QUARTERLY REPORT
December 31, 2021

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.

TABLE OF CONTENTS

FMI Large Cap Fund

(unaudited)

December 31, 2021

Dear Fellow Shareholders:

The FMI Large Cap Fund ("Fund") gained 10.38% and 18.64% for the December quarter and calendar year, respectively.[1] This compares to 11.03% and 28.71% for the Standard & Poor's 500 Index ("S&P 500") in the corresponding periods, and 7.77% and 25.16% for the Russell 1000 Value Index. Relative to the S&P 500, sectors that helped performance in the quarter included Retail Trade, Producer Manufacturing, and Finance. Detracting sectors included Electronic Technology, Health Technology, and Consumer Services. Dollar Tree Inc., Masco Corp., and UnitedHealth Group Inc. were standout stocks in the quarter, while Koninklijke Philips N.V. — SP-ADR, Comcast Corp. — Cl A, and Unilever PLC — SP-ADR lagged. The Fund has been disproportionately hurt by COVID effects, including deferred elective medical procedures at Smith & Nephew PLC — SP-ADR, travel problems with Booking Holdings Inc., and excess mortality in the patient base of Fresenius Medical Care AG & Co. KGaA — SP-ADR. We are confident these issues are temporary in nature, and look for a strong rebound in the future. For the year, our underweighting in Technology Services and Electronic Technology, along with a low level of residual cash, were significant factors weighing on performance versus the S&P 500. Compared to the Russell 1000 Value, our lack of direct Energy Minerals exposure and cash negatively impacted relative performance. Over five and ten years, the Fund has outperformed the Russell 1000 Value. Many lower-quality issues performed well in 2021. We haven't been rewarded yet, on a relative basis, for the stronger balance sheets and better business franchises in the portfolio.

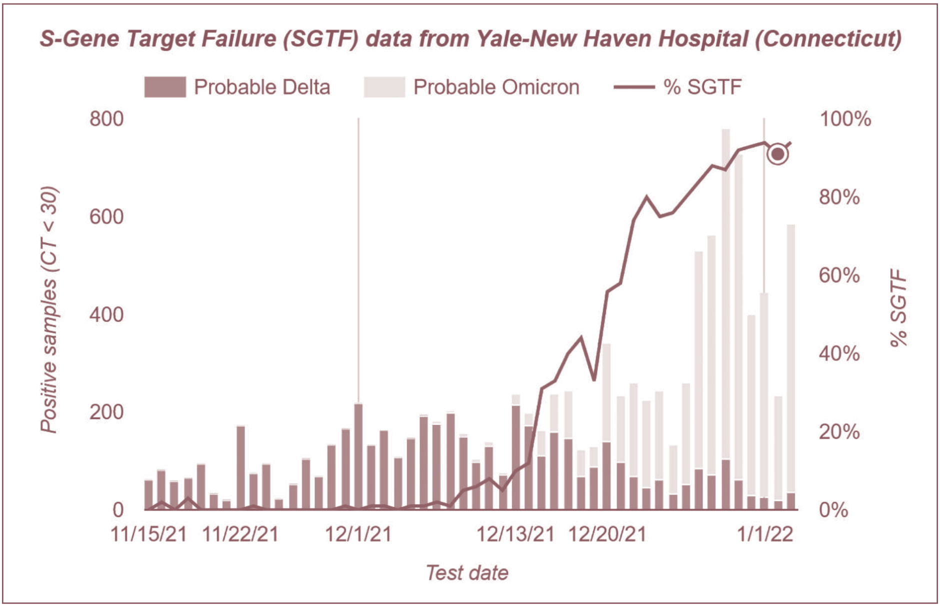
Despite recent underperformance, the Fund has taken less risk than the market and still achieved strong absolute returns. It's easy to look back and say one could have done better owning the S&P 500, for example, but the risk profile of this index has been at a very high level for some time. Valuations are at or near all-time highs. Consider this: real GDP over the past two years is up approximately 1.9% cumulatively, or less than 1% compounded, assuming the fourth quarter of 2021 comes in at The Conference Board's estimate of 6.5% – yet the S&P 500 is up 52.4%, or 23.4% compounded, over this period! Investors have been lulled into a state of complacency, expecting far higher-than-average returns, because that has been the experience in recent years. The returns are out-of-step with underlying earnings (normalized for the COVID rebound) and

