Nuance Concentrated Value Composite Perspectives

NUANCE INVESTMENTS

June 30, 2024

Description of the Product

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

Portfolio Managers

Left to right: Adam West, Darren Schryer, Scott Moore, & Jack Meurer

Name	Title	Experience
Scott Moore, CFA	President & CIO	33 years
Darren Schryer, CFA, CPA	VP & Portfolio Manager	8 years
Jack Meurer, CFA	VP & Portfolio Manager	7 years
Adam West, CFA	VP & Portfolio Manager	18 years

Peer Statistics[1]

5th Percentile Sharpe Ratio

Lipper
Category: Multi-Cap Value
Ranking vs. Peers: 7 of 298

Morningstar
Category: Large Value
Ranking vs. Peers: 24 of 556

Morningstar
Category: Mid-Cap Value
Ranking vs. Peers: 2 of 168

Longer Term Performance Update (through June 30, 2024)

Since Inception Return: The return since inception (11/13/2008) through 6/30/2024 is 12.13 percent (annualized and net of fees) versus the Russell 3000® Value Index and S&P 500® Index, which have returned 11.01 percent and 14.36 percent, respectively.

Risk-Adjusted Returns: Our Sharpe Ratio since inception through 6/30/2024 is 0.84 (net of fees) versus the Russell 3000® Value Index at 0.62 and the S&P 500® Index at 0.88.

Peer Group Returns through 6/30/2024: Comparing our product to peers displays positive results over time. On a total return basis, since 11/30/2008, we ranked 142 out of 556 peer group members (26th percentile) in the Morningstar Large Value Funds universe, 83 out of 168 (50th percentile) in the Morningstar Mid-Cap Value Funds universe, and 80 out of 298 (27th percentile) in the Lipper Multi-Cap Value Funds universe.

Peer Group Risk-Adjusted Return through 6/30/2024: On a risk-adjusted return basis, since 11/30/2008, (measured by the Sharpe Ratio) we ranked 24 out of 556 peer group members (5th percentile) in the Morningstar Large Value Funds universe, 2 out of 168 (1st percentile) in the Morningstar Mid-Cap Value Funds universe, and 7 out of 298 (3rd percentile) in the Lipper Multi-Cap Value Funds universe.

Peer Group Analysis 11/30/2008 - 6/30/2024	Since Inception APR[1]	Standard Deviation (A)[1]	Sharpe Ratio (A)[1]
Nuance Concentrated Value Composite (Gross)	12.65	13.23	0.88
Nuance Concentrated Value Composite (Net)	11.91	13.22	0.82
Morningstar Large Value Funds Peer Group (Median)	11.06	15.76	0.64
Peer Group Percentile and Ranking	26th (142 of 556)	8th (41 of 556)	5th (24 of 556)
Morningstar Mid-Cap Value Funds Peer Group (Median)	11.88	17.68	0.59
Peer Group Percentile and Ranking	50th (83 of 168)	1st (1 of 168)	1st (2 of 168)
Lipper Multi-Cap Value Funds Peer Group (Median)	10.95	16.13	0.61
Peer Group Percentile and Ranking	27th (80 of 298)	3rd (8 of 298)	3rd (7 of 298)

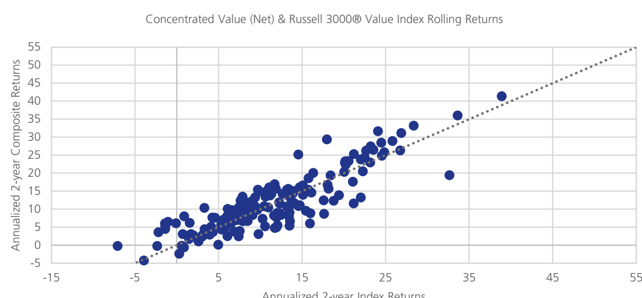
Performance 11/13/2008 - 6/30/2024	APR*	TR*	Standard Deviation*	Sharpe Ratio*	15 Year	10 Year	7 Year	5 Year	3 Year	1 Year	YTD 2024
Nuance Concentrated Value Composite (Gross)	12.86	563.58	13.21	0.90	12.22	7.01	7.10	6.04	2.30	0.17	(1.14)
Nuance Concentrated Value Composite (Net)	12.13	499.09	13.20	0.84	11.47	6.24	6.33	5.28	1.58	(0.52)	(1.48)
Russell 3000® Value Index	11.01	411.92	16.08	0.62	11.70	8.09	8.42	8.88	5.14	12.93	6.18
S&P 500® Index	14.36	715.66	15.20	0.88	14.80	12.85	14.27	15.03	10.00	24.56	15.29

*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 Large Value Funds Peer Group, Morningstar Mid-Cap Value Funds Peer Group, and the Lipper Multi-Cap Value Funds Peer Group have been presented as investment strategies with a similar investment style to the Nuance Concentrated Value Composite. For more information on peer group comparisons and calculations, please refer to the full disclosures.

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

Rolling 2-Year Return Periods			Current 2-Year Period as of 6/30/2024	
11/30/2008 - 6/30/2024	Periods Beating the Index		Composite (%) Annualized Net of Fees	Russell 3000® Value Index (%)
Nuance Concentrated Value Composite	95 / 164	57.9%	5.53	12.06



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

For the period ending June 30, 2024, the Nuance Concentrated Value Composite two-year rolling return is 5.53 percent (annualized and net of fees) versus the Russell 3000® Value Index and S&P 500® Index which have returned 12.06 percent and 22.02 percent, respectively. Overall, we have outperformed in 95 out of the available 164 two-year periods as shown in the chart labeled Rolling 2-Year Return Periods.

