



# FMI Large Cap Fund

Institutional Class | FMIQX

Annual Shareholder Report | September 30, 2024



This annual shareholder report contains important information about the FMI Large Cap Fund for the period of October 1, 2023, to September 30, 2024. You can find additional information about the Fund at <https://www.fmimgt.com/large-cap-fund/>. You can also request this information by contacting us at 1-800-811-5311.

## WHAT WERE THE FUND COSTS FOR THE PAST YEAR? (based on a hypothetical \$10,000 investment)

| Class Name          | Costs of a \$10,000 investment | Costs paid as a percentage of a \$10,000 investment |
|---------------------|--------------------------------|---|
| Institutional Class | \$81                           | 0.70%   |

## HOW DID THE FUND PERFORM LAST YEAR AND WHAT AFFECTED ITS PERFORMANCE?

Over the past 12 months ending September 30, 2024, the FMI Large Cap Fund Institutional Class gained 30.19%, compared with 36.35% for the S&P 500® Index and 27.51% for the iShares® Russell 1000 Value ETF. The Fund invests in quality businesses that have strong balance sheets and trade at discount valuations. We strive to generate strong absolute returns through a full cycle while having less volatility. We typically lag in more speculative-driven bull markets like the one seen over the past fiscal year.

## WHAT FACTORS INFLUENCED PERFORMANCE

Inflation moderated during the period, and several central banks started cutting interest rates, leading to investor enthusiasm and rising equity markets across market caps and geographies. Growth outperformed value, as already stretched valuations reached new heights, which are significantly higher than historical averages. The FMI Large Cap Fund trades at a meaningful discount to both benchmarks. The performance of the S&P 500® Index has been concentrated in a just a handful of mega cap technology companies, with artificial intelligence as a dominant theme. Not having NVIDIA Corporation in the Fund at a market weight, for example, accounted for the majority of underperformance versus the S&P 500® Index. Additionally, the low-income consumer has been under significant pressure in the U.S., as several years of steep inflation have taken a toll, excess savings have been depleted, and credit delinquencies are on the rise. This weighed heavily on our Dollar store exposure in the retail trade sector. Conversely, the Fund's building products industry exposure was a sizeable contributor to returns as negative sentiment around housing and commercial construction improved.

### Top Contributors

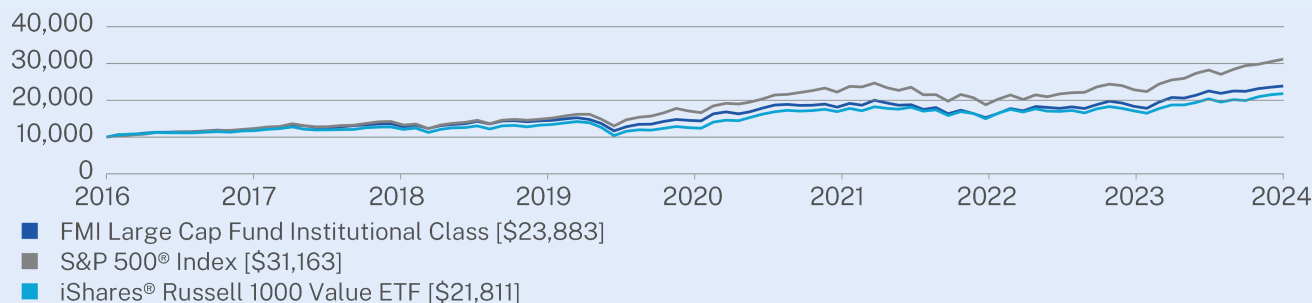
- ↑ Sectors: Finance, Producer Manufacturing, Technology Services
- ↑ Positions: Carlisle Cos. Inc., Masco Corp., Micron Technology Inc.

### Top Detractors

- ↓ Sectors: Industrial Services, Retail Trade, Process Industries
- ↓ Positions: Dollar Tree Inc., Schlumberger Ltd., Fresenius Medical Care AG & Co. KGaA-SP-ADR

## HOW DID THE FUND PERFORM SINCE INCEPTION?\*

The \$10,000 chart reflects a hypothetical \$10,000 investment in the class of shares noted and assumes the maximum sales charge. The chart uses total return NAV performance and assumes reinvestment of dividends and capital gains. Fund expenses, including management fees and other expenses were deducted.

**CUMULATIVE PERFORMANCE** (Initial Investment of \$10,000)**ANNUAL AVERAGE TOTAL RETURN (%)**

|  | 1 Year | 5 Year | Since Inception<br>(10/31/2016) |
|--|--------|--------|---------------------------------|
| <b>Institutional Class</b>             | 30.19  | 10.61  | 11.63                           |
| <b>S&amp;P 500® Index</b>              | 36.35  | 15.98  | 15.44                           |
| <b>iShares® Russell 1000 Value ETF</b> | 27.51  | 10.51  | 10.36                           |

Visit <https://www.fmimgt.com/large-cap-fund/> for more recent performance information.

\* The Fund's past performance is not a good predictor of how the Fund will perform in the future. The graph and table do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or redemption of Fund shares.

**KEY FUND STATISTICS** (presented for the Fund as a whole as of September 30, 2024)

|                           |                 |
|---------------------------|-----------------|
| <b>Net Assets</b>         | \$1,667,121,098 |
| <b>Number of Holdings</b> | 31              |
| <b>Net Advisory Fee</b>   | \$10,685,272    |
| <b>Portfolio Turnover</b> | 17%             |

Visit <https://www.fmimgt.com/large-cap-fund/> for more recent performance information.

**WHAT DID THE FUND INVEST IN?** (as of September 30, 2024)

**Top 10 Issuers**

(% of total investments)

|                            |      |
|----------------------------|------|
| Berkshire Hathaway, Inc.   | 5.2% |
| Charles Schwab Corp.       | 5.0% |
| Ferguson Enterprises, Inc. | 4.9% |
| Booking Holdings, Inc.     | 4.8% |
| Avery Dennison Corp.       | 4.8% |
| Masco Corp.                | 4.5% |
| Aramark                    | 4.5% |
| Carlisle Cos., Inc.        | 4.5% |
| Carrier Global Corp.       | 4.3% |
| Unilever PLC               | 3.9% |

**Sector Breakdown (% of total investments)**

|                        |         |
|------------------------|---------|
| Finance                | (18.9%) |
| Producer Manufacturing | (13.3%) |
| Consumer Services      | (9.3%)  |
| Health Services        | (9.1%)  |
| Retail Trade           | (9.0%)  |
| Distribution Services  | (8.2%)  |
| Technology Services    | (5.9%)  |
| Electronic Technology  | (5.8%)  |
| Health Technology      | (5.4%)  |
| Cash & Other           | (15.1%) |

For additional information about the Fund; including its prospectus, financial information, holdings and proxy information, scan the QR code or visit <https://www.fmimgt.com/large-cap-fund/>.

**HOUSEHOLDING**

To reduce Fund expenses, only one copy of most shareholder documents may be mailed to shareholders with multiple accounts at the same address (Householding). If you would prefer that your FMI Funds, Inc. documents not be househanded, please contact FMI Funds, Inc. at 1-800-811-5311, or contact your financial intermediary. Your instructions will typically be effective within 30 days of receipt by FMI Funds, Inc. or your financial intermediary.