[1] The FMI Large Cap Fund Investor Class (FMIHX) had a return of 10.38%, and the FMI Large Cap Fund Institutional Class (FMIQX), a return of 10.40% for the fourth quarter of 2021. The FMI Large Cap Fund Investor Class (FMIHX) and the FMI Large Cap Fund Institutional Class (FMIQX) had a return of 18.64% and 18.80%, respectively, for the full calendar year 2021.

balance sheet quality. Equity buyers may not be fully appreciating the risks they have been taking. The absence of poor results ex-post doesn't change the ex-ante risk. A reckless driver can repeatedly run red lights without getting into an accident, but eventually, he is almost assured of wrecking. The market has been enamored with growth – or the perception of growth – and does not appear to have much concern about valuations regressing to the mean (or worse), and balance sheet quality has been an afterthought. When the air comes out of the many overpriced stocks, the Fund's relative performance should improve. That process may have already begun, as we outline further in the letter. The current portfolio is as solid as any we can recall, from a fundamental business standpoint, and the setup from a big picture angle also appears favorable. The team is optimistic.

COVID-19

We are very encouraged by the pathway of the Omicron strain of COVID-19. In a matter of weeks, it has essentially driven out almost all of the more dangerous Delta strain.[2]



The data from South Africa, the UK, and increasingly, the United States, shows vastly lower severity (fewer hospitalizations, lower hospital stays, and fewer deaths) than prior strains of COVID. It is, of course, much more contagious, but the silver lining in this is that it speeds up the effective end of the pandemic. Without minimizing the terrible realities of COVID, millions of people have now gotten Omicron and have experienced modest or no ill effects, especially if they have been vaccinated or have previously had COVID. In these situations, it appears the case fatality rate is likely on par with the flu, and this makes the disease less scary. Almost everyone now has family members, friends, and coworkers who have had it, and there seems to be an

[2] Source: https://COVIDtrackerct.com/variant-surveillance/

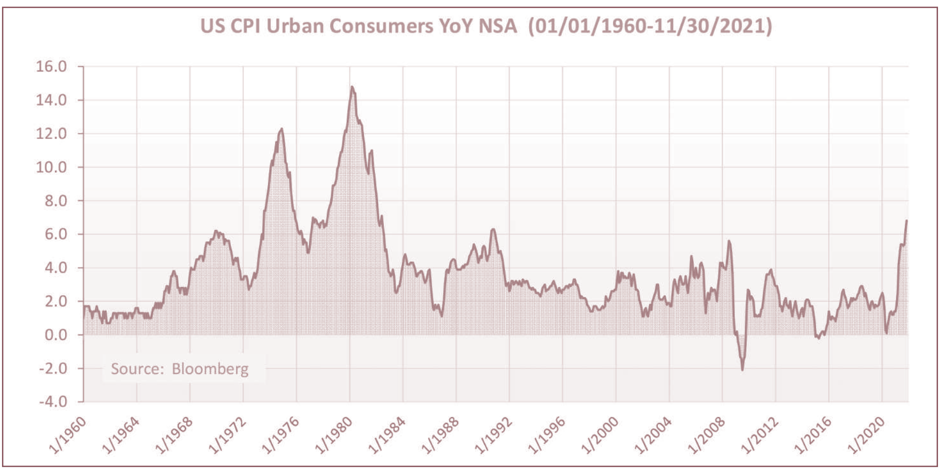
increasing willingness to work through it without locking down or severely restricting economic activity. That is not true in all places, however, and some government leaders appear to be using a 2020 playbook, but gradually, more normal business activity will take hold. A strong employment recovery is now easier to envision.

While the original SARS-CoV-2 and Delta variant have hurt the relative performance of the Fund, we believe conditions are changing. Solid economic growth is likely to resume after a few months of reduced activity related to Omicron. This will broaden the appeal of more companies and sectors, particularly the areas of the market that have lagged. COVID beneficiaries have largely been growth stocks. We are optimistic that this will soon change.