Year-to-date, the Nuance Concentrated Value Composite has returned (1.48) percent (net of fees) versus the Russell 3000® Value Index and the S&P 500® Index, which have returned 6.18 percent and 15.29 percent respectively.

Calendar Year Performance as of 6/30/2024	11/13/08 - 12/31/08	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	YTD 2024
Nuance Concentrated Value Composite (Gross)	4.47	42.24	18.79	6.85	18.41	35.33	8.88	(1.28)	20.49	12.11	(3.82)	28.92	4.25	10.80	(3.86)	11.09	(1.14)
Nuance Concentrated Value Composite (Net)	4.47	41.70	18.13	6.29	17.79	34.45	8.07	(1.98)	19.70	11.29	(4.55)	28.00	3.48	9.99	(4.55)	10.33	(1.48)
Russell 3000® Value Index	0.37	19.76	16.23	(0.10)	17.55	32.69	12.70	(4.13)	18.40	13.19	(8.58)	26.26	2.87	25.37	(7.98)	11.66	6.18
S&P 500® Index	(0.47)	26.46	15.06	2.11	16.00	32.39	13.69	1.38	11.96	21.83	(4.38)	31.49	18.40	28.71	(18.11)	26.29	15.29

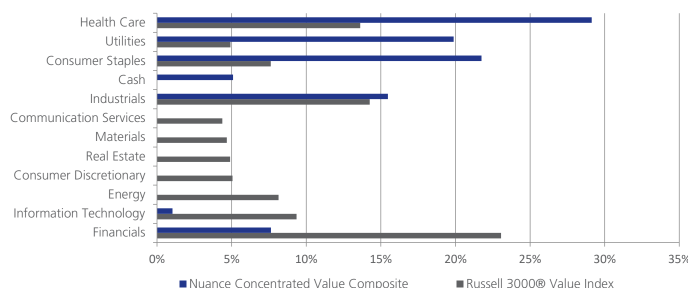
Composition of the Portfolio as of 6/30/2024

Portfolio Characteristics[2]	Nuance Concentrated Value Composite	Russell 3000® Value Index
Weighted Average Market Cap	20.0b	151.1b
Median Market Cap	9.1b	2.1b
Price to Earnings (Normal)*	13.3x	20.0x
Price to Earnings (Ex-Neg Earnings)	-	17.4x
Dividend Yield	2.4%	2.1%
Return on Tangible Assets (Normal)*	10.3%	7.0%
Return on Tangible Assets (Trailing)	5.8%	7.0%
Return on Assets (Normal)*	7.4%	5.4%
Return on Assets (Trailing)	4.2%	5.4%
Active Share vs Russell 3000® Value Index	98%	-
Upside/Downside Capture Ratio vs Russell 3000® Value Index	81% / 69%	-
Number of Securities	35	2,248

* 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 13.3x versus the Russell 3000® Value Index of 20.0x. We are achieving this ratio with a portfolio of companies that have a return on assets of 7.4 percent versus the Russell 3000® Value Index of 5.4 percent. This dichotomy of above average companies selling at below average multiples has the opportunity for outperformance over the long-term, in our opinion.

Sector Weights and Portfolio Positioning as of 6/30/2024



While our sector overweight and underweight exposures were unchanged during the quarter, we did make changes to the composition of the portfolio as risk reward opportunities shifted. We added to our positions in the Health Care sector as we continue to see what we view as attractive risk rewards. Within the Health Care sector, we would mention two specific opportunities. The first opportunity is companies that sell into the dental space which include positions in the Health Care Supplies, Health Care Equipment, and Health Care Distributors sub-industries. We are seeing under-earning and underperformance manifesting across the broader group of dental companies. The second opportunity we are seeing within the Health Care sector is in the Life Sciences Tools & Services sub-industry. We believe a combination of excess capacity being built out combined with a below normal funding environment for biotechnology has created select opportunities across the sub-industry. We also increased our exposure within 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 our view of their normal returns on capital. 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. 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 sub-industry. We continue to find select risk rewards in the Industrials sector, in our opinion, and we remain slightly overweight the sector. We reduced our exposure within the Financials sector and remain underweight relative to the Russell 3000® Value Index. While we are underweight, we continue to have meaningful exposure within the sector, including the Asset Management & Custody Banks sub-industry. We reduced our exposure in the Real Estate sector as we have found better risk rewards in other parts of the economy, in our view. We remain underweight in the Information Technology and Materials sectors as we are finding what we view as more attractive risk rewards outside of these sectors. 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.

Stocks We Added to Your Portfolio (Second Quarter 2024):

Globe Life Inc. (GL): GL is a leading life and health insurance company in the United States (U.S.) with just under 15 million life insurance policies currently in force. GL targets lower- and middle-income clients with its basic term life, whole life, cancer, and accident policies. During 2023 and the first half of 2024, GL shares meaningfully underperformed the broader market due to several allegations in the media and by two separate short sellers in their reports, alleging, among other things, inappropriate behavior on part of a few of their agents. We have studied these reports in detail and have evaluated their potential impact on GL's long-term earnings potential, liquidity, and capital position. Having evaluated their potential impact, we have incorporated them into our price targets and at 8.5 times our estimate of normal earnings, we believe GL shares represent an attractive risk reward relative to other opportunities.

