

Fiduciary Management, Inc.

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Quarterly Review - December 31, 2023

FMI International Equity - Hedged

Performance	Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
International Hedged (Gross)	6.42%	23.21%	23.21%	9.29%	9.26%	7.32%	8.88%
International Hedged (Net)	6.23%	22.33%	22.33%	8.49%	8.47%	6.55%	8.09%
iShares Currency Hedged MSCI EAFE ETF ²	6.01%	20.33%	20.33%	11.06%	11.79%	NA	NA
iShares MSCI EAFE ETF ²	10.71%	18.40%	18.40%	4.16%	8.21%	4.18%	5.09%
iShares MSCI EAFE Value ETF ²	8.49%	18.89%	18.89%	7.79%	7.07%	2.99%	4.17%

Inception: December 31, 2010

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 1-4%. The portfolio generally consists of 25-40 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. Since inception, the strategy has generally hedged a significant portion of its currency.

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	✓
Daniel G. Sievers, 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 International Equity Hedged Composite. Weights and valuations for the strategy are based on fair value prices. Valuations 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 mid-point bid/ask spread at 4:00 PM ET.

Top 10 – Portfolio Holdings:¹

Ferguson PLC	6.9%
B&M European Value Retail S.A.	5.6%
Sony Group Corp.	4.9%
Sodexo S.A.	4.7%
Samsung Electronics Co. Ltd. Pfd.	4.7%
Booking Holdings Inc.	4.4%
Safran S.A.	4.0%
Rexel S.A.	4.0%
Roche Holdings AG	3.7%
Greggs PLC	3.5%

Portfolio Characteristics:¹

P/E Ratio (trailing one year)	19.1x
FY1 P/E Ratio (forward)	17.6x
FY2 P/E Ratio (forward)	14.8x
P/S Ratio	1.9x
P/B Ratio	4.1x
EV/EBITDA Ratio	11.3x
Number of Holdings	33
Active Share	97%

Recent Purchase:

Techtronic Industries Co. Ltd. Ticker: 669 HK Added: December 2023

Techtronic Industries is a global leader in cordless power tool design and manufacturing. It operates across two global segments (Power Equipment ~94% sales) and Floor Care and Cleaning (~6%). Key brands include Milwaukee, Ryobi, Hoover, AEG, and Dirt Devil. Milwaukee Tool is the flagship brand and fastest growing business within the group, carrying a legacy of serving professional customers with products that bring "disruptive innovation." The company is headquartered in Hong Kong, though sales and assets are primarily in North America and Europe. Techtronic's stock is down over 50% from its late 2021 high on the back of several concerns. These include COVID normalization in the Do-It-Yourself (DIY) segment, a slowdown in the professional segment, inventory destocking, and concerns about Hong Kong where the company is listed. This has presented an opportunity to buy Techtronic at a meaningful discount to its historical average valuation. We view Techtronic as an innovative and high-quality company that occupies a leadership position in the secularly growing global cordless power tool industry. We initiated a 2% position in December 2023.

Recent Sale:

Jardine Matheson Holdings Ltd. Ticker: JM SP Sold: December 2023

Jardine Matheson is a family-controlled investment holding company with a focus on Greater China and Southeast Asia. Key industry exposures include real estate investment and development, retail store operation (supermarkets, convenience stores, drug stores, home furnishings), restaurants, motor vehicle sales, manufacturing and financing activities, luxury hotel management, engineering, and construction. Jardine has executed an impressive long-term capital allocation track record, with history dating back to the 1830's. Part of the company's competitive advantage lies in its long-standing relationships in the countries in which it operates; as such, owning Jardine Matheson allowed us to participate in geographic areas that are less accessible to Western investors. The post COVID recovery in Asia took longer to play out which elongated the recovery in several of Jardine's businesses. While the balance sheet remains strong at the holding company, we have concerns about the economic recovery in China and the state of Hong Kong commercial real estate market. We sold our 1.1% position in December 2023, deploying the proceeds elsewhere within the portfolio.

Fiduciary Management Inc.
International Equity Hedged Composite
12/31/2012 - 12/31/2022

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			
2013	25.89	24.95	21.39	≤ 5	0.00	9.78	16.17	\$ 165.8	\$ 19,705.3	0.84%
2014	5.66	4.87	-6.20	≤ 5	0.00	7.49	13.20	\$ 771.6	\$ 21,001.1	3.67%
2015	4.24	3.46	-1.00	≤ 5	0.00	8.14	12.46	\$ 2,832.9	\$ 21,042.9	13.46%
2016	11.04	10.23	1.38	≤ 5	0.38	7.39	12.00	\$ 5,946.2	\$ 22,626.7	26.28%
2017	16.51	15.70	25.10	≤ 5	0.02	7.04	11.03	\$ 8,209.3	\$ 25,322.0	32.42%
2018	-8.63	-9.27	-13.81	≤ 5	0.06	7.22	10.82	\$ 6,287.8	\$ 19,833.6	31.70%
2019	18.11	17.29	22.03	≤ 5	0.08	8.30	10.97	\$ 7,522.0	\$ 22,609.9	33.27%
2020	0.98	0.25	7.58	≤ 5	0.27	17.52	17.63	\$ 3,576.9	\$ 16,284.2	21.97%
2021	15.81	14.95	11.46	≤ 5	0.00	17.57	16.54	\$ 3,541.7	\$ 17,068.4	20.75%
2022	-8.51	-9.19	-14.36	≤ 5	0.00	19.30	20.20	\$ 3,291.8	\$ 13,021.5	25.28%

*iShares MSCI EAFE 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 - 12/31/2022. 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 International Equity Hedged Composite has had a performance examination for the periods 12/31/2010 - 12/31/2022. 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 \$13.0 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 International Equity Hedged Composite was created and inceptioned on 12/31/2010. Prior to 01/01/2020, this composite was referred to The International Equity Hedged Composite. This composite invests mainly in a limited number (usually between 25-40) of large capitalization (namely, companies with more than \$5 billion market capitalization) foreign companies.

The International Equity Hedged Composite reflects time-weighted and asset-weighted returns for all discretionary accounts. 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, 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. 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 International Equity Hedged Composite portfolios is as follows:

Up to \$25,000,000	0.70%
\$25,000,001-\$50,000,000	0.65%
\$50,000,001-\$100,000,000	0.60%
\$100,000,001 and above	0.55%

The firm generally requires a minimum of \$25 million in assets to establish a discretionary account. 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. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

The iShares MSCI EAFE ETF® seeks to track the investment results of the MSCI EAFE Index (the "Underlying Index"), which has been developed by MSCI Inc. (the "Index Provider" or "MSCI"). The Underlying Index is a free float-adjusted, market capitalization-weighted index designed to measure large- and mid-capitalization equity market performance of developed markets outside of the U.S. and Canada. The Underlying Index includes stocks from Europe, Australasia and the Far East and, as of July 31, 2021, consisted of securities from the following 21 developed market countries or regions: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the United Kingdom (the "U.K."). The MSCI EAFE Net Index (USD)® is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the US & Canada. The MSCI EAFE Net Index (USD)® consists of the following 21 developed market country indices: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and the United Kingdom. It is reported in local currency and net of hedges. The International Equity Hedged composite uses the iShares MSCI EAFE ETF® as its primary benchmark comparison. In September 2022, the benchmark was changed from MSCI EAFE Net Index (USD)® to iShares MSCI EAFE ETF® for all periods.

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