Nuance Mid Cap Value Composite Perspectives

December 31, 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	33 years
Chad Baumler, CFA	VP & Co-CIO	17 years
Darren Schryer, CFA, CPA	VP & Portfolio Manager	8 years
Jack Meurer, CFA	VP & Portfolio Manager	7 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 December 31, 2023)

Since Inception Return: The return since inception (on 11/03/2008 through 12/31/2023) is 12.79 percent (annualized and net of fees) versus the Russell Midcap® Value Index up 11.83 percent, the S&P MidCap 400® Value Index up 12.40 percent, and the S&P 500® Index up 13.34 percent.

Risk-Adjusted Returns: Our Sharpe Ratio since inception through 12/31/2023 is 0.86 (net of fees) versus the Russell Midcap® Value Index at 0.60, the S&P MidCap 400® Value Index at 0.59, and the S&P 500® Index at 0.81.

Peer Group Returns through 12/31/2023: Comparing our product to peers displays positive results over time. On a total return basis, since 11/30/2008, we ranked 25 out of 175 peer group members (14th percentile) in the Morningstar Mid-Cap Value Funds universe and 9 out of 67 (13th percentile) in the Lipper Mid-Cap Value Funds universe.

Peer Group Risk-Adjusted Return through 12/31/2023: 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 - 12/31/2023	Since Inception APR[1]	Standard Deviation (A)[1]	Sharpe Ratio (A)[1]
Nuance Mid Cap Value Composite (Gross)	14.11	13.79	0.96
Nuance Mid Cap Value Composite (Net)	13.31	13.81	0.90
Morningstar Mid-Cap Value Funds Peer Group (Median)	11.99	17.86	0.61
Peer Group Percentile and Ranking	14th (25 of 175)	1st (2 of 175)	1st (1 of 175)
Lipper Mid-Cap Value Funds Peer Group (Median)	11.86	17.80	0.59
Peer Group Percentile and Ranking	13th (9 of 67)	1st (1 of 67)	1st (1 of 67)

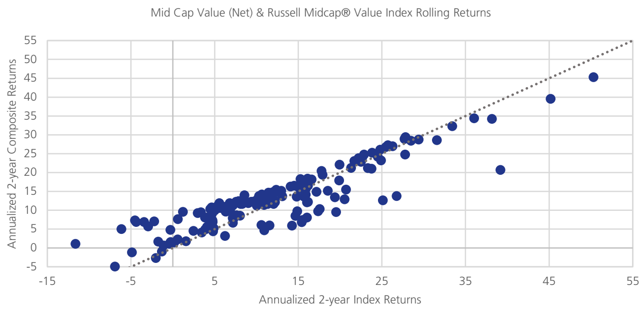
Performance 11/03/2008 - 12/31/2023	APR*	TR*	Standard Deviation*	Sharpe Ratio*	15 Year	10 Year	7 Year	5 Year	3 Year	1 Year	YTD 2023
Nuance Mid Cap Value Composite (Gross)	13.58	590.45	13.87	0.92	14.06	9.56	8.85	10.21	5.18	7.74	7.74
Nuance Mid Cap Value Composite (Net)	12.79	520.87	13.89	0.86	13.26	8.84	8.10	9.46	4.46	7.01	7.01
Russell Midcap® Value Index	11.83	445.34	18.19	0.60	12.40	8.26	7.76	11.15	8.36	12.71	12.71
S&P MidCap 400® Value Index	12.40	488.60	19.69	0.59	12.84	9.17	8.90	12.90	11.95	15.39	15.39
S&P 500® Index	13.34	568.51	15.43	0.81	13.96	12.03	13.41	15.68	10.00	26.29	26.29

*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 12/31/2023	
11/30/2008 - 12/31/2023	Periods Beating the Index		Composite (%) Annualized Net of Fees	Russell Midcap® Value Index (%)
Nuance Mid Cap Value Composite	111 / 158	70.3%	1.10	(0.42)



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

For the period ending December 31, 2023, the Nuance Mid Cap Value Composite two-year rolling return is 1.10 percent (annualized and net of fees) versus the Russell Midcap® Value Index down (0.42) percent, the S&P MidCap 400® Value Index up 3.63 percent, and the S&P 500® Index up 1.69 percent. Overall, we have outperformed in 111 out of the available 158 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 7.01 percent (net of fees) versus the Russell Midcap® Value Index up 12.71 percent, the S&P MidCap 400® Value Index up 15.39 percent, and the S&P 500® Index up 26.29 percent.

Calendar Year Performance as of 12/31/2023	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)	7.74
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)	7.01
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)	12.71
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)	15.39
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)	26.29

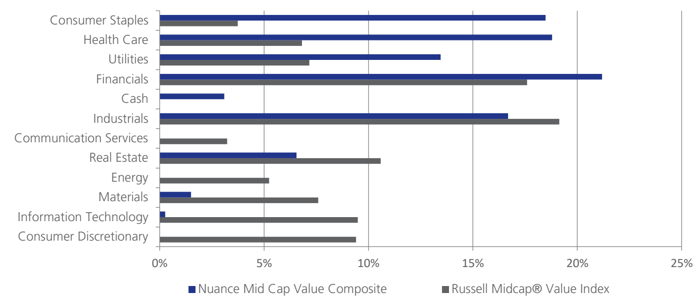
Composition of the Portfolio as of 12/31/2023

