from December 2008 to the displayed date. Prior to December 2020, Nuance utilized Zephyr and eVestment for peer group data. For additional performance periods, please visit: https://nuanceinvestments.com/peer-group-disclosures/. *Additional Information*: Portfolio composition will vary over time and may change without notice. Over the product life, the Nuance Mid Cap Value Separate Account Product has been classified by Morningstar in the following categories: Mid-Cap Value. Lipper does not provide product level classifications. Current investment style and assigned peer groups may differ from the styles presented. Nuance utilizes fund peer groups due to the limited availability of separate account data. The Nuance Mid Cap Value Composite is compared to various fund peer groups as defined by investment style and constructed in a manner that is similar to the guidelines and classifications of the third party category groups to which it is compared. However, fund category groups differ from separate account category 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. For Morningstar ratings of our separate accounts, please visit: https://nuanceinvestments.com/awards-mid-cap-value/. 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. A complete description of Lipper's fund classification methodology can be found at https://lipperalpha.refinitiv.com. Standard Deviation is a statistical measure of the historical volatility of a portfolio that reflects its dispersion or deviation from its mean. 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 Tangible Assets (net income divided by tangible assets), Return on Assets (net income divided by total assets), P/E (price of a company's stock relative to its earnings per share). Characteristics for P/E and Dividend Yield 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). ROTA and ROA characteristics for the benchmark use FactSet net recurrent earnings (T12M). The weighted average ROTA and ROA number for both the portfolio and the benchmark is displayed. Characteristics calculations use holdings at market close on the stated date, including cash and 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 9/30/2023 composite weights of names discussed are as follows: ATR (0.8%), BAX (0.0%), BDRFY (0.3%), ECL (0.0%), HENKY (2.5%), HENOY (3.5%), HR (3.4%), KMB (5.7%), KNRRY (2.0%), MMM (7.0%), MWA (3.0%), NTRS (4.8%), SJW (1.5%), TRV (4.4%), and XRAY (5.8%). 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.

Past Performance is not a guarantee of future results. Securities are subject to general market risks due to a variety of factors that affect the overall market. There is no guarantee that an investment with the strategy will meet its investment objectives, and it may underperform the market. Please contact client.services@nuanceinvestments.com to request a copy of the Firm's Disclosure Brochure for more information.