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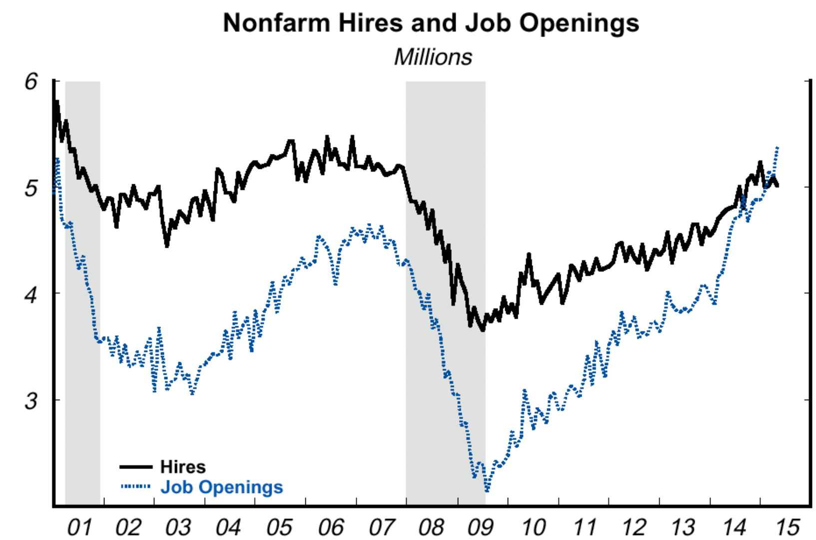
INVESTMENT STRATEGY OUTLOOK – SMALL CAP EQUITY

June 30, 2015

The FMI Small Cap portfolios were down approximately 1.4% in the quarter ending June 30, 2015, compared to a gain of 0.42% for the benchmark Russell 2000 Index. Sectors that showed good performance included Producer Manufacturing, Finance and Consumer Durables, while Distribution Services, Technology Services and Health Technology lagged the benchmark. Cash was also a negative contributor. Woodward, Cullen/Frost and Sturm, Ruger & Company outperformed in the quarter. Anixter, Broadridge and Varian hurt relative performance. Speculative fervor in healthcare, particularly biotechnology stocks, along with strong moves in already very expensive technology shares, drove performance for small capitalization stocks. The NASDAQ Biotech Total Return Index gained over 21% year-to-date through June 30. Valuations are as high as we have ever seen in this group, as well as in the broader Healthcare sector. The research team has been building a deep list of candidates across a wide variety of areas while awaiting prices that make more sense.



Source: Bureau of Labor Statistics
Shaded areas represent recessionary periods.

The economy may be poised to accelerate but overall, the data remains mixed. Durable goods orders slipped 1.8% in May but new home sales climbed 24% in the first five months of the year. First quarter annualized Gross Domestic Product growth was down 0.2% but estimates for the second quarter in late June hovered in the 2.0-3.0% range. Despite what looks like a moderately better economic tone in the second quarter, the list of companies reducing sales and earnings estimates continues to grow (e.g., United Technologies, Oracle, Emerson, Wal-Mart), adding to the malaise from the commodity-related sectors, whose fortunes began to weaken last year. According to a June 19 report from FactSet, S&P 500 earnings are expected to be down 4.7% in the second quarter. Excluding Energy, however, earnings and sales growth expectations are closer to flat. Retail sales have perked up recently after starting the year in a funk. Real wage growth, which has been fairly stagnant for over a decade, is estimated to have grown at a low single-digit positive annual rate in the June quarter. Job openings, depicted in the chart above by the lower line, are growing, and while hires (upper line) have continued to lag, the data seems to provide some hope that both employment and wages are poised for stronger growth.

Despite the May setback in durable goods, there has been a slight improvement in capital investment year-to-date, as well as with research and development (R&D) spending. These two elements are critical to improving long-term organic growth. Productivity growth over the past several years has been weak (about a half to two-thirds of its long-term growth rate) but will undoubtedly improve if these two figures become more robust.

You would never know the economy was so choppy by looking at the stock market, particularly areas of the market that are showing classic signs of speculative fever. Stocks of companies with low-to-no earnings, low-to-no dividends, and high valuations are outperforming stocks with the opposite characteristics. Mergers and acquisitions (M&A) activity is on pace to exceed all previous records this year. Recently Fitbit came public at $20.00 and within two days was trading over $32.00. In late June it sported a market value of $6.7 billion on earnings of $132 million (50x price-to-earnings ratio). And this was considered one of the higher quality initial public offerings (IPOs). *The Wall Street Journal* reported that Fitbit was only the second of twelve technology IPOs this year that had net income. Somebody forgot to tell Fitbit that the sky is the limit if you aren't constrained by pedestrian elements like net income! Healthcare, and particularly biotechnology, have been the hottest sectors. Some of the announced deals (not necessarily consummated) in the healthcare area include:

Mylan buying Perrigo: 8.3x sales; 28.6x earnings before interest, taxes, depreciation and amortization (EBITDA) ($34.9 billion deal)
Teva buying Mylan: 4.4x sales; 18.3x EBITDA ($34.8 billion deal)
AbbVie buying Pharmacyclics: 27.1x sales; 156.0x EBITDA ($19.8 billion deal)
Shire buying Actelion: 8.9x sales; 25.1x EBITDA ($18.9 billion deal)
Endo International buying Par Pharmaceutical: 7.4x sales; 41.1x EBITDA ($10.2 billion deal)
Alexion Pharma buying Synageva BioPharma: 1361.3x sales; no earnings ($7.9 billion deal)
Shire buying NPS Pharma: 22.6x sales; 603.3x EBITDA ($5.1 billion deal)
Actavis buying Allergan: 9.3x sales; 31.2x EBITDA ($65 billion deal)
Allergan buying Kythera Biopharms: 165.0x sales; no earnings ($2.1 billion deal)

The Kythera deal is heartwarming, as it addresses society's pressing need to reduce chin fat, a.k.a. double chins. Thank goodness for Kythera that Hostess (maker of Twinkies) was recently rescued out of bankruptcy and is once again busy helping to ensure a steady supply of double chins. The environment has gotten so frothy that sometimes one wonders if Wall Street analysts realize what they are saying. In late June, Hill-Rom Corporation announced the acquisition of Welch Allyn, and the title of one Wall Street firm's research report was *The Deal You Wanted*. The analyst began, "The rationale is spot on, even as the fit is not perfect and the deal is expensive." Further into the report he says the deal "drives scale and financial leverage." And finally, "Our year three ROIC [return on invested capital] of approximately 6% is lower than we would have liked…" For the uninitiated, 6% is the return on the deal the acquirer hopes to achieve three years from closing, assuming that aggressive cost cuts and revenue synergies materialize. Click your heels three times and repeat "There's no place like home," and you might get there.

Following is a list of the fifty largest stocks (market value), as of late June, in the Health Technology sector. The summary statistics are remarkable, if not eye-opening. On a weighted average basis this group of companies trades for 7.3x sales, 24.9x EBITDA and 36.7x earnings. These are 40-100% higher than the market's valuation, which itself is nearly as expensive as it has ever been. As our collective trained eyes go down the list it is abundantly clear that for the vast majority of these companies, inorganic (M&A) growth vastly outweighs organic growth. The whole sector (FactSet: Health Technology) has been a huge winner in recent years, gaining approximately 121.1% over the past three years (ending June 19) compared to 65.6% for the S&P 500.

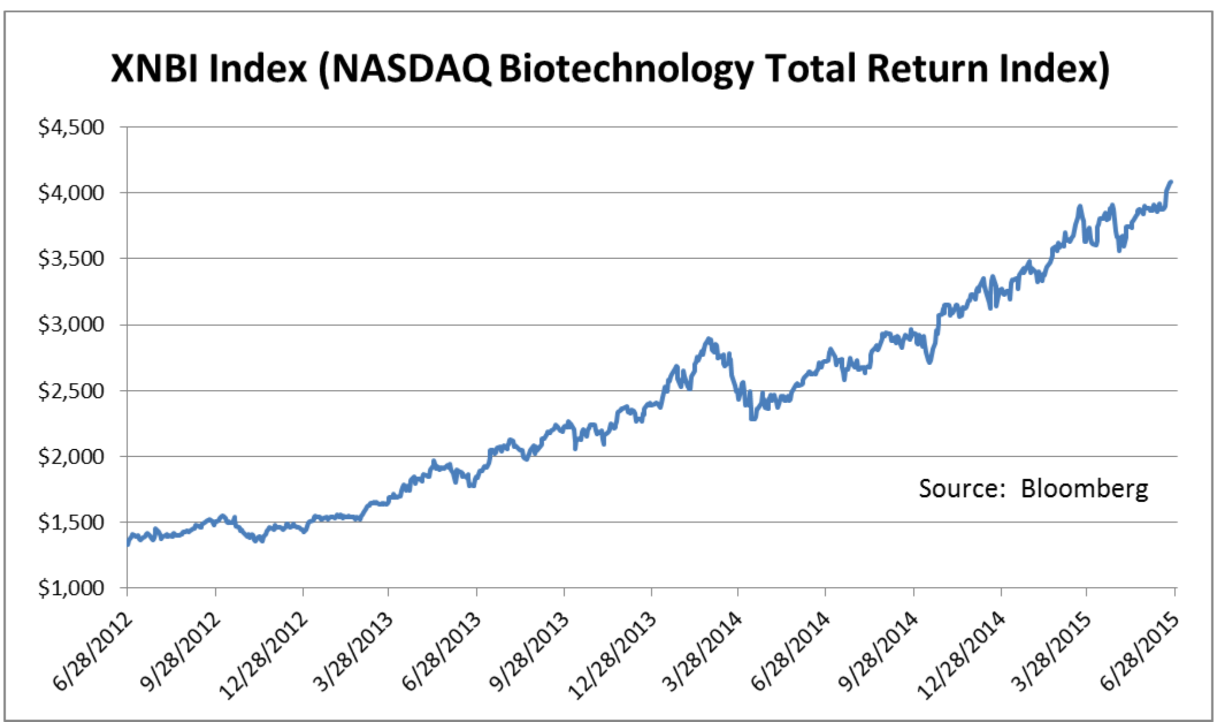
Top 50 Healthcare Technology Companies- June 18, 2015

