# QUARTERLY REPORT

**June 30, 2022**

## FMI Large Cap Fund

Investor Class (Ticker Symbol: FMIHX)

Institutional Class (Ticker Symbol: FMIQX)

## FMI Common Stock Fund

Investor Class (Ticker Symbol: FMIMX)

Institutional Class (Ticker Symbol: FMIUX)

## FMI International Fund

Investor Class (Ticker Symbol: FMIJX)

Institutional Class (Ticker Symbol: FMIYX)

## FMI International Fund II – Currency Unhedged

Investor Class (Not Available For Sale)

Institutional Class (Ticker Symbol: FMIFX)

# FMI Funds, Inc.

**Advised by Fiduciary Management, Inc.**

**www.fmifunds.com**

FMI Funds, Inc.

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# FMI
# Large Cap
# Fund

(unaudited)

June 30, 2022

Dear Fellow Shareholders:

The FMI Large Cap Fund (“Fund”) declined 13.18%[1] in the second calendar quarter compared to minus 16.10% for the Standard & Poor’s 500 Index (“S&P 500”) and negative 12.29% for the iShares Russell 1000 Value ETF[2]. Relative to the S&P 500, sectors that detracted included Health Technology, Energy Minerals, and Utilities. Sectors that aided performance included Retail Trade, Producer Manufacturing, and Electronic Technology. Stocks that hurt the quarter’s results included Koninklijke Philips N.V. — SP-ADR, Omnicom Group Inc., and Booking Holdings Inc. Equities that performed well included Dollar General Corp., CarMax Inc., and PACCAR Inc. Quality companies, the earmark of the FMI Large Cap Fund, have trailed deeper value names and sectors. We do not believe most energy, commodity, and utility companies fit the definition of a good, growing business even though from time to time they can be wonderful trading stocks. Our focus remains on durable franchises that earn a return above their cost of capital, have modest financial leverage, and trade at a discount. It appears that a highly speculative phase of the market is ending, and we are encouraged by what this might mean for the next several years.

Bear markets are horrible on one level, but truly exciting on another. It’s awful if losses sustained are likely to be permanent. Some speculative equities have seen drops in the 60-90% range. In the aftermath, what do owners of these securities have? Speculative equities! There is cold comfort in that, particularly if the balance sheets are thin. However, if businesses are sound and the balance sheets are strong, bear markets are an opportunity to buy or add to the stocks you love at a discount. These companies gain market share and grow their advantages in tough times. For years, as markets traded in the clouds, the refrain from us has been “attractive relative valuations,” but today, the Fund is loaded with excellent businesses trading at attractive absolute valuations, many for less than 15 times FY2 (next unreported year) estimated earnings. From top to bottom we believe we have one of the strongest line-ups we’ve ever fielded. Yes, it is painful that quality and discounted valuations haven’t held up a bit better, but it is a long game and we have not been this confident about the future trajectory in years. Good managements of good businesses are able to adjust to the environment. On the following page is a snapshot of our thoughts on a few of these companies in the Fund.

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[1] The FMI Large Cap Fund Investor Class (FMIHX) and the FMI Large Cap Fund Institutional Class (FMIQX) had a return of -13.18% and -13.10%, respectively, for the second quarter of 2022.

[2] 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.

**Outstanding Companies at Good Values**

| Company | Value |
|---|---|
| **Berkshire Hathaway Inc. - Cl B** | Strong business franchises and investment portfolio trading at an estimated 35% discount to fair value and 1.2x book value. Phenomenal balance sheet. |
| **Booking Holdings Inc.** | World's #1 online travel agency (OTA). Asset-light with revenue generated on every hotel night booked. Beneficiary of a travel recovery. 13.6x earnings. |
| **Carlisle Companies Inc.** | #1 provider of commercial roofing and products. Strong replacement demand. 13.0x earnings. |
| **Chubb Ltd.** | One of the largest and highest quality P&C insurance franchises with industry-leading combined ratios and strong management. 11.6x earnings. |
| **Fresenius Medical Care AG & Co. KGaA - SP-ADR** | Global #1 provider of products & services to patients with chronic kidney failure and end-stage renal disease. Beneficary of post-COVID recovery. 10.7x earnings. |
| **JPMorgan Chase & Co.** | One of the largest, most diversified financial services provider in the US with a world class management team. Trades at 1.6x tangible book. |
| **Koninklijke Philips N.V. - SP-ADR** | Leading global MedTech/Health Care company. Several hundred basis point margin gap opportunity. Product recall stock move appears overblown. 10.4x depressed earnings. |
| **Masco Corp.** | Leading manufacturer of home improvement products. Very well-managed with strong outlook. Trades at 11.0x earnings. |
| **Meta Platforms Inc. - Cl A** | Leading social media/digital advertising business, with an outstanding balance sheet. Trades at 11.6x earnings. |
| **Micron Technology Inc.** | #2 player in global memory oligopoly. Benefits from increased semiconductor intensity. Trades at 8.3x earnings. |
| **Northern Trust Corp.** | A conservatively managed, top custody, fund administrator and wealth management firm. 10.9x earnings. |
| **PACCAR Inc.** | Leading producer of trucks and engines in consolidated market with an excellent balance sheet. 10.4x earnings. |
| **The Charles Schwab Corp.** | Leading brokerage firm benefitting from scale and stickiness. Levered to higher rates. Trades at 12.7x earnings. |

*Earnings Valuations are based on FY2 earnings estimates as of 6/30/22.*

Nobody knows when the bear market will end or how deep it will cut. Historically, down markets have lasted about 18 months and decline nearly 40%, as shown in the accompanying table. But as you can see, the range of outcomes is quite wide. Moreover, markets can rally repeatedly before the bear is finished. Investors must look forward a few years and not let the volatility destroy perspective.

**Bear Markets In The S&P 500**

| Date of S&P 500 High | Date of S&P 500 Low | Loss (%) | Duration (Mos.) |
|---|---|---|---|
| September 7, 1929 | June 1, 1932 | -86.0 | 33 |
| March 6, 1937 | March 31, 1938 | -54.5 | 13 |
| November 9, 1938 | April 28, 1942 | -45.8 | 42 |
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| November 28, 1980 | August 12, 1982 | -27.1 | 21 |
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| July 16, 1990 | October 11, 1990 | -19.9 | 3 |
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| October 9, 2007 | March 9, 2009 | -56.8 | 17 |
| February 19, 2020 | March 23, 2020 | -33.9 | 1 |
| | **Average:** | **-38.2** | **18** |
| | **Median:** | **-33.7** | **17** |

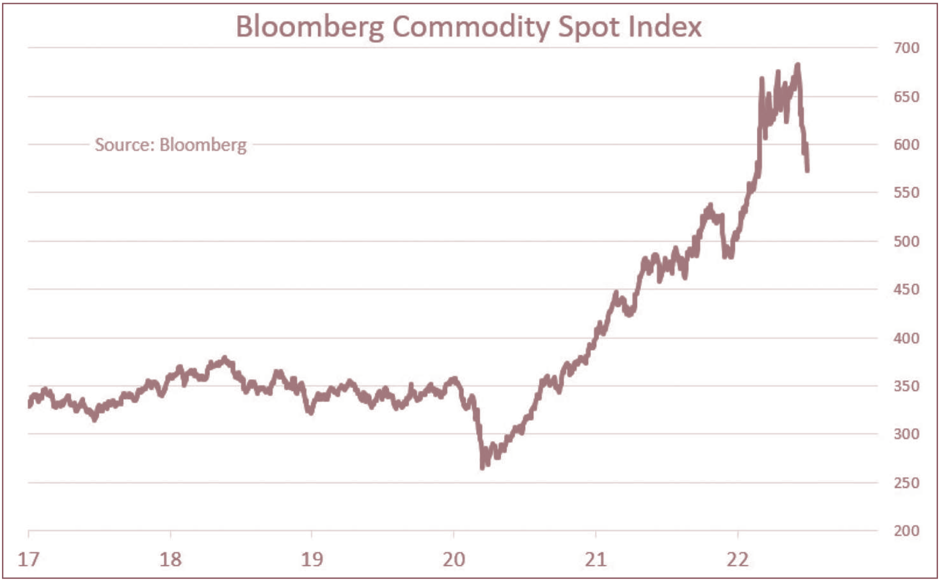


Why are we optimistic when so many things look grim? The last decade has been driven by financial engineering stemming from artificially low interest rates. Most managements spent their days dreaming about the next deal. Wall Street did not care about return on capital or economic value add. CEOs were concerned only about revenue growth or adjusted EBITDA. Abnormally low rates made mergers and acquisitions the preferred "growth" pathway. Private equity sponsors took deal-making to a new level of valuation and leverage. Every conceivable speculative vehicle was put into play, including blank check companies (SPACs). If interest rates return to a more normal range, and we appear to be about halfway there, it puts much of this activity (certainly the most egregious) in the rearview mirror. Companies can't eke out a spread when the cost of capital encroaches on the return on capital. Already we have seen banks and hedge fund lenders pull back from funding deals. Credit spreads have widened to approximately 600 basis points versus 300 a few months ago.

We believe the next decade will see the renaissance of organic investment. Companies will return to investing in people, plants, and equipment in an effort to earn an attractive return above their cost of capital, which obviously is now on some journey back to rational. In our eyes, organic investment is significantly better for economic growth than financial engineering. Contrary to popular belief, strong economic growth (more goods & services) is not inflationary. Think of it as the supply side of the supply/demand equation. The strongest growth period in our country's history (the 1800s) was accompanied by low inflation. There have been many periods of strong economic growth without inflation. Today's inflation certainly has supply chain and fiscal (stimulus) elements, but we believe the leading driver of inflation has been the quantitative easing (QE) monetary policy. That endeavor is now reversing, as the Fed sells securities (quantitative tightening) and raises rates. While we are likely heading into some sort of reactionary slowdown or recession, we are not overly concerned about a deep or long lasting negative economic impact from the higher rates that exist today. Why? Because of the simple fact that the reciprocal did not drive a boom in the economy, for the reasons stated above. The last decade plus has had the lowest interest rates in recorded history yet some of the slowest growth since World War II. It's mistaken to believe low rates drive economic growth and that higher rates will cause economic collapse. There is likely a wide range, perhaps 3-7% on the ten-year Treasury (approximately 3% today), where normal economic activity is possible and likely.

Employment is considered a lagging economic indicator, but as we have pointed out in recent letters, the demand for labor seems fairly solid. COVID has changed some of the dynamics of work, and government involvement has distorted work incentives and employment. This has yet to normalize, as evidenced by the fact that we have 2.8 million fewer people working today than in February of 2020, according to the U.S. Chamber of Commerce. There were certainly some companies that staffed-up during COVID who are now laying off employees. Lately, some of the speculative ventures are having to resize their businesses. Overall, however, ten million jobs are unfilled and there seems to be significantly more companies looking for workers than laying them off. We harbor no illusions about the ravages of inflation on both businesses and consumers, and what that means for employment. Still, the tea leaves we are reading suggest employment is hanging in there and it is tough to have a poor economy if people are working.

Inflation has been on everyone's lips, including ours, for the last several quarters. The Fed is finally addressing the main culprits: QE and rates. Congress and the executive branch also need to do their part by getting the country's fiscal house in order. Two decades of profligate spending must end. A debt load of $30 trillion and over $2 trillion annually in deficits in the last two years is an abomination. It reduces economic growth and fuels some of the inflation we are seeing. In an earlier letter we mentioned the work Alliance Bernstein did on supply chains' impact on inflation (~1.5%). Our companies are seeing some improvement in several supply chains, but it will take many more quarters to normalize. David Rosenberg, a highly regarded economist, recently published work suggesting the push during COVID to purchase goods (many service businesses could not operate) drove an unusual amount of inflation that is now in the process of reversing. He estimates as much as 2.5% could come out of the CPI as the economy moves back to a normal level of service versus goods activity. Commodity prices have been falling recently, with lumber down over 60%, copper off 26%, and corn off 24%. Below is a chart of the Bloomberg Commodity Spot Index. It feels like the fever has broken on the inflation front. That doesn't mean 2% inflation, but within a few quarters we may see significantly lower than recent CPI prints.