Economic Growth

Real GDP for 2021 grew roughly 5.6% over the depressed minus 3.5% 2020 figure.[3] The first quarter of 2022 is likely to be negatively impacted by Omicron, but even with this, underlying demand appears to be solid. The slowdown is unlikely to extend beyond winter. There are still about 4 million people that have not gone back to work from the beginning of the COVID crisis nearly two years ago. At least another 3-5 million working-age people who are no longer counted in the official "unemployed" category could come back into employment if work becomes attractive enough… and wages are certainly rising. We think many, if not most of the people that ceased working in 2020-2021 will eventually reengage. Childcare problems will lessen as COVID recedes. Burnout will ameliorate. Most schools will stay open. Fears will subside. Lockdowns should be a thing of the past. The savings that many have been living on will be depleted. The notion that the 50-something crowd can cruise into early retirement and live off their bull market portfolios will likely prove untenable in the aftermath of the next bear market… and there will always be bear markets! The demand for labor remains strong; the Labor Department reports that at the end of December, there were 10.6 million job openings. We see economic expansion being driven by re-employment for quite some time.

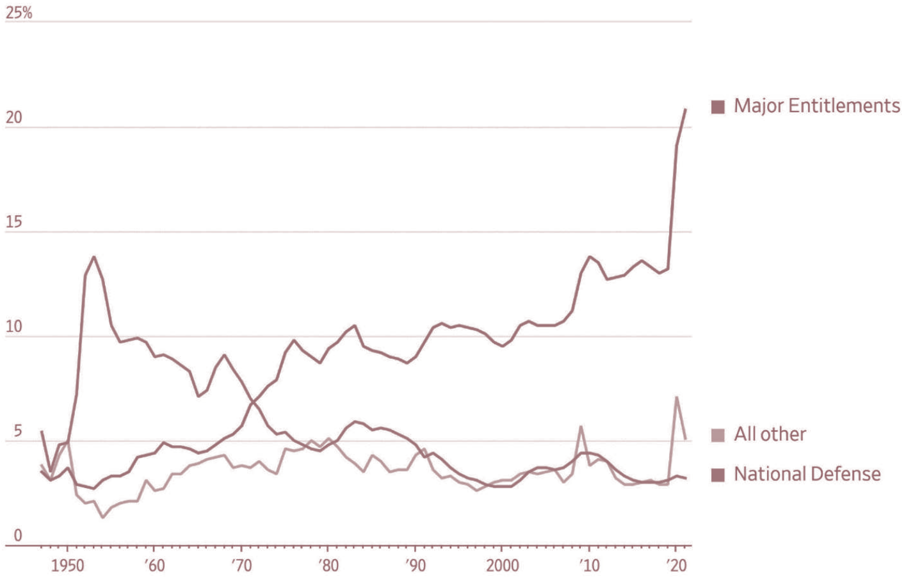
Inflation/Interest Rates



[3] Using the Conference Board's 6.5% estimate of real GDP in the fourth quarter of 2021.