Graco Inc. (GGG): GGG is a leading manufacturer of spraying and finishing equipment used by professional contractors and industrial customers. The company is currently underearning, in our opinion, due to a multi-year period of spending on facility expansion projects to support organic sales growth. With a net cash balance sheet, we believe the risk reward is attractive relative to other opportunities today.

Legrand SA (LGRDY): LGRDY is a leading global manufacturer of low voltage electrical equipment primarily used in buildings and data centers with what we view as a best-in-class balance sheet among peers. The company has attractive exposure to the long-term trend of increased complexity and number of electrified applications that need to be controlled and protected by electrical equipment. We believe LGRDY is currently underearning in select end markets, including U.S. commercial buildings and various European geographies that have experienced weaker construction activity due to higher interest rates. With recent underperformance in the shares, we have initiated a position at what we believe is an attractive risk reward.

Marten Transport, Ltd. (MRTN): MRTN is a dedicated and one-way truckload carrier with a leading offering in hauling temperature-sensitive products. Overcapacity in the U.S. truckload market has resulted in a recessionary freight environment causing cyclical pressure in truckload rates. We believe these transitory conditions have led to underearning and stock price underperformance for MRTN, which has allowed us the opportunity to initiate a position in a best-in-class truckload operator with a net cash balance sheet.

Rogers Corp (ROG): ROG is a leading producer of engineered materials for electronic components and a variety of consumer and industrial products. The company has a number one market share position and high barriers to entry in nearly all of its products due to the highly engineered nature of the products and strong technical relationships with their customers. Over the past 12 months, the company has faced cyclically weak demand across several of its end markets including electric vehicles, semiconductors, and general manufacturing. This has also led to under-absorption of capacity and margin compression. The company is thus currently underearning its potential with 2024 street estimates well below our view of normal earnings power. This has caused ROG shares to underperform and led to an attractive risk reward opportunity, in our opinion. As the demand environment improves and the company continues to rationalize its costs to improve margins, we expect ROG's earnings power to improve within the next 12-24 months.

Severn Trent Plc (STRNY): STRNY is one of the largest water utility companies in the United Kingdom (U.K.). Primarily serving the Midlands, South West, and Mid Wales regions, STRNY services over 4.2 million households and businesses. We believe the company is under-earning today due to regulatory lag which has been exacerbated by operating expenditure inflation as well as historically low allowed returns on equity due to interest rates. Following a period of underperformance, we have initiated a position at what we believe is an attractive risk reward.

Solventum Corporation (SOLV): SOLV is a leading manufacturer of critical hospital supplies in areas such as advanced wound care, infection prevention, and surgical supplies. The company is also a leading provider of dental consumables, filtration products, and claims management software used by healthcare providers. SOLV spun out of 3M Company (MMM) in April, and we received shares at that time due to our investment in MMM. We retained our stake in SOLV and have since added to the position. The company is currently under-earning due to disruptions related to the spin including rebranding certain products, elevated professional fees, outsourced services, and the cost to fully separate operations from MMM, in our opinion. The company is also experiencing cyclical under-earning in the filtration business due to destocking and below normal bioprocessing demand and elevated raw material input costs that have not yet been fully offset by price increases. We also like that the company is strictly focused on completing the separation from MMM and paying down the debt that was incurred as part of the spin. The stock has underperformed following the spin, but at today's prices, the stock is trading at less than 10 times our estimate of normalized earnings power, and we believe it offers a compelling risk reward opportunity.

Stocks We Eliminated from Your Portfolio (Second Quarter 2024):

Cal-Maine Foods, Inc. (CALM): CALM is the leading producer of fresh shell eggs in the U.S. Longer term, we believe eggs are an attractive food option as more people look to add fresh foods and a relatively inexpensive source of protein into their diet. After a period of outperformance, we exited the position as we found what we believe to be more attractive risk reward opportunities elsewhere.

Diageo plc (DEO): DEO produces, distills, and markets a variety of alcoholic beverages. With leading market share positions in Scotch whiskey, vodkas, gins, and stout beers, DEO fits our definition of a market leading franchise across the vast majority of its businesses. We exited the position as we found what we believe to be more attractive risk reward opportunities elsewhere.

Equity Commonwealth (EQC): EQC is an office property real estate investment trust (REIT) that has successfully sold the majority of its real estate properties at attractive prices from 2015-2020 while paying its investors multiple special dividends and repurchasing shares with the proceeds from the property sales. The REIT now has just under $19 per share of net cash on the balance sheet and with limited upside to our fair value we have exited our position in favor of better risk reward opportunities elsewhere.

Healthcare Realty Trust Incorporated Class A (HR): HR is a leading medical office building real estate investment trust (REIT) that primarily owns properties on prominent hospital system campuses used for a variety of outpatient healthcare services. Shares of HR underperformed in an environment where interest rate sensitive stocks have been out of favor. We exited our position in HR, generated a tax loss, and redeployed the proceeds primarily into some of our favorite water utility businesses, which have also underperformed due to higher interest rates. This allowed us to maintain the risk reward of the portfolio while swapping into businesses with better balance sheets that we view as higher quality.

Healthpeak Properties, Inc. (DOC): DOC is a real estate investment trust (REIT) and among the largest owners of medical office buildings used for outpatient services as well as life science buildings occupied by biotechnology and pharmaceutical companies, research institutions, and government agencies involved in the life science industry. We exited our position in DOC in favor of more attractive opportunities in other interest rate-sensitive stocks including some of our favorite water utilities that have underperformed recently.

