

# Nuance Concentrated Value Composite Factsheet



August 31, 2021

## Objective

The Nuance Concentrated Value product seeks long-term capital appreciation primarily through investments that our team believes are high quality, though temporarily out of favor, United States equity securities. Our performance focus is on superior risk-adjusted returns.

## Sector Allocation

GICS® Sectors	CVC	RAV
Cash	15.4	0.0
Communication Services	0.0	8.1
Consumer Discretionary	0.0	5.7
Consumer Staples	21.6	6.9
Energy	0.0	4.6
Financials	18.0	21.5
Health Care	25.6	17.2
Industrials	3.9	12.1
Information Technology	0.0	9.8
Materials	0.0	3.8
Real Estate	5.2	5.2
Utilities	10.2	5.0

Note: Sector Classifications are determined by referencing the Global Industry Classification Standard (GICS®). Sector Allocation provided by FactSet.

## Portfolio Metrics<sup>1</sup>

- Capitalization: All-Cap
- 15 to 35 companies
- Maximum position size is 15.0%
- Industry constraint is 25.0%
- Cash limit is 25.0%
- International limit is 25.0%

## Top 10 Holdings

Beiersdorf AG Unsp ADR	8.5
United Utilities Group PLC Sp ADR	6.6
Travelers Companies, Inc.	6.5
Smith & Nephew PLC Sp ADR	6.2
ICU Medical, Inc.	5.6
Equity Commonwealth	5.2
Baxter International Inc.	5.0
Sanderson Farms, Inc.	4.8
Northern Trust Corporation	4.1
Zimmer Biomet Holdings, Inc.	3.9
Other Holdings	43.7

Note: Holdings are subject to change. For a complete list contact Nuance Investments.

## Peer Statistics<sup>2</sup>

Lipper	Morningstar
Category: Multi-Cap Value	Category: Large Value
Ranking vs. Peers: 1 of 342	Ranking vs. Peers: 1 of 891
	Category: Mid-Cap Value
	Ranking vs. Peers: 2 of 295

## Overall Morningstar Rating™



Out of 470 Large Value Separate Accounts as of 6/30/2021

## Portfolio Managers



**Chad Baumler, CFA** Vice President & Co-CIO  
14 Years of Experience

**Scott Moore, CFA** President & Co-CIO  
30 Years of Experience

**Darren Schryer, CFA, CPA** Associate Portfolio Manager  
5 Years of Experience

## Portfolio Characteristics<sup>3</sup> as of August 31, 2021

	Nuance Concentrated Value Composite	Russell 3000® Value Index
Weighted Average Market Cap	35.0b	152.7b
Median Market Cap	31.4b	2.7b
Price to Earnings (internal and ttm)*	16.9x	21.1x
Price to Earnings (ex-neg earnings)	-	18.2x
Dividend Yield	1.5%	1.8%
Return on Equity	10.3%	11.9%
Return on Assets	3.0%	2.3%
Active Share vs Russell 3000® Value Index	96%	-
Upside/Downside Capture Ratio vs Russell 3000® Value Index	83% / 63%	-
Number of Securities	23	2,214

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

## Performance 11/13/2008 - 8/31/2021

	APR*	TR*	Std. Dev.*	Sharpe Ratio*	10 Year	7 Year	5 Year	3 Year	1 Year	YTD 2021
Nuance Concentrated Value Composite (Gross)	15.42	527.97	12.66	1.18	13.28	9.25	11.27	12.38	24.25	10.71
Nuance Concentrated Value Composite (Net)	14.69	478.44	12.64	1.12	12.51	8.46	10.46	11.56	23.35	10.17
Russell 3000® Value Index	12.49	351.62	15.84	0.75	12.94	9.53	11.67	11.20	37.78	20.66
S&P 500® Index	15.69	546.22	14.48	1.05	16.33	14.55	18.01	18.06	31.17	21.58

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

## Investment Process

Identify Investment Opportunities

- Quantitative screening to identify leading business franchises

Fundamental Research

- Competitive position review and analysis
- Study of historical financial statements
- Proprietary projections of financial statements