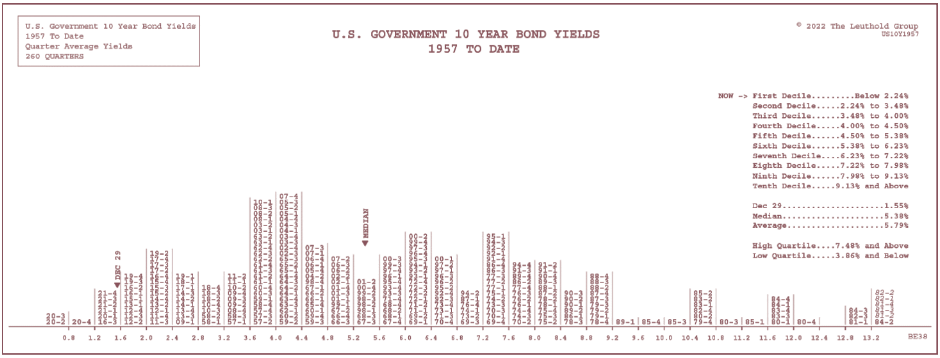
It is interesting how widespread the belief is that inflation (6.8% in November) will be temporary, and that we will quickly return to a sub-2% rate. One look at the bond market, with the 10-year yield at 1.51% (12/31/21), shows the credit markets are not concerned with inflation at all. The Fed only recently acknowledged that inflation is lasting longer than they expected. Still, Powell and company see the situation as merely transient. But as we indicated in our last letter, many forces are at work to keep inflation elevated. Higher wages and increased salary expectations are becoming the norm. Cost-of-living adjustments in labor contracts are making a comeback after 40 years. Greater regulatory costs are becoming a permanent feature of the landscape as the administrative state continues its inexorable growth. Higher transportation and reshoring expenses will play out over years. Expanded cradle-to-grave benefits are increasingly more difficult to block, even when funding them is virtually impossible (see the following chart). An inflation mindset appears to be taking hold.

Federal Spending by Category, 1947-2021, as a Percentage of GDP



Source: U.S. Budgets, Congressional Budget Office

We do not see how interest rates can remain low if inflation continues at an elevated level. Low rates are the lynchpin for the investment world. Valuations depend on exceptionally low discount rates. The whole complexion changes if we move back toward something that approaches historical norms. The median 10-year Treasury yield over the past 65 years, as the chart on the following page shows, is over 5%, putting today's figure in the first decile. With inflation running well over 5% and short-term rates near zero, how long will financial markets stand for negative 5%-plus real yields? The last time we had today's kind of inflation the 10-year Treasury yield was over 10%!



The Fed's desire to avoid roiling the capital markets by returning to a normal interest rate policy has gone on for over a decade. Jim Grant, the publisher of *Grant's Interest Rate Observer*, recently reminded readers that Jerome Powell himself, when he was a Fed governor nine years ago, warned against quantitative easing (QE), moral hazard, and the so-called "Fed put," and remarked,

> *I think we are actually at a point of encouraging risk taking, and that should give us pause. Investors really do understand now that we will be there to prevent serious losses […] Meanwhile, we look like we are blowing a fixed income duration bubble right across the credit spectrum that will result in big losses when rates come up down the road.*

In recent years Powell has been the cheerleader of such policies, while sound money voices such as the economist and former Fed nominee, Judy Shelton, have been attacked by the media and some politicians as having "non-mainstream" beliefs. The fact that nothing visibly bad has happened after a decade or so means… what exactly? That it is a good idea to print money and encourage reckless behavior? That the Fed should be in cahoots with the fiscal authorities to accommodate unbridled deficit spending?

The truth is that something bad has already been happening due to easy Fed policies. As former Federal Reserve board member Kevin Warsh recently commented,

> *Extraordinarily aggressive monetary policy, namely quantitative easing, discourages investments in real assets like capital equipment relative to financial assets such as stocks. That's why nonresidential capital investment in the real economy […] is running 7% below the pre-pandemic trend and 25% below trend since the advent of QE.*[4]

The Fed can blow smoke about the environment and other things completely outside of its mandate, but it is fairly clear that their policies are largely driven by a subservience to Wall Street.

Time Horizon

One of the most interesting aspects of investing is the role of time horizon. When something predicted doesn't happen relatively quickly, people tend to reflexively view it as incorrect. Sometimes things simply take a lot longer to unfold than most expect. The market works on its own schedule… occasionally one that is far beyond most

[4] Kevin Warsh. "The Fed Is the Main Inflation Culprit." *The Wall Street Journal*, December 12, 2021.

investors' time horizons, yet the risk inherent in an unsustainably low interest rate environment does not disappear even if "nothing bad" happens for years. A structurally unsound bridge can remain functional for years before, "out of nowhere," it collapses. When we observe highly questionable and speculative behavior being rewarded, we always have to remind ourselves of Warren Buffett's quip about the stock market being a voting machine in the short run, but a weighing machine in the long run. Patience, combined with fundamentally sound businesses, usually wins.