Portfolio Characteristics[2]	Nuance Mid Cap Value Composite	Russell Midcap® Value Index
Weighted Average Market Cap	22.0b	23.2b
Median Market Cap	13.1b	10.3b
Price to Earnings (Normal)*	13.7x	20.7x
Price to Earnings (Ex-Neg Earnings)	-	16.5x
Dividend Yield	2.9%	1.9%
Return on Tangible Assets (Normal)*	9.3%	6.4%
Return on Tangible Assets (Trailing)	6.0%	6.4%
Return on Assets (Normal)*	7.3%	5.0%
Return on Assets (Trailing)	4.7%	5.0%
Active Share vs Russell Midcap® Value Index	96%	-
Upside/Downside Capture Ratio vs Russell Midcap® Value Index	82% / 73%	-
Number of Securities	54	703

* Based on Nuance normalized earnings estimates.

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 13.7x versus the Russell Midcap® Value Index of 20.7x. 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 5.0 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 12/31/2023



The two largest overweight positions, relative to the benchmark, within the portfolio remain the Consumer Staples and Health Care sectors. However, the composition of the overweight positions, particularly in the Health Care sector, has shifted. In the Consumer Staples sector, we are continuing to see input cost inflation-related under-earning in a number of leaders across the Household Products sub-industry. Our view is that earnings in this sub-industry 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, Distillers & Vintners, and Consumer Staples Merchandise Retail sub-industries. Within the Health Care sector, we have reduced our overweight position within the Health Care Equipment sub-industry due to competitive uncertainty, and we have added to our positions in the Life Sciences Tools & Services sub-industry, where we are seeing broad under-earning based on a combination of excess capacity being built out combined with a below normal funding environment for biotechnology customers, in our opinion. We have also added to our positions in the Utilities sector. Our overweight in the Utilities sector is made up primarily 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. Our overweight in the Financials sector was mostly unchanged as our positioning within the sector continues to be made up primarily of stocks in the Insurance and Capital Markets industries, but we are also finding what we believe are select opportunities in the Regional Banks sub-industry. While we added to our positions in the Industrials sector, we remain slightly underweight relative to the benchmark. However, 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 continues to be an underweight position where we maintain a meaningful portion of the portfolio, primarily in the Health Care REIT sub-industry. We added slightly to our positioning in the Materials sector, but we remain underweight the sector. We continued to reduce our exposure in the Information Technology sector 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 continue to be 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 calendar year ending December 31, 2023, the Nuance Mid Cap Value Composite was up 7.01 percent (net of fees) compared to the Russell Midcap® Value Index, which was up 12.71 percent, the S&P MidCap 400® Value Index, which was up 15.39 percent, and the S&P 500® Index, which was up 26.29 percent. From our perspective, since-inception performance is the most important barometer of performance, and in the period since inception (November 3, 2008 - December 31, 2023), the Nuance Mid Cap Value Composite was up 12.79 percent (annualized and net of fees) compared to the Russell Midcap® Value Index, which was up 11.83 percent, the S&P MidCap 400® Value Index, which was up 12.40 percent, and the S&P 500® Index, which was up 13.34 percent.

Nuance Performance Goals

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 16 years (including our stub year of 2008) and 10 out of 15 (not including the 2008 stub year). For the calendar year of 2023, the Nuance Mid Cap Value Composite was up 7.01 percent (net of fees) versus our primary benchmark, the Russell Midcap® Value Index, which was up 12.71 percent.

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 December 31, 2023, we have accomplished this goal, as the Nuance Mid Cap Value Composite rose 12.79 percent (annualized and net of fees) between its inception on November 3, 2008 through December 31, 2023 compared to the Russell Midcap® Value Index, which rose 11.83 percent. Further, during the same period, the Nuance Mid Cap Value Composite had a standard deviation of 13.89 percent (annualized and net of fees), meaningfully lower than the 18.19 percent standard deviation of the Russell Midcap® Value Index. As such, our Sharpe Ratio was 0.86 (net of fees) versus the Russell Midcap® Value Index's Sharpe Ratio of 0.60.

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 - 12/31/2023	Since Inception APR[1]	Standard Deviation (A)[1]	Sharpe Ratio (A)[1]
Nuance Mid Cap Value Composite (Gross)	14.11	13.79	0.96
Nuance Mid Cap Value Composite (Net)	13.31	13.81	0.90
Morningstar Mid-Cap Value Funds Peer Group (Median)	11.99	17.86	0.61
Peer Group Percentile and Ranking	14th (25 of 175)	1st (2 of 175)	1st (1 of 175)
Lipper Mid-Cap Value Funds Peer Group (Median)	11.86	17.80	0.59
Peer Group Percentile and Ranking	13th (9 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 December 31, 2023, the Nuance Mid Cap Value Composite was up 12.79 percent (annualized and net of fees) versus the S&P MidCap 400® Value Index, which was up 12.40 percent, and the S&P 500® Index, which was up 13.34 percent. Further, the Nuance Mid Cap Value Composite had a standard deviation of 13.89 percent (annualized and net of fees) during the same time period, which is lower than the 19.69 percent standard deviation of the S&P MidCap 400® Value Index and the 15.43 percent standard deviation of the S&P 500® Index. As such our Sharpe Ratio was 0.86 (net of fees) versus the S&P MidCap 400® Value Index Sharpe Ratio of 0.59 and the S&P 500® Index Sharpe ratio of 0.81. Accordingly, our risk-adjusted returns are on track, though we are disappointed that since-inception total return performance is modestly behind one of our secondary benchmarks.