The biggest disconnect we are seeing in the market today involves earnings. Many stocks, especially ones that are sensitive to the economy, are getting hammered. Earnings for most of these companies are good, so it would appear the market is anticipating a significant economic downturn. Could this cycle be more of a Wall Street recession than a Main Street one? So far it seems that way. Several of our stocks have been hit even though the earnings have been solid, the outlook seems fine, and there is nothing to suggest the long-term is compromised. Booking Holdings Inc. and Masco Corp. are poster children for this phenomenon. While we expect some earnings erosion from a recession or slowdown, Booking Holdings Inc. and Masco Corp. trade at 13.6 and 11.0 times FY2 earnings, respectively. Typically, these companies trade at multiples that are 50% higher. Our best guess for "the market" is that we will indeed see earnings estimates come down as the next few quarters unfold. The stock moves suggest something darker than we anticipate and regardless of the near-term outlook, we believe the franchise values are significantly higher than the stocks would suggest. It looks like an excellent opportunity for investors with a long-term horizon.

Last quarter we showed you a five-year price to earnings ratio chart for the market, showing the stocks with the highest valuations performing the best. We feel this is starting to change. Valuation matters. Based on our estimates, the Fund trades at attractive absolute levels and at a wide discount (~36%) to the market (see table).

| June 30, 2022 Weighted Average | FMI Large Cap Fund | iShares S&P 500 | Discount to S&P 500 |
|---|---|---|---|
| P/E (1 Year Trailing) | 20.4x | 27.9x | 27% |
| FY2 P/E | 13.7x | 19.7x | 30% |
| P/S | 2.2x | 5.1x | 57% |
| EV/EBITDA | 13.3x | 18.4x | 28% |
| Average Discount | | | 36% |

**Estimated valuations for FMI and the iShares are weighted average valuation calculations, not reweighted to exclude cash, and financial companies are excluded from the EV/EBITDA calculation. Valuations for both the portfolio and the ETF are modified based on criteria identified by FMI. For more detailed information regarding these valuations, please contact FMI.*

Fortunes can change quickly. Recall at the end of 2020, investors and the press were lamenting Berkshire Hathaway Inc.'s performance compared to the S&P 500. Berkshire Hathaway Inc. represented the old, Silicon Valley the new. At year-end 2020, Berkshire Hathaway Inc.'s stock (total return) over the prior ten years had underperformed the S&P 500 by 78%. By March 31st of this year, the company's ten-year performance was 43% ahead of the S&P 500. Patience will be rewarded. We believe the next five-to-ten years will look a lot different than the last five-to-ten years. Good companies at attractive valuations are great places to start.

Thank you for your confidence in The FMI Large Cap Fund.

| Shares | | Value (b) |
|---|---|---|
| **COMMON STOCKS — 98.7% (a)** | | |
| **COMMERCIAL SERVICES SECTOR — 2.6%** | | |
| | **Advertising/Marketing Services — 2.6%** | |
| 975,000 | Omnicom Group Inc. | $ 62,019,750 |
| **CONSUMER DURABLES SECTOR — 3.8%** | | |
| | **Electronics/Appliances — 3.8%** | |
| 1,105,000 | Sony Group Corp. — SP-ADR | 90,355,850 |
| **CONSUMER NON-DURABLES SECTOR — 3.5%** | | |
| | **Household/Personal Care — 3.5%** | |
| 1,840,000 | Unilever PLC — SP-ADR | 84,327,200 |
| **CONSUMER SERVICES SECTOR — 6.6%** | | |
| | **Cable/Satellite TV — 3.0%** | |
| 1,820,000 | Comcast Corp. — Cl A | 71,416,800 |
| | **Other Consumer Services — 3.6%** | |
| 49,000 | Booking Holdings Inc.* | 85,700,510 |
| **DISTRIBUTION SERVICES SECTOR — 2.8%** | | |
| | **Wholesale Distributors — 2.8%** | |
| 600,000 | Ferguson PLC | 66,426,000 |
| **ELECTRONIC TECHNOLOGY SECTOR — 3.2%** | | |
| | **Semiconductors — 3.2%** | |
| 1,400,000 | Micron Technology Inc. | 77,392,000 |
| **FINANCE SECTOR — 22.2%** | | |
| | **Investment Banks/Brokers — 4.4%** | |
| 1,650,000 | The Charles Schwab Corp. | 104,247,000 |
| | **Major Banks — 2.2%** | |
| 460,000 | JPMorgan Chase & Co. | 51,800,600 |
| | **Multi-Line Insurance — 7.8%** | |
| 1,280,000 | Arch Capital Group Ltd.* | 58,227,200 |
| 470,000 | Berkshire Hathaway Inc. — Cl B* | 128,319,400 |
| | | 186,546,600 |
| | **Property/Casualty Insurance — 4.9%** | |
| 260,000 | Chubb Ltd. | 51,110,800 |
| 570,000 | Progressive Corp. | 66,273,900 |
| | | 117,384,700 |
| | **Regional Banks — 2.9%** | |
| 720,000 | Northern Trust Corp. | 69,465,600 |
| **HEALTH SERVICES SECTOR — 6.3%** | | |
| | **Managed Health Care — 4.2%** | |
| 193,000 | UnitedHealth Group Inc. | 99,130,590 |
| | **Medical/Nursing Services — 2.1%** | |
| 2,040,000 | Fresenius Medical Care AG & Co. KGaA | 50,877,600 |

| Shares | | Value (b) |
|---|---|---|
| | **COMMON STOCKS — 98.7% (a) (Continued)** | |
| | **HEALTH TECHNOLOGY SECTOR — 4.8%** | |
| | **Medical Specialties — 4.8%** | |
| 2,310,000 | Koninklijke Philips N.V. — SP-ADR | $ 49,734,300 |
| 2,315,000 | Smith & Nephew PLC — SP-ADR | 64,634,800 |
| | | 114,369,100 |
| | **INDUSTRIAL SERVICES SECTOR — 1.5%** | |
| | **Oilfield Services/Equipment — 1.5%** | |
| 975,000 | Schlumberger Ltd. | 34,866,000 |
| | **PROCESS INDUSTRIES SECTOR — 3.0%** | |
| | **Containers/Packaging — 3.0%** | |
| 440,000 | Avery Dennison Corp. | 71,222,800 |
| | **PRODUCER MANUFACTURING SECTOR — 12.2%** | |
| | **Building Products — 6.7%** | |
| 277,000 | Carlisle Cos. Inc. | 66,094,970 |
| 1,875,000 | Masco Corp. | 94,875,000 |
| | | 160,969,970 |
| | **Electrical Products — 2.1%** | |
| 395,000 | Eaton Corp. PLC | 49,766,050 |
| | **Trucks/Construction/Farm Machinery — 3.4%** | |
| 985,000 | PACCAR Inc. | 81,104,900 |
| | **RETAIL TRADE SECTOR — 14.7%** | |
| | **Apparel/Footwear Retail — 2.1%** | |
| 910,000 | The TJX Companies Inc. | 50,823,500 |
| | **Discount Stores — 10.5%** | |
| 585,000 | Dollar General Corp. | 143,582,400 |
| 690,000 | Dollar Tree Inc.* | 107,536,500 |
| | | 251,118,900 |
| | **Specialty Stores — 2.1%** | |
| 565,000 | CarMax Inc.* | 51,121,200 |
| | **TECHNOLOGY SERVICES SECTOR — 11.5%** | |
| | **Information Technology Services — 2.9%** | |
| 445,000 | CDW Corp. | 70,114,200 |
| | **Internet Software/Services — 5.7%** | |
| 46,000 | Alphabet Inc. — Cl A* | 100,245,960 |
| 220,000 | Meta Platforms Inc. — Cl A (formerly Facebook Inc.)* | 35,475,000 |
| | | 135,720,960 |
| | **Packaged Software — 2.9%** | |
| 755,000 | SAP SE — SP-ADR | 68,493,600 |
| | Total common stocks | 2,356,781,980 |

| Principal Amount | | Value (b) |
|---|---|---|
| **SHORT-TERM INVESTMENTS — 0.8% (a)** | | |
| | **Bank Deposit Account — 0.8%** | |
| $20,313,599 | U.S. Bank N.A., 1.25%^ | $ 20,313,599 |
| | Total short-term investments | 20,313,599 |
| | Total investments — 99.5% | 2,377,095,579 |
| | Other assets, less liabilities — **0.5% (a)** | 11,293,995 |
| | **TOTAL NET ASSETS — 100.0%** | $2,388,389,574 |
| | **Investor Class** — Net Asset Value Per Share ($0.0001 par value, 300,000,000 shares authorized), offering and redemption price ($1,114,907,040 ÷ 69,623,596 shares outstanding) | $ 16.01 |
| | **Institutional Class** — Net Asset Value Per Share ($0.0001 par value, 300,000,000 shares authorized), offering and redemption price ($1,273,482,534 ÷ 79,666,812 shares outstanding) | $ 15.99 |

| | |
|---|---|
| * | Non-income producing security. |
| ^ | The rate shown is as of June 30, 2022. |
| (a) | Percentages for the various classifications relate to total net assets. |
| (b) | Each security is valued at the current day last sale price reported by the principal security exchange on which the issue is traded. Securities that are traded on Nasdaq Markets are valued at the Nasdaq Official Closing Price, or if no sale is reported, the latest bid price. Securities that are traded over-the-counter, including U.S. Treasury securities are valued at the close price, if not close, then at the latest bid price. Bank deposits are valued at acquisition cost which approximates fair value. |
| PLC | Public Limited Company |
| SP-ADR | Sponsored American Depositary Receipt |

# FMI Common Stock Fund

(unaudited)

June 30, 2022

Dear Fellow Shareholders:

The FMI Common Stock Fund ("Fund") declined 11.05%[1] in the second calendar quarter compared to minus 17.20% for the Russell 2000 and negative 15.28% for the Russell 2000 Value. Relative to the Russell 2000, sectors that detracted included Energy Minerals, Utilities, and Consumer Non-Durables. Sectors that aided performance included Producer Manufacturing, Technology Services, and Electronic Technology. Stocks that hurt the quarter's results included Robert Half International Inc., The Howard Hughes Corp., and Dentsply Sirona Inc. Equities that did well included Carlisle Cos. Inc., Genpact Ltd., and Plexus Corp. We do not believe most energy, commodity, and utility companies fit the definition of a good, growing business even though from time to time they can be wonderful trading stocks. Our focus remains on durable franchises that earn a return above their cost of capital, have modest financial leverage, and trade at a discount. It appears that a highly speculative phase of the market is ending, and we are encouraged by what this might mean for the next several years.

Bear markets are horrible on one level, but truly exciting on another. It's awful if losses sustained are likely to be permanent. Some speculative equities have seen drops in the 60-90% range. In the aftermath, what do owners of these securities have? Speculative equities! There is cold comfort in that, particularly if the balance sheets are thin. However, if businesses are sound and the balance sheets are strong, bear markets are an opportunity to buy or add to the stocks you love at a discount. These companies gain market share and grow their advantages in tough times. For years, as markets traded in the clouds, the refrain from us has been "attractive relative valuations," but today, the Fund is loaded with excellent businesses trading at attractive absolute valuations, many for less than 15 times FY2 (next unreported year) estimated earnings. From top to bottom we believe we have one of the strongest line-ups we've ever fielded. Yes, it is painful that quality and discounted valuations haven't held up a bit better, but it is a long game and we have not been this confident about the future trajectory in years. Good managements of good businesses are able to adjust to the environment. On the following page is a snapshot of our thoughts on a few of these companies in the Fund.