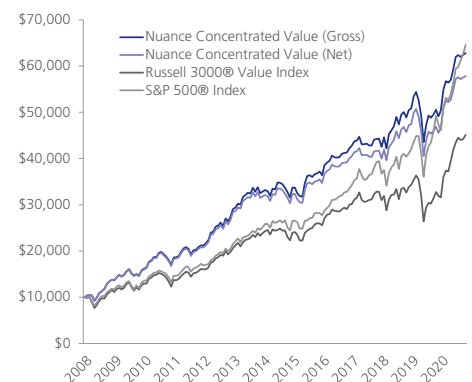
Valuation Study

- Proprietary valuation study

Portfolio Construction

- Buy/sell discipline emphasizing asymmetrical risk versus reward profiles

## Growth of \$10,000<sup>4</sup> (11/13/2008-8/31/2021)



**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)	N/A	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	\$5,949,248,916	0.0%	14.5	20.2	18.8
YTD 2021 As of: 8/31/2021	10.71	10.17	20.66	21.58	N/A	489	\$852,673,923	\$7,053,764,002	0.0%	14.4	20.4	18.5

**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 – 3/31/21 by Absolute Performance Verification. The verification reports are available upon request. A firm that claims compliance with the GIPS® standards must establish policies and procedures for complying with all the applicable requirements of the GIPS® standards. Verification provides assurance on whether the firm’s policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance have been designed in compliance with the GIPS® standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. Nuance is an investment adviser registered with the Securities and Exchange Commission. The firm maintains a complete list and description of composites and broad distribution pooled funds which are available upon request. Results are based on fully discretionary separate accounts under management, including those accounts no longer with the firm. The U.S. Dollar is the currency used to express performance returns and assets. Performance results are presented both net and gross of management fees and include the reinvestment of income. Both gross and net of fee returns are reduced by trading expenses. Net of fee performance returns are presented after actual standard management fees, performance-based management fees and all trading expenses that may occur. No other fees are deducted aside from trading and management fees for the calculation of net of fee performance. Incentive fee structures and performance-based fee structures are available for qualified clients and are negotiated individually. From the inception of each composite until 12/31/10, Time Weighted Return was compounded on a monthly basis. Beginning 01/01/11 through present, Time Weighted Return was compounded on a daily basis. Nuance updated its index performance source from Bloomberg to FactSet effective 12/31/2020. Historical index returns have been amended to reflect FactSet source information. Dispersion is calculated from gross of fee returns using an equal-weighted standard deviation methodology. Only those accounts included for the full calculation period are part of the dispersion calculation. The 3-year Ex-post annualized standard deviation value is calculated using 36 consecutive monthly gross of fee returns to the end calculation period. Prior to January 1, 2017 dispersion was calculated using an asset-weighted methodology. The calculation methodology was updated based on a new performance system dispersion calculation. Nuance has adopted a Significant Security & Cash Flow Policy since inception of the composite. An account will be removed from a composite if a client has given specific instructions that prevent full investment of securities or cash flow(s) in a timely manner (defined as 5 business days or greater), or if a single security or cash flow is equal or greater than 10 percent of the total account value based on the beginning of the month market value. Our Core offerings are the Nuance Mid Cap Value Strategy, the Nuance Concentrated Value Strategy and the Nuance Concentrated Value Long-Short Strategy. For more information regarding Composite list and descriptions and policies for valuing investments, calculating performance, and preparing GIPS® reports, or to obtain a report, please contact client.services@nuanceinvestments.com or 816-743-7080.

**Important Disclosures**

Nuance Investments, LLC (the “Firm”) is a Registered Investment Advisor. The Firm’s Nuance Concentrated Value Composite (the “Composite”) is a composite of actual accounts invested in the Nuance Concentrated Value investment strategy. The creation and inception date for the Composite is 11/13/08. The Composite includes all accounts that have invested in the strategy; including accounts no longer managed by the Firm and are presented in US Dollars. The Primary Benchmark for the Composite is the Russell 3000® Value Index. The Russell 3000® Value Index measures the performance of the broad value segment of the U.S. equity universe. It includes those Russell 3000® companies with lower price-to-book ratios and lower forecasted growth values. The secondary benchmark is the S&P 500® TR Index. The S&P 500® TR Index is a market-value weighted index representing the performance of 500 widely held publicly traded large-capitalization stocks. Individuals cannot invest directly in any index. These indices are used for comparison purposes only and are not meant to be indicative of a portfolio’s performance, asset composition, or volatility. The performance of the Composite may differ markedly from that of compared indices due to varying degrees of diversification and/or other factors. Return calculations for the Composite are provided by Clearwater Analytics. Return calculations for all indices are provided by FactSet. A full schedule of fees for all Firm products is available upon request. The collection of fees has a compounding effect on the total rate of return net of investment management fees. Net of fee performance returns are presented after actual standard management fees, performance-based management fees, and all trading expenses that may occur. No other fees are deducted aside from trading and management fees for the calculation of net of fee performance.