YTD Attribution[2]

1. Our positioning within the Industrials sector was a detractor from performance. Mueller Water Products, Inc. (MWA) outperformed; however, our largest Industrials holding, 3M Company (MMM), underperformed in the period. MMM remains one of our top 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 60 percent in 2023, and is an area where our work indicates widespread over-earning and over-valuation.

2. Our stock selection within the Real Estate sector was a detractor from performance as Healthcare Realty Trust Incorporated (HR) and Healthpeak Properties, Inc. (PEAK) underperformed.

3. Our positioning in the Materials sector contributed to performance as we were underweight this underperforming sector and our investments in Ecolab Inc. (ECL) and AptarGroup, Inc. (ATR) outperformed.

4. Our underweight positioning to the Consumer Discretionary and Information Technology sectors detracted from performance while our underweight to the Energy and Communication Services sectors benefited performance.

5. Within Utilities, our investments in several water utilities including SJW Group (SJW) and California Water Service Group (CWT) underperformed in the period, detracting from performance.

6. Our stock selection within Financials detracted from performance as our investments in Charles Schwab Corp (SCHW) and Reinsurance Group of America, Incorporated (RGA) outperformed in the period, but they were more than offset by underperformance in Northern Trust Corporation (NTRS) and Travelers Companies, Inc. (TRV). We added to our position in NTRS over the course of the year.

7. Within Consumer Staples, our stock selection was a positive contributor to performance due to our investments in Henkel AG & Co. (HENKY & HENOY), Cal-Maine Foods, Inc. (CALM), and Beiersdorf AG (BDRFY). These more than offset underperformance from our investment in Kimberly-Clark Corporation (KMB) and our overweight of the sector, which was the worst performing sector in the Russell Midcap® Value Index in 2023.

8. The Health Care sector was a modest detractor from performance. Our investments in Dentsply Sirona, Inc. (XRAY) and Waters Corporation (WAT) outperformed. However, that was not sufficient to overcome underperformance from our investments in Baxter International Inc. (BAX) and Globus Medical Inc. (GMED) and our overweight positioning to what was an underperforming sector. We exited BAX due to deal-related leverage issues and GMED due to the competitive transition we see going forward due to GLP-1s, which we will also discuss in more detail in our Nuance Perspectives below.

9. Finally, our cash position was a modest drag on performance in the period.

Nuance Perspectives[2]

2023 was a disappointing year at Nuance as we underperformed our primary and secondary benchmarks. For the calendar year ending December 31, 2023, the Nuance Mid Cap Value Composite was up 7.01 percent (net of fees) compared to the Russell Midcap® Value Index, which was up 12.71 percent, the S&P MidCap 400® Value Index, which was up 15.39 percent, and the S&P 500® Index, which was up 26.29 percent.

Our third quarter writings were focused on client expectations, and our fourth quarter 2023 writings will be focused on client expectations as well. First, we want to emphasize one of our firm's core beliefs. Value (as a style of investing) has beaten Growth (as a style of investing) over a long period of time and that

[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.

is true on both an absolute and a risk-adjusted basis. Both broad categories have their merits and their place in a diversified portfolio, but over the long term, underweighting the Value investment style is certainly a significant asset allocation decision and a risk, in our opinion. See Exhibit 2 below.

Exhibit 2

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

Investment Style	Annualized Return	Standard Deviation	Sharpe Ratio
Value Stocks	13.12%	25.83%	0.38
Growth Stocks	9.56%	21.28%	0.30
Large Company Stocks	10.09%	18.73%	0.37
Small Company Stocks	11.76%	28.15%	0.30
Long-Term Government Bonds	4.96%	8.75%	0.20
Intermediate Government Bonds	4.82%	4.41%	0.36
1 Month Treasury Bill	3.25%	0.87%	-

Note: 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

There are numerous reasons why Value as a style has beaten Growth as a style over nearly a century of data. The simplest and most logical reason, in our opinion, is that valuations in Growth stocks are generally high and compress as the companies become mature, and the law of large numbers slowly and steadily reduces the growth rate and valuation multiples of those companies as a group. Value stocks – in contrast – are generally inexpensive versus the broad market and have the potential for at least some multiple expansion all while exhibiting growth rates indicative of more mature businesses with market share situations that are more analyzable and more consistent than that of early-, mid-, or even late-stage Growth companies. There are quite a few famous quotes out there about Value investing as a style. We might paraphrase them generally by saying stocks are not inexpensive, protective, and popular all at the same time.

That brings us to Nuance Investments, LLC (Nuance) and our specific mandate and goal as a firm. As a firm, we are focused on beating our value peers and benchmarks over time and doing so with less risk. Simplistically, we believe that Value beats Growth as a style over the long term, and Nuance's goal is to beat Value as a style – both peers and benchmarks – over the long term. That is our business model and over our 15-year history, we have done well in meeting those goals. So, while Exhibit 2 above illustrates that Value has outperformed Growth over nearly a century, Exhibit 3 below reminds us that Nuance – thus far in its 15-year history – has outperformed the value benchmarks since our inception. That is our mandate and our long-term goal, and we are pleased to be on the right side of that equation thus far.