Quest Diagnostics (DGX): DGX is a leading provider of clinical laboratory testing in the U.S., serving over a third of the U.S. adult population and half of the nation's physicians and hospitals. The company has experienced improved results due to a sustained period of strong utilization within the healthcare system. We have chosen to exit our position in DGX as we believe there are better opportunities available in other companies.

Towne Bank (TOWN): TOWN is a leading, commercially oriented, regional bank operating in Virginia and North Carolina with stable historical market share and a history of conservative underwriting with very low net charge off rates. We continue to like TOWN's business and competitive position but have exited the position in favor of what we view as more attractive risk reward opportunities.

Nuance Perspectives from President & CIO, Scott Moore, CFA

Dear Clients,

For the six months ending June 30, 2024, the Nuance Concentrated Value composite was down (1.48) percent (net of fees) compared to the Russell 3000® Value Index, which was up 6.18 percent, and the S&P 500® Index, which was up 15.29 percent. From our perspective, since-inception performance is the most important barometer of performance, and in the period since inception (November 13, 2008 - June 30, 2024), the Nuance Concentrated Value Composite was up 12.13 percent (annualized and net of fees) compared to the Russell 3000® Value Index, which was up 11.01 percent, and the S&P 500® Index, which was up 14.36 percent.

Nuance Performance Goals

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

1. First, we seek to beat our primary benchmark (the Russell 3000® Value Index) more times than not during calendar years. Calendar year performance matters to us given how important that period is to most of our clients. We are unlikely to beat our benchmark each calendar year and expect to have particular difficulty outperforming during latter stages of the investment, valuation, and economic cycles. In our experience, those periods are usually characterized by high valuations, high levels of corporate leverage, and oftentimes very narrow markets in which investors do not appear to be focused on risk in general. In pursuing this goal, we note that since the inception of the Nuance Concentrated Value Composite on November 13, 2008, we have

outperformed our primary benchmark 12 out of 16 years (including our stub year of 2008) and 11 out of 15 (not including the 2008 stub year). For the first six months of 2024, the Nuance Concentrated Value Composite was down (1.48) percent (net of fees) versus our primary benchmark, the Russell 3000® Value Index, which was up 6.18 percent. If that performance holds for the full calendar year, the Nuance Concentrated Value Composite will have outperformed 12 out of 17 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 June 30, 2024, we have accomplished this goal, as the Nuance Concentrated Value Composite rose 12.13 percent (annualized and net of fees) between its inception on November 13, 2008 through June 30, 2024 compared to the Russell 3000® Value Index, which rose 11.01 percent. Further, during the same period, the Nuance Concentrated Value Composite had a standard deviation of 13.20 percent (annualized and net of fees), meaningfully lower than the 16.08 percent standard deviation of the Russell 3000® Value Index. As such, our Sharpe Ratio was 0.84 (net of fees) versus the Russell 3000® Value Index's Sharpe Ratio of 0.62.

3. Third, we seek to outperform our peers over the long term (since inception) and to do so with less risk, as measured by the standard deviation of returns. Since inception, our peer group performance has also been solid, as illustrated by the Nuance Concentrated Value Composite's 5th percentile Sharpe Ratio metrics versus our peers (see Exhibit 1 below).

Exhibit 1[1]

Peer Group Analysis 11/30/2008 - 6/30/2024	Since Inception APR[1]	Standard Deviation (A)[1]	Sharpe Ratio (A)[1]
Nuance Concentrated Value Composite (Gross)	12.65	13.23	0.88
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Lipper Multi-Cap Value Funds Peer Group (Median)	10.95	16.13	0.61
Peer Group Percentile and Ranking	27th (80 of 298)	3rd (8 of 298)	3rd (7 of 298)

4. Fourth and finally, we seek to beat our secondary benchmark over the long term (since inception) and to do so with less risk, as measured by the standard deviation of returns. Since inception on November 13, 2008 through June 30, 2024, the Nuance Concentrated Value Composite was up 12.13 percent (annualized and net of fees) versus the S&P 500® Index, which was up 14.36 percent. Further, the Nuance Concentrated Value Composite had a standard deviation of 13.20 percent (annualized and net of fees) during the same time period, which is lower than the 15.20 percent standard deviation of the S&P 500® Index. As such, our Sharpe Ratio was 0.84 (net of fees) versus the S&P 500® Index's Sharpe Ratio of 0.88. Accordingly, we are disappointed our risk-adjusted returns are modestly behind our secondary benchmark. Although, it is not surprising to see this phenomenon after a period in which growth has outperformed value so significantly.

YTD Attribution[2]

1. Our stock selection in the Health Care sector was a primary detractor from performance as our investment in dental companies including Dentsply Sirona, Inc. (XRAY), Envista Holdings Corp. (NVST) and Henry Schein, Inc. (HSIC) all underperformed. We believe the dental space remains a significant one-off under-earning and undervalued opportunity that we have added to during this period of underperformance. Please refer to our first quarter 2024 Perspectives for more details on our dental thesis.