Source: FactSet

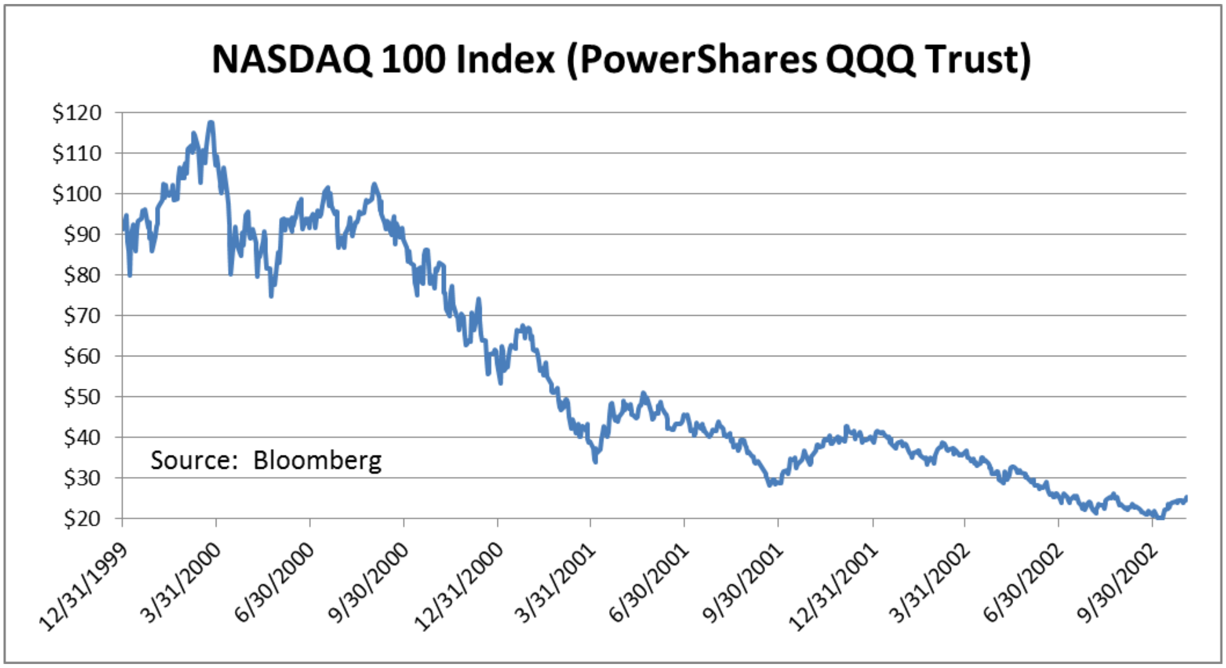
Company Symbol	Company Name	Market Value ($US)	Enterprise Value/ Sales	Enterprise Value/ EBITDA	Price/ Earnings
JNJ	Johnson & Johnson	278,586.7	3.6	10.6	17.6
NVS	Novartis AG Sponsored ADR	245,810.3	5.2	17.0	24.4
PFE	Pfizer Inc.	211,639.1	4.5	11.5	24.3
GILD	Gilead Sciences, Inc.	179,027.2	6.7	11.0	16.4
MRK	Merck & Co., Inc.	165,715.3	4.4	7.3	14.3
NVO	Novo Nordisk A/S Sponsored ADR Class B	144,803.9	9.2	16.9	31.2
SNY	Sanofi Sponsored ADR	128,908.4	3.2	10.5	22.3
AMGN	Amgen Inc.	121,755.3	6.1	14.3	23.9
AGN	Allergan plc	118,659.0	8.9	108.5	#N/A
BMY	Bristol-Myers Squibb Company	111,055.6	6.9	32.5	55.5
ABBV	AbbVie, Inc.	109,890.4	5.7	30.6	63.3
MDT	Medtronic Plc	109,068.8	6.2	19.6	26.5
GSK	GlaxoSmithKline plc Sponsored ADR	104,376.3	3.1	14.6	22.9
BIIB	Biogen Inc.	94,456.6	9.2	20.1	32.4
CELG	Celgene Corporation	92,951.4	11.6	32.1	48.7
LLY	Eli Lilly and Company	88,000.9	4.7	21.3	37.5
AZN	AstraZeneca PLC Sponsored ADR	84,511.0	3.6	19.0	68.5
VRX	Valeant Pharmaceuticals International, Inc.	80,073.1	10.8	25.3	86.0
ABT	Abbott Laboratories	74,348.5	3.5	17.4	33.3
REGN	Regeneron Pharmaceuticals, Inc.	54,500.8	17.5	62.7	172.5
TMO	Thermo Fisher Scientific Inc.	51,620.0	3.9	15.4	27.5
TEVA	Teva Pharmaceutical Industries Limited Sponsored ADR	51,159.8	3.0	10.5	16.9
SHPG	Shire PLC Sponsored ADR	49,175.6	8.5	14.0	14.4
BAX	Baxter International Inc.	37,661.6	2.7	12.3	15.2
ALXN	Alexion Pharmaceuticals, Inc.	36,738.3	15.5	37.8	56.4
SYK	Stryker Corporation	36,722.7	3.7	21.8	73.1
MYL	Mylan N.V.	35,515.2	4.8	23.4	31.0

