

# Fiduciary Management, Inc.

790 North Water Street, Suite 2100  
Milwaukee, WI 53202  
414.226.4545  
www.fmimgt.com



Quarterly Review - March 31, 2024

## FMI Global Equity

Performance	Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Global Equity (Gross)	6.57%	6.57%	NA	NA	NA	NA	6.57%
Global Equity (Net)	6.57%	6.57%	NA	NA	NA	NA	6.57%
iShares MSCI ACWI ETF <sup>2</sup>	8.21%	8.21%	23.22%	6.92%	10.92%	8.81%	8.21%

Inception: December 31, 2023

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 2-4%. The portfolio generally consists of 25-35 companies and is well diversified across sectors.

We are long-term investors, a typical holding period for our companies is three to five years, and portfolio turnover 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	✓
Julia L. Ramon, CFA	✓
Matthew T. Sullivan, CFA	✓
Jordan S. Teschendorf, CFA	✓
Dain C. Tofson, CFA	✓

Please note disclosure footnote on reverse side.

<sup>1</sup>Estimated valuations are based on a representative account from the FMI Global 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.

<sup>2</sup>Source: 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:

Ferguson PLC	4.8%
B&M European Value Retail S.A. ADR	4.1%
Charles Schwab Corp.	3.9%
Berkshire Hathaway Inc. Cl B	3.9%
Sony Group Corp. ADR	3.8%
CarMax Inc.	3.7%
Sodexo S.A. ADR	3.6%
Alphabet Inc. Cl A	3.5%
Weir Group PLC	3.5%
Carlisle Cos. Inc.	3.5%

### Portfolio Characteristics:<sup>1</sup>

P/E Ratio (trailing one year)	22.5x
FY1 P/E Ratio (forward)	23.9x
FY2 P/E Ratio (forward)	19.8x
P/S Ratio	2.4x
P/B Ratio	5.1x
EV/EBITDA Ratio	16.1x
Number of Holdings	33
Active Share	99%

### Recent Purchase:

**Weir Group PLC**      Ticker: WEIGF      Added: January 2024

Weir is a mining technology company. Key products include slurry pumps and ESCO ground engaging tools. The company has undergone a simplification program, selling its Flow Control business and its Oil & Gas business to focus on the mining end market. Today, the business employs a razor/razor blade business model and enjoys high barriers to entry. The company's customer value proposition is lowest total cost of ownership, which it achieves by manufacturing products that operate more efficiently, using less energy and water, and that last longer than alternatives. The lack of large mining capex projects is the cloud hovering over the stock, but we believe this concern reflects a misunderstanding of Weir's business model. Weir's revenue and profitability are driven by the aftermarket, which is largely insensitive to mining capex cycles. Weir targets a mid-to-high single digit organic revenue growth CAGR through the cycle, driven by a favorable ore production backdrop and growing installed base. There is also an opportunity to improve the margin. All in, we believe double-digit EPS growth through the cycle is an attainable target. The valuation does not reflect the quality of the transformed Weir and through-cycle EPS growth potential. We initiated a 3.0% position in January 2024.

**Fiduciary Management Inc.**  
**Global Equity Composite**  
**12/31/2023 - 03/31/2024**

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		Total Firm Assets End of Period (\$ millions)	Percentage of Firm Assets %
						Composite	*Benchmark	Assets of Period (\$ millions)	End of Period (\$ millions)		
Q1 2024	6.57	6.57	8.21	8	0.07	n/a	n/a	\$	6.6	\$ 15,591.1	0.04%

\*iShares MSCI ACWI 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 - 12/31/2023. 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.

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 \$15.6 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 Global Equity Composite was created and inceptioned on 12/31/2023. This composite invests mainly in a limited number (usually between 25-35) of mid-capitalization, namely, companies with more than \$4 billion market capitalization. These investments will typically be made in American Depository Receipts (ADR's) that are traded on a recognized U.S. Exchange or the Over-The-Counter Market (OTC). If the ADR is unavailable or does not have sufficient liquidity, the manager may invest in the common stock of a company that is traded on a recognized non-U.S. Exchange.

The Global Equity Composite reflects time-weighted and asset-weighted returns for all discretionary accounts. All returns are calculated using United States Dollars and are based on daily valuations using trade date accounting. All accounts in this composite are fee paying. Gross of fees returns are calculated gross of management fees, gross of custodial fees, gross of withholding taxes 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. Dispersion is not shown when there are five or fewer accounts in the composite for the year. 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 Global Equity Composite portfolios is as follows:

Up to \$25,000,000	0.60%
\$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.

The iShares MSCI ACWI ETF objective is to provide investors with a total return, taking into account both capital and income returns, which reflects the return of the MSCI ACWI Index®. The investment policy of the ETF is to invest in a portfolio of equity securities that as far as possible and practicable consist of the component securities of the MSCI World Index, this Fund's Benchmark Index. The ETF intends to use optimization techniques in order to achieve a similar return to the Benchmark Index and it is therefore not expected that the Fund will hold each and every underlying constituent of the Benchmark Index at all times or hold them in the same proportion as their weightings in the Benchmark Index. The ETF may hold some securities which are not underlying constituents of the Benchmark Index where such securities provide similar performance (with matching risk profile) to certain securities that make up the Benchmark Index. However, from time to time the Fund may hold all constituents of the Benchmark Index. The MSCI World Index® is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed and emerging markets. The MSCI ACWI Index® consists of the following 23 developed market country indices: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States along with the following 24 emerging market country indices: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Kuwait, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Saudi Arabia, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates. It is reported in USD. The Global Equity composite uses the iShares MSCI ACWI ETF® as its primary benchmark comparison.

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. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.