Market

As mentioned at the outset, stocks are very rich by historical standards. David Rosenberg, the highly esteemed strategist and economist, recently said, "Yes, we are in a huge – perhaps unprecedented – equity market bubble, and it keeps getting bigger and bigger." The market has been riding an epic wave of unprecedented conditions, including a rate structure perpetuated by a Fed that views every hiccup (housing crunch, stock market hit, coronavirus, etc.) as a justification for QE. They have virtually destroyed the meaning of cost-of-capital. Profligate and highly speculative behaviors have not been penalized much in recent years. Eventually, the Fed will likely have to deal with stubbornly high inflation and a loss of credibility. Governments will face the consequences of budgets that have no possible chance of ever being balanced. This may feed into stagflation. Ultimately these realities get reflected in the stock market. Confidence will wobble and speculative stocks will come under increasing pressure. This process may already be underway.

A number of popular "meme stocks" have recently taken a dive. From their highs last year, Workhorse Group Inc. is down 89.9%, GameStop Corp. is off 69.3%, and AMC Entertainment Holdings Inc. is down 62.5%. Many other high-multiple stocks (high multiple of sales… most do not have earnings) have been hammered: SmileDirectClub Inc. is down 85.4%; Zillow Group, Inc., 70.7%; Peloton Interactive, Inc., 79.1%; and DraftKings Inc., 63.1%. The table includes some others.

Notable Names Down From Their Highs

Company	Ending Price	52-Week High	% Off High
Koss Corporation	10.68	127.45	-91.6%
Workhorse Group Inc.	4.36	42.96	-89.9%
Lordstown Motors Corp. Class A	3.45	31.57	-89.1%
SmileDirectClub Inc Class A	2.35	16.08	-85.4%
Stitch Fix, Inc. Class A	18.92	113.76	-83.4%
Peloton Interactive, Inc. Class A	35.76	171.09	-79.1%
Express, Inc.	3.08	13.97	-78.0%
BARK Inc Class A	4.22	17.25	-75.5%
Chegg, Inc.	30.70	115.21	-73.4%
Zillow Group, Inc. Class A	62.22	212.40	-70.7%
Beyond Meat, Inc.	65.16	221.00	-70.5%
Teladoc Health, Inc.	91.82	308.00	-70.2%
GameStop Corp. Class A	148.39	483.00	-69.3%
Nikola Corporation	9.87	30.40	-67.5%
Groupon, Inc.	23.16	64.69	-64.2%
Penn National Gaming, Inc.	51.85	142.00	-63.5%
DraftKings Inc Class A	27.47	74.38	-63.1%
Plug Power Inc.	28.23	75.49	-62.6%
AMC Entertainment Holdings, Inc. Class A	27.20	72.62	-62.5%
Bumble, Inc. Class A	33.86	84.80	-60.1%
Pinterest, Inc. Class A	36.35	89.90	-59.6%
TripAdvisor, Inc.	27.26	64.95	-58.0%
Novavax, Inc.	143.07	331.68	-56.9%
Wix.com Ltd.	157.79	362.07	-56.4%
Squarespace, Inc. Class A	29.50	64.71	-54.4%

Source: FactSet. Data as of 12/31/21 using Vanguard Total Stock Market Index ETF.