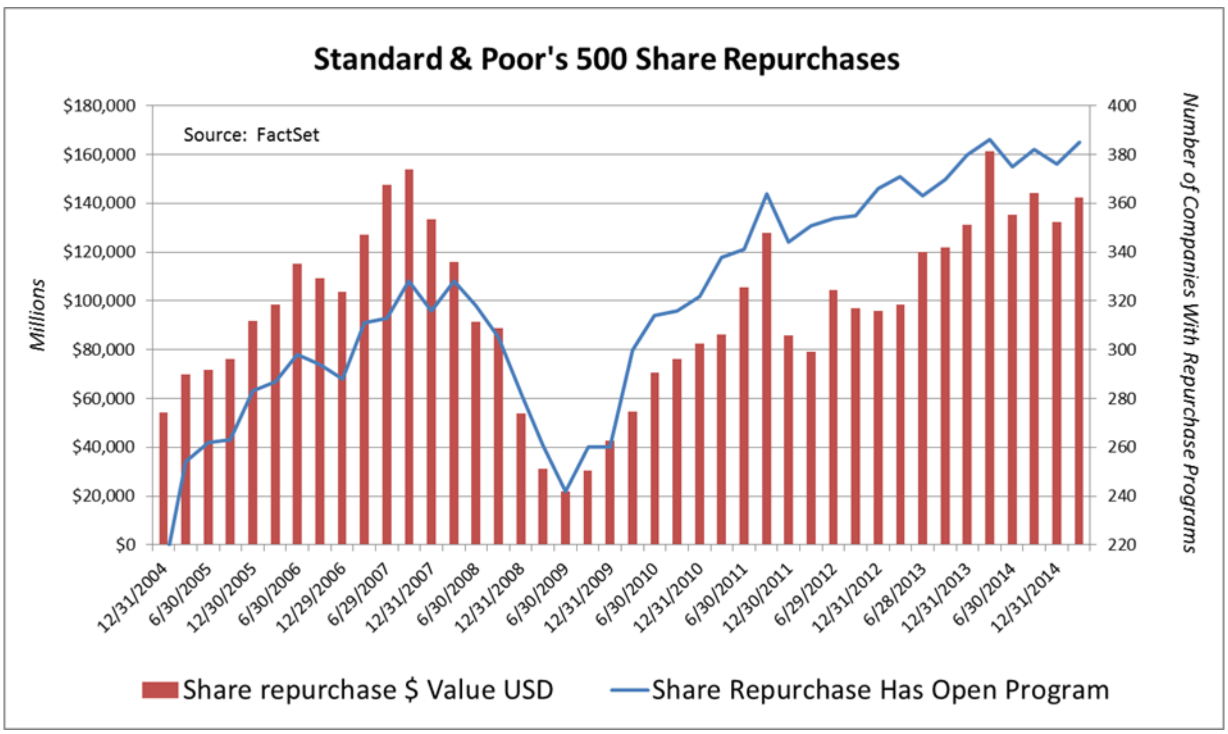
Company Symbol	Company Name	Market Value ($US)	Enterprise Value/ Sales	Enterprise Value/ EBITDA	Price/ Earnings
ILMN	Illumina, Inc.	31,524.8	15.9	52.2	92.3
VRTX	Vertex Pharmaceuticals Incorporated	31,088.1	50.3	#N/A	#N/A
BDX	Becton, Dickinson and Company	29,483.6	4.6	18.6	24.2
PRGO	Perrigo Co. Plc	26,509.8	6.6	39.6	73.3
ZTS	Zoetis, Inc. Class A	25,268.6	5.9	24.9	43.5
BSX	Boston Scientific Corporation	24,147.1	3.8	65.1	93.4
BMRN	BioMarin Pharmaceutical Inc.	22,224.7	26.9	#N/A	#N/A
STJ	St. Jude Medical, Inc.	21,250.4	4.3	16.5	22.0
ZMH	Zimmer Holdings, Inc.	19,306.3	4.1	13.4	27.0
INCY	Incyte Corporation	18,881.8	32.4	490.7	#N/A
ISRG	Intuitive Surgical, Inc.	18,252.8	7.7	27.1	44.3
EW	Edwards Lifesciences Corporation	15,598.3	6.2	12.0	19.3
HSP	Hospira, Inc.	15,311.3	3.6	22.7	45.5
SNN	Smith & Nephew PLC Sponsored ADR	15,268.5	3.7	6.6	12.2
ENDP	Endo International Plc	14,885.4	6.3	#N/A	#N/A
MNK	Mallinckrodt Plc	14,156.5	5.3	#N/A	#N/A
A	Agilent Technologies, Inc.	13,286.7	2.3	11.1	27.1
PLL	Pall Corporation	13,267.3	4.7	22.5	46.2
BCR	C. R. Bard, Inc.	12,805.2	4.0	20.3	46.9
ALNY	Alnylam Pharmaceuticals, Inc	11,323.4	163.9	#N/A	#N/A
WAT	Waters Corporation	11,288.7	5.3	17.2	26.8
JAZZ	Jazz Pharmaceuticals Plc	11,032.4	9.3	34.3	217.7
HOLX	Hologic, Inc.	10,638.6	5.3	17.6	210.4
	Average	**66,470.6**	**11.2**	**34.5**	**49.5**
	Median	**36,730.5**	**5.3**	**19.0**	**31.2**
	Weighted Average	**127,985.6**	**7.3**	**24.9**	**36.7**

