

Nuance Concentrated Value Composite Perspectives



September 30, 2026

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: Jack Meurer, Scott Moore, and Adam West

Name	Title	Experience
Scott Moore, CFA	President & CIO	35 years
Adam West, CFA	VP & Portfolio Manager	20 years
Jack Meurer, CFA	VP & Portfolio Manager	9 years

Peer Statistics¹

17th Percentile Sharpe Ratio

Morningstar
Category: Large Value
Ranking vs. Peers: 103 of 607

8th Percentile Sharpe Ratio

Lipper
Category: Multi-Cap Value
Ranking vs. Peers: 23 of 278

2nd Percentile Sharpe Ratio

Morningstar
Category: Mid-Cap Value
Ranking vs. Peers: 3 of 181

Longer Term Performance Update (through September 30, 2026)

Since Inception Return: The return since inception (11/13/2008) through 9/30/2026 is 11.82 percent (annualized and net of fees) versus the Russell 3000® Value Index and S&P 500® Index, which have returned 11.99 percent and 14.77 percent, respectively.

Risk-Adjusted Returns: Our Sharpe Ratio since inception through 9/30/2026 is 0.78 (net of fees) versus the Russell 3000® Value Index at 0.67 and the S&P 500® Index at 0.90.

Peer Group Returns through 9/30/2026: Comparing our product to peers displays positive results over time. On a total return basis, since 11/30/2008, we ranked 294 out of 607 peer group members (49th percentile) in the Morningstar Large Value Funds universe, 119 out of 181 (66th percentile) in the Morningstar Mid-Cap Value Funds universe, and 142 out of 278 (51st percentile) in the Lipper Multi-Cap Value Funds universe.

Peer Group Risk-Adjusted Return through 9/30/2026: On a risk-adjusted return basis, since 11/30/2008, (measured by the Sharpe Ratio) we ranked 103 out of 607 peer group members (17th percentile) in the Morningstar Large Value Funds universe, 3 out of 181 (2nd percentile) in the Morningstar Mid-Cap Value Funds universe, and 23 out of 278 (8th percentile) in the Lipper Multi-Cap Value Funds universe.

Peer Group Analysis 11/30/2008 - 9/30/2026	Since Inception APR ¹	Standard Deviation (A) ¹	Sharpe Ratio (A) ¹
Nuance Concentrated Value Composite (Gross)	12.36	13.39	0.82
Nuance Concentrated Value Composite (Net)	11.63	13.38	0.76
Morningstar Large Value Funds Peer Group (Median)	11.60	15.15	0.67
Peer Group Percentile and Ranking	49th (294 of 607)	12th (71 of 607)	17th (103 of 607)
Morningstar Mid-Cap Value Funds Peer Group (Median)	12.10	17.09	0.61
Peer Group Percentile and Ranking	66th (119 of 181)	1st (1 of 181)	2nd (3 of 181)
Lipper Multi-Cap Value Funds Peer Group (Median)	11.66	15.64	0.65
Peer Group Percentile and Ranking	51st (142 of 278)	4th (11 of 278)	8th (23 of 278)

Composite Performance 11/13/2008 - 9/30/2026	APR [*]	TR [*]	Standard Deviation [*]	Sharpe Ratio [*]	15 Year	10 Year	7 Year	5 Year	3 Year	1 Year	YTD 2026
Nuance Concentrated Value (Gross)	12.55	729.61	13.37	0.83	11.14	8.36	7.35	6.33	12.01	14.55	10.83
Nuance Concentrated Value (Net)	11.82	638.47	13.36	0.78	10.38	7.59	6.61	5.62	11.29	13.85	10.32
Russell 3000® Value Index	11.99	658.07	15.62	0.67	12.87	11.30	12.20	11.67	19.95	23.73	19.22
S&P 500® Index	14.77	1,075.52	14.81	0.90	15.67	15.32	16.16	13.78	22.87	15.74	12.75

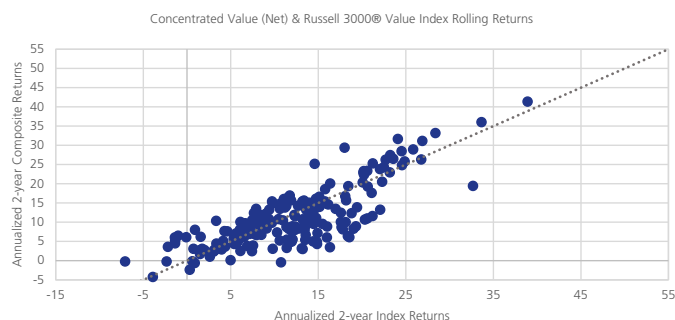
^{*}Since Inception. Returns for periods greater than a year have been annualized.

¹Rankings 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.

Value. Delivered.

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

Rolling 2-Year Return Periods		Current 2-Year Period as of 9/30/2026		
11/30/2008 - 9/30/2026	Periods Beating the Index	Composite (%) Annualized Net of Fees	Russell 3000® Value Index (%)	
Nuance Concentrated Value Composite	95 / 191	49.7%	3.51	16.31



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

For the period ending September 30, 2026, the Nuance Concentrated Value Composite two-year rolling return is 3.51 percent (annualized and net of fees) versus the Russell 3000® Value Index and S&P 500® Index, which have returned 16.31 percent and 16.66 percent, respectively. Overall, we have outperformed in 95 out of the available 191 two-year periods as shown in the chart labeled Rolling 2-Year Return Periods.

Year-to-date, the Nuance Concentrated Value Composite has returned 10.32 percent (net of fees) versus the Russell 3000® Value Index and the S&P 500® Index, which have returned 19.22 percent and 12.75 percent, respectively.

Calendar Year Composite Performance as of 9/30/2026

	11/13/08-12/31/08	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	YTD 2026
Nuance Concentrated Value (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	7.17	4.06	10.83
Nuance Concentrated Value (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	6.45	3.41	10.32
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	13.98	15.71	19.22
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	25.02	17.88	12.75

Composition of the Portfolio as of 9/30/2026

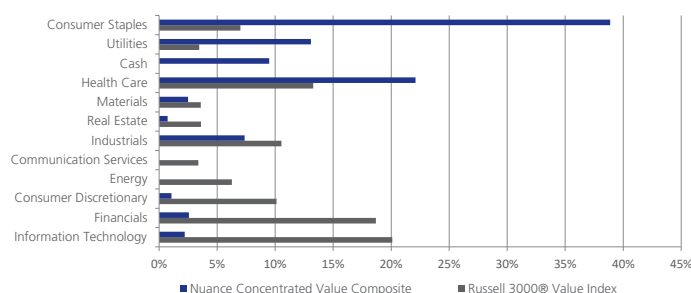
Portfolio Characteristics ²	Nuance Concentrated Value Composite	Russell 3000® Value Index
Weighted Average Market Cap	19.6b	824.9b
Median Market Cap	11.4b	2.6b
Price to Earnings (Normal)*	13.7x	21.1x
Price to Earnings (Ex-Neg Earnings)	-	19.6x
Dividend Yield	2.7%	1.6%
Return on Tangible Assets (Normal)*	11.5%	10.6%
Return on Tangible Assets (Trailing)	8.9%	10.6%
Return on Assets (Normal)*	8.5%	8.8%
Return on Assets (Trailing)	6.4%	8.8%
Active Share vs Russell 3000® Value Index	99%	-
Upside/Downside Capture Ratio vs Russell 3000® Value Index	81% / 74%	-
Number of Securities	29	2,283

* 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 3000® Value Index of 21.1x. We are achieving this ratio with a portfolio of companies that have a return on assets of 8.5 percent versus the Russell 3000® Value Index of 8.8 percent. This dichotomy of above average companies selling at below average multiples has the opportunity for outperformance over the long-term, in our opinion.

Sector Weights and Portfolio Positioning as of 9/30/2026

The Nuance Concentrated Value portfolio shifted slightly in the quarter as we reduced our weighting to the Consumer Discretionary sector and reallocated toward Consumer Staples, Health Care, Financials, and Industrials. The largest overweight positions, relative to the benchmark, remain Consumer Staples, Utilities, and Health Care sectors. We continue to find attractive opportunities in Consumer Staples companies, where our largest weight is in companies within the Household Products and Personal Care Products industries. Within Health Care, our weight in the sector increased slightly in the quarter as we added to positions within the Life Sciences Tools & Services industry. We remain overweight Utilities and continue to favor the Water Utilities industry. Within the Industrials sector, we are underweight but added to our weighting in dedicated trucking companies within the Ground Transportation industry. We remain underweight Financials, Real Estate, Consumer Discretionary, and Materials sectors relative to the benchmark, but have small exposures to each sector. We have zero holdings within the Energy sector, which we believe is facing a multi-year period of competitive transition. We also have no exposure to the Communication Services sector due to concerns around competitive uncertainty and high valuations.

**Stocks We Added to Your Portfolio (Third Quarter 2026):**

American International Group, Inc. (AIG): AIG is a global property and casualty insurer with leading market positions amongst larger-sized businesses and high-net worth individual end markets. The company has undergone a business reorganization over the past 2–3 years during which it exited certain underperforming business lines. This caused AIG to under-earn its peers and normal potential and the stock to be undervalued. We believe the company will close the return on equity (ROE) gap against its peers over the next 2–3-year horizon, presenting an attractive risk reward opportunity at current valuations.

Cal-Maine Foods, Inc. (CALM): CALM is the leading producer of fresh shell eggs in the U.S. The stock has underperformed this year as earnings estimates have declined due to lower wholesale egg prices, which are now close to historical trough levels well below \$1.00 per dozen. This comes after several years of record-high egg prices, and the company over-earning our view of normal earnings due to constrained supply. 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. The company has a strong balance sheet, with more than \$16.00 in net cash per share, and we believe the recent underperformance in the stock has created a good entry point in an attractive risk reward opportunity.

Danaher Corporation (DHR): DHR is a leading life science tools and diagnostics conglomerate selling advanced tools, equipment, and associated service and consumables for use in life science research, drug development, clinical diagnostics, and other applied markets. After a period of underperformance, we have initiated a new position in the stock as the risk reward is significantly better than the market risk reward.

Bio-Techne Corporation (TECH): TECH is a global life science company providing tools and bioactive reagents for research and clinical diagnostic companies. Based in Minneapolis, TECH recently announced that Merck KGaA (MRK) has agreed to acquire Bio-Techne in an all-cash transaction valued at approximately \$11.3 billion. Shareholders will receive \$73 per share. After a full review of this transaction and an analysis of its risk reward versus the market set of opportunities, we have entered into a position.

Stocks We Eliminated from Your Portfolio (Third Quarter 2026):

CNH Industrial NV (CNH): CNH is a leading global manufacturer of agriculture equipment including tractors and combines. Following an inflection higher in key agricultural commodity prices, CNH shares have outperformed and surpassed our internal estimate of fair value. We exited our position and will look for a more favorable risk reward opportunity in the future.

Middlesex Water Company (MSEX): MSEX is a New Jersey and Delaware water utility company whose stock we entered at an average entry price near \$50.00 a share. With normal earnings per share of nearly \$3.00, the stock was trading at what we believed to be a reasonable 16.0 times (approximately) our view of normal earnings. This quarter we exited the position at near \$60 following a share move that resulted in the stock being within the range of our fair value. We will look for better opportunities to buy this high-quality water utility.

Pennon Group Plc (PEGRY): PEGRY is a leading water utility based in the southwestern region of England operating as a regulated natural monopoly. We have exited our position in the company as we believe that more compelling risk reward opportunities exist in other United Kingdom-based water utilities such as Severn Trent Plc (STRNY) and United Utilities Group PLC (UUGRY), which we have added to during the quarter.

Taylor Morrison Home Corporation (TMHC): Berkshire Hathaway Inc. (BRK) completed the \$72.50 per share acquisition of TMHC during the third quarter and we deployed the cash proceeds from the acquisition into other opportunities.

Thermo Fisher Scientific Inc. (TMO): TMO is a leading manufacturer of laboratory instruments, equipment, supplies and consumables for use in pharmaceutical research and development, pharmaceutical production, academic research, diagnostic labs, hospitals, clinics, etc. This is a highly diversified company participating in a very broad category. The company manufactures around 800,000 different products for sale to approximately 400,000 worldwide customers. Essentially, everything you could need in a laboratory setting from a glass beaker costing several dollars to a high precision electron microscope. After re-entering the stock at approximately \$470-480 earlier this year, the stock has made a sharp valuation shift after multiple solid quarterly results. We exited our position above \$600 on average.

Waters Corporation (WAT): WAT is a leading manufacturer of high-end liquid chromatography and mass spectrometry instrument systems, primarily serving the pharmaceutical and biotech industries. We exited our position in WAT as the stock exceeded our view of fair value following a period of outperformance. We continue to like the business and will look for opportunities to initiate a new position when we believe there is a more attractive risk reward opportunity.

Nuance Perspectives from President & CIO, Scott Moore, CFA

Dear Clients,

For the nine months ending September 30, 2026, the Nuance Concentrated Value Composite was up 10.32 percent (net of fees) compared to the Russell 3000® Value Index, which was up 19.22 percent, and the S&P 500® Index, which was up 12.75 percent. From our perspective, since-inception performance is the most important barometer of performance, and in the period since inception (November 13, 2008 - September 30, 2026), the Nuance Concentrated Value Composite was up 11.82 percent (annualized and net of fees) compared to the Russell 3000® Value Index, which was up 11.99 percent, and the S&P 500® Index, which was up 14.77 percent.

Nuance Performance Goals

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

- 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 18 years (including our stub year of 2008) and 11 out of 17 (not including the 2008 stub year). For the first nine months of 2026, the Nuance Concentrated Value Composite was up 10.32 percent (net of fees) versus our primary benchmark, the Russell 3000® Value Index, which was up 19.22 percent. If that performance holds for the full calendar year, the Nuance Concentrated Value Composite will have outperformed 12 out of 19 years (including the stub period of 2008).
- Second, we seek to outperform our primary benchmark (since our inception and net of fees) and to do so with less risk, as measured by the standard deviation of returns. As of September 30, 2026, the Nuance Concentrated Value Composite rose 11.82 percent (annualized and net of fees) between its inception on November 13, 2008 through September 30, 2026 compared to the Russell 3000® Value Index, which rose 11.99 percent. Further, during the same period, the Nuance Concentrated Value Composite had a standard deviation of 13.36 percent (annualized and net of fees), meaningfully lower than the 15.62 percent standard deviation of the Russell 3000® Value Index. As such, our Sharpe Ratio was 0.78 (net of fees) versus the Russell 3000® Value Index's Sharpe Ratio of 0.67.
- 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 17th percentile Sharpe Ratio metrics versus our peers (see Exhibit 1 below).

Exhibit 1³

Peer Group Analysis 11/30/2008 - 9/30/2026	Since Inception APR ³	Standard Deviation (A) ³	Sharpe Ratio (A) ³
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- 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 September 30, 2026, the Nuance Concentrated Value Composite was up 11.82 percent (annualized and net of fees) versus the S&P 500® Index, which was up 14.77 percent. Further, the Nuance Concentrated Value Composite had a standard deviation of 13.36 percent (annualized and net of fees) during the same time period, which is lower than the 14.81 percent standard deviation of the S&P 500® Index. As such, our Sharpe Ratio was 0.78 (net of fees) versus the S&P 500® Index's Sharpe Ratio of 0.90. We are disappointed that our performance lags the S&P 500® Index, although, it is not surprising to see this phenomenon after a period in which growth has outperformed value so significantly.

YTD Attribution⁴

- Our underweight position in Information Technology was the primary detractor to performance as it was the best-performing sector this in the first half of the year within the Russell 3000® Value benchmark, up almost 90 percent year to date. In particular, the Technology Hardware, Storage & Peripherals industry was up more than 315 percent through the end of the third quarter and the Semiconductors & Semiconductor Equipment industry was up almost 140 percent. This has been led by strong price appreciation in Sandisk Corporation (SNDK), Western Digital Corporation (WDC), Micron Technology, Inc. (MU), and Intel Corporation (INTC), none of which we owned.
- The Financials sector has contributed positively to performance, as the portfolio benefited from being underweight and positive stock selection, primarily driven by our investment in Globe Life Inc. (GL).

³Rankings 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. ⁴The 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.

3. The Consumer Staples sector was a net negative to performance, due to both our overweight position in the sector and stock selection. We continue to believe there are attractive opportunities in this sector, with transitory issues such as weaker consumer spending and potential inflation of input costs impacting stock prices, and we remain overweight.
4. Stock selection within the Industrials sector contributed positively to performance, primarily due to our positions in Marten Transport, Ltd. (MRTN) and Werner Enterprises, Inc. (WERN).
5. Our position within the Energy sector contributed negatively to performance so far this year, due to having no exposure. We still believe the sector is in the midst of a multi-year competitive transition.
6. Health Care has contributed positively to performance, primarily due to stock selection, with positive contributions from Thermo Fisher Scientific Inc. (TMO), Danaher Corporation (DHR), Waters Corporation (WAT), Becton, Dickinson and Company (BDX), and Solvntum Corporation (SOLV), all more than offsetting negative performance from QIAGEN NV (QGEN).
7. Utilities have been neutral to performance, with stock selection within the Water Utilities offsetting a headwind from being overweight the sector.
8. The portfolio saw positive attribution due to underweight positioning in Communication Services, Consumer Discretionary, Real Estate, and Materials sectors.
9. Finally, our cash position has been a drag on performance.

Nuance Perspectives⁴

At the end of the third quarter of 2026, the Nuance Concentrated Value Composite was up 10.32 percent (through September 30, 2026, net of fees), versus 19.22 percent for the Russell 3000® Value Index and 12.75 percent for the S&P 500® Index. With the Russell 3000® Value Index outperforming the S&P 500® Index year to date, it may appear on the surface that value style investing is beating growth style investing this year. However, in our opinion, the performance this year is more of a reflection of a disconnect that we have touched on in prior commentaries, namely that Russell's value indices are increasingly diverging from how value style investing is conventionally defined.

Over the last few years, we have observed a number of stocks on multiple occasions with meaningful weight in the Russell 3000® Value Index that bear little resemblance to the classic value businesses we have bought and sold over time. Recent examples include Meta Platforms Inc (META), Micron Technology, Inc. (MU), Advanced Micro Devices, Inc. (AMD), and Microsoft Corporation (MSFT), among others. In our view, the index is becoming increasingly less representative of true value style investing, largely due to the recent performance of more expensive growth stocks and the methodology used by Russell to construct the style indices. In short, Russell splits its parent index in a way that allows stocks with both value and growth characteristics to appear in both the value and growth indices at the same time. In recent years as the market cap of growth style stocks has grown relative to value style stocks, a larger share of the Russell 3000® constituents have moved into this "blend" zone and picked up partial weight on the value side. The result is that today, the Russell 3000® Value Index now holds almost 2,300 stocks, close to the entire 2,970-stock Russell 3000® universe as all but the growthiest of growth companies have been pushed into the value indices. In our opinion, the Russell 3000® Value Index now looks more like a core benchmark than a true value benchmark, which explains why we continue to see large index constituents that we would not expect a disciplined value manager to own.

Interestingly, Russell also publishes a lesser-known index called the Russell 1000® Pure Value Index (Note: Russell does not publish a Russell 3000® Pure Value Index but the Russell 1000® Value makes up the vast majority of the Russell 3000® Value by weight, so the two are nearly identical in composition and performance). This index removes the blended names with growth style characteristics, keeps only stocks with clear value characteristics, and their index weights are determined by the strength of their value score. As of September 2026, this index held 319 stocks, or about a third of the Russell 1000® universe, and the composition is informative (Exhibit 2). Compared with the standard Russell 1000® Value Index and Russell 3000® Value Index, the Russell 1000® Pure Value Index carries notably higher weights in Utilities, Consumer Staples, and Health Care. All sectors where our team is currently finding the most attractive risk rewards. It is also worth noting that the Nuance Concentrated Value Composite has outperformed this purer version of value year to date.

Exhibit 2

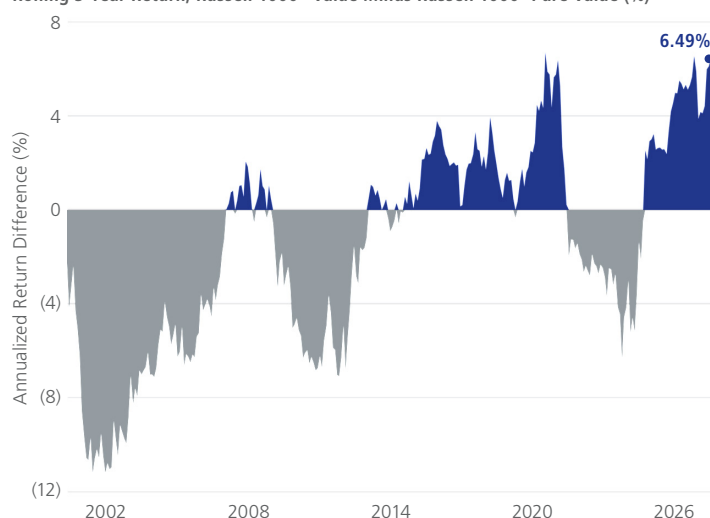
Sector Weights (%)

	Russell 3000® Value	Russell 1000® Value	Russell 1000® Pure Value	Russell 1000® Pure Value Minus Russell 3000® Value
Real Estate	3.61	3.38	13.14	9.53
Utilities	3.79	3.73	12.99	9.20
Consumer Staples	5.39	5.52	9.24	3.85
Health Care	12.80	12.85	15.93	3.13
Industrials	12.00	11.95	14.33	2.33
Basic Materials	2.63	2.60	2.59	(0.04)
Telecommunications	2.77	2.81	1.44	(1.33)
Financials	17.62	17.20	14.23	(3.39)
Energy	6.33	6.29	1.38	(4.95)
Consumer Discretionary	14.03	14.14	8.54	(5.49)
Technology	19.03	19.55	6.19	(12.84)

Source: FTSE Russell Index factsheets, as of 9/30/2026. Totals may not sum to 100.00% due to rounding.

Exhibit 3

Rolling 3-Year Return, Russell 1000® Value Minus Russell 1000® Pure Value (%)



Source: FTSE Russell. Monthly rolling 3-year annualized total return of the Russell 1000® Value Index minus the Russell 1000® Pure Value Index, 6/30/2001-9/30/2026. Past performance does not guarantee future results.

⁴The 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.

The Russell 3000® Value Index's outsized return this year has largely been driven by the more expensive end of the index constituents outperforming. We raise this point not to make excuses, but simply to describe the environment we are investing in today. As we have been discussing with many clients recently, the valuation gap between classic value stocks and the rest of the market is significant, and we do not intend to abandon our discipline to chase an index that has drifted further from value investing. Over the past three years, the Russell 1000® Pure Value has lagged the Russell 1000® Value by 6.5 percent per year, the worst such stretch in the 25-year history of both indices (Exhibit 3). In our view, this makes it an especially opportune time to own true classic value stocks. These stocks represent a portion of the market that the conventional Russell Value Indices, and increasingly few investors, have adequate exposure to today. We recently published a series of white papers that discuss this opportunity in detail. They can be found on our website, and we encourage you to read them. As we often do, we will close with an example of one of our larger holdings that we think illustrates the many attractive risk rewards we are finding today.

Kimberly-Clark Corporation (KMB) is a leading global manufacturer of paper-based personal care products, including diapers, facial tissues, feminine care products, adult incontinence products, toilet paper, and paper towels. Notable brands include Huggies®, Pull-Ups®, Depend®, Scott®, Cottonelle®, Kotex®, and Kleenex®. Similar to many other Consumer Staples companies, the business has experienced rising input costs this year, stemming from inflation that, in our opinion, has resurfaced largely due to the war in Iran. Rising oil prices have notably impacted resin and freight costs, resulting in higher cost of goods sold. Additionally, this environment has put pressure on consumers to trade down to cheaper alternatives or extend the usage of products wherever possible. In response to this, KMB and its peers have increased advertising spending in the short term to defend their market share. While this compounds the magnitude of under-earning experienced in the short term, these scenarios have historically proven to be transitory, and we believe the company's market position and pricing power will support the recovery of margins to more normal levels over time.

Beyond the transitory issues impacting the entire Household Products and Personal Care Products sub-industries, KMB has several unique opportunities to grow earnings in the coming years. First, management has spent the last several years restructuring the product mix toward higher growth and higher margin categories by divesting the emerging market tissue businesses and acquiring more attractive assets such as Softex in Indonesia and Thinx in the U.S. Second, the company announced the acquisition of Kenvue, Inc. (KVUE) in November 2025. This represents the largest acquisition in company history with the deal expected to close in the coming months. KVUE's portfolio is largely complementary to KMB and expands the business into attractive personal care categories such as over-the-counter medicines, oral care, skin care, and adhesive bandages, with well-known brands such as Tylenol®, Zyrtec®, Motrin®, Benadryl®, Sudafed®, Imodium®, Pepcid®, Zartee's®, Listerine®, Band-Aid®, Neosporin®, Neutrogena®, Aveeno®, and others. These categories have historically been some of the highest-margin categories in the industry and are accretive to the margin profile of KMB. Additionally, the combined company could have meaningful opportunities for cost synergies through the combination of supply chains, elimination of redundant selling, general, and administrative (SG&A) costs, and absorption of KVUE's IT systems into KMB's existing system. All in, management expects \$2.1 billion of synergies, which represents almost 6 percent of the combined company revenues. While we anticipate some of these savings to be reinvested back into the business for growth, we do think meaningful upside to margins is achievable and we believe the combined business has room to grow revenue by expanding each business into regions where the other is underrepresented. Lastly, due to the negativity surrounding the entire industry and KVUE's publicity related headwinds from Tylenol lawsuits and political rhetoric, KMB was able to acquire KVUE at what we believe was an attractive valuation. Both businesses are clear leaders in their categories, and the combined business is under-earning its long-term potential due to a combination of transitory input cost inflation and higher advertising spending. KMB is projected to earn \$7.41 in earnings per share (EPS) in 2027 per Wall Street consensus forecasts, but we believe normal EPS is around \$8.20. As a result, KMB shares now trade at approximately 12 times our normalized earnings estimate and yield north of 5 percent, a welcome bonus for our patience as we wait for the fundamentals to play out. We believe both KMB and KVUE shares offer an attractive risk reward profile and together represent a top position in our Nuance Concentrated Value strategy.

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 [Substack](#)! 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
2024	7.17	6.45	13.98	25.02	0.1	289	\$390,085,254	\$2,845,896,775	0.2%	15.8	17.2	17.4
2025	4.06	3.41	15.71	17.88	0.2	207	\$202,985,362	\$984,290,871	0.0%	14.3	12.9	12.0
YTD 2026 As of: 9/30/26	10.83	10.32	19.22	12.75	N/A	201	\$186,752,365	\$588,166,536	0.2%	14.7	12.6	12.4

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 11/3/08 – 3/31/26 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 1/1/11 through present, Time Weighted Return was compounded on a daily basis. Nuance updated its index performance source from Bloomberg to FactSet effective 12/31/20. 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 1/1/17, 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 factors.

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 earnings 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. Basis Point = one hundredth of one percent. As of 9/30/26 composite weights of names discussed are as follows: AIG (1.5%), AMD (0.0%), BDX (1.6%), BRK (0.0%), CALM (0.8%), CNH (0.0%), DHR (1.0%), GL (0.0%), INTC (0.0%), KMB (5.3%), KVUE (4.7%), META (0.0%), MRK (0.0%), MRTN (1.5%), MSEX (0.0%), MSFT (0.0%), MU (0.0%), PEGY (0.0%), QGEN (11.4%), SNDK (0.0%), SOLV (3.2%), STRNY (1.5%), TECH (3.2%), TMHC (0.0%), TMO (0.0%), UUGRY (1.6%), WAT (0.0%), WDC (0.0%), and WERN (1.2%). 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.