People who invest on momentum face a dilemma: sell into weakness as the models dictate, or suddenly turn into a contrarian. History would suggest that the latter rarely happens. Speculative stocks will find a bottom after the momentum players are done selling, but that process seems barely underway. After raising a record amount of money in 2021, two thirds of 2021 IPOs are now below their offering price. While events don't transpire exactly the same in each cycle, a similar pattern occurred in 2000. The largest, most popular names fell only modestly in the first five months after the market peaked on March 9th of that year, even while the most speculative names were crushed. Then, in the fall, the bigger names toppled. The Nasdaq-100 Index dropped 82.4% from the peak on March 9th to the bottom on October 7th of 2002. From September 1st of 2000 to the bottom the hit was <80%>, so most of the damage came well after the speculative bubble was first pricked. The situation is a bit more mixed today, with several of the largest companies continuing to grow nicely… and some of these are not trading at nosebleed multiples. Therefore, we don't see the market's comeuppance necessarily playing out completely along market cap lines, although that feature will dominate if true fear is pervasive. In recent months, some S&P 500 stocks have declined significantly from their highs, such as Gap Inc., down 51.0%; PayPal Holdings Inc., off 38.9%; and Etsy Inc., down 26.3%. But that index is near its all-time high after hitting 70 new highs in 2021; it is very expensive. If rates start moving toward normal historical levels, reflecting the issues we have already described, valuations are likely to decline. We are starting to see a lot of divergence, even in our own family of mutual funds. With the speculative fever breaking a little more widely in the smaller-cap universe, many story stocks have faltered. The FMI Common Stock Fund significantly outperformed in 2021, gaining over 15 percentage points relative to the Russell 2000 benchmark. We are hopeful the same pattern will play out in the FMI Large Cap Fund.

It is not easy to sit tight when others are making more money than you; "FOMO" is a powerful sentiment. We like to think in terms of risk-adjusted returns, and on that basis, we are confident that our strategy will pay off both in relative and absolute terms in the fullness of time.

On December 17, 2021, the Fund's Board of Directors declared a distribution payable on December 17, 2021 to shareholders of record on December 16, 2021 as follows:

Class	Ticker	Income	Short-Term Capital Gain	Long-Term Capital Gain	Total Distribution
Investor Class	FMIHX	$0.15811471	$0.15857	$3.04394	$3.36062471
Institutional Class	FMIQX	$0.18995008	$0.15857	$3.04394	$3.39246008

Thank you for your investment in the FMI Large Cap Fund.

Shares		Value (b)
COMMON STOCKS — 98.6% (a)		
COMMERCIAL SERVICES SECTOR — 2.5%		
	Advertising/Marketing Services — 2.5%	
1,120,000	Omnicom Group Inc.	$ 82,062,400
CONSUMER DURABLES SECTOR — 5.2%		
	Electronics/Appliances — 5.2%	
1,360,000	Sony Group Corp. — SP-ADR*	171,904,000
CONSUMER NON-DURABLES SECTOR — 3.5%		
	Household/Personal Care — 3.5%	
2,160,000	Unilever PLC — SP-ADR	116,186,400
CONSUMER SERVICES SECTOR — 7.5%		
	Cable/Satellite TV — 3.9%	
2,595,000	Comcast Corp. — Cl A	130,606,350
	Other Consumer Services — 3.6%	
50,000	Booking Holdings Inc.*	119,961,500
ELECTRONIC TECHNOLOGY SECTOR — 4.2%		
	Semiconductors — 4.2%	
1,512,000	Micron Technology Inc.	140,842,800
FINANCE SECTOR — 24.3%		
	Investment Banks/Brokers — 4.0%	
1,585,000	The Charles Schwab Corp.	133,298,500
	Major Banks — 3.6%	
760,000	JPMorgan Chase & Co.	120,346,000
	Multi-Line Insurance — 8.9%	
1,510,000	Arch Capital Group Ltd.*	67,119,500
770,000	Berkshire Hathaway Inc. — Cl B*	230,230,000
		297,349,500
	Property/Casualty Insurance — 4.8%	
345,000	Chubb Ltd.	66,691,950
915,000	Progressive Corp.	93,924,750
		160,616,700
	Regional Banks — 3.0%	
825,000	Northern Trust Corp.	98,678,250
HEALTH SERVICES SECTOR — 10.6%		
	Health Industry Services — 3.9%	
755,000	Quest Diagnostics Inc.	130,622,550
	Managed Health Care — 4.5%	
300,000	UnitedHealth Group Inc.	150,642,000
	Medical/Nursing Services — 2.2%	
2,290,000	Fresenius Medical Care AG & Co. KGaA	74,333,400