The figures for the far more speculative biotechnology group are even more astounding. Over half of these companies lose money yet retain mountainous market values. Over the past three years, the NASDAQ Biotech Index (XNBI) has gained 188%. This group's performance is highly reminiscent of the way the NASDAQ 100 Index (QQQ) behaved in the 1997-2000 period.



When the tide turned on the QQQ in March of 2000 it lost 81.7% of its value over the next 30 months.





The rise of so-called activism and an aggressive brand of private equity investing are emblematic of a market where financial engineering appears to be one of the last remaining drivers of stock prices. Without a doubt there are undermanaged companies that could deploy capital more effectively, and we applaud those activists and private equity sponsors who facilitate this. In fact, a Harvard study and a more recent analysis by *The*

Economist seem to indicate that activism creates long-term value and cumulatively, there is little evidence of so-called “asset stripping.” Today, however, there seems to be an increase in the Johnny-come-lately activists who strive for quick hitters in companies that really should not, for example, be borrowing money to buy back stock. Most target stocks are not particularly cheap and it remains to be seen if the increased leverage will be rued in a different (higher) interest rate environment. Investment bankers are happy to push companies to “do something.” The result is a plethora of spin-offs, carve-outs, go-privates, or as in the case of Danaher, just a breaking of the company in two to facilitate better deal-making impact. The implied threat from activists and the perceived lack of investment opportunities may be why so many companies are buying back their stock despite highly elevated valuations, rather than making long-term investments in their businesses. As the second chart on Page 4 demonstrates, corporate executives are really good at piling in late in the game, paying up for stock.

Pershing Square is the public investment vehicle of a highly-acclaimed activist with a fabulous long-term record. Still, it is fascinating to see the “look through” metrics of the Pershing Square portfolio (as of 3/31/15, excluding a short position). It’s interesting that this noted value investor owns a portfolio that trades at 8x sales, nearly 22x EBITDA and 24.5x “adjusted” earnings. The P/E ratio using GAAP (generally accepted accounting principles) earnings is far higher, by the way, because in nearly all cases, the adjusted earnings don’t include stock compensation or amortization of intangibles and other “non-cash” items. In the case of Valeant Pharmaceuticals, the company adjusts for an inventory step-up, a PP&E (property, plant and equipment) step-down, in-process R&D and a multitude of restructurings such that it is virtually impossible to know what constitutes true earnings. Of course, we don’t know what the portfolio looks like this minute, nor do we know if the portfolio is hedged with derivatives or other vehicles. It is simply an observation that the Pershing Square portfolio has already benefitted dramatically from this manager’s skill and appears to be very expensive based on conventional metrics.

Pershing Square (3/31: $US)		Price	Shares	MV	Position Size	Cash	Debt	EV	2014		LTM EPS	LTM GAAP EPS	EV/ REV	EV/ EBITDA	P/E*	P/GAAP EPS*
Stock									Rev	EBITDA						
VRX	Valeant	$228	342.5	$78,090	25.8%	$12,219	$25,898	$91,769	$8,264	$3,924	$8.96	$2.95	11.1	23.4	25.4	77.3
APD	Air Products and Chemical	$146	214.8	$31,275	20.8%	$196	$4,512	$35,591	$10,452	$2,626	$6.22	$4.77	3.4	13.6	23.4	30.5
CP	Canadian Pacific	$167	164.0	$27,454	17.0%	$145	$5,020	$32,328	$5,994	$2,640	$8.17	$7.92	5.4	12.2	20.5	21.1
ZTS	Zoetis	$50	500.0	$25,200	12.9%	$559	$3,243	$27,884	$4,785	$1,337	$1.60	$1.18	5.8	20.9	31.5	42.7
QSR	Restaurant Brands Intl	$38	202.3	$7,606	9.8%	$1,022	$8,961	$15,545	$1,197	$706	($0.73)	($2.34)	13.0	22.0	nm	nm
PAH	Platform Specialty Products	$27	192.6	$5,152	7.3%	$297	$3,424	$8,279	$843	$177	$0.63	($1.65)	9.8	46.7	42.5	nm
HHC	Howard Hughes	$148	39.7	$5,876	3.7%	$458	$2,108	$7,525	$635	$367	$2.90	($3.75)	11.9	20.5	51.0	nm
ACT	Allergan Plc	$302	392.4	$118,505	2.7%	$2,100	$42,700	$159,105	$13,062	$2,784	$15.08	($8.28)	12.2	57.1	20.0	nm
Total					100.0%				**Weighted Average**				**8.0**	**21.5**	**24.5**	**35.4**
									Median (Long Position)				**10.5**	**21.4**	**25.4**	**36.6**