2. Our positioning within the Utilities sector also negatively impacted performance as our investments were primarily in the Water Utilities industry, which was the worst performing industry within Utilities. We continue to favor the competitive position of Water Utilities to natural gas and most electric utilities. In particular, investor uncertainty around the upcoming U.K. election and any potential impact to the timing or outcome of The Water Services Regulation Authority price review has caused underperformance in several U.K. water utilities, in our opinion. We continue to believe United Utilities Group PLC (UUGRY), Pennon Group Plc (PEGRY) and Severn Trent Plc (STRNY) are under earning due to allowed return on equity that has not yet factored in the current higher interest rate regime and regulatory lag on much-needed water infrastructure investment, and we added to the group over the first half of the year.

3. The Consumer Staples sector benefited performance in the first half of the year. Kimberly-Clark Corporation (KMB) outperformed as the company showed signs of earnings power normalizing in their first quarter results and the stock reacted positively. We took advantage of the outperformance to reduce our position. Henkel AG & Co. (HENKY) also outperformed in the period.

4. Our positioning in the Financials sector was a detractor from performance. Our investment in Reinsurance Group of America, Incorporated (RGA) outperformed as the company benefited from higher interest rates and improving mortality trends, but our investment in Independent Bank Corp. (INDB) underperformed in the period.

5. The Industrials sector was a positive contributor to performance as Mueller Water Products, Inc. (MWA) and 3M Company (MMM) outperformed in the period.

[1]Rankings and peer group comparisons are created internally on a quarterly basis using data from FactSet. For comparison purposes, subsets of the Morningstar Large Value Funds Peer Group, Morningstar Mid-Cap Value Funds Peer Group, and the Lipper Multi-Cap Value Funds Peer Group have been presented as investment strategies with a similar investment style to the Nuance Concentrated Value Composite. For 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.

6. Our underweight to the Materials, Communication Services and Consumer Discretionary sectors positively contributed to performance and our underweight to the Information Technology sector was roughly neutral. However, our underweight to the Energy sector detracted from performance as the sector was the best performing in the Russell 3000® Value Index, up 10.8 percent in the first half of the year. We continue to believe most of the Energy sector is facing serious competitive threats from new technologies and fossil fuel-oriented companies are facing the prospect of secularly declining demand for their products. We remain void the Energy sector today and discuss our thesis in more detail below.

7. The Real Estate sector was a modest detractor from performance as Healthcare Realty Trust Incorporated (HR) underperformed.

8. Finally, our cash position was roughly neutral to performance.

Nuance Perspectives[2]

The first half of 2024 can best be described as disappointing for us here at Nuance. For the six months ending June 30, 2024, the Nuance Concentrated Value composite was down (1.48) percent (net of fees) compared to the Russell 3000® Value Index, which was up 6.18 percent, and the S&P 500® Index, which was up 15.29 percent.

At the risk of sounding repetitive with some of our recent writings, the market remains disinterested in the sorts of businesses that we find exhilarating: companies that are leaders within their niche, should grow roughly around the rate of GDP or a little faster over time, are under-earning normalized levels and undervalued, in our view. The market would seem to find these businesses boring today, preferring to chase speculation, growth and risk with the equity portion of their portfolio. However, we believe there is nothing boring about buying excellent businesses at under 14.0 times price to normalized earnings to us. Nor is there anything boring about owning growing companies offering a 7, 8 or 9 percent unlevered free cash flow yield, as many of our top holdings are today. These periods can feel like an eternity for a value investor, and we commiserate with our clients who feel that way. The reality is that we faced this sort of market in the latter portion of 2020 and all of 2021, returned to a semblance of normalcy in 2022 and the first half of 2023, and are now about a year into this "risk-on" period.

Health Care remains a drag on our performance this year. We wrote extensively about our dental holdings last quarter and they remain a top idea. We have added aggressively with the stocks now trading close to recessionary valuation levels, a steep discount to the Russell 3000® Value Index, which is currently trading at a price-to-earnings ratio of 20.0 times. Our Utilities investments are focused within the Water Utilities industry and have, what we believe to be, the most secure and stable competitive position within Utilities. They have also been a drag on performance as the sector is up about 10 percent while our holdings are down this year. Much like dental, they remain one of our highest conviction ideas and we have added to our position over the course of the year. Within Utilities the market has favored the likes of Vistra Corp. (VST), a price taking independent power producer (IPP) with junk rated debt operating in a highly competitive wholesale power market being disrupted by renewable power adoption. VST happens to be up around 124.5 percent this year, emblematic of the speculative, low-quality, risk-seeking nature of this current market, in our opinion.

In Financials, Northern Trust Corporation (NTRS), is up only 1.4 percent this year. NTRS has a long-standing leading franchise in ultra high net worth wealth management and specialty custody and asset servicing. It is trading at a 12.4 times price-to-normalized earnings ratio and is our largest holding within the space. The market prefers to speculate in Robinhood Markets Inc. (HOOD), a company that has never turned a fiscal year profit, has recently faced serious liquidity issues, and is somehow in the Russell 3000® Value Index despite trading at 9.6 times trailing sales. On top of all that, it is a top performing Financials stock in the benchmark, up 78.3 percent this year.