Shares		Value (b)
COMMON STOCKS — 98.6% (a) (Continued)		
HEALTH TECHNOLOGY SECTOR — 5.4%		
	Medical Specialties — 5.4%	
2,280,000	Koninklijke Philips N.V. — SP-ADR	$ 84,018,000
2,710,000	Smith & Nephew PLC — SP-ADR	93,820,200
		177,838,200
INDUSTRIAL SERVICES SECTOR — 1.6%		
	Oilfield Services/Equipment — 1.6%	
1,815,000	Schlumberger Ltd.	54,359,250
PROCESS INDUSTRIES SECTOR — 3.0%		
	Industrial Specialties — 3.0%	
575,000	PPG Industries Inc.	99,153,000
PRODUCER MANUFACTURING SECTOR — 14.6%		
	Building Products — 5.7%	
2,705,000	Masco Corp.	189,945,100
	Electrical Products — 3.4%	
390,000	Eaton Corp. PLC	67,399,800
475,000	Emerson Electric Co.	44,160,750
		111,560,550
	Industrial Machinery — 2.5%	
455,000	Dover Corp.	82,628,000
	Trucks/Construction/Farm Machinery — 3.0%	
1,135,000	PACCAR Inc.	100,175,100
RETAIL TRADE SECTOR — 10.5%		
	Apparel/Footwear Retail — 2.3%	
990,000	The TJX Companies Inc.	75,160,800
	Discount Stores — 8.2%	
680,000	Dollar General Corp.	160,364,400
795,000	Dollar Tree Inc.*	111,713,400
		272,077,800
TECHNOLOGY SERVICES SECTOR — 5.7%		
	Internet Software/Services — 5.7%	
35,000	Alphabet Inc. — Cl A*	101,396,400
260,000	Meta Platforms Inc. — Cl A (formerly Facebook Inc.)*	87,451,000
		188,847,400
	Total common stocks	3,279,195,550

Principal Amount		Value (b)
SHORT-TERM INVESTMENTS — 1.3% (a)		
	Bank Deposit Account — 1.3%	
$43,368,197	U.S. Bank N.A., 0.006%^	$ 43,368,197
	Total short-term investments	43,368,197
	Total investments — 99.9%	3,322,563,747
	Other assets, less liabilities — **0.1% (a)**	3,391,136
	TOTAL NET ASSETS — 100.0%	$3,325,954,883
	Investor Class — Net Asset Value Per Share ($0.0001 par value, 300,000,000 shares authorized), offering and redemption price ($1,476,778,788 ÷ 75,151,633 shares outstanding)	$ 19.65
	Institutional Class — Net Asset Value Per Share ($0.0001 par value, 300,000,000 shares authorized), offering and redemption price ($1,849,176,095 ÷ 94,333,410 shares outstanding)	$ 19.60

* Non-income producing security.

^ The rate shown is as of December 31, 2021.

(a) Percentages for the various classifications relate to 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)

December 31, 2021

Dear Fellow Shareholders:

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The Fund has taken less risk than the market and still achieved strong absolute returns. It's easy to look back at a particular time frame and say one could have done better owning an index fund, for example, but the risk profile of the Russell 2000 has been at a very high level for some time. Valuations are at or near all-time highs. Consider this: real GDP over the past two years is up approximately 1.9% cumulatively, or less than 1% compounded, assuming the fourth quarter of 2021 comes in at The Conference Board's estimate of 6.5% – yet the Russell 2000 is up 37.7%, or 17.3% compounded, over this period! Investors have been lulled into a state of complacency, expecting far higher-than-average returns because that has been the experience in recent years. The returns are out-of-step with underlying earnings (normalized for the COVID rebound) and balance sheet quality. Equity buyers may not be fully appreciating the risks they have been taking. The absence of poor results ex-post doesn't change the ex-ante risk. A reckless driver can repeatedly run red lights without getting into an accident, but eventually, he is almost assured of wrecking. Until recently, the market has had little concern about valuations regressing to the mean (or worse), and balance sheet quality has been an afterthought. When the air comes out of the many overpriced stocks, we expect and are hopeful that the Fund's relative performance should continue to gain. That process may have already begun, as we outline further in the letter. The current portfolio is as solid as any we can recall, from a fundamental business standpoint, and the setup from a big picture angle also appears favorable. The team is optimistic.

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