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[1] The FMI Common Stock Fund Investor Class (FMIMX) and the FMI Common Stock Fund Institutional Class (FMIUX) had a return of -11.05% and -11.00%, respectively, for the second quarter of 2022.

**Outstanding Companies at Good Values**

| Company | Value |
|---|---|
| Arrow Electronics Inc. | One of the largest electronics distributors in the world with a good balance sheet and solid ROIC track record. 5.6x earnings. |
| Beacon Roofing Supply Inc. | Large roofing supplies distributor in what is mostly a U.S. oligopoly. Replacement, not new home driven. 7.9x earnings. |
| Gates Industrial Corp. PLC | Manufactures power transmission/fluid power solutions. Well-run, quality industrial, with the opporuntiy to re-rate. 7.9x earnings. |
| Genpact Ltd. | Global leader in BPO and IT solutions, with a steady customer base, and good growth, and ROIC track records. 13.9x earnings. |
| Henry Schein Inc. | World's largest dental distributor. They have economies of scale, with defensive characteristics (recurring consumables). 14.8x earnings. |
| Insight Enterprises Inc. | Low-risk tech exposure in a leading IT solutions provider. Scale advantages, and double-digit growth prospects. 9.8x earnings. |
| LCI Industries Inc. | #1 component manufacturer for RV industry. Despite cyclical concerns, there is strong secular growth (compounder). 7.9x earnings. |
| nVent Electric PLC | Global provider of electrical connection and protection products, with strong brands and management. 13.0x earnings. |
| Plexus Corp. | Best run outsourced electronics manufacturing firm with focus on non-commodity components. 14.2x earnings. |
| Robert Half International Inc. | Leading player with a great track record in professional/technical temporary services and consulting. 11.3x earnings. |
| Skechers USA Inc. - Cl A | Global #3 footwear brand, with a terrific track record, high ROIC, and fortress balance sheet, but has experieced supply chain challenges. 9.7x earnings. |
| Triton International Ltd. | World's #1 lessor of intermodal containers. They have high recurring multi-year leases, but are coming off of tough earnings comparisons because of COVID. 5.1x earnings. |

*Earnings Valuations are based on FY2 earnings estimates as of 6/30/22.*

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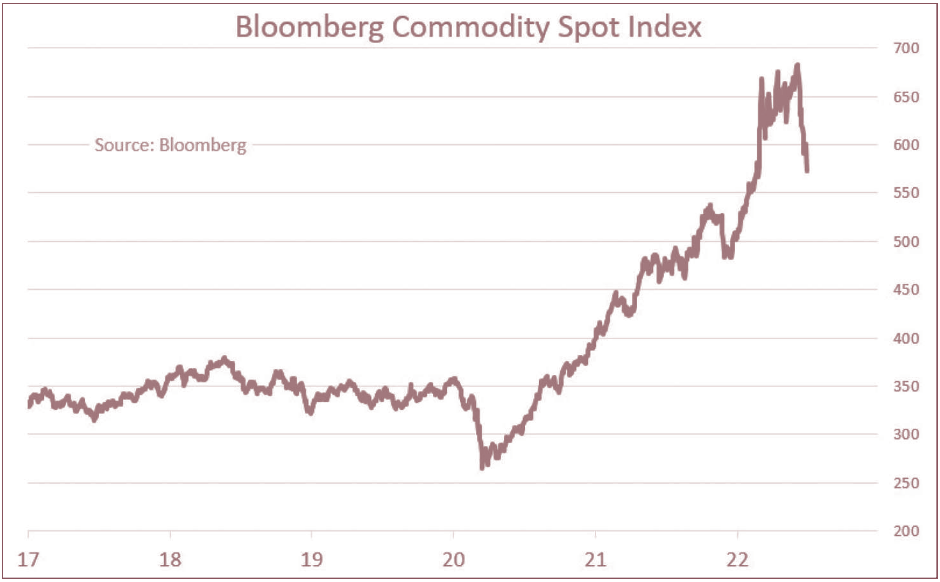
Why are we optimistic when so many things look grim? The last decade has been driven by financial engineering stemming from artificially low interest rates. Most managements spent their days dreaming about the next deal. Wall Street did not care about return on capital or economic value add. CEOs were concerned only about revenue growth or adjusted EBITDA. Abnormally low rates made mergers and acquisitions the preferred "growth" pathway. Private equity sponsors took deal-making to a new level of valuation and leverage. Every conceivable speculative vehicle was put into play, including blank check companies (SPACs). If interest rates return to a more normal range, and we appear to be about halfway there, it puts much of this activity (certainly the most egregious) in the rearview mirror. Companies can't eke out a spread when the cost of capital encroaches on the return on capital. Already we have seen banks and hedge fund lenders pull back from funding deals. Credit spreads have widened to approximately 600 basis points versus 300 a few months ago.

We believe the next decade will see the renaissance of organic investment. Companies will return to investing in people, plants, and equipment in an effort to earn an attractive return above their cost of capital, which obviously is now on some journey back to rational. In our eyes, organic investment is significantly better for economic growth than financial engineering. Contrary to popular belief, strong economic growth (more goods & services) is not inflationary. Think of it as the supply side of the supply/demand equation. The strongest growth period in our country's history (the 1800s) was accompanied by low inflation. There have been many periods of strong economic growth without inflation. Today's inflation certainly has supply chain and fiscal (stimulus) elements, but we believe the leading driver of inflation has been the quantitative easing (QE) monetary policy. That endeavor is now reversing, as the Fed sells securities (quantitative tightening) and raises rates. While we are likely heading into some sort of reactionary slowdown or recession, we are not overly concerned about a deep or long lasting negative economic impact from the higher rates that exist today. Why? Because of the simple fact that the reciprocal did not drive a boom in the economy, for the reasons stated above. The last decade plus has had the lowest interest rates in recorded history yet some of the slowest growth since World War II. It's mistaken to believe low rates drive economic growth and that higher rates will cause economic collapse. There is likely a wide range, perhaps 3-7% on the ten-year Treasury (approximately 3% today), where normal economic activity is possible and likely.

Employment is considered a lagging economic indicator, but as we have pointed out in recent letters, the demand for labor seems fairly solid. COVID has changed some of the dynamics of work, and government involvement has distorted work incentives and employment. This has yet to normalize, as evidenced by the fact that we have 2.8 million fewer people working today than in February of 2020, according to the U.S. Chamber of Commerce. There were certainly some companies that staffed-up during COVID who are now laying off employees. Lately, some of the speculative ventures are having to resize their businesses. Overall, however, ten million jobs are unfilled and there seems to be significantly more companies looking for workers than laying them off. We harbor no illusions about the ravages of inflation on both businesses and consumers, and what that means for employment. Still, the tea leaves we are reading suggest employment is hanging in there and it is tough to have a poor economy if people are working.

Inflation has been on everyone's lips, including ours, for the last several quarters. The Fed is finally addressing the main culprits: QE and rates. Congress and the executive branch also need to do their part by getting the country's fiscal house in order. Two decades of profligate spending must end. A debt load of $30 trillion and over $2 trillion annually in deficits in the last two years is an abomination. It reduces economic growth and fuels some of the inflation we are seeing. In an earlier letter we mentioned the work Alliance Bernstein did on supply chains' impact on inflation (~1.5%). Our companies are seeing some improvement in several supply chains, but it will take many more quarters to normalize. David Rosenberg, a highly regarded economist, recently published work suggesting the push during COVID to purchase goods (many service businesses could not operate) drove an unusual amount of inflation that is now in the process of reversing. He estimates as much as 2.5% could come out of the CPI as the economy moves back to a normal level of service versus goods activity. Commodity prices have been falling recently, with lumber down over 60%, copper off 26%, and corn off 24%. Below is a chart of the Bloomberg Commodity Spot Index. It feels like the fever has broken on the inflation front. That doesn't mean 2% inflation, but within a few quarters we may see significantly lower than recent CPI prints.




The biggest disconnect we are seeing in the market today involves earnings. Many stocks, especially ones that are sensitive to the economy, are getting hammered. Earnings for most of these companies are good, so it would appear the market is anticipating a significant economic downturn. Could this cycle be more of a Wall Street recession than a Main Street one? So far it seems that way. Several of our stocks have been hit even though the earnings have been solid, the outlook seems fine, and there is nothing to suggest the long-term is compromised. Beacon Roofing Supply Inc. and LCI Industries are poster children for this phenomenon. While we expect some earnings erosion from a recession or slowdown, Beacon and LCI both trade at 7.9 times FY2 earnings. Typically, these companies trade at multiples that are 50% higher. Our best guess for "the market" is that we will indeed see earnings estimates come down as the next few quarters unfold. The stock moves suggest something darker than we anticipate and regardless of the near-term outlook, we believe the franchise values are significantly higher than the stocks would suggest. It looks like an excellent opportunity for investors with a long-term horizon.

Last quarter we showed you a five-year price to earnings ratio chart for the market, showing the stocks with the highest valuations performing the best. We feel this is starting to change. Valuation matters. Based on our estimates, the Fund trades at attractive absolute levels and at a wide discount (~50%) to the market (see table).

| June 30, 2022 Weighted Average | FMI Common Stock Fund | iShares Russell 2000 | Discount to Russell 2000 |
|---|---|---|---|
| P/E (1 Year Trailing) | 17.5x | 29.7x | 41% |
| FY2 P/E | 13.6x | 23.4x | 42% |
| P/S | 1.5x | 5.0x | 70% |
| EV/EBITDA | 11.2x | 20.4x | 45% |
| Average Discount | | | 50% |

**Estimated valuations for FMI and the iShares are weighted average valuation calculations, not reweighted to exclude cash, and financial companies are excluded from the EV/EBITDA calculation. Valuations for both the portfolio and the ETF are modified based on criteria identified by FMI. For more detailed information regarding these valuations, please contact FMI.*

Fortunes can change quickly. Recall at the end of 2020, investors and the press were lamenting Berkshire Hathaway Inc.'s performance compared to the S&P 500. Berkshire Hathaway Inc. represented the old, Silicon Valley the new. At year-end 2020, Berkshire Hathaway Inc.'s stock (total return) over the prior ten years had underperformed the S&P 500 by 78%. By March 31st of this year, the company's ten-year performance was 43% ahead of the S&P 500. Patience will be rewarded. We believe the next five-to-ten years will look a lot different than the last five-to-ten years. Good companies at attractive valuations are great places to start.

Thank you for your confidence in The FMI Common Stock Fund.