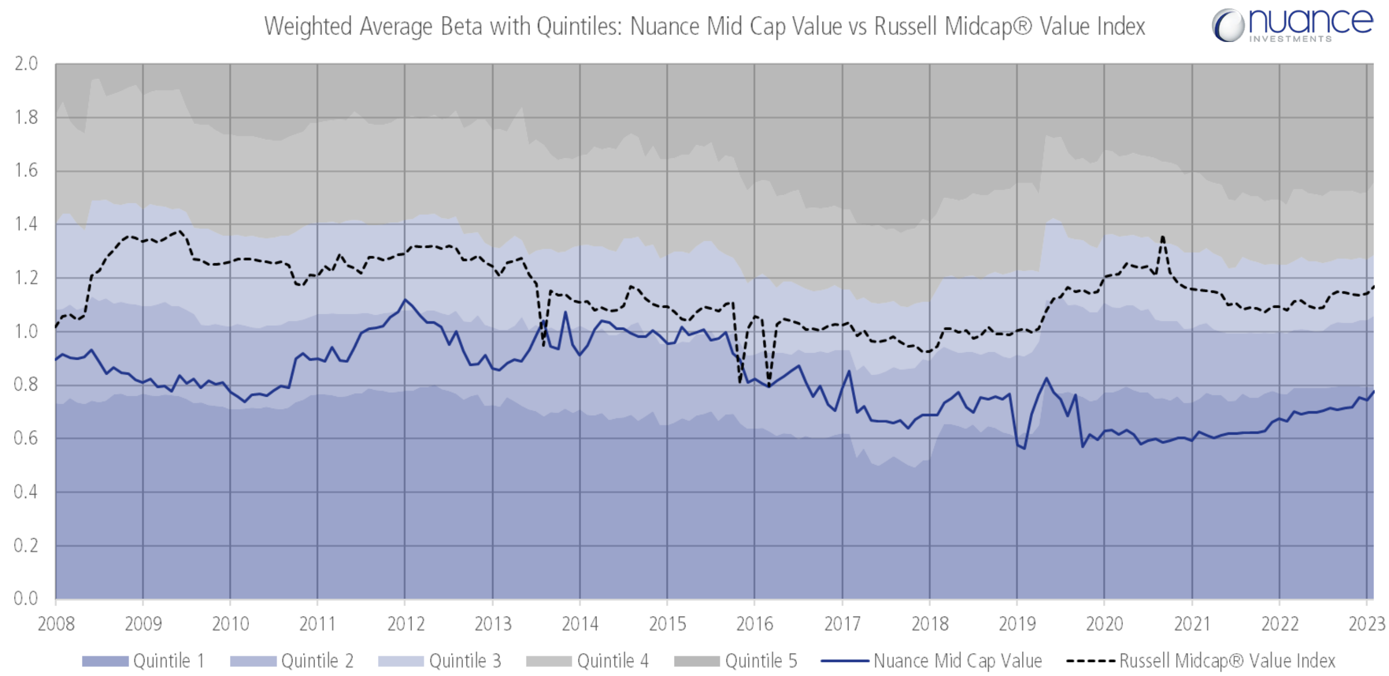
Exhibit 3

	Since Inception APR	Since Inception TR	Since Inception Standard Deviation (A)	Since Inception Sharpe Ratio (A)
Nuance Mid Cap Value Composite (Gross)	13.58	590.45	13.87	0.92
Nuance Mid Cap Value Composite (Net)	12.79	520.87	13.89	0.86
Russell Midcap® Value Index	11.83	445.34	18.19	0.60
S&P MidCap 400® Value Index	12.40	488.60	19.69	0.59
S&P 500® Index	13.34	568.51	15.43	0.81

To elaborate further, our team believes that our ability to consistently execute our Nuance Investment Process has led to those historical returns, and we believe that if we continue to execute our process, it will create the opportunity to generate alpha over the long term. Inherent within our process is a focus on higher quality companies and less risky stocks versus the broader stock market. That focus touches every step of our process. Within quantitative screening, we are looking for characteristics of excellent businesses, including high returns on capital and stability of those returns. In our competitive review, we are looking for leading business franchises within their niche and with sustainable competitive positions well into the future. In financial statement analysis, high and stable returns on capital naturally lead you to higher quality companies. By normalizing those returns and buying when a business is under-earning for a transitory reason, we believe we are generally buying at a less than average part of a stock's risk spectrum, when financial performance is most likely to improve in the short term and is at less risk of worsening further. Our risk awareness continues with a focus on typically better than average balance sheets, which naturally leads to less downside risk than the equities of levered companies over time. In addition to all of the above, we buy companies when they are undervalued to our internal view of fair value and when they have less downside risk to our internal view of trough value versus the broader market. All of which has led to our portfolio having among the least risk as measured by both standard deviation of returns, as well as weighted average beta, versus our primary benchmarks since our inception, as illustrated below.