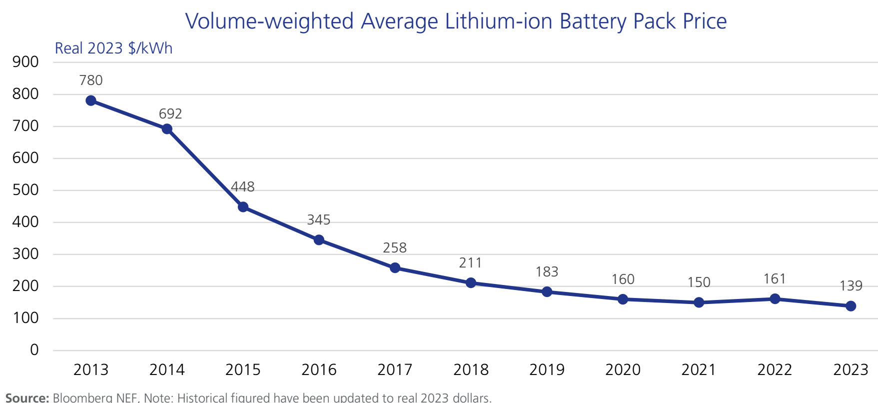
These are just a few, but examples of businesses that the market currently favors being those that do not fit at all what we do or how we invest, are plentiful. That brings us to the Energy sector, which was the best performing sector in the Russell 3000® Value Index over the first six months of 2024, up 10.8 percent. In 2017 we wrote extensively about our thesis that the Energy sector, and crude oil businesses specifically, were likely facing a multi-year period of competitive transition. Since then, we have avoided investing in all businesses that, in our belief, have material exposure to this competitive threat, while our investment team has endlessly analyzed new information and internally scrutinized our view. Given the Energy sector has been in favor over the last few years including the year-to-date period, we thought it would be timely to revisit our view on this competitive transition as well as the related opportunities that we see within the context of our long-term investment approach.

As we have previously discussed, ground transportation represents approximately half of all global crude oil demand. Both passenger and commercial vehicles have long been powered by hydrocarbon-based fuels since the adoption of the internal combustion engine (ICE) beginning in the late 19th century. In the same way that the internal combustion engine was a disruptive technology more than a century ago, it is our belief that improvements in energy storage and electric vehicle (EV) technology will disrupt the status quo, resulting in a flattening and ultimately declining demand profile for crude oil broadly. Market share stability is a required characteristic of all businesses that our team considers for inclusion in our client's portfolios, and the prospect of structurally declining crude oil demand and resulting market share losses for businesses that depend on its growth has necessitated our avoidance of these businesses.

Since first identifying this competitive transition in late 2017, the fundamental developments have steadily supported our initial conclusion. We have since seen continued declines in EV battery prices, and by extension, total cost of ownership of electric vehicles, an expansion of purchase options from automotive manufacturers, a broader global scope of targeted legislative phase-outs of ICE vehicles, and management teams of energy-related companies deliberately allocating fewer dollars within their capital spending budgets toward crude oil-based operations. The result has been a rapid adoption of vehicles that utilize battery technology, which is increasingly displacing crude oil demand. It is our team's belief these competitive forces will continue on their path of exerting downward pressure on crude oil demand well into the future.

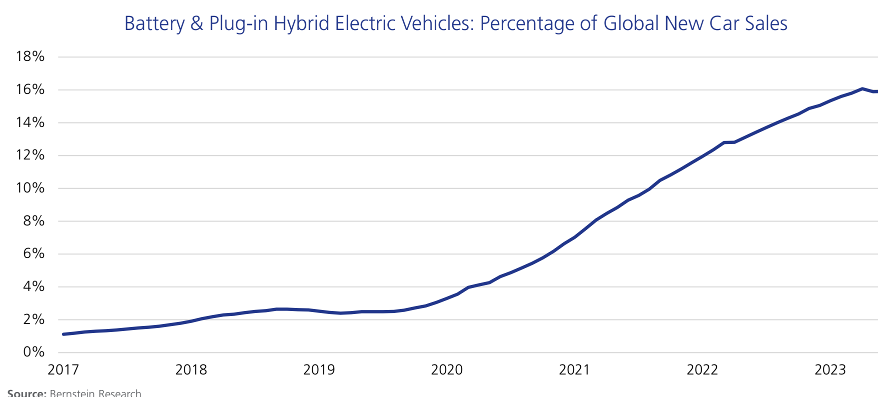
[2]The holdings identified do not represent all of the securities purchased, sold, or recommended for our clients. Past performance does not guarantee future results. For more information on how to obtain our calculation methodology, or a list showing the attribution of each holding or sector to the overall composite performance, please contact Nuance Investments at client.services@nuanceinvestments.com.

Exhibit 2



Source: Bloomberg NEF, Note: Historical figured have been updated to real 2023 dollars.

Exhibit 3



Source: Bernstein Research

Our investment team at Nuance has long studied and aimed to identify and avoid competitively transitioning business models. We know from these experiences that not only can these competitive forces progress at various speeds, but we do not hold a crystal ball with regard to the timing of when the transition in consideration will ultimately lead to deterioration of fundamentals for the businesses at hand. As these transitions advance over time, the businesses exposed can move in and out of favor over the short-term, but it has been our experience that over the long-term, avoiding businesses undergoing competitive transitions is a prudent approach in avoiding permanent loss of capital.