100 E. Wisconsin Ave., Suite 2200 • Milwaukee, WI 53202 • 414-226-4555
www.fmifunds.com

| Shares | | Value (b) |
|---|---|---|
| **COMMON STOCKS — 97.6% (a)** | | |
| **COMMERCIAL SERVICES SECTOR — 17.8%** | | |
| | **Advertising/Marketing Services — 3.9%** | |
| 1,301,000 | Interpublic Group of Cos. Inc. | $ 35,816,530 |
| | **Miscellaneous Commercial Services — 9.9%** | |
| 133,000 | Concentrix Corp. | 18,040,120 |
| 154,000 | FTI Consulting Inc.* | 27,850,900 |
| 1,078,000 | Genpact Ltd. | 45,664,080 |
| | | 91,555,100 |
| | **Personnel Services — 4.0%** | |
| 159,000 | ManpowerGroup Inc. | 12,149,190 |
| 336,000 | Robert Half International Inc. | 25,163,040 |
| | | 37,312,230 |
| **CONSUMER DURABLES SECTOR — 2.0%** | | |
| | **Homebuilding — 2.0%** | |
| 212,000 | LGI Homes Inc.* | 18,422,800 |
| **CONSUMER NON-DURABLES SECTOR — 3.2%** | | |
| | **Apparel/Footwear — 3.2%** | |
| 843,000 | Skechers U.S.A. Inc. — Cl A* | 29,993,940 |
| **DISTRIBUTION SERVICES SECTOR — 13.2%** | | |
| | **Electronics Distributors — 3.0%** | |
| 249,000 | Arrow Electronics Inc.* | 27,910,410 |
| | **Medical Distributors — 4.1%** | |
| 494,000 | Henry Schein Inc.* | 37,909,560 |
| | **Wholesale Distributors — 6.1%** | |
| 240,000 | Applied Industrial Technologies Inc. | 23,080,800 |
| 646,000 | Beacon Roofing Supply Inc.* | 33,178,560 |
| | | 56,259,360 |
| **ELECTRONIC TECHNOLOGY SECTOR — 7.0%** | | |
| | **Electronic Components — 7.0%** | |
| 1,027,000 | nVent Electric PLC | 32,175,910 |
| 414,000 | Plexus Corp.* | 32,499,000 |
| | | 64,674,910 |
| **FINANCE SECTOR — 19.1%** | | |
| | **Finance/Rental/Leasing — 5.0%** | |
| 522,000 | FirstCash Holdings Inc. | 36,284,220 |
| 188,000 | Triton International Ltd. | 9,898,200 |
| | | 46,182,420 |
| | **Investment Banks/Brokers — 2.9%** | |
| 344,000 | Houlihan Lokey Inc. — Cl A | 27,151,920 |
| | **Life/Health Insurance — 2.5%** | |
| 197,000 | Primerica Inc. | 23,578,930 |

| Shares | | Value (b) |
|---|---|---|
| **COMMON STOCKS — 97.6% (a) (Continued)** | | |
| **FINANCE SECTOR — 19.1% (Continued)** | | |
| | **Multi-Line Insurance — 1.8%** | |
| 13,000 | White Mountains Insurance Group Ltd. | $ 16,199,690 |
| | **Real Estate Development — 3.8%** | |
| 184,734 | The Howard Hughes Corp.* | 12,571,149 |
| 1,173,000 | Kennedy-Wilson Holdings Inc. | 22,216,620 |
| | | 34,787,769 |
| | **Regional Banks — 3.1%** | |
| 569,000 | Zions Bancorporation N.A. | 28,962,100 |
| **HEALTH TECHNOLOGY SECTOR — 0.7%** | | |
| | **Pharmaceuticals: Major — 0.7%** | |
| 314,381 | Phibro Animal Health Corp. | 6,014,109 |
| **PROCESS INDUSTRIES SECTOR — 3.1%** | | |
| | **Industrial Specialties — 3.1%** | |
| 597,000 | Donaldson Co. Inc. | 28,739,580 |
| **PRODUCER MANUFACTURING SECTOR — 16.4%** | | |
| | **Building Products — 8.8%** | |
| 229,000 | Carlisle Cos. Inc. | 54,641,690 |
| 266,000 | Simpson Manufacturing Co. Inc. | 26,762,260 |
| | | 81,403,950 |
| | **Industrial Machinery — 2.2%** | |
| 1,002,000 | Gates Industrial Corp. PLC* | 10,831,620 |
| 108,000 | Woodward Inc. | 9,988,920 |
| | | 20,820,540 |
| | **Miscellaneous Manufacturing — 5.4%** | |
| 174,000 | LCI Industries | 19,467,120 |
| 1,096,000 | TriMas Corp. | 30,348,240 |
| | | 49,815,360 |
| **RETAIL TRADE SECTOR — 7.1%** | | |
| | **Discount Stores — 2.4%** | |
| 194,000 | Five Below Inc.* | 22,005,420 |
| | **Specialty Stores — 4.7%** | |
| 700,000 | BJ's Wholesale Club Holdings Inc.* | 43,624,000 |
| **TECHNOLOGY SERVICES SECTOR — 8.0%** | | |
| | **Information Technology Services — 6.2%** | |
| 376,000 | Insight Enterprises Inc.* | 32,441,280 |
| 516,000 | KBR Inc. | 24,969,240 |
| | | 57,410,520 |
| | **Packaged Software — 1.8%** | |
| 310,000 | CDK Global Inc. | 16,978,700 |
| | Total common stocks | 903,529,848 |

| Principal Amount | | Value (b) |
|---|---|---|
| **SHORT-TERM INVESTMENTS — 2.4% (a)** | | |
| | **Bank Deposit Account — 2.4%** | |
| $22,096,261 | U.S. Bank N.A., 1.25%^ | $ 22,096,261 |
| | Total short-term investments | 22,096,261 |
| | Total investments — 100.0% | 925,626,109 |
| | Other liabilities, less assets — **(0.0%) (a)** | (104,188) |
| | **TOTAL NET ASSETS — 100.0%** | $925,521,921 |
| | **Investor Class** — Net Asset Value Per Share ($0.0001 par value, 300,000,000 shares authorized), offering and redemption price ($368,668,680 ÷ 13,627,237 shares outstanding) | $ 27.05 |
| | **Institutional Class** — Net Asset Value Per Share ($0.0001 par value, 300,000,000 shares authorized), offering and redemption price ($556,853,241 ÷ 20,550,611 shares outstanding) | $ 27.10 |

* Non-income producing security.

^ The rate shown is as of June 30, 2022.

(a) Percentages for the various classifications relate to total net assets.

(b) Each security is valued at the current day last sale price reported by the principal security exchange on which the issue is traded. Securities that are traded on Nasdaq Markets are valued at the Nasdaq Official Closing Price, or if no sale is reported, the latest bid price. Securities that are traded over-the-counter, including U.S. Treasury securities are valued at the close price, if not close, then at the latest bid price. Bank deposits are valued at acquisition cost which approximates fair value.

PLC Public Limited Company

# FMI International Fund
# and
# FMI International Fund II – Currency Unhedged

(unaudited)

June 30, 2022

Dear Fellow Shareholders:

Global stock markets retreated again in the second quarter as Russia's war in Ukraine showed no end in sight, inflationary pressures accelerated, and economic growth slowed. The FMI International portfolios fell by 11.09% (currency hedged)[1] and 16.22% (currency unhedged)[2], respectively, compared with the MSCI EAFE Index's decline of 7.83% in local currency (LOC) and 14.51% in U.S. Dollars (USD). The MSCI EAFE Value Index fell 5.40% (LOC) and 12.41% (USD), respectively. FMI's top performing sectors included Producer Manufacturing, Electronic Technology, and Process Industries, while Consumer Non-Durables, Health Technology, and Retail Trade weighed. Unilever PLC, Yokogawa Electric Corp., and DKSH Holdings AG were contributors, while B&M European Value Retail S.A., Koninkiljke Philips N.V., and Greggs PLC lagged the market. FMI's currency hedged performance was aided by a strong USD, but to a lesser extent than the MSCI EAFE Index spread (LOC vs. USD).

**Out of Sync**

After outperforming the MSCI EAFE (LOC) index in 8 out of 10 down quarters in the FMI International Fund's first 11 years, our year-to-date (YTD) downside capture has come up short. We view this as an anomaly, as the portfolio strongly outperformed up until the eve of the war, then gave up significant ground in the subsequent months, as deeper value and lower quality (i.e. energy, commodities, weak balance sheets, etc.) shined. As a reminder, FMI strives to invest in high-quality, differentiated businesses that are well-run, have strong balance sheets, and trade at a significant discount to the market and their intrinsic values. As illustrated in the table to the right (European Macro/Thematic performance tracked by Goldman Sachs), the opposite end of the spectrum has been rewarded thus far this year:

**GS European Macro/Thematic Performance**

*Among the stronger performers...*

| Category | YTD Performance |
|---|---|
| Oil Majors | 19.4% |
| Commodity Exposed | 4.8% |
| EU Miners | -1.1% |
| High Pension Liabilities | -7.3% |
| Cheap Value | -14.8% |
| EU Weak Balance Sheet | -15.0% |

*Among the weaker performers...*

| Category | YTD Performance |
|---|---|
| EU Consumption | -25.8% |
| EU Strong Balance Sheet | -27.4% |
| EU Economic Stability | -27.8% |
| EU High Pricing Power | -28.0% |
| Expensive Value | -29.8% |
| UK Consumption | -43.0% |

Source: Bloomberg, Goldman Sachs

[1] The FMI International Fund [currency hedged] Investor Class (FMIJX) and the FMI International Fund [currency hedged] Institutional Class (FMIYX) had a return of -11.09% and -11.09%, respectively, for the second quarter of 2022.

[2] The FMI International Fund [currency unhedged] Investor Class (FMIFX) had a return of -16.22% for the second quarter of 2022.

While the portfolio has been out of sync with what's currently "working," we have great confidence in our companies and believe they are well-situated for a "new normal" of higher inflation and interest rates. Our businesses have sustainable competitive advantages, which create the pricing power needed to help offset inflation. If weak balance sheets start to come under pressure, our companies should be operating from a position of strength, with the ability to invest organically through difficult times in order to capture market share. Valuations have been an afterthought in recent years, but eventually they will count for something, especially as discount rates increase toward more normalized levels (long-duration growth stocks have been key beneficiaries of ultra-low interest rates). We do not believe the near-term mark-to-market of the portfolio is representative of its long-term compounding potential nor its below-average risk profile.

As we detailed in our last shareholder letter, what's been "working" is generally not what we want to own. We have intentionally limited our exposure to energy and commodities (even though they can be great trading stocks over short-term periods), as they do not fit our process in terms of business quality and historical long-term value creation. What we do want to own are strong, undervalued businesses that are temporarily out of favor. Below is a summary of our thoughts on several investments, meant to give our investors a glimpse of what they own:

**Outstanding Companies at Good Values**

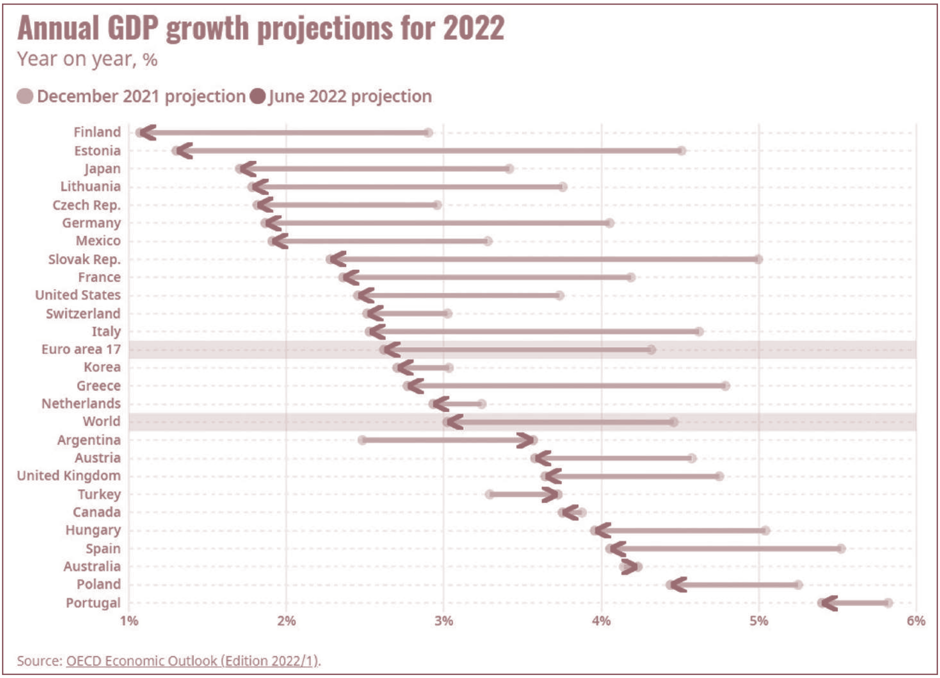
| Company | Value |
|---|---|
| B&M European Value Retail S.A. | Largest discount retailer in UK. Sells consumables & necessities at low prices. Typically resilient in tough economies. 10.0x earnings. |
| Booking Holdings Inc. | World's #1 online travel agency (OTA). Asset-light with revenue generated on every hotel night booked. Beneficiary of a travel recovery. 13.6x earnings. |
| DBS Group Holdings Ltd. | Singapore's largest bank. Awards include: "World's Best Digital Bank" & "Safest Bank in Asia". Growth runway appears long. 8.8x earnings. |
| Ferguson PLC | #1 distributor of plumbing & heating products to trade professionals. Well-managed, gaining share, and historical 20%+ ROIC. 9.6x earnings. |
| Fresenius Medical Care AG & Co. KGaA | Global #1 provider of products & services to patients with chronic kidney failure and end-stage renal disease. Beneficiary of post-COVID recovery. 10.8x earnings. |
| Greggs PLC | UK's leading convenience food-to-go store operator (baked goods, coffee). 5% market share. Attracitve store growth opportunity. 14.7x earnings. |
| NOF Corp. | Specialty chemicals manufacturer (cosmetics, toiletries, life sciences, auto). High ROIC, well managed, with a net cash position. 13.9x earnings. |
| Koninklijke Philips N.V. | Leading global MedTech/Health Care company. Several hundred basis point margin gap opportunity. Product recall stock move appears overblown. 10.4x depressed earnings. |
| Roche Holding AG | A leading Pharma company. Innovative R&D organization, 20%+ ROIC, and a strong pipeline. 14.8x earnings. |
| Safran S.A. | Leading market share in narrowbody aerospace engines. Razor/razor blade model, operating in a duopoly structure. 19.2x depressed earnings. |
| Samsung Electronics Co. Ltd. Preferred | #1 player in global memory oligopoly. Leading technologies and benefits from increased semiconductor intensity. 7.1x earnings. |
| SAP SE | One of the largest global software companies (ERP). Sticky, recurring revenue. On premises transition to the cloud has weighed. 15.2x earnings. |
| Sodexo S.A. | Leading caterer, facilities manager, rewards services provider. Defensive, and positioned for structural growth and a COVID recovery. 12.7x |
| Sony Group Corp. | Quality blue-chip stalwart (video games, music, movies/TV, image sensor). Capital-light business model with resilient demand. 14.1x earnings. |
| Unilever PLC | World's #2 consumer staples company. Emerging Markets (60% of sales) have weighed. Activist investor now involved. 16.0x earnings. |

*Earnings Valuations are based on FY2 earnings estimates as of 6/30/22.*

The rest of the portfolio is filled with more of the same. These are businesses that allow us and our investors the ability to sleep at night…all-weather vehicles that can thrive in the toughest economic environments. The portfolio's attractive absolute valuation of ~12 times FY2 (next unreported year) estimated earnings are approaching some of the cheapest valuations since inception. Given the current state of the global economy and an increasing list of macroeconomic risks, business quality, valuation, and balance sheet strength should prove to be ever-so-important in the years to follow.

## Wake of the War

The most notable economic fallout from the Ukraine war is a spike in inflation, with food and energy prices remaining elevated, among others. Group of Twenty (G20) economies' inflation is expected to double from 3.8% in 2021 to 7.6% in 2022, with the UK (8.8% from 2.6%), Eurozone (7.0% from 2.6%), and the US (7.0% from 4.7%) among the worst hit. Before the war, many of these countries were already experiencing the highest inflation rates they had seen in decades, thanks to trillions of dollars of money printing and quantitative easing (QE) in recent years, along with supply chain issues. Central banks waited far too long to start raising interest rates (some are still waiting) and may not find it easy to tame inflation. If they do not act quickly and decisively, they could find themselves in an inflation trap, where inflation becomes an entrenched part of daily life. This dynamic is weighing heavily on the global consumer, as real wages are under pressure (wage increases are not keeping up with inflation), and consumer confidence has fallen sharply. The low-income demographic has been disproportionately impacted by these cost-of-living pressures.[3] As illustrated in the OECD graph below,[4] economic growth expectations have fallen significantly in the wake of the war:




[3] Mathias Cormann and Laurence Boone. "OECD Economic Outlook: The Price of War" Presentation. June 8, 2022.

[4] https://www.oecd.org/economic-outlook/

China, the world's second largest economy and a key growth engine in recent decades, is not helping the cause. Misguided "zero-COVID" policies which consist of aggressive lockdowns, mass testing, and closed borders are stifling economic growth and complicating an already strained supply chain. Many economists expect China's growth to contract this quarter, which would only be their second decline in 30 years. Full-year GDP growth is expected to fall to 4%, half of last year's 8.1% growth rate. China's industrial output and consumer spending has declined to the worst levels since the pandemic. Unemployment is at the second highest rate on record, auto sales have collapsed, and the housing market has been in a major slump for nearly a year.[5] This impact will be felt worldwide, as described by the *Wall Street Journal*: "The country isn't just a huge market for the rest of the world's goods, components and raw materials, but it is the manufacturing dynamo at the center of global trade. That means its weakening economy is bad news for commodity exporters such as Brazil, Chile or Australia that supply China with oil, copper and iron ore. It is bad news for manufacturing powerhouses such as Germany, Taiwan and South Korea that rely on China as a huge market for machinery, cars and semiconductors, as well as a critical link in world-wide supply chains for their companies. And it is bad news for the U.S., where galloping inflation is squeezing household budgets."[6] While the "zero-COVID" growth headwind may be transient in nature, it is coming at a challenging time.

Meanwhile in Europe, consumers are struggling with rising costs (globally crude oil prices increased 350% from April 2020 to April 2022, the largest two-year increase since the 1970s[7]), the Ukraine war, and looming recession concerns. Eurozone inflation hit a record 8.1% in May, while the UK reached a four-decade high of 9.1%. Interestingly, as *Bernstein* points out, "While core inflation [excluding food & energy] is higher in the U.S. vs. Europe, input cost inflation is much, much higher in Europe, 36.8% vs. 15.7%. A large gap between PPI (increase in cost to manufacturers) and CPI (increase in consumer prices) implies a large squeeze on margins. About half of the industries in Europe have reduced profit margin forecasts since the start of the year, however the vast majority of industries still have forecast margins which are higher than pre-pandemic levels."[8] We are closely watching this dynamic on a company-specific basis. Should a deeper margin squeeze come to fruition, we believe we will be well-positioned from a relative standpoint, given our focus on quality businesses with pricing power. When inflation eventually subsides, there will be upside potential for European companies if they can close the margin gap versus U.S. peers (see chart on the following page).

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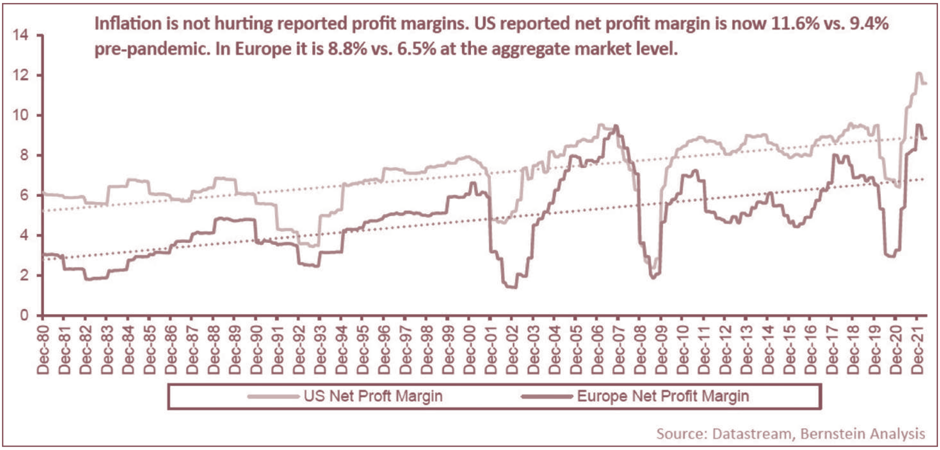
[5] Edward White and Eleanor Olcott. "China's middle-class angst." *Financial Times*, June 26, 2022.

[6] Jason Douglas and David Harrison. "China's Economic Slowdown Is Rippling All Around the World." *Wall Street Journal*, May 12, 2022.

[7] Justin-Damien Guenette and Jeetendra Khadan. "The energy shock could sap global growth for years." World Bank blog, June 22, 2022.

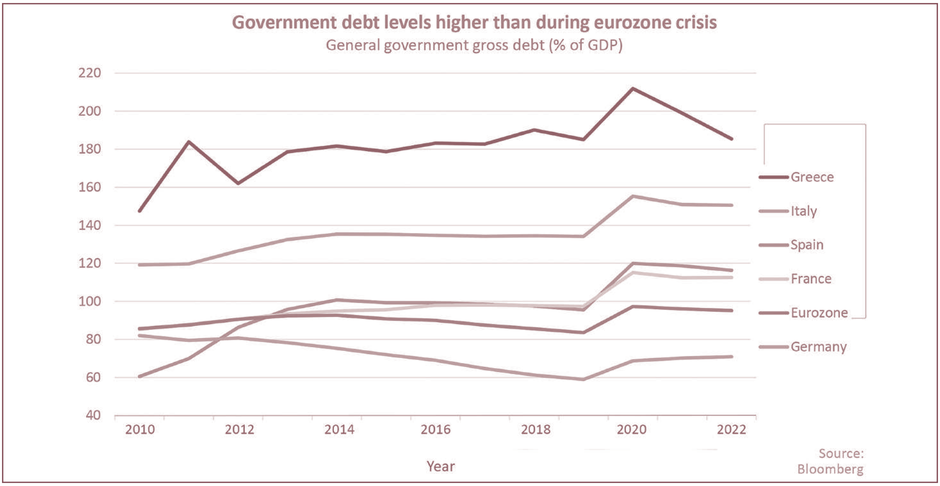
[8] Sarah McCarthy and Mark Diver. "Margin watch: Is the margin squeeze going to be much worse in Europe?" Bernstein research, June 6, 2022.




In the UK, the Bank of England has been more proactive on the tightening front, hiking interest rates in five straight sessions pushing the benchmark rate to 1.25%. A strong case can be made for significantly more aggressive action. In addition to inflation that is now expected to peak at 11% in October, the UK is also dealing with fallout from Brexit (trade barriers, business investment, immigration, currency depreciation, etc.), which was always expected to inflict some near-term economic pain in exchange for structural, long-term gains.[9] As we discussed in the March shareholder letter, FMI's UK businesses are durable and have dominant positions in their respective markets.

Conversely, the European Central Bank (ECB) continues to drag its feet, with its first interest rate hike (and end of bond purchases) expected to finally start in July. The central bank needs to be thoughtful in its actions, as investors have priced risk more discerningly in recent months. Notably, Italian 10-year bond yields jumped to 4.2% in the quarter, the highest level since 2013. The Italian/German 10-year yield spread reached 2.4%, significantly above end-of-year levels (1.4%). Italy's debt-to-GDP is projected to be over 150% at year-end, up from 127% a decade ago during the Eurozone Debt Crisis, (see chart on the following page) with a third of its debt maturing over the next four years. Greece's debt is targeted to be 185% of GDP at year-end, up from 162% in 2012.[10] While the ECB has put new tools in place to help avoid another crisis, the risk associated with Eurozone sovereign debt appears to be on the rise.

[9] George Parker and Chris Giles. "The deafening silence over Brexit." *Financial Times*, June 19, 2022.
[10] Bloomberg.