So let us transition to talking about beta and risk. When considering the multitude of investment factors and their relevancy to our Nuance Investment Process, our team generally believes that focusing on beta as a measure of stock specific risk is a very reasonable decision. We believe beta, which measures how volatile a stock is relative to the rest of the market, provides the best encapsulation of earnings volatility, balance sheet or financial risk, and competitive or fundamental business risk in its full form. When analyzing the beta factor over the years, our method is to break the constituents of our primary benchmark into five equal parts, or beta quintiles. Over time, our Nuance Investment Process, which has yielded 1st percentile risk-adjusted returns since inception, has typically occupied beta factor quintiles one through three. See Exhibit 4 below. We believe this is due to our Nuance process and the clear focus on low to average risk stocks as previously discussed. Additionally, in the latter stages of the market and valuation cycle, when risk has often been minimized by market participants, the opportunity set in the least risky stocks becomes most attractive and the weighted average beta of the portfolio typically remains in the lowest quintiles, which we have seen in recent years.

Exhibit 4



Definition: Beta quintiles created using the Russell Midcap® Value Index on an equal-weighted basis, rebalanced monthly.
Source: FactSet AlphaTesting, Nuance Investments Analysis

This – of course – begs the question, is constructing a portfolio comprised of stocks with low to average risk relative to the market a winning strategy over the long term? We believe the evidence over time suggests yes, but our clients can judge for themselves. This has indeed been the case when studying beta (risk) as an investment factor since the inception of the Russell Midcap® Value Index (RMV) – our primary benchmark. The RMV has existed for more than 35 years now and certainly includes multiple economic and market cycles. Not only have the low to average beta (risk) quintiles outperformed the highest beta (risk) quintiles on an annualized return basis since 1987, but these higher returns have naturally been delivered with a significantly lower standard deviation of returns. This combination has led to a significantly higher Sharpe ratio over the long data set available for our primary benchmark as seen in Exhibit 5 below.

Exhibit 5

Russell Midcap® Value Index Beta Analysis

Annualized	Average Return of Beta Quintiles 1-3 (low-neutral beta)	Average Return of Beta Quintiles 4-5 (high beta)	Difference
Returns	11.62	11.56	0.07
Standard Dev.	14.72	25.15	-10.43
Sharpe Ratio	0.60	0.35	0.25

Definition: Beta quintiles created using the Russell Midcap® Value Index on an equal-weighted basis, rebalanced monthly, from 12/31/87 to present.
Source: FactSet AlphaTesting, Nuance Investments Analysis

This brings us to the current market environment and the summary point of our writing for this period. Despite the historically attractive risk-adjusted returns of low to average-risk stocks and the long-term success of our process versus both peers and benchmarks, the last few years have been a challenging period as high-risk stocks (quintiles 4 and 5) have outperformed low to average-risk stocks (quintiles 1-3) in three of the last four years, a rare occurrence in our study of history. This extended multi-year period of the riskiest groups of stocks being in favor began in 2020, coincident with the rapid and unprecedented expansion in broad money supply (M2) due to unparalleled Federal Reserve actions along with what we consider to be massive levels of fiscal stimulus and deficit spending. We cannot be sure just how much this led to an increase in investor risk appetite and speculation, but it does appear to have been impactful as evidenced by risk-seeking behavior such as the popularity of meme stocks, cryptocurrencies, SPACs, and other examples.

Since our first day of investing for our clients in 2008, our Nuance team has discussed performance-oriented expectations with all of our clients. We try to ensure that our clients understand that there is no certainty over any investment period, but we believe it is important to give our clients an idea of how we expect our Nuance Mid Cap Value Composite to perform throughout market cycles. We have historically expressed that we believe we should typically beat our peers and benchmark in lower and neutral-risk years. In high-risk years, that is likely more challenging for us, but we hope to "stock pick our way" to outperformance. Late-cycle, high-risk years are particularly challenging, as we have found many of the highest beta stocks to be over-earning and overvalued during those periods. We tend to have more higher-beta options available to us at closer to trough valuations and favorable risk rewards earlier in the cycle during high-risk periods.

To that end, we studied the average benchmark performance of beta quintiles 1-3 (low to neutral beta) and compared it to the average performance of quintiles 4-5 (higher beta) from 1988 – 2023. Approximately 31 percent of the time, lower risk stocks outperformed, 36 percent we viewed as relatively neutral years from a risk perspective, and 33 percent of the observations were high-risk years.

Exhibit 6

	Russell Midcap® Value Index				Annual Returns			
Year	Average Return of Beta Quintiles 1-3 (low-neutral beta)	Average Return of Beta Quintiles 4-5 (high beta)	Difference	Characterization of year	Nuance Mid Cap Value Gross of Fee	Nuance Mid Cap Value Net of Fee	Russell Midcap® Value Index	Difference Net of Fee
2008	-34.31	-48.72	14.41	Low-risk	-4.13	-4.13	-5.60	1.47
2009	31.42	106.87	-75.45	High-risk	38.69	38.20	34.21	3.99
2010	21.46	32.65	-11.18	High-risk	21.08	20.01	24.75	-4.74
2011	1.94	-10.19	12.13	Low-risk	4.04	3.38	-1.38	4.76
2012	17.21	19.98	-2.77	Neutral	22.02	20.61	18.51	2.11
2013	36.20	36.23	-0.03	Neutral	35.45	34.24	33.46	0.78
2014	14.99	5.46	9.53	Low-risk	9.79	9.14	14.75	-5.61
2015	0.26	-16.70	16.96	Low-risk	2.95	2.33	-4.78	7.11
2016	17.11	25.37	-8.27	High-risk	21.87	21.05	20.00	1.06
2017	11.40	17.40	-6.00	High-risk	16.18	15.42	13.34	2.08
2018	-8.03	-19.84	11.81	Low-risk	-4.18	-4.88	-12.29	7.41
2019	25.02	28.35	-3.33	Neutral	32.52	31.62	27.06	4.56
2020	6.26	13.55	-7.29	High-risk	5.49	4.76	4.96	-0.20
2021	21.35	29.87	-8.51	High-risk	12.28	11.51	28.34	-16.82
2022	-14.21	-17.78	3.56	Neutral	-3.82	-4.48	-12.03	7.55
2023	9.98	28.47	-18.49	High-risk	7.74	7.01	12.71	-5.71