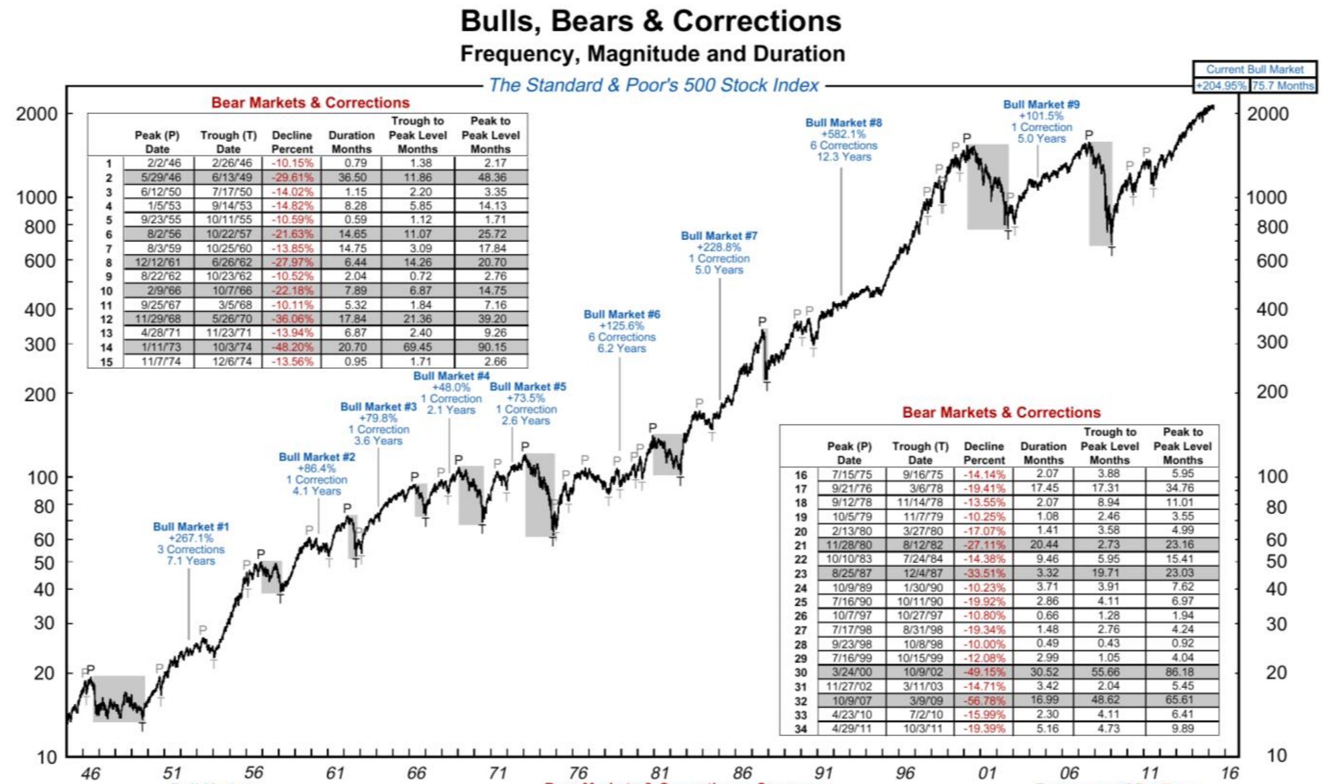
* Pershing Square also maintains an estimated $1 billion short exposure to Herbalife at a $47.09 average cost.

** Table does not include Ira Sohn presentation (post 3/31/15 13F filing) disclosed new positions in Jarden (55.3x LTM GAAP P/E) and Nomad Holdings (negative GAAP EPS), or small positions in Fannie Mae, and Freddie Mac.

Source: Fiduciary Management, Inc. via http://www.sec.gov/

The success of stocks such as Valeant is further evidence of what unnaturally-low interest rates can foist on the economy and stock market. Valeant borrows at extremely low rates to purchase companies in a hot sector (Healthcare). They then slash corporate expenses, including research and development; lower taxes by taking advantage of their tax jurisdiction; and create a lot of confusion with complex accounting and “one-time” (the ultimate oxymoron) restructurings to deliver rapidly growing “adjusted” earnings which Wall Street laps up with gusto. People who praise the Fed and other central banks fail to grasp the casino that their misguided policies have created. The surge in deal activity does not reflect a healthy or vibrant economy that benefits the masses. It reflects a world in which those that own financial assets, which is largely the top 10%, and their facilitators, e.g., money managers, investment bankers, lawyers, accountants and brokers, win big. The wealth effect the Fed has been trying to achieve for seven years has worked brilliantly… for the wealthy. The populists have it wrong, too, as this is not a zero sum game where the wealthy’s good fortune hurts the masses, but it does give the illusion that things are better than they really are, and takes policy makers' collective eyes off of strategies that would drive stronger organic growth and fiscal health.