## An Island unto Itself

Unlike most international counterparts, the Bank of Japan (BOJ) is aggressively keeping its foot on the gas, continuing with ultra-loose monetary policies while insisting it is not the time to tighten. The BOJ recently renewed its pledge to buy as much government debt as needed to keep 10-year borrowing costs below 0.25%. Despite being the developed world's most indebted country ($10.2 trillion, more than two times the size of the economy), fiscal and monetary discipline does not appear to be in the cards, even as inflation exceeds the BOJ's 2% target (2.5% in May, highest since 2015).[11] The BOJ's QE program is the world's most extreme. By mid-April, the BOJ had accumulated $4.2 trillion of Japanese Government Bonds, a remarkable 48% of the total bonds outstanding.[12] Japan now accounts for 78% of the world's remaining negative-yielding debt, a dubious honor.[13] The BOJ continues to manipulate equity markets, as well, currently holding 80% of Japan's domestic exchange-traded funds (ETFs), equal to 7% of the overall value of the Japanese stock market.[14] Natural price discovery in Japan is highly challenged.

This is a dangerous game, with consequences that may not be fully understood for many years to follow. One immediate knock-on effect: rapid currency depreciation. As illustrated in the chart on the following page, the Japanese Yen is the weakest it has been against the USD in 20 years, falling by approximately 25% over the past year alone.[15] While this is welcome news for exporters and foreign travelers, it is squeezing companies that rely on imports and is raising costs for consumers through higher prices and decreased purchasing power. There are near-term implications for the FMI International portfolios as well, as we are underweight Japan (11.4% vs. MSCI EAFE

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[11] Bloomberg.

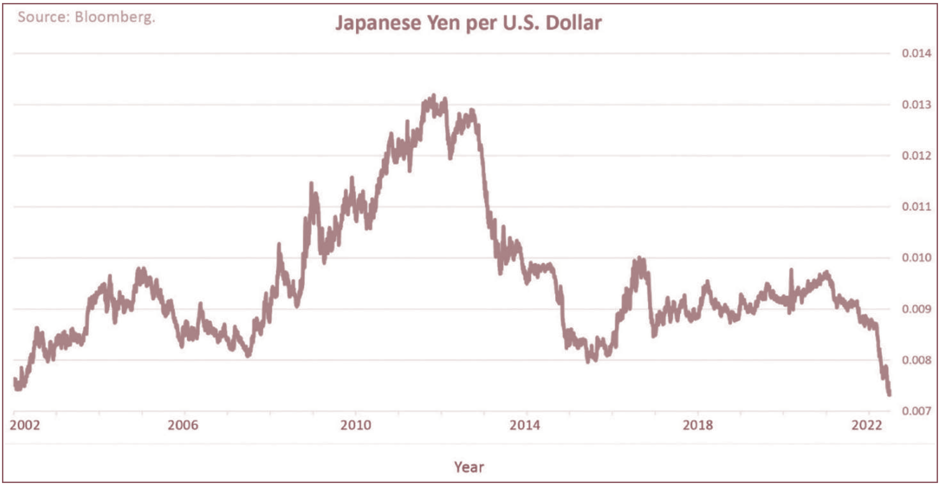
[12] Grant's Interest Rate Observer. Vol 40., No. 7. April 15, 2022.

[13] Joyce Change, Jan Loeys, and others. "J.P. Morgan Perspectives: Goodbye to Negative Yields." June 15, 2022.

[14] Grant's Interest Rate Observer. Vol 40., No. 7. April 15, 2022.

[15] Bloomberg.

at 22.2%). This has hurt our relative performance, as the Japanese market has outperformed this year. Given the long-term challenges Japan is facing (subpar GDP growth, a shrinking and aging population, an unsustainable debt burden, etc.), we believe our cautious appetite in Japan will eventually be rewarded.




## Opportunity Knocks

While it can be painful to see the portfolio down, it is far from out. As equity analysts, we live for these moments of dislocation. Fear and greed have a long history of making the majority of investors do the wrong thing at the wrong time (i.e. buying at the top, selling at the bottom). Dalbar studies show that the average investor performs much worse than the market over the long-term. Today's dynamic is no different. Quality businesses, including several of those that we own, have been sold indiscriminately, pushing prices far below our assessment of intrinsic value. We plan to take advantage of this herd behavior by leaning into the wind: upgrading the portfolio with new investment (Sodexo), building up our smaller positions (Arch Capital, Greggs, Howden Joinery, and SAP), reinforcing our core holdings that are under pressure (B&M, Booking, Roche, Safran, and Sony), while exiting some of our lower-conviction ideas (Secom, Bollore, and Millicom). We continue to investigate new opportunities every day and are working tirelessly to high-grade the portfolio. We are as enthusiastic about the roster of companies we own today as we have ever been.

Thank you for your confidence in The FMI International Funds.

| Shares | | Value (b) |
|---|---|---|
| **LONG-TERM INVESTMENTS — 93.7% (a)** | | |
| **COMMON STOCKS — 87.1% (a)** | | |
| **COMMERCIAL SERVICES SECTOR — 6.1%** | | |
| | **Advertising/Marketing Services — 2.0%** | |
| 6,200,000 | WPP PLC (Jersey) | $ 62,627,759 |
| | **Miscellaneous Commercial Services — 4.1%** | |
| 1,770,000 | Sodexo S.A. (France) | 125,200,309 |
| **CONSUMER DURABLES SECTOR — 6.3%** | | |
| | **Electronics/Appliances — 6.3%** | |
| 7,190,000 | Howden Joinery Group PLC (Britain) | 53,000,757 |
| 1,713,000 | Sony Group Corp. (Japan) | 139,706,762 |
| | | 192,707,519 |
| **CONSUMER NON-DURABLES SECTOR — 8.4%** | | |
| | **Food: Specialty/Candy — 2.4%** | |
| 3,278,000 | Greggs PLC (Britain) | 72,586,956 |
| | **Household/Personal Care — 6.0%** | |
| 1,200,000 | Henkel AG & Co. KGaA (Germany) | 73,728,692 |
| 2,425,000 | Unilever PLC (Britain) | 110,531,042 |
| | | 184,259,734 |
| **CONSUMER SERVICES SECTOR — 4.7%** | | |
| | **Media Conglomerates — 0.8%** | |
| 2,535,000 | Vivendi (France) | 25,869,512 |
| | **Other Consumer Services — 3.9%** | |
| 68,000 | Booking Holdings Inc. (United States)* | 118,931,320 |
| **DISTRIBUTION SERVICES SECTOR — 11.3%** | | |
| | **Medical Distributors — 3.6%** | |
| 1,325,000 | DKSH Holding AG (Switzerland) | 109,635,301 |
| | **Wholesale Distributors — 7.7%** | |
| 1,480,000 | Ferguson PLC (Jersey) | 165,793,333 |
| 4,640,000 | Rexel S.A. (France) | 71,697,584 |
| | | 237,490,917 |
| **ELECTRONIC TECHNOLOGY SECTOR — 5.8%** | | |
| | **Aerospace & Defense — 4.0%** | |
| 1,250,000 | Safran S.A. (France) | 124,457,403 |
| | **Electronic Equipment/Instruments — 1.8%** | |
| 3,340,000 | Yokogawa Electric Corp. (Japan) | 55,254,364 |
| **FINANCE SECTOR — 10.1%** | | |
| | **Major Banks — 5.3%** | |
| 4,473,500 | DBS Group Holdings Ltd. (Singapore) | 95,721,318 |
| 133,700,000 | Lloyds Banking Group PLC (Britain) | 68,789,528 |
| | | 164,510,846 |
| | **Multi-Line Insurance — 2.4%** | |
| 1,612,000 | Arch Capital Group Ltd. (Bermuda)* | 73,329,880 |

| Shares | | Value (b) |
|---|---|---|
| **LONG-TERM INVESTMENTS — 93.7% (a) (Continued)** | | |
| **COMMON STOCKS — 87.1% (a) (Continued)** | | |
| **FINANCE SECTOR — 10.1% (Continued)** | | |
| | **Property/Casualty Insurance — 2.4%** | |
| 380,000 | Chubb Ltd. (Switzerland) | $ 74,700,400 |
| **HEALTH SERVICES SECTOR — 2.2%** | | |
| | **Medical/Nursing Services — 2.2%** | |
| 1,330,000 | Fresenius Medical Care AG & Co. KGaA (Germany) | 66,634,756 |
| **HEALTH TECHNOLOGY SECTOR — 8.8%** | | |
| | **Medical Specialties — 5.3%** | |
| 3,065,000 | Koninklijke Philips N.V. (Netherlands) | 65,740,030 |
| 6,965,000 | Smith & Nephew PLC (Britain) | 97,404,053 |
| | | 163,144,083 |
| | **Pharmaceuticals: Major — 3.5%** | |
| 320,000 | Roche Holding AG (Switzerland) | 106,975,951 |
| **INDUSTRIAL SERVICES SECTOR — 1.9%** | | |
| | **Oilfield Services/Equipment — 1.9%** | |
| 1,660,000 | Schlumberger Ltd. (Curacao) | 59,361,600 |
| **PROCESS INDUSTRIES SECTOR — 3.2%** | | |
| | **Chemicals: Specialty — 1.7%** | |
| 1,415,000 | NOF Corp. (Japan) | 52,509,806 |
| | **Industrial Specialties — 1.5%** | |
| 705,000 | Akzo Nobel N.V. (Netherlands) | 46,105,720 |
| **PRODUCER MANUFACTURING SECTOR — 7.0%** | | |
| | **Building Products — 1.9%** | |
| 6,050,000 | Sanwa Holdings Corp. (Japan) | 57,936,385 |
| | **Industrial Conglomerates — 3.7%** | |
| 1,035,000 | Jardine Matheson Holdings Ltd. (Bermuda) | 54,382,954 |
| 3,560,000 | Smiths Group PLC (Britain) | 60,879,121 |
| | | 115,262,075 |
| | **Industrial Machinery — 1.4%** | |
| 1,877,000 | Nabtesco Corp. (Japan) | 44,044,164 |
| **RETAIL TRADE SECTOR — 7.6%** | | |
| | **Discount Stores — 4.5%** | |
| 30,700,000 | B&M European Value Retail S.A. (Luxembourg) | 137,391,067 |
| | **Specialty Stores — 3.1%** | |
| 13,825,000 | CK Hutchison Holdings Ltd. (Cayman Islands) | 93,788,814 |
| **TECHNOLOGY SERVICES SECTOR — 3.7%** | | |
| | **Packaged Software — 3.7%** | |
| 1,237,000 | SAP SE (Germany) | 112,753,599 |
| | Total common stocks | 2,677,470,240 |

| Shares | | Value (b) |
|---|---|---|
| **LONG-TERM INVESTMENTS — 93.7% (a) (Continued)** | | |
| **PREFERRED STOCKS — 6.6% (a)** | | |
| **CONSUMER NON-DURABLES SECTOR — 2.0%** | | |
| | **Household/Personal Care — 2.0%** | |
| 850,000 | Amorepacific Corp. (South Korea) | $ 33,340,959 |
| 110,000 | LG Household & Health Care Ltd. (South Korea) | 27,682,178 |
| | | 61,023,137 |
| **ELECTRONIC TECHNOLOGY SECTOR — 4.6%** | | |
| | **Telecommunications Equipment — 4.6%** | |
| 3,555,000 | Samsung Electronics Co. Ltd. (South Korea) | 142,894,659 |
| | Total preferred stocks | 203,917,796 |
| | Total long-term investments | 2,881,388,036 |
| **Principal Amount** | | |
| **SHORT-TERM INVESTMENTS — 4.4% (a)** | | |
| | **Bank Deposit Account — 4.4%** | |
| $134,459,375 | U.S. Bank N.A., 1.25%^ | 134,459,375 |
| | Total short-term investments | 134,459,375 |
| | Total investments — 98.1% | 3,015,847,411 |
| | Other assets, less liabilities — **1.9% (a)** | 59,236,331 |
| | **TOTAL NET ASSETS — 100.0%** | $3,075,083,742 |
| | **Investor Class** — Net Asset Value Per Share ($0.0001 par value, 300,000,000 shares authorized), offering and redemption price ($858,321,948 ÷ 28,854,149 shares outstanding) | $ 29.75 |
| | **Institutional Class** — Net Asset Value Per Share ($0.0001 par value, 300,000,000 shares authorized), offering and redemption price ($2,216,761,794 ÷ 74,303,085 shares outstanding) | $ 29.83 |

