

Fiduciary Management, Inc.

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Quarterly Review - March 31, 2025

FMI All Cap Equity

Performance	Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
All Cap (Gross)	0.90%	0.90%	5.00%	8.67%	16.50%	10.05%	10.19%
All Cap (Net)	0.76%	0.76%	4.40%	8.07%	15.84%	9.37%	9.49%
iShares Russell 3000 ETF ²	-4.72%	-4.72%	7.07%	8.02%	17.99%	11.63%	9.84%

Inception: December 31, 2007

Performance is preliminary and subject to reconciliation.

Investment Philosophy:

Purchase durable business franchises that are selling at a discount to their intrinsic value.

Investment Process:

We utilize a business owner's approach to investing, thoroughly investigating the economics of the business and the quality of the management team. Some of the characteristics of good businesses include strong recurring revenue and attractive returns-on-invested capital (ROIC). We have a strong orientation to low absolute and relative valuation, which are key to the execution of our investment strategy. A new idea will come from a variety of sources including company visits, screens, conferences, trade periodicals and general reading. All members of the research team are responsible for fundamental research.

Once an investment opportunity is identified it is put through an extensive due diligence process, which typically includes management interviews and site visits. When an acceptable level of conviction is achieved, the appropriate weighting (considering liquidity, valuation, etc.) is discussed and determined. A new company purchased in the portfolio will usually have an initial position size of 1-3%. The portfolio generally consists of 35-45 companies and is diversified across industries.

We are long-term investors, a typical holding period for our companies is three to five years, and portfolio turn-over averages 20-40% per annum.

Portfolio Management Committee (PMC)	Research Team
Jonathan T. Bloom, CFA	✓
John S. Brandser	
Patrick J. English, CFA	✓
Robert M. Helf, CFA	✓
Benjamin D. Karek, CFA	✓
Jake E. Strole, CFA	✓
Matthew T. Sullivan, CFA	✓
Jordan S. Teschendorf, CFA	✓
Dain C. Tofson, CFA	✓

Please note disclosure footnote on reverse side.

¹Estimated valuations are based on a representative account from the FMI All Cap Equity Composite, and are weighted average calculations, not reweighted to exclude cash, and financial companies are excluded from the EV/EBITDA calculation. Valuations for the portfolio are modified based on criteria identified by FMI. For more detailed information regarding these valuations, please contact FMI.

²Source: Bloomberg - returns do not reflect management fees, transaction costs or expenses. Performance is based on market price returns. Beginning 8/10/20, market price returns are calculated using closing price. Prior to 8/10/20, market price returns were calculated using midpoint bid/ask spread at 4:00 PM ET.

Top 10 – Portfolio Holdings:

Charles Schwab Corp.	4.2%
Berkshire Hathaway Inc. Cl B	4.1%
Genpact Ltd.	3.8%
BJ's Wholesale Club Holdings Inc.	3.6%
Booking Holdings Inc.	3.6%
Aramark	3.1%
Ferguson Enterprises Inc.	3.0%
UnitedHealth Group Inc.	2.9%
Sony Group Corp. ADR	2.9%
Progressive Corp.	2.8%

Portfolio Characteristics:¹

P/E Ratio (trailing one year)	24.6x
FY1 P/E Ratio (forward)	18.0x
FY2 P/E Ratio (forward)	15.9x
P/S Ratio	2.2x
P/B Ratio	4.6x
EV/EBITDA Ratio	14.2x
Number of Holdings	41
Active Share	93%

Recent Purchase:

Allegion PLC **Ticker: ALLE** **Added: December 2024**

Allegion is a leading global provider of security products and solutions, with a particularly strong presence in the attractive US non-residential markets. While these markets are cyclical and many are currently weakening, the industry has grown reliably over time with the installed base of buildings and homes, rising desire for safety, security, and privacy, and increasing adoption of electronic products. The company's sales also have a recurring revenue element as revenues from repair/replace and new construction markets are split roughly equally at ~50% each. Allegion's trusted brands, large installed base, efficient manufacturing/service levels, technical/specifications expertise, and channel relationships built over decades make the company's position in these markets very difficult to replicate. The company also has a strong management team, balance sheet, and capital allocation stance, with prospects for high-single-digit to low-double digit earnings growth at value creating ROIC. The stock is trading well below the market, which we view as attractive given its above-average business quality. We initiated a 1.4% position in December 2024.

Recent Sale:

TJX Cos. **Ticker: TJX** **Sold: February 2025**

TJX is the largest off-price apparel and home fashion retailer. TJX continues to be one of our favorite retail concepts because it can leverage its global buying team to offer high quality (often branded) merchandise at 20-60% discounts. TJX's value proposition is defensive in nature, appealing to those who "want a bargain" and "need a bargain." In this period of elevated inflation, we believe there will be an increasing number of "need a bargain" customers drawn to TJX's value proposition. TJX has a solid runway of growth domestically and overseas, and generates a blended ROIC well above its cost of capital. These attractive characteristics have been increasingly reflected in the shares and we have trimmed TJX numerous times in recent quarters. We sold our remaining 1.0% position in February 2025.