Definition: Beta quintiles created using the Russell Midcap® Value Index on an equal-weighted basis, rebalanced monthly.
Source: FactSet AlphaTesting, Nuance Investments Analysis

As you can see in Exhibit 6 above, since our inception in 2008, our Nuance Mid Cap Value Composite has largely performed in line with our expectations. In eight out of nine low and neutral-risk years in the market, we outperformed. In high-risk years that we would regard as early or mid-cycle (2009, 2010, 2016, 2017), we were three for four, which is a satisfactory result, in our opinion, and meets our expectations. In high-risk years that we would regard as late-cycle (2020, 2021, 2023), we were a disappointing zero for three. We are disappointed we were not able to stock pick our way to outperformance in any of these years, although we were very close in 2020, but we have always expressed our belief that this would be the most challenging type of market for our process to outperform. Also, overcoming 729 basis points (2020), 851 basis points (2021), and 1849 basis points (2023) of high-risk outperformance in those years is a pretty high bar to clear. You can also see just how anomalistic this recent 2020-2023 period has been. Ultimately, we do not believe a period like this changes the attractive attributes of investing in high-quality and lower to mid-level risk stocks over the long term. If anything, it creates what we believe to be a significant opportunity for those willing to take a pragmatic, long-term approach, and we remain steadfast in our time-tested process. Dare we wonder if our clients have even a hint of contrarian in them? If any of you do, it might just be logical to look at this period as a possible opportunity. I think Sir John Templeton said it quite eloquently, "To buy when others are despondently selling and to sell when others are greedily buying requires the greatest fortitude and pays the greatest reward." We want to be clear that there are no guarantees to future performance from any of this work or these comments or that quote, but chasing high-risk stocks after a period of significant outperformance is not a logical strategy in our humble opinion.

Specific to our portfolio positioning during 2023, within Industrials, our investment in 3M Company (MMM) was a detractor to 2023 performance. We took advantage of this underperformance to add to our investment throughout the year at what we view as a progressively more attractive risk reward and MMM remains a high conviction, top holding today. Additionally, our underweight in the Industrials sector was a headwind to performance as the Industrials sector was the top performing sector in the Russell Midcap® Value Index in 2023, returning nearly 29 percent. Industrials companies across a variety of economically sensitive sub-industries including Building Products, Aerospace & Defense, Trading Companies & Distributors, and Electrical Components & Equipment experienced multiple expansion and strong stock performance as fears of a United States (U.S.) recession abated and demand remained strong across many cyclical end markets. Industrials are emblematic of the beta-oriented discussion described above. The highest-beta Industrials stocks dramatically outperformed low-beta in 2023. Many of those higher risk companies are cyclically over-earning and trade at lofty valuations, in our opinion, a situation that simply does not fit Nuance's process.

The overweighted Consumer Staples sector was a modest contributor to performance and we believe opportunities remain plentiful as we look ahead. During the year we reduced our position in Beiersdorf AG (BDRFY), capturing recent outperformance, and added back to our Cal-Maine Foods, Inc. (CALM) position as egg prices normalized early in the year and the stock underperformed. Within Real Estate, our occupancy-related under-earning thesis in Healthcare Realty Trust Inc. (HR) has yet to fully play out and the stock underperformed in the period. Healthpeak Properties, Inc. (PEAK) also underperformed due to weakness in their life sciences end market, an area of the economy where we are seeing multiple opportunities. Within the Utilities sector, we added to our holding of United Kingdom (U.K.)-based water utilities, which is an interesting opportunity we will discuss further in our 2024 outlook.

Finally, within Health Care, we were faced with a new competitive transition in 2023 that precipitated meaningful changes to the holdings within that sector. Identifying, analyzing, and responding to potential competitive transitions is a core tenet of the Nuance Investment Process. These typically manifest from technological advancements that introduce significant uncertainty to incumbents' competitive positions. Naturally, when a company is facing disruption, its historical financial performance and valuation are also much less relevant to its future. Identifying an appropriate go-forward level of normal returns, fair value, and trough value becomes an exercise in speculation.

In our experience, companies facing these transitions often become some of the riskiest potential value traps. We have written extensively about historical examples that this process has successfully sidestepped. The analog film to digital imaging transition in the 1990s, Eastman Kodak Company (KODK) ultimately went bankrupt. The transition away from newspapers in the early 2000s, many have gone under and the survivors like New York Times Company (NYT) have dramatically underperformed the market. ATMs in the 2010s as more and more transactions were moving to cashless. We sold leading ATM manufacturer Diebold Nixdorf (DBD) at a loss in 2011, but would note the stock suffered significantly after we sold. While it is never fun to sell a position at a loss, the far more destructive action would have been to remain dug in and continue owning the stock for a significant further reduction in value. While each of these transitions may seem obvious today, at the time many investors did fall into the value trap and their performance suffered as a result.