* Non-income producing security.
^ The rate shown is as of June 30, 2022.
(a) Percentages for the various classifications relate to total net assets.
(b) Each security is valued at the current day last sale price reported by the principal security exchange on which the issue is traded. Securities that are traded on Nasdaq Markets are valued at the Nasdaq Official Closing Price, or if no sale is reported, the latest bid price. Securities that are traded over-the-counter, including U.S. Treasury securities are valued at the close price, if not close, then at the latest bid price. Bank deposits are valued at acquisition cost which approximates fair value. For securities that do not trade during New York Stock Exchange ("NYSE") hours, provided that certain foreign exchanges may trade during a portion of the NYSE hours, fair value determinations are based on analyses of market movements after the close of those securities' primary markets, and may include reviews of developments in foreign markets, the performance of U.S. securities markets, and the performance of instruments trading in U.S. markets that represent foreign securities and baskets of foreign securities. The Board of Directors utilizes a service provided by an independent third party to assist in fair valuation of certain securities.
PLC Public Limited Company

## SCHEDULE OF FORWARD CURRENCY CONTRACTS

June 30, 2022 (Unaudited)

| Settlement Date | Counterparty | Currency to be Delivered | U.S. $ Value on June 30, 2022 of Currency to be Delivered | Currency to be Received | U.S. $ Value on June 30, 2022 of Currency to be Received | Unrealized Appreciation (Depreciation) |
|---|---|---|---|---|---|---|
| 10/14/22 | State Street Bank and Trust Co. | 570,000,000 British Pound | $695,469,120 | 716,484,870 U.S. Dollar | $716,484,870 | $21,015,750 |
| 10/14/22 | The Bank of New York Mellon | 635,000,000 Euro | 670,824,251 | 687,019,200 U.S. Dollar | 687,019,200 | 16,194,949 |
| 10/14/22 | JPMorgan Chase Bank, N.A. | 680,000,000 Hong Kong Dollar | 86,893,494 | 86,920,953 U.S. Dollar | 86,920,953 | 27,459 |
| 10/14/22 | The Bank of New York Mellon | 42,500,000,000 Japanese Yen | 315,893,146 | 319,532,054 U.S. Dollar | 319,532,054 | 3,638,908 |
| 10/14/22 | JPMorgan Chase Bank, N.A. | 115,000,000 Singapore Dollar | 82,861,357 | 83,668,310 U.S. Dollar | 83,668,310 | 806,953 |
| 10/14/22 | State Street Bank and Trust Co. | 265,000,000,000 South Korea Won | 204,720,679 | 210,824,443 U.S. Dollar | 210,824,443 | 6,103,764 |
| 10/14/22 | JPMorgan Chase Bank, N.A. | 180,000,000 Swiss Franc | 190,129,277 | 186,230,914 U.S. Dollar | 186,230,914 | (3,898,363) |
| | | | $2,246,791,324 | | $2,290,680,744 | $43,889,420 |

| Shares | | Value (b) |
|---|---|---|
| **LONG-TERM INVESTMENTS — 97.7% (a)** | | |
| **COMMON STOCKS — 90.8% (a)** | | |
| **COMMERCIAL SERVICES SECTOR — 6.3%** | | |
| | **Advertising/Marketing Services — 2.1%** | |
| 113,600 | WPP PLC (Jersey) | $ 1,147,502 |
| | **Miscellaneous Commercial Services — 4.2%** | |
| 32,000 | Sodexo S.A. (France) | 2,263,509 |
| **CONSUMER DURABLES SECTOR — 6.4%** | | |
| | **Electronics/Appliances — 6.4%** | |
| 125,355 | Howden Joinery Group PLC (Britain) | 924,049 |
| 31,000 | Sony Group Corp. (Japan) | 2,528,260 |
| | | 3,452,309 |
| **CONSUMER NON-DURABLES SECTOR — 8.7%** | | |
| | **Food: Specialty/Candy — 2.4%** | |
| 59,500 | Greggs PLC (Britain) | 1,317,548 |
| | **Household/Personal Care — 6.3%** | |
| 22,350 | Henkel AG & Co. KGaA (Germany) | 1,373,197 |
| 44,300 | Unilever PLC (Britain) | 2,019,186 |
| | | 3,392,383 |
| **CONSUMER SERVICES SECTOR — 5.0%** | | |
| | **Media Conglomerates — 1.0%** | |
| 52,425 | Vivendi (France) | 534,994 |
| | **Other Consumer Services — 4.0%** | |
| 1,250 | Booking Holdings Inc. (United States)* | 2,186,237 |
| **DISTRIBUTION SERVICES SECTOR — 11.8%** | | |
| | **Medical Distributors — 3.7%** | |
| 24,275 | DKSH Holding AG (Switzerland) | 2,008,601 |
| | **Wholesale Distributors — 8.1%** | |
| 27,075 | Ferguson PLC (Jersey) | 3,033,010 |
| 85,875 | Rexel S.A. (France) | 1,326,946 |
| | | 4,359,956 |
| **ELECTRONIC TECHNOLOGY SECTOR — 6.1%** | | |
| | **Aerospace & Defense — 4.2%** | |
| 22,775 | Safran S.A. (France) | 2,267,614 |
| | **Electronic Equipment/Instruments — 1.9%** | |
| 61,500 | Yokogawa Electric Corp. (Japan) | 1,017,408 |
| **FINANCE SECTOR — 10.6%** | | |
| | **Major Banks — 5.6%** | |
| 81,800 | DBS Group Holdings Ltd. (Singapore) | 1,750,308 |
| 2,504,750 | Lloyds Banking Group PLC (Britain) | 1,288,711 |
| | | 3,039,019 |

| Shares | | Value (b) |
|---|---|---|
| **LONG-TERM INVESTMENTS — 97.7% (a) (Continued)** | | |
| **COMMON STOCKS — 90.8% (a) (Continued)** | | |
| **FINANCE SECTOR — 10.6% (Continued)** | | |
| | **Multi-Line Insurance — 2.5%** | |
| 29,300 | Arch Capital Group Ltd. (Bermuda)* | $ 1,332,857 |
| | **Property/Casualty Insurance — 2.5%** | |
| 7,025 | Chubb Ltd. (Switzerland) | 1,380,974 |
| **HEALTH SERVICES SECTOR — 2.3%** | | |
| | **Medical/Nursing Services — 2.3%** | |
| 24,650 | Fresenius Medical Care AG & Co. KGaA (Germany) | 1,234,998 |
| **HEALTH TECHNOLOGY SECTOR — 9.1%** | | |
| | **Medical Specialties — 5.5%** | |
| 56,325 | Koninklijke Philips N.V. (Netherlands) | 1,208,094 |
| 128,250 | Smith & Nephew PLC (Britain) | 1,793,549 |
| | | 3,001,643 |
| | **Pharmaceuticals: Major — 3.6%** | |
| 5,875 | Roche Holding AG (Switzerland) | 1,964,011 |
| **INDUSTRIAL SERVICES SECTOR — 2.0%** | | |
| | **Oilfield Services/Equipment — 2.0%** | |
| 30,800 | Schlumberger Ltd. (Curacao) | 1,101,408 |
| **PROCESS INDUSTRIES SECTOR — 3.4%** | | |
| | **Chemicals: Specialty — 1.8%** | |
| 26,100 | NOF Corp. (Japan) | 968,556 |
| | **Industrial Specialties — 1.6%** | |
| 13,100 | Akzo Nobel N.V. (Netherlands) | 856,716 |
| **PRODUCER MANUFACTURING SECTOR — 7.5%** | | |
| | **Building Products — 2.0%** | |
| 111,500 | Sanwa Holdings Corp. (Japan) | 1,067,753 |
| | **Industrial Conglomerates — 4.0%** | |
| 19,250 | Jardine Matheson Holdings Ltd. (Bermuda) | 1,011,470 |
| 66,250 | Smiths Group PLC (Britain) | 1,132,933 |
| | | 2,144,403 |
| | **Industrial Machinery — 1.5%** | |
| 34,600 | Nabtesco Corp. (Japan) | 811,896 |
| **RETAIL TRADE SECTOR — 7.8%** | | |
| | **Discount Stores — 4.6%** | |
| 555,000 | B&M European Value Retail S.A. (Luxembourg) | 2,483,780 |
| | **Specialty Stores — 3.2%** | |
| 256,175 | CK Hutchison Holdings Ltd. (Cayman Islands) | 1,737,891 |
| **TECHNOLOGY SERVICES SECTOR — 3.8%** | | |
| | **Packaged Software — 3.8%** | |
| 22,300 | SAP SE (Germany) | 2,032,664 |
| | Total common stocks | 49,106,630 |

| Shares | | Value (b) |
|---|---|---|
| **LONG-TERM INVESTMENTS — 97.7% (a) (Continued)** | | |
| **PREFERRED STOCKS — 6.9% (a)** | | |
| **CONSUMER NON-DURABLES SECTOR — 2.1%** | | |
| | **Household/Personal Care — 2.1%** | |
| 15,700 | Amorepacific Corp. (South Korea) | $ 615,827 |
| 2,050 | LG Household & Health Care Ltd. (South Korea) | 515,896 |
| | | 1,131,723 |
| **ELECTRONIC TECHNOLOGY SECTOR — 4.8%** | | |
| | **Telecommunications Equipment — 4.8%** | |
| 65,000 | Samsung Electronics Co. Ltd. (South Korea) | 2,612,701 |
| | Total preferred stocks | 3,744,424 |
| | Total long-term investments | 52,851,054 |
| **Principal Amount** | | |
| **SHORT-TERM INVESTMENTS — 1.6% (a)** | | |
| | **Bank Deposit Account — 1.6%** | |
| $854,588 | U.S. Bank N.A., 1.25%^ | 854,588 |
| | Total short-term investments | 854,588 |
| | Total investments — 99.3% | 53,705,642 |
| | Other assets, less liabilities — **0.7% (a)** | 408,877 |
| | **TOTAL NET ASSETS — 100.0%** | $54,114,519 |
| | **Institutional Class** — Net Asset Value Per Share ($0.0001 par value, 300,000,000 shares authorized), offering and redemption price ($54,114,519 ÷ 3,274,037 shares outstanding) | $ 16.53 |

* Non-income producing security.

^ The rate shown is as of June 30, 2022.

(a) Percentages for the various classifications relate to total net assets.

(b) Each security is valued at the current day last sale price reported by the principal security exchange on which the issue is traded. Securities that are traded on Nasdaq Markets are valued at the Nasdaq Official Closing Price, or if no sale is reported, the latest bid price. Securities that are traded over-the-counter, including U.S. Treasury securities are valued at the close price, if not close, then at the latest bid price. Bank deposits are valued at acquisition cost which approximates fair value. For securities that do not trade during New York Stock Exchange ("NYSE") hours, provided that certain foreign exchanges may trade during a portion of the NYSE hours, fair value determinations are based on analyses of market movements after the close of those securities' primary markets, and may include reviews of developments in foreign markets, the performance of U.S. securities markets, and the performance of instruments trading in U.S. markets that represent foreign securities and baskets of foreign securities. The Board of Directors utilizes a service provided by an independent third party to assist in fair valuation of certain securities.