Fiduciary Management Inc.
All Cap Equity Composite
12/31/2014 - 12/31/2024

Year	Total Return Gross of Fees %	Total Return Net of Fees %	*Benchmark Return %	Number of Portfolios	Dispersion %	Three Year Ex-Post Standard Deviation		Total Composite Assets End of Period (\$ millions)	Total Firm Assets End of Period (\$ millions)	Percentage of Firm Assets %
						Composite	*Benchmark			
2015	-0.14	-0.82	0.33	42	0.45	9.70%	10.55%	\$ 263.7	\$ 21,042.9	1.25%
2016	16.71	15.90	12.63	39	0.37	10.50%	10.97%	\$ 275.9	\$ 22,626.7	1.22%
2017	18.56	17.75	20.97	35	0.35	9.66%	10.17%	\$ 258.8	\$ 25,322.0	1.02%
2018	-5.05	-5.70	-5.42	34	0.38	10.08%	11.15%	\$ 212.8	\$ 19,833.6	1.07%
2019	27.65	26.87	30.66	20	0.83	10.29%	12.09%	\$ 208.5	\$ 22,609.9	0.92%
2020	7.19	6.59	20.55	21	0.49	18.11%	19.24%	\$ 206.6	\$ 16,284.2	1.27%
2021	23.72	23.02	25.53	18	0.36	18.19%	17.79%	\$ 225.9	\$ 17,068.4	1.32%
2022	-10.66	-11.16	-19.28	16	0.48	20.58%	21.39%	\$ 180.4	\$ 13,021.5	1.39%
2023	19.88	19.22	25.83	16	0.30	16.54%	17.46%	\$ 192.0	\$ 14,729.1	1.30%
2024	11.81	11.16	23.50	14	0.27	16.43%	17.58%	\$ 187.8	\$ 14,761.5	1.27%

*Benchmark: iShares Russell 3000 ETF®

Returns reflect the reinvestment of dividends and other earnings.

The above table reflects past performance. Past performance does not guarantee future results. A client's investment return may be lower or higher than the performance shown above. Clients may suffer an investment loss.

Fiduciary Management, Inc. claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Fiduciary Management, Inc. has been independently verified for the periods 12/31/1993 - 12/31/2024. 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. The All Cap Equity Composite has had a performance examination for the periods 12/31/2007 - 12/31/2024. The verification and performance examination reports are available upon request.

FMI was founded in 1980 and is an independent investment counseling firm registered with the SEC and the State of Wisconsin. The firm manages over \$14.7 billion in assets of pension and profit sharing trusts, mutual funds, Taft-Hartley funds, insurance company portfolios, endowments and personal trusts. The firm includes both institutional and mutual fund business. Although the firm has participated in wrap programs, it is a separate and distinct business, and is excluded from firm-wide assets.

The FMI All Cap Equity Composite was created and inceptioned on 12/31/2007. These accounts primarily invest in small, medium and large capitalization US equities.

The FMI All Cap Equity Composite reflects time-weighted and asset-weighted returns for all discretionary accounts. From December 31, 2007 all accounts were managed for at least one month. All returns are calculated using United States Dollars and are based on monthly valuations using trade date accounting. All accounts in this composite are fee paying. Gross of fees returns are calculated gross of management fees and custodial fees and net of transaction costs. Net of fees returns are calculated net of actual management fees and transaction costs and gross of custodial fees and withholding taxes. Dispersion is calculated using the equal weighted standard deviation of all accounts in the composite for the entire period. As of 12/31/2011, the trailing three year annualized ex-post standard deviation for the Composite and Benchmark are required to be stated per GIPS®. FMI uses gross returns to calculate these.

Currently, the advisory fee structure for the FMI All Cap Equity Composite portfolios is as follows:

Up to \$25,000,000	0.65%
\$25,000,001-\$50,000,000	0.55%
\$50,000,001-\$100,000,000	0.50%
\$100,000,001 and above	0.45%

The firm generally requires a minimum of \$3 million in assets to establish a discretionary account. High Net Worth individuals may establish an account with a minimum of \$1,000,000, however, the firm reserves the right to charge a minimum dollar fee for High Net Worth individuals depending on the client servicing involved. The minimum account sizes do not apply to new accounts for which there is a corporate, family, or other substantial relationship to existing accounts. In addition, the firm reserves the right to waive the minimum account size and minimum annual fee under certain circumstances. A complete list and description of all firm composites and FMI distributed mutual funds are available upon request.

iShares Russell 3000 ETF® seeks to track the investment results of the Russell 3000® Index (the "Underlying Index"), which measures the performance of the broad U.S. equity market, as defined by FTSE Russell (the "Index Provider" or "Russell"). The Underlying Index is a float-adjusted capitalization-weighted index of the approximately 3,041 largest public issuers domiciled in the U.S. and its territories, as determined by Russell. The Underlying Index includes large-, mid- and small capitalization companies and may change over time. The All Cap Equity composite uses the Russell 3000 Index® as its primary index comparison. In September 2022, the benchmark was changed from the Russell 3000 Index® to iShares Russell 3000 ETF® for all periods.

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