This year, we were faced with one of those potential transitions in the form of the Glucagon-like peptide-1 agonist (GLP-1) class of drugs, which includes Ozempic, Wegovy, and Mounjaro among others. To set the stage for this transition, the Health Care sector has long been a good fit for our process. The sector has enjoyed a reliably growing demand profile, with a tailwind from demographics and an aging population. Barriers to entry are generally high and market share shift gradual, particularly for the types of companies within Health Care that we have historically invested in.

One of the other factors supporting historical demand growth within Health Care has been obesity rates. According to the U.S. Centers for Disease Control and Prevention (CDC), U.S. obesity prevalence increased from 30.5 percent in 2000 to 41.9 percent in 2020. This is not a uniquely U.S. phenomenon; obesity prevalence has also increased in many international geographies including China, India, and Europe as well. Obesity is a risk factor that has been linked to many health problems including diabetes, heart disease, osteoarthritis, sleep apnea, and certain cancers. Numerous studies have shown the direct cost of obesity to be significant and obese people in general consume much more health resources than non-obese people.

If historical trends in obesity prevalence were to change, it could have wide-ranging impacts on global health systems including the volume and type of care being provided. In 2023, we may be on the cusp of that competitive transition. GLP-1s are a class of drug that were historically used to treat type 2 diabetes and have been approved since 2005. The drug helps the body regulate insulin levels, reduce blood glucose levels, and releases a hormone that stimulates the feeling of fullness. In addition to being effective as a type 2 diabetes treatment, recent iterations of GLP-1s have shown to be highly effective in treating obesity. Studies across leading GLP-1s indicate patients lose 15 to 20 percent of their body weight on average. The drugs are generally tolerable and bear reasonable risk of significant side effects.

Popularity of these drugs has exploded over the last year as additional clinical data has shown wide-ranging health benefits are being achieved, including but not limited to weight loss, reduced risk of major adverse cardiac events (heart attack, stroke, etc.), a likely reduced need for orthopedic procedures generally, and the potential to reduce the need for other drugs that combat obesity-related issues such as high blood pressure, cholesterol, and many others. Approved indications for the drugs are expanding, oral versions in addition to current injectables are in development, and affordability is likely to improve. Today, less than 1 percent of the overweight adult population is currently taking GLP-1s by our estimation. We do not know exactly how large this drug class will be, but some estimates are as high as 10 percent of the population by 2030. It appears well within the potential range of outcomes that we could be in the early stages of a mass-market category that has the potential to be paradigm-changing for obesity and related health conditions.

As a direct result of this work, we exited holdings that we believe had significant exposure to obesity-linked conditions. This included Smith & Nephew plc (SNN), Zimmer Biomet Holdings, Inc. (ZBH), Globus Medical Inc (GMED), ICU Medical, Inc (ICUI), and Medtronic Plc (MDT) covering osteoarthritis, cardiovascular, diabetes, general surgery, and chronic care, depending on the company. This was not a decision we took lightly; these had been some of our favorite companies and, at various times, top investment ideas. However, dealing with competitive transitions is a normal and recurring part of our Nuance Investment Process, as illustrated above. We judged that going forward, demand for these companies' products was much less certain than it had been throughout all of their past history that we had studied. As such, our ability to reliably estimate future normal return levels, fair value, and trough value was much lower than it had been. When that situation arises, we do not get dug in; we act decisively to improve the portfolio with the goal of having the best possible going-forward investments for our clients. In this case, we were able to transition weight from these investments into new opportunities that we believe are more certain competitively, and in some cases ones that are actual direct beneficiaries of the potential GLP-1s transition, which we will discuss in our 2024 outlook.

<u>2024 Outlook</u>[2]

We will start our 2024 outlook with two of our primary destinations for the funds generated from the GLP-1-related sales. The first comes in the Life Sciences Tools & Services sub-industry within Health Care. In the quarter, we initiated positions in QIAGEN NV (QGEN), Illumina, Inc. (ILMN), and added to our existing position in Waters Corporation (WAT) significantly. These are companies that make highly advanced analytical equipment and associated supplies, which are sold primarily into research labs, diagnostic labs, and pharmaceutical manufacturing. As a group, these are amongst the highest quality members of our Nuance Approved List, in our opinion.

WAT is a leader in liquid chromatography, mass spectrometry, and thermal analysis products used primarily in quality assurance and quality control testing. Market share in this business is extremely stable, particularly once you are specified into a pharmaceutical manufacturing line. We believe WAT is under-earning today due to having around 20 percent of their revenues coming from biotech customers. Biotech funding went through a peak in 2021 due to low interest rates, robust research budgets, and freely available capital. Biotech funding has since been cut in half from those levels and now stands below normal, which is causing under-earning at WAT. In our view, today's expected earnings per share of $11.75 does not reflect the company's mid cycle earnings potential, which we have at closer to $14.00 per share. Also importantly, WAT products are used in manufacturing of both leading GLP-1s, which should or could be a nice tailwind to growth for years to come. It should be noted that GLP-1 growth is not necessary for the stock to succeed, but should it manifest in the way we believe, there could be even more upside than our initial work suggests.