PLC Public Limited Company

# PERFORMANCE AND DISCLOSURE INFORMATION

**Performance for Period Ended June 30, 2022**

| | | | Average Annual Total Returns | | | | |
|---|---|---|---|---|---|---|---|
| **FMI FUND / INDEX** | **3 Months[1]** | **1 Year** | **3 Year** | **5 Year** | **10 Year** | **Since Inception[1]** | **Inception Date** |
| Large Cap – Investor Class | -13.18% | -12.45% | 4.16% | 6.83% | 10.00% | 8.45% | 12-31-01 |
| S&P 500 Index | -16.10% | -10.62% | 10.60% | 11.31% | 12.96% | 8.10% | 12-31-01 |
| iShares Russell 1000 Value ETF | -12.29% | -6.96% | 6.74% | 6.99% | 10.29% | 7.24% | 12-31-01 |
| Large Cap – Institutional Class | -13.10% | -12.28% | 4.32% | 6.98% | — | 9.05% | 10-31-16 |
| S&P 500 Index | -16.10% | -10.62% | 10.60% | 11.31% | 12.96% | 12.78% | 10-31-16 |
| iShares Russell 1000 Value ETF | -12.29% | -6.96% | 6.74% | 6.99% | 10.29% | 8.50% | 10-31-16 |
| Common Stock – Investor Class | -11.05% | -7.58% | 6.65% | 7.53% | 9.71% | 11.45% | 12-18-81 |
| Russell 2000 Index | -17.20% | -25.20% | 4.21% | 5.17% | 9.35% | 9.78% | 12-18-81 |
| Russell 2000 Value Index | -15.28% | -16.28% | 6.18% | 4.89% | 9.05% | 11.26% | 12-18-81 |
| Common Stock – Institutional Class | -11.00% | -7.45% | 6.79% | 7.66% | — | 9.81% | 10-31-16 |
| Russell 2000 Index | -17.20% | -25.20% | 4.21% | 5.17% | 9.35% | 7.96% | 10-31-16 |
| Russell 2000 Value Index | -15.28% | -16.28% | 6.18% | 4.89% | 9.05% | 7.49% | 10-31-16 |
| International – Investor Class | -11.09% | -14.47% | 0.04% | 1.27% | 6.46% | 6.23% | 12-31-10 |
| MSCI EAFE (LOC) | -7.83% | -6.59% | 4.37% | 4.27% | 8.33% | 6.39% | 12-31-10 |
| MSCI EAFE (LOC) Value | -5.40% | 0.23% | 3.41% | 2.56% | 7.21% | 5.34% | 12-31-10 |
| MSCI EAFE (USD) | -14.51% | -17.77% | 1.07% | 2.20% | 5.40% | 3.77% | 12-31-10 |
| MSCI EAFE (USD) Value | -12.41% | -11.95% | 0.18% | 0.52% | 4.25% | 2.70% | 12-31-10 |
| International – Institutional Class | -11.09% | -14.36% | 0.17% | 1.41% | — | 3.26% | 10-31-16 |
| MSCI EAFE (LOC) | -7.83% | -6.59% | 4.37% | 4.27% | 8.33% | 6.16% | 10-31-16 |
| MSCI EAFE (LOC) Value | -5.40% | 0.23% | 3.41% | 2.56% | 7.21% | 4.60% | 10-31-16 |
| MSCI EAFE (USD) | -14.51% | -17.77% | 1.07% | 2.20% | 5.40% | 4.55% | 10-31-16 |
| MSCI EAFE (USD) Value | -12.41% | -11.95% | 0.18% | 0.52% | 4.25% | 3.04% | 10-31-16 |
| International II – Currency Unhedged – Institutional Class | -16.22% | -23.29% | — | — | — | -5.33% | 12-31-19 |
| MSCI EAFE (USD) | -14.51% | -17.77% | 1.07% | 2.20% | 5.40% | -1.42% | 12-31-19 |
| MSCI EAFE (USD) Value | -12.41% | -11.95% | 0.18% | 0.52% | 4.25% | -2.08% | 12-31-19 |

[1] Returns for periods less than one year are not annualized.

*Performance data quoted represents past performance; past performance does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of a Fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by visiting www.fmifunds.com or by calling 1-800-811-5311. The returns do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.*

Securities named in the Letters to Shareholders, but not listed in the Statements of Net Assets are not held in the Funds as of the date of this disclosure. Portfolio holdings are subject to change without notice and are not intended as recommendations of individual securities.

This report is not authorized for use as an offer of sale or a solicitation of an offer to buy shares of the Funds unless accompanied or preceded by the Funds' current prospectus.

As of the Funds' Prospectus dated January 31, 2022, the annual operating expense ratios for the Investor Class of FMI Large Cap Fund, FMI Common Stock Fund and FMI International Fund are: 0.82%, 1.01% and 0.94%, respectively. The annual operating expense ratios for the Institutional Class of FMI Large Cap Fund, FMI Common Stock Fund, FMI International Fund and FMI International Fund II – Currency Unhedged are: 0.68%, 0.90%, 0.80% and 0.90%*, respectively.

* Note that the annual operating expenses for the Institutional Class of FMI International Fund II – Currency Unhedged are 1.16% before the investment adviser's voluntary reimbursement such that annual fund operating expenses do not exceed 0.90%, which will continue at least through January 31, 2023.

Risks associated with investing in the Funds are as follows:

FMI Large Cap Fund: Stock Market Risk, Medium and Large Capitalization Companies Risks, Non-Diversification Risk (Non-Diversified funds are subject to higher volatility than funds that are invested more broadly), Value Investing Risk, Foreign Securities Risk (fluctuation of currency, different financial standards, and political instability), Liquidity Risk, and Tax Law Change Risk.

FMI Common Stock Fund: Stock Market Risk, Medium and Small Capitalization Companies Risks (which includes the potential for greater volatility and less financial resources than Large-Cap Companies), Value Investing Risk, Foreign Securities Risk (fluctuation of currency, different financial standards, and political instability), Liquidity Risk, and Tax Law Change Risk.

FMI International Fund: Stock Market Risk, Value Investing Risk, Foreign Securities Risk (fluctuation of currency, different financial standards, and political instability), Geographic Concentration Risk, Currency Hedging Risk, Large Capitalization Companies Risk, Liquidity Risk, and Tax Law Change Risk.

FMI International Fund II – Currency Unhedged: Stock Market Risk, Non-Diversified Risk (Non-Diversified Funds are subject to higher volatility than funds that are invested more broadly). Value Investing Risk, Foreign Securities Risk (fluctuation of currency, different financial standards, and political instability), Geographic Concentration Risk, Large Capitalization Companies Risk, Liquidity Risk, and Tax Law Change Risk.

For details regarding these risks, please refer to the Funds' Summary or Statutory Prospectuses dated January 31, 2022.

The Standard and Poor's 500 Index (S&P 500) consists of 500 selected common stocks, most of which are listed on the New York Stock Exchange. The S&P's Ratings Group designates the stocks to be included in the Index on a statistical basis. A particular stock's weighting in the Index is based on its relative total market value (i.e., its market price per share times the number of shares outstanding). Stocks may be added or deleted from the Index from time to time.

The iShares Russell 1000 Value ETF seeks to track investment results of an index composed of large- and mid-capitalization U.S. equities that exhibit value characteristics. Performance is compared to the iShares Russell 1000 Value ETF for illustrative purposes only. The metrics regarding the comparative ETF have been obtained from Bloomberg and the 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. The ETF is not subject to the same fees or expenses as the Fund. The Fund is not restricted to investing in those securities which comprise the ETF. The Fund's performance may or may not correlate to the ETF, and it should not be considered a proxy for the ETF.

The Russell 2000 Index measures the performance of the 2,000 smallest companies in the Russell 3000 Index. The Russell 2000 Value Index includes equities that exhibit value characteristics and the Russell 2000 Growth Index includes equities that exhibit growth characteristics.

The MSCI EAFE Index (Europe, Australasia, Far East) is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the U.S. and Canada. The MSCI EAFE Index 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. Index results are inclusive of dividends and net of foreign withholding taxes. The reported figures include reinvestment of dividends and capital gains distributions and do not reflect any fees or expenses.

The MSCI EAFE Value Index captures large and mid cap securities exhibiting overall value style characteristics across Developed Markets countries around the world, excluding the U.S. and Canada. The value investment style characteristics for index construction are defined using three variables: book value to price, 12-month forward earnings to price and dividend yield.

The MSCI EAFE Index and MSCI EAFE Value Index are calculated in local currency (LOC) as well as in U.S. Dollars (USD). The concept of a LOC calculation excludes the impact of currency fluctuations. All currencies of listing are considered in the Index calculation in LOC where current prices (t) and previous day prices (t-1) are converted into USD using the same exchange rate (exchange rate t-1) in the numerator and denominator. As a consequence, the FX factor drops out of the equation. The USD calculation includes exchange rates at t and t-1. Therefore, the LOC calculation only represents the price appreciation or depreciation of the securities, whereas the USD calculation also accounts for the performance of the currency (or currencies) relative to the USD.

The MSCI EAFE Growth Index captures large and mid cap securities exhibiting overall growth style characteristics across Developed Markets countries around the world, excluding the U.S. and Canada. The growth investment style characteristics for index construction are defined using five variables: long-term forward EPS growth rate, short-term forward EPS growth rate, current internal growth rate and long-term historical EPS growth trend and long-term historical sales per share growth trend.

MSCI EAFE is a service mark of MSCI Barra.

The Bloomberg Commodity Spot Index is a gauge of commodities prices by tracking 23 energy, metal, and crop futures contracts.

The Consumer Price Index (CPI) is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services.

The Producer Price Index (PPI) is a measure of the average change over time in the prices domestic producers receive for their output. It is a measure of inflation at the wholesale level that is compiled from thousands of indexes measuring producer prices by industry and product category.

All indices are unmanaged. These indices are used herein for comparative purposes in accordance with the Securities and Exchange Commission regulations. It is not possible to invest directly into an index.

**GLOSSARY**

**Basis Points (bps)** is a standard measure for interest rates. One basis point is equal to 1/100th of 1%, or 0.01%.

**Cost of Capital** is a company's calculation of the minimum return that would be necessary in order to justify undertaking a capital budgeting project. Investors may also use the term to refer to an evaluation of an investment's potential return in relation to its costs and risks.

**Debt-to-GDP** is a ratio of a country's public debt to its gross domestic product and is an indicator of a country's ability to pay back its debts.

**EBITDA — Earnings Before Interest Taxes Depreciation and Amortization** is net income with interest, taxes, depreciation, and amortization added back to it, and can be used to analyze and compare profitability between companies and industries because it eliminates the effects of financing and accounting decisions.

**EV/EBITDA — Enterprise Value to Earnings Before Interest Taxes Depreciation and Amortization** is a measure of the value of a stock that compares a company's enterprise value (market cap plus debt, minority interest and preferred shares, minus total cash and cash equivalents) to its earnings before interest taxes depreciation and amortization. EV/EBITDA is one of several fundamental indicators that investors use to determine whether a stock is priced well. The EV/EBITDA multiple is also often used to determine a company's valuation in the case of a potential acquisition.

**GDP — Gross Domestic Product** – Gross Domestic Product is the monetary value of all finished goods and services produced within a country's borders in a specific time period.

**P/E ratio — Price-to-earnings ratio** is the ratio for valuing a company that measures its current share price relative to its per-share earnings. The trailing P/E ratio is calculated by dividing the current share price by per-share earnings over the previous 12 months and the forward P/E ratio estimates likely per-share earnings over the next 12 months.

**ROC — Return on Capital** is a financial ratio that can be used to assess a company's profitability and capital efficiency. In other words, this ratio can help to understand how well a company is generating profits from its capital.

Reference definitions found at Investopedia.com

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**FMI Large Cap Fund** | **FMI Common Stock Fund** | **FMI International Fund** | **FMI International Fund II – Currency Unhedged**

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