The concept of a competitively challenged space experiencing short-term outperformance within a secular down trend is not a new phenomenon, and it is one we have witnessed many times in our studies of competitive transitions. As an example, by the year 2000, landline telephone use in the U.S. had peaked. The world did not know that with certainty at the time, though the signs were there, as mobile phone ownership had grown rapidly throughout the 1990s. That did not stop landline leader AT&T Inc. (T), at the time known as SBC Communications Inc., from outperforming in 2000, including an intra-year rally of nearly 70 percent. Of course, they also underperformed significantly over the ensuing five years as the landline phone business started to shrink, with the stock losing more than 35 percent on a total return basis. The company also pursued a strategy that companies facing disruption resort to over and over, trying to use dealmaking, financial engineering, and leverage to maneuver out of the shrinking market. The company did a string of complex M&A transactions in the mid-2000s, adding around $30 billion dollars of net debt over that short stretch and diluting shareholders. Although the company survived, it remains heavily indebted today and the stock has been a significant underperformer. One wonders if oil and gas companies are currently going the same route, with Exxon Mobil Corporation (XOM) and Chevron Corporation (CVX) each announcing their largest ever acquisitions in the last year and others like TotalEnergies SE (TTE), BP p.l.c. (BP), and Shell Plc (SHEL) aggressively investing in renewables, outside of their historical core competency.

Historically, we have pointed to companies within the Electrical Equipment, Electronic Equipment Instruments & Components, and Semiconductors & Semiconductor Equipment industries as one of our preferred ways to get exposure to broader positive trends in electrification and power consumption while being agnostic to the competitive transition in the source of power, and those remain target areas for us. However, there is another way we believe we can benefit from demand for oil inflecting negative, which is investing in companies that utilize petroleum products as a key input. Prices of oil-based products like resins are likely to be pressured, in our opinion, as oil producers are faced with the prisoner's dilemma of accepting lower and lower commodity prices or risk never monetizing their reserves due to declining demand. That could help provide a nice margin tailwind for those companies that use oil-based products due to lower input costs. One stock that would fall into that category of potential beneficiaries is Clorox Company (CLX), a stock we have added to over the course of the year and is now a top five holding. CLX is a leading producer of cleaning and other household and personal products, primarily for consumers in the U.S. The company has leading market share positions across its portfolio of products, including number one or number two market share positions in disinfecting wipes, surface cleaning solutions, toilet and bathroom cleaners, bleach, professional cleaning products, trash bags, charcoal, and lip balm. The company's brands consist of Clorox ®, Glad ®, Kingsford ®, Burt's Bees ®, Fresh Step ®, Brita ®, and others. Additionally, the company's balance sheet is down to 1.5 times net debt to earnings before interest, taxes, depreciation, amortization, and rent expense (EBITDAR), the strongest it has been in more than 20 years.

The company is expected to earn approximately $6.50 per share in fiscal year 2025 versus our estimate of normal earnings power at closer to $8.40 per share. One of the primary sources of underearning for CLX in recent years relates to inflation of input costs, with a particular emphasis on resin and transportation costs. We estimate that resin has comprised 15 percent of CLX's cost of goods sold over a prolonged period, and the company is generally viewed as one of the most exposed among its peers to the price of resin, and thus oil. We estimate transportation costs to be another 10-15 percent of CLX's cost of goods sold, and the company has additional exposure to petrochemicals within its products, outside of just accounting for resins. In recent years, the company has seen earnings decline beginning in the middle of 2021, which coincided with the beginning of an inflationary period that saw oil prices increase from roughly $50 per barrel at the end of 2020 to $80 at the end of 2021 and peaking above $120 in 2022. The company has a long history of earning gross margins close to 44 percent, according to our research, but inflation in input costs drove gross margin to new trough levels in 2022 around 35 percent. CLX's gross margin has since recovered to almost 42 percent but remains below long-term medians and the company's internal target. To be clear, we are not assuming any long-term benefit from a potential structural change in oil demand in our analysis of the company's normal earnings estimate, fair value or trough value; we are simply assuming that the company's dominant position in cleaning products allows it to return to its historical profile of earning returns on capital of close to 50 percent that has been established over decades of competition. With the company trading at around 16 times price to normalize earnings, we believe CLX has around 30 percent upside to our view of fair value and 25 percent risk to the downside, a compelling risk reward opportunity in an overvalued market, in our opinion. However, if our analysis is correct in that oil demand and price face a potential long-term march downward, CLX would only stand to benefit from a cost structure that is heavily exposed to oil-related products. This would allow the company to reap the benefits by earning higher margins or reinvesting the savings internally, a situation that creates multiple ways to win and the potential for upside to our fair value estimate.

As always, we continue to optimize the risk reward of your portfolio using our time-tested Nuance process. This Nuance process places a significant emphasis on determining if a company has leading and sustainable market share positions across the vast majority of its businesses, can deliver above-average returns on capital versus peers over a business cycle, and has a strong financial position versus its peers over time as well. Once we have studied and understood those characteristics, we prepare our own proprietary financial statements for each business, attempting to normalize the financial statements of our potential investment to a state of normalcy or to what we think of as a mid-business cycle state. With those financial statements created, we then study historical valuation data to ascertain a fair value and downside value for each of the leading businesses that we believe have the traits of a successful investment. At that stage, we typically invest in the companies on our Nuance Approved List that, in our opinion, have significantly better risk rewards than the market set of opportunities. This overall process is designed to buy clients better than average companies, but only when we believe they have both less downside risk and more upside potential than the market set of opportunities.

Please visit our website for more information about our team, our process and value investing. Follow us on LinkedIn and Twitter! You may also receive information via traditional mail or email. Call us at 816-743-7080. Click here for historical Concentrated Value Perspectives.

Thank you for your continued confidence and support.

