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INVESTMENT STRATEGY OUTLOOK - INTERNATIONAL EQUITY

December 31, 2013

Global stock markets sustained their upward march in the fourth quarter of 2013, as asset prices continued to outpace fundamentals and valuations remained elevated. The FMI International Strategy advanced by approximately 7.6% in the period, compared with an MSCI EAFE Index gain of 6.36% in local currency and 5.71% in U.S. Dollars (USD). For the quarter, Consumer Durables, Consumer Non-Durables, and Consumer Services sectors outperformed on a relative basis, as Finance, Producer Manufacturing, and Retail Trade lagged the market. Pirelli, Amorepacific Corp. and Akzo Nobel generated the strongest individual returns, while Shin-Etsu Chemical, Schindler Holding and Danone each posted quarterly declines.

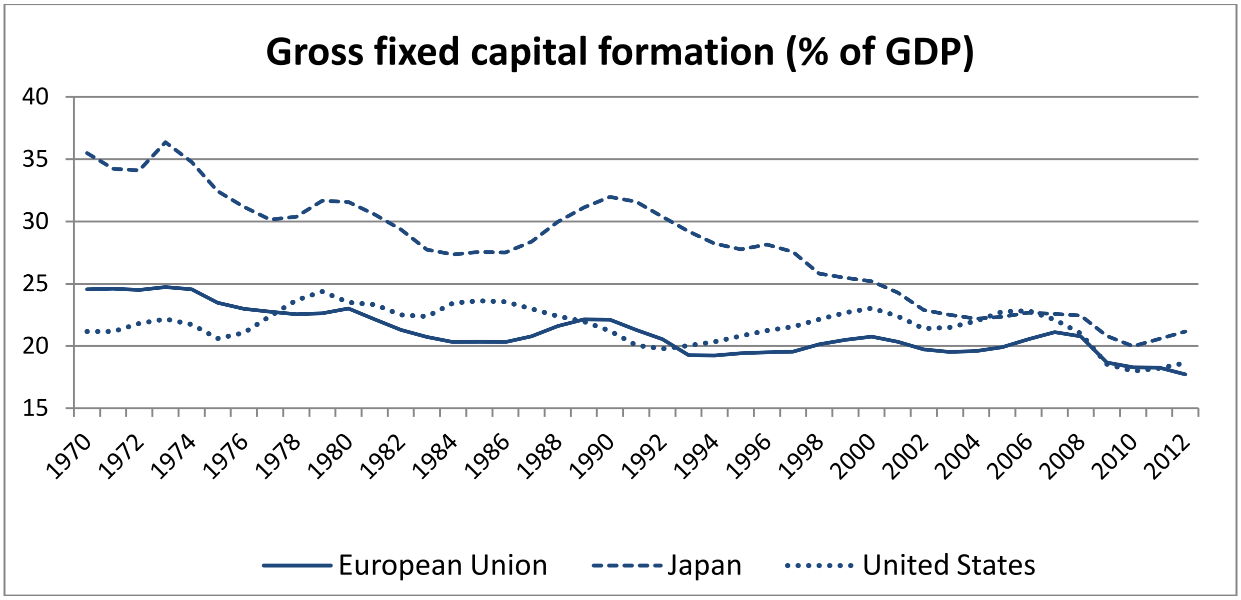
We made several portfolio changes in the period. We exited our position in CRH due to the stock's appreciation in value despite a continued deterioration in key European markets. Further, investors appeared to be expecting a more robust rebound in U.S. infrastructure spending than we envisioned. We also sold our stake in Samsonite due to valuation, after a sharp rise in the stock price and concerns about management's capital allocation priorities. Lastly, we initiated a new position in Sociedad Quimica Y Minera de Chile (SQM) following a sharp sell-off in its common stock as a result of uncertainty in the global potash market. SQM is a quality business with attractive, low-cost mining operations that produce specialty fertilizers, iodine, and lithium.