ILMN is a global leader in advanced gene sequencing equipment with a dominant market share position for approaching two decades. Their products are used primarily in research labs and in clinical diagnostics. We believe there is a long-term tailwind to demand in clinical diagnostics as the use of genetic testing for cancer screening, hereditary disease, and reproductive health is expanding. We believe the company is under-earning today due to the same biotech funding cycle impacting WAT. Additionally, the company is in the process of divesting money-losing cancer diagnostics company GRAIL, a subsidiary that has been a drag on company profitability. We believe GRAIL is an attractive asset, as the leader in the nascent field of Multi-Cancer Early Detection, but it does not fit with the company's core business nor strategic priorities at this time. Once GRAIL is divested, our analysis suggests ILMN will have a net cash balance sheet. In

[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.

2021, ILMN traded to above $500 per share. Since then, as the company dealt with regulatory scrutiny related to their 2021 purchase of GRAIL and the biotech funding cycle turning against them, the stock has plummeted, trading down more than 80 percent from peak to trough. We recently took advantage of the opportunity to initiate a position after the period of sharp under-performance at a valuation multiple of approximately 15 times our estimate of normalized earnings. We would also note that within the Health Care sector, in addition to this newer opportunity in Life Science Tools & Services, we added to our investments in dental companies, led by Dentsply Sirona, Inc. (XRAY), which we wrote about last quarter and which remains a top idea.

The second primary destination of funds was U.K.-based water utilities. United Utilities Group, PLC (UUGRY) is one of three publicly traded water utility companies in the U.K. providing water and wastewater services to residents and businesses in the Northwest region of England. UUGRY is a regulated natural monopoly with 100 percent market share in its jurisdiction and provides essential services to its customers with a best-in-class balance sheet compared to peers. The company is expected to earn around $1.30 per share in 2024 per Wall Street consensus estimates and we believe it is under-earning its long-term potential. The first source of under-earning, in our opinion, stems from a decade-long period of the lowest interest rates observed in over 300 years of recorded U.K. interest rate history. The allowed level of base return on equity (ROE) granted to U.K. water utilities is determined by a national regulatory body every five years and uses prevailing interest rates as a key determining input. UUGRY is currently earning a base ROE which was determined during this period of ultra-low interest rates and became effective April 2020. With U.K. interest rates rising to more historically normal levels since the last determination, we anticipate a more normal base ROE allowance for U.K. water utilities which will be finalized during the next price review in December 2024. We believe the second source of under-earning is a result of regulatory lag, which is the difference between the time when a utility's costs increase and when it is allowed to raise customer rates to offset the costs. UUGRY has experienced significant cost inflation within a variety of operating expense items including chemicals, power, and labor. This has led to temporary margin pressure which we expect to normalize over the coming years as costs are recovered through the allowance of higher customer rates. In addition to the under-earning discussed above, we believe the U.K. water industry is on the cusp of an inflection in investment spending. The past few decades of U.K. water regulation have been characterized by the prioritization of low customer bills at the expense of investment in U.K. water infrastructure assets. This underinvestment has resulted in leakage, sewerage overflows, and a variety of environmental issues that can be addressed with higher investment spending from UUGRY and others, which we believe will provide a steady long-term tailwind for investment and associated rate and earnings growth. At year end, UUGRY was trading at $27.45 per ADR share which equates to roughly 13.0 times our internal estimate of normalized earnings. UUGRY trades at a substantial discount to both its own history and U.S. peers and offers a compelling risk reward opportunity, in our opinion.

In closing, we want to emphasize the opportunity we believe today's market is providing for us and our investors in Nuance Mid Cap Value. As we have noted above, Value (as a style of investing) has historically beaten Growth (as a style of investing), and we have shown that we have historically beaten our value benchmarks. We have rarely been faced with a multi-year period of the highest-risk areas of the market outperforming, and our Nuance Mid Cap Value strategy has underperformed our Value benchmarks over this period, but that can lead to what we view as historical valuation discrepancies and risk reward opportunities for us to capitalize on.

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: 12/31/2023	7.74	7.01	12.71	15.39	0.2	60	$4,003,370,584	$4,999,890,906	0.0%	14.1	19.6	21.3

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 12/31/2023 composite weights of names discussed are as follows: ATR (0.7%), BAX (0.0%), BDRFY (0.0%), CALM (1.8%), CWT (2.1%), DBD (0.0%), ECL (0.0%), GMED (0.0%), HENKY (3.7%), HENOY (2.0%), HR (3.5%), ICUI (0.0%), ILMN (1.8%), KMB (4.8%), KODK (0.0%), MDT (0.0%), MMM (7.3%), MWA (3.5%), NTRS (4.7%), NYT (0.0%), PEAK (1.3%), QGEN (0.8%), RGA (3.3%), SCHW (0.0%), SJW (1.5%), SNN (0.0%), TRV (4.3%), UUGRY (3.4%), WAT (2.5%), XRAY (7.3%), and ZBH (0.0%). 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. Beta measures volatility as compared to that of the overall market. The Market's beta is set at 1.00; a beta higher than 1.00 is considered to be more volatile than the market, while a beta lower than 1.00 is considered to be less volatile. 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.