We hesitated to wind up with such a busy chart, but with a magnifying glass we feel you'll find it very useful. Following is the history (since 1945) of the stock market in a single diagram. The line in the chart is the S&P 500 annotated by bull markets. Each annotation states the cumulative return, the number of corrections (greater than 10% declines but less than 20%) and the duration of the bull market. The tables in the upper left and lower right portion of the diagram show all of the bear markets (20% or greater declines) and corrections. Below the chart are tables showing a summary of bull markets, bear markets and frequency of declines, respectively. Putting today's bull market into perspective, it is 75 months old, has had two corrections, and has gained approximately 205%, making it the third longest and fourth greatest in terms of return. These gains are remarkable considering the starting valuation in 2009 was not particularly cheap from a long-term historical perspective, and the underlying fundamentals six years later remain tepid. Investors seem to be unaware or unconcerned about high valuations. They seem to believe interest rates and inflation will remain low forever, or at least the next five to ten years. And finally, they seem to believe sales and earnings are going to somehow grow at a double-digit rate for the foreseeable future, without triggering higher rates or inflation. All of this is possible, but highly unlikely if history is any guide. We remain cautious about the backdrop for equity performance in the near-term and are diligently trying to find appropriate long-term investment ideas.



Bear Markets & Corrections

	Peak (P) Date	Trough (T) Date	Decline Percent	Duration Months	Trough to Peak Level Months	Peak to Peak Level Months
1	2/2/'46	2/26/'46	-10.15%	0.79	1.38	2.17
2	5/29/'46	6/13/'49	-29.61%	36.50	11.86	48.36
3	6/12/'50	7/17/'50	-14.02%	1.15	2.20	3.35
4	1/5/'53	9/14/'53	-14.82%	8.28	5.85	14.13
5	9/23/'55	10/11/'55	-10.59%	0.59	1.12	1.71
6	8/2/'56	10/22/'57	-21.63%	14.65	11.07	25.72
7	8/3/'59	10/25/'60	-13.85%	14.75	3.09	17.84
8	12/12/'61	6/26/'62	-27.97%	6.44	14.26	20.70
9	8/22/'62	10/23/'62	-10.52%	2.04	0.72	2.76
10	2/9/'66	10/7/'66	-22.18%	7.89	6.87	14.75
11	9/25/'67	3/5/'68	-10.11%	5.32	1.84	7.16
12	11/29/'68	5/26/'70	-36.06%	17.84	21.36	39.20
13	4/28/'71	11/23/'71	-13.94%	6.87	2.40	9.26
14	1/11/'73	10/3/'74	-48.20%	20.70	69.45	90.15
15	11/7/'74	12/6/'74	-13.56%	0.95	1.71	2.66

Bear Markets & Corrections

	Peak (P) Date	Trough (T) Date	Decline Percent	Duration Months	Trough to Peak Level Months	Peak to Peak Level Months
16	7/15/'75	9/16/'75	-14.14%	2.07	3.88	5.95
17	9/21/'76	3/6/'78	-19.41%	17.45	17.31	34.76
18	9/12/'78	11/14/'78	-13.55%	2.07	8.94	11.01
19	10/5/'79	11/7/'79	-10.25%	1.08	2.46	3.55
20	2/13/'80	3/27/'80	-17.07%	1.41	3.58	4.99
21	11/28/'80	8/12/'82	-27.11%	20.44	2.73	23.16
22	10/10/'83	7/24/'84	-14.38%	9.46	5.95	15.41
23	8/25/'87	12/4/'87	-33.51%	3.32	19.71	23.03
24	10/9/'89	1/30/'90	-10.23%	3.71	3.91	7.62
25	7/16/'90	10/11/'90	-19.92%	2.86	4.11	6.97
26	10/7/'97	10/27/'97	-10.80%	0.66	1.28	1.94
27	7/17/'98	8/31/'98	-19.34%	1.48	2.76	4.24
28	9/23/'98	10/8/'98	-10.00%	0.49	0.43	0.92
29	7/16/'99	10/15/'99	-12.08%	2.99	1.05	4.04
30	3/24/'00	10/9/'02	-49.15%	30.52	55.66	86.18
31	11/27/'02	3/11/'03	-14.71%	3.42	2.04	5.45
32	10/9/'07	3/9/'09	-56.78%	16.99	48.62	65.61
33	4/23/'10	7/2/'10	-15.99%	2.30	4.11	6.41
34	4/29/'11	10/3/'11	-19.39%	5.16	4.73	9.89