For the full calendar year, the FMI International Strategy was up approximately 25.9%, while the MSCI EAFE rose by 26.93% in local currency and 22.78% in USD. Developed stock markets could "do no wrong" in 2013, juiced by central bankers' unwavering commitment to money printing and artificially low interest rates. Japan led the charge, courtesy of "Abenomics," driving a stock market rally of 54.39%, while indices in the UK, Germany and France advanced by 21.34%, 25.48%, and 22.18%,[1] respectively. This outsized performance piggybacked on strong double-digit returns in 2012, and drove valuation multiples to 3-year highs, despite weak underlying economic growth, employment and capital investment, not to mention record government debt levels.

We do not believe that papering over deep structural problems is a viable long-term solution. It has never worked in the past and there is no reason to believe it will be different this time around. While there are signs of stronger economic growth in several developed markets, this is unlikely to be sustained at a rate high enough to put fiscal and monetary houses in order, much less provide sufficient growth to justify current stock valuations. Meanwhile, in many developing markets growth has turned down. Brazil, India and Russia have all seen significant economic slowing and China's official growth rate of 7.8% seems increasingly suspect.

[1] The following market indexes are being referred to above: Germany DAX, France CAC, FTSE All-Share (UK), and Japan TOPIX.

Monetary policy across the globe continues on an unprecedented path, the ultimate ramifications of which remain unknown. History tells us that currency debasement ultimately leads to harmful inflation, but we don't have to look years into the future to see the damage of interest rate manipulation. Savers have been crushed. Speculators and the wealthy are making a killing in stocks and levered financing vehicles. We believe money plowed into stock repurchases and speculative trading, rather than good old-fashioned capital investment, has resulted in less fundamental economic growth than we would otherwise have had.



Source: World Bank

With stocks that look very expensive, macro risks appear more formidable; thus, we continue to proceed with heightened caution and skepticism.

Investment Philosophy & Objectives

As the FMI International Strategy wraps up its third year, we thought it would be a good time to review our investment philosophy and objectives. For 34 years, FMI has managed concentrated portfolios, with a goal of investing in high-quality businesses that are run by strong management teams and priced at attractive valuations. We strive to find durable businesses with barriers to entry and competitive advantages that enable these companies to sustainably earn a return on invested capital (ROIC) in excess of their cost of capital, creating "economic value." We invest in businesses that we can understand, with common attributes that include recurring revenue and/or modestly priced products/services, solid balance sheets, and a reasonable ability to control their own destiny. We often invest in companies where there is a cloud (or some controversy) hovering over the business, but one that we believe is temporary in nature. Management teams are carefully evaluated, with an emphasis on strategic decision-making, acquisition activity, compensation policies, and shareholder orientation. Valuation is paramount, as FMI's in-depth fundamental research and analysis embodies a value-oriented approach with a focus on achieving an adequate margin of safety and limiting downside risks.

Our firm has a 34-year and 13-year track record managing the Small Cap and Large Cap Strategies, respectively, both of which are now closed to new investors. The investment process and research team are exactly the same for the FMI International Strategy. Historically, we have added significant value in poor market conditions, generally outperforming in periods of market distress while lagging in periods of over-exuberance. Over time this has led to long-term returns that are well above average, while taking below-average levels of risk.[2] Over its first three years, the International Strategy has followed a similar path. We held up well in a rocky 2011 and captured a majority of the upside in 2012 and 2013, while taking less risk than the market. A summary of the strategy's relative investment performance and risk profile is illustrated in the tables below. While past performance does not guarantee future results, investors can be assured that FMI's investment process and philosophy will remain as it has been for over three decades. Additionally, investors can take comfort in knowing that the FMI team will always "eat our own cooking," investing alongside our clients in each of our investment products.

The FMI International Strategy is focused on a limited number of investments (25-35), with company market capitalizations that will generally exceed $5 billion. We strive to have industry diversification with exposure to most (but not all) major economic sectors. Geographic exposure is a consideration, but will not drive the investment decision, as bottom-up security analysis takes precedence. Our investment time horizon is long-term, leading to relatively low turnover of the portfolio. To date, currencies have been hedged, with a goal of ensuring that our returns are a reflection of FMI's stock selection, not the volatile swings of foreign exchange rates. We expect to continue to hedge to some degree for the foreseeable future. *Please note that we include a mention of the MSCI EAFE Index only insofar as international investors have grown accustomed to seeing this benchmark. We do not specifically manage to this benchmark, so we would expect significant divergence in performance over quarterly periods. Our long-term goal is to achieve returns that comfortably exceed inflation.*

Gross of Fees Performance
as of December 31, 2013

Year	FMI Intl.	MSCI (USD)	MSCI (Local)
2011	-0.78%	-12.14%	-12.15%
2012	+19.35 %	+17.32%	+17.31%
2013	+25.89 %	+22.78%	+26.93%
Since Inception (12/31/10) Cumulative Return	**+49.08 %**	**+26.55%**	**+30.80%**

Risk (Standard Deviation)*
as of December 31, 2013

	1 Year	2 Year	Inception: 12/31/10
FMI International Strategy	6.8%	7.8%	9.8%
MSCI Daily Total Return Net EAFE (USD)	11.6%	14.0%	16.3%
MSCI Daily Total Return Net EAFE (Local)	9.0%	10.6%	12.2%

** Standard deviation calculation is based on monthly performance returns.*

We invest primarily in companies domiciled in developed countries, and that in most cases have a global footprint, including emerging markets. We are very selective, and will only invest in countries and companies where we are able to conduct due diligence that largely mirrors the research efforts we employ in the U.S. In certain markets such as mainland China and Russia, due to poor levels of disclosure, a lack of management trust, questionable accounting practices and governance, and a host of other factors, we do not feel comfortable investing our clients' money directly. While this may change over time as countries develop, for the time being our emerging market exposure will come predominantly through

[2] As measured by standard deviation.

the geographic footprint of our businesses. Currently, roughly 28% to 36% of the sales for the portfolio are generated in emerging markets; depending on how South Korea and Taiwan are classified (this is currently up for debate).

Over time we have seen U.S. companies increasingly move their headquarters and operations overseas. There are a growing number of superb business franchises domiciled outside of the U.S. As the world shrinks and companies conduct more and more of their business across the globe, the need for an international investment vehicle continues to magnify. This was part of the original impetus for launching the Strategy. It was clear that FMI's investment philosophy, strategy and research tactics could be applied in a growing number of international locales, and there was great value to be had outside the borders of the U.S. Our objective is to continue to unlock that value.

Thank you for your support of Fiduciary Management, Inc.

Fiduciary Management Inc.
International Equity Composite
12/31/2010 - 09/30/2013

Year	Total Return Gross of Fees %	Total Return Net of Fees %	*Benchmark Return %	Number of Portfolios	Dispersion %	Total Composite Assets End of Period ($ millions)	Total Firm Assets End of Period ($ millions)	Percentage of Firm Assets %
2011	-0.78	-1.52	-12.15	1	0.00	$ 16.7	$ 12,273.6	0.14%
2012	19.35	18.46	17.31	1	0.00	$ 76.3	$ 15,253.5	0.50%
Q1 2013	10.51	10.30	9.67	1	0.00	$ 100.9	$ 16,957.4	0.59%
Q2 2013	1.25	1.06	1.21	1	0.00	$ 121.9	$ 18,032.6	0.68%
Q3 2013	4.57	4.38	7.50	1	0.00	$ 137.8	$ 19,063.5	0.72%

*MSCI EAFE Net Local Index®

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, Incorporated (FMI) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. FMI has been independently verified for the periods 12/31/1993 - 09/30/2013. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The International Equity Composite has been examined for the periods 12/31/2010-09/30/2013. The verification 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 $19.0 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 Composite was created on December 31, 2010. This composite invests mainly in a limited number (usually between 15-25) of large capitalization (namely, companies with more than $5 billion market capitalization) foreign companies.

The International 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 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®. This information is not available for the International Equity Composite.

Currently, the advisory fee structure for the International Equity Composite portfolios is as follows:
All assets at 1.00% -- Current Expense Ratio. This includes a management fee of 0.75%.

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 is available upon request. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

The MSCI EAFE Net Local Index® 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 Local Index consists of the following 22 developed market country indices: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Greece, 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 US Dollar currency and net of hedges. The International Equity composite uses the MSCI EAFE Net Local Index® as its primary index comparison.