Scott A. Moore, CFA

GIPS® Disclosures

	Gross of Fees Return	Net of Fees Return	Benchmark Return (RAV Index)	Benchmark Return (SPX Index)	Composite Dispersion (Full Period)	Number of Separate Accounts (End of Period)	Total Composite Assets (End of Period)	Total Firm Assets (End of Period)	% of Non-Fee paying accounts	3 Year Annualized Standard Deviation (Composite Gross)	3 Year Annualized Standard Deviation (RAV Index)	3 Year Annualized Standard Deviation (SPX Index)
YTD 2008 (11/13/08-12/31/08)	4.47	4.47	0.37	(0.47)	-	7	$9,126,951	$18,657,997	4.6%	-	-	-
2009	42.24	41.70	19.76	26.46	1.2	79	$87,342,803	$137,943,058	0.6%			
2010	18.79	18.13	16.23	15.06	0.3	145	$119,543,453	$181,201,036	0.5%			
2011	6.85	6.29	(0.10)	2.11	0.5	181	$96,831,359	$152,976,943	1.1%	16.1	21.3	19.0
2012	18.41	17.79	17.55	16.00	0.2	259	$154,693,966	$214,936,666	1.0%	13.1	16.0	15.3
2013	35.33	34.45	32.69	32.39	0.7	411	$418,085,862	$507,569,897	0.4%	12.2	13.1	12.1
2014	8.88	8.07	12.70	13.69	0.2	581	$886,246,169	$1,071,186,382	0.2%	10.4	9.5	9.1
2015	(1.28)	(1.98)	(4.13)	1.38	0.2	607	$715,577,980	$913,545,839	0.1%	11.4	10.9	10.6
2016	20.49	19.70	18.40	11.96	0.1	694	$937,752,729	$1,466,221,847	0.1%	11.1	11.1	10.7
2017	12.11	11.29	13.19	21.83	0.1	726	$1,011,853,027	$1,784,338,191	0.0%	10.1	10.5	10.1
2018	(3.82)	(4.55)	(8.58)	(4.38)	0.2	588	$689,752,219	$1,724,795,756	0.0%	9.4	11.2	11.0
2019	28.92	28.00	26.26	31.49	0.1	522	$795,289,051	$3,486,104,071	0.0%	9.1	12.2	12.1
2020	4.25	3.48	2.87	18.40	0.2	539	$834,339,154	$5,948,860,811	0.0%	14.5	20.2	18.8
2021	10.80	9.99	25.37	28.71	0.1	458	$798,174,233	$6,660,123,316	0.0%	14.1	19.6	17.4
2022	(3.86)	(4.55)	(7.98)	(18.11)	0.2	452	$580,736,892	$5,575,739,313	0.0%	15.6	21.8	21.2
2023	11.09	10.33	11.66	26.29	0.2	389	$475,591,432	$4,999,890,906	0.1%	14.7	16.9	17.5
YTD 2024 As of: 6/30/2024	(1.14)	(1.48)	6.18	15.29	N/A	358	$449,822,412	$3,946,971,087	0.1%	14.9	16.8	17.9

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 – 3/31/24 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. 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 and the Nuance Concentrated Value 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 Concentrated Value Composite (the "Composite") is a composite of actual accounts invested in the Nuance Concentrated Value investment strategy. The creation and inception date for the Composite is 11/13/08. The Composite includes all accounts that have invested in the strategy; including accounts no longer managed by the Firm and are presented in US Dollars. Actual account returns may be higher or lower than the Composite returns due to various factors including differences in portfolio holdings, timing of security transactions, client restrictions, and account inception date. The Primary Benchmark for the Composite is the Russell 3000® Value Index. The Russell 3000® Value Index measures the performance of the broad value segment of the U.S. equity universe. It includes those Russell 3000® companies with lower price-to-book ratios and lower forecasted growth values. The secondary benchmark is the S&P 500® TR Index.The S&P 500® TR Index is a market-value weighted index representing the performance of 500 widely held publicly traded large-capitalization stocks. Individuals cannot invest directly in any index. Indices are used for comparison purposes only, do not include the reinvestment of dividends, 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. The Firm's Disclosure Brochure provides more information on fees, including the standard fee schedule for each strategy.

(1) The Nuance Concentrated Value Composite is an all-capitalization value investment product and consists of separately managed accounts in the Nuance Concentrated Value strategy. Rankings and peer group comparisons are created internally 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 Concentrated Value Separate Account Product has been classified by Morningstar in the following categories: Large Value and Mid-Cap Value. Lipper does not provide product level classifications. 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 Concentrated 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-concentrated-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 normalized earnings number is derived internally based on proprietary financial statement analysis. The Nuance price to earnings multiple is the median price to normalized earnings ratio across the Nuance Approved List and is a proprietary calculation. As of 6/30/2024 composite weights of names discussed are as follows: BP (0.0%), CALM (0.0%), CLX (6.7%), CVX (0.0%), DEO (0.0%), DGX (0.0%), DOC (0.0%), EQC (0.0%), GGG (0.8%), GL (0.9%), HENKY (9.5%), HOOD (0.0%), HR (0.0%), HSIC (3.7%), INDB (0.4%), KMB (2.9%), LGRDY (0.7%), MMM (6.9%), MRTN (1.0%), MWA (1.2%), NTRS (4.4%), NVST (3.2%), PEGRY (2.5%), RGA (1.9%), ROG (1.0%), SHEL (0.0%), SOLV (2.9%), STRNY (2.5%), T (0.0%), TOWN (0.0%), TTE (0.0%), UUGRY (7.3%), VST (0.0%), XOM (0.0%), and XRAY (8.2%). 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 to minimize the 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 be profitable or 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.