Bull Markets

	Trough Date	Peak Date	Duration Years	Increase Percent	Compound Annual Rate	Number of Corrections
1	6/13/'49	8/2/'56	7.1	267.1%	19.98%	3
2	10/22/'57	12/12/'61	4.1	86.4%	16.23%	1
3	6/26/'62	2/9/'66	3.6	79.8%	17.56%	1
4	10/7/'66	11/29/'68	2.1	48.0%	20.06%	1
5	5/26/'70	1/11/'73	2.6	73.5%	23.31%	1
6	10/3/'74	11/28/'80	6.2	125.6%	14.13%	6
7	8/12/'82	8/25/'87	5.0	228.8%	26.67%	1
8	12/4/'87	3/24/'00	12.3	582.1%	16.89%	6
9	10/9/'02	10/9/'07	5.0	101.5%	15.04%	1
		Average	***5.4***	***177.0%***	***18.87%***	

Bear Markets & Corrections - Summary

	Percentage Decline	Peak to Trough Months	Trough to Peak Level Months	Peak to Peak Level Months
Average - All Periods	-20.1%	8.0	10.2	18.3
Average - Correction	-13.9%	4.1	3.6	7.7
Average - Bear Market	-35.2%	17.5	26.2	43.7

Frequency of Declines

	Number	Average Frequency
Bear Markets and Corrections	34	Once every 2.1 years
Corrections	24	Once every 2.9 years
Bear Markets	10	Once every 7.0 years

The compound annual rate for the Standard & Poor's 500 Stock Index 1945 through June 30, 2015 (70.5 Years) was 7.42%.
Definitions: Corrections - Minimum 10% decline but less than 20%, Bear Markets - Minimum 20% decline. • Shaded areas represent Bear Markets.
Sources: Standard & Poor's Corporation; Copyright © 2015 Crandall, Pierce & Company • All rights reserved.

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Small Cap Equity Composite
12/31/2004 - 03/31/2015

Year	Total Return Gross of Fees %	Total Return Net of Fees %	*Benchmark Return %	Number of Portfolios	Dispersion %	Three Year Ex-Post Standard Deviation Composite	Three Year Ex-Post Standard Deviation *Benchmark	Total Composite Assets End of Period ($ millions)	Total Firm Assets End of Period ($ millions)	Percentage of Firm Assets %
2005	11.12	10.26	4.55	186	0.69	n/a	n/a	$ 1,605.8	$ 3,174.4	50.59%
2006	18.46	17.56	18.37	147	0.73	n/a	n/a	$ 1,606.8	$ 3,589.4	44.77%
2007	-0.92	-1.72	-1.57	161	0.85	n/a	n/a	$ 1,520.2	$ 3,960.4	38.39%
2008	-21.06	-21.69	-33.79	145	1.16	n/a	n/a	$ 1,212.4	$ 4,062.5	29.84%
2009	35.72	34.56	27.17	165	0.97	n/a	n/a	$ 2,004.6	$ 7,008.9	28.60%
2010	23.45	22.43	26.85	170	0.48	n/a	n/a	$ 2,477.7	$ 9,816.0	25.24%
2011	5.64	4.79	-4.18	179	0.34	21.17%	24.99%	$ 2,523.2	$ 12,273.6	20.56%
2012	11.34	10.43	16.35	182	0.40	15.46%	20.20%	$ 2,609.5	$ 15,253.5	17.11%
2013	33.43	32.33	38.82	180	1.04	12.51%	16.45%	$ 2,801.8	$ 19,705.3	14.22%
2014	7.99	7.06	4.89	178	0.39	9.65%	13.12%	$ 3,006.5	$ 21,001.1	14.32%
Q1 2015	2.68	2.46	4.32	181	0.17	10.08%	13.23%	$ 3,023.0	$ 21,939.0	13.78%

*Benchmark: Russell 2000 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, Inc. (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 - 03/31/2015. 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 Small Cap Equity composite has been examined for the periods 12/31/1993 -03/31/2015. The verification and performance examination reports are available upon request. Benchmark returns are not covered by the report of independent verifiers.

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 $21.9 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 Small Cap Equity Composite was created in January 1980. These accounts primarily invest in small to medium capitalization US equities.

The FMI Small Cap Equity Composite reflects time-weighted and asset-weighted returns for all discretionary accounts, with a market value greater than $500,000 as of month end. A small percentage of composite assets (typically ranging from 0-5%) historically has been invested in unmanaged fixed income securities at the direction of account holders. From December 31, 1993 thru September 30, 2002 all accounts included were managed for at least one quarter, from October 1, 2002 to present 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, 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®.

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

Up to $25,000,000	0.90%
$25,000,001-$50,000,000	0.85%
$50,000,001-$100,000,000	0.75%
$100,000,001 and above	0.65%

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

The Russell 2000 Index® measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000 Index is a subset of the Russell 3000® Index representing approximately 8% of the total market capitalization of that index. It includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership. The Small Cap Equity composite uses the Russell 2000 Index® as its primary index comparison.