(1) A typical portfolio will hold between 15 and 35 companies. This is not a fundamental diversification limit. The portfolio will not exceed a 25% weighting in one industry as defined by GICS® classification standards (GICS®). The portfolio generally will not exceed a 25% weighting in Cash. The portfolio may invest up to 25% of its assets in equity securities of foreign companies in countries classified as developed by MSCI. Nuance utilizes MSCI to classify its international holdings. The country classification of a company is generally determined by the company’s country of incorporation and the primary listing of its securities. MSCI will classify a company in the country of incorporation if its securities have a primary listing in this country. In such cases where a company’s securities have a primary listing outside of the country of incorporation, an additional analysis is performed to determine the company’s country classification. Currently, the following countries were classified as developed by MSCI: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the UK, and the United States.

(2) The Nuance Concentrated Value Composite is an all-capitalization value investment product and consists of separately managed accounts in the Nuance Concentrated Value strategy. Over the product life, the Nuance Concentrated Value Separate Account Product has been classified by Morningstar in the following categories: Large Value and Mid-Cap Value. Lipper does not provide product level classifications. Rankings and peer group comparisons are created internally using data from FactSet. For comparison purposes, subsets of the Morningstar Large Value Funds Peer Group, Morningstar Mid-Cap Value Funds Peer Group, and the Lipper Multi-Cap Value Funds Peer Group have been presented as investment strategies with a similar investment style to the Nuance Concentrated Value Composite. For peer group comparisons, all Returns, Standard Deviation and Sharpe Ratio calculations, including those of the Composite were calculated by FactSet based upon strategies with monthly return data from December 2008 to present. FactSet reports on month end returns only. Additional Information: Portfolio composition will vary over time and may change without notice. Current investment style and assigned peer groups may differ from the styles presented. The Nuance Concentrated Value Composite is compared to various fund peer groups as defined by investment style and is constructed in a manner that is substantially similar to the guidelines and classifications of the Morningstar and Lipper fund peer groups to which it is compared, however, fund peer groups may differ from similarly constructed product composite groups. Morningstar Categories are based on the average holdings statistics over the past three years and are applied to both funds and separate accounts. Morningstar Style Box Methodology is based on growth versus value scores using historical measures of various portfolio components and weights. A complete description of Morningstar’s Category classifications and Style Box Methodology can be found at <https://www.morningstar.com/research/signature>. Lipper’s Fund Classifications have a prospectus-based methodology with diversified funds having an additional portfolio-based classification and are applied to open-ended funds but not to separate accounts or product composites. A complete description of Lipper’s fund classification methodology can be found at <https://lpperalpha.refinitiv.com>. The number of peers (i.e., the ranking) includes only those Category Peers with similar return timeframes to the Nuance Concentrated Value Composite. For the purposes of peer group comparisons, since inception returns are shown beginning 11/30/2008. The Sharpe Ratio is a calculation of a product’s risk-adjusted performance over time. The Ratio is calculated by taking a product’s annualized excess return over a risk-free rate (The Firm uses the Citigroup 3-month Treasury Bill as the risk-free rate) and dividing by its annualized standard deviation calculated using monthly returns.

The Morningstar Rating™ for funds, or star rating, is calculated for separate accounts with at least a three-year history. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product’s monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods.

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(3) Index statistics are provided by FactSet. The following characteristics are calculated using FactSet data: Weighted Average Market Cap, Median Market Cap (midpoint of market capitalization of the stocks in the portfolio), Dividend Yield (annual dividends relative to share price), Return on Equity (net income divided by shareholder equity), Return on Assets (net income divided by average total assets), P/E (price of a company’s stock relative to its earnings per share). Characteristics for P/E, DY, ROE & ROA use an index aggregation calculation methodology (the index method sums the weighted portfolio value of the numerator and the denominator first, then divides those sums to determine the portfolio and benchmark values). Characteristics calculations use holdings at market close on the stated date, including cash & cash equivalents. The P/E excluding negative earners omits companies with negative earnings from the calculation to provide readers with an additional tool during periods of extreme volatility. Active share, as calculated by FactSet, is a statistic that measures a strategy’s holdings relative to the holdings of the appropriate benchmark. The upside capture ratio is an indication of a manager’s ability to match returns in periods of market strength, while the downside capture ratio measures a manager’s ability to limit 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.

(4) The growth of \$10,000 chart is calculated by FactSet assuming the same cash value at inception and the variance of the investment using monthly return data for each strategy. Past Performance is not a guarantee of future results. Any investment contains risk including the risk of total loss. There is no guarantee that an investment with the strategy will meet its investment objectives. Please request a copy of the Firm’s Full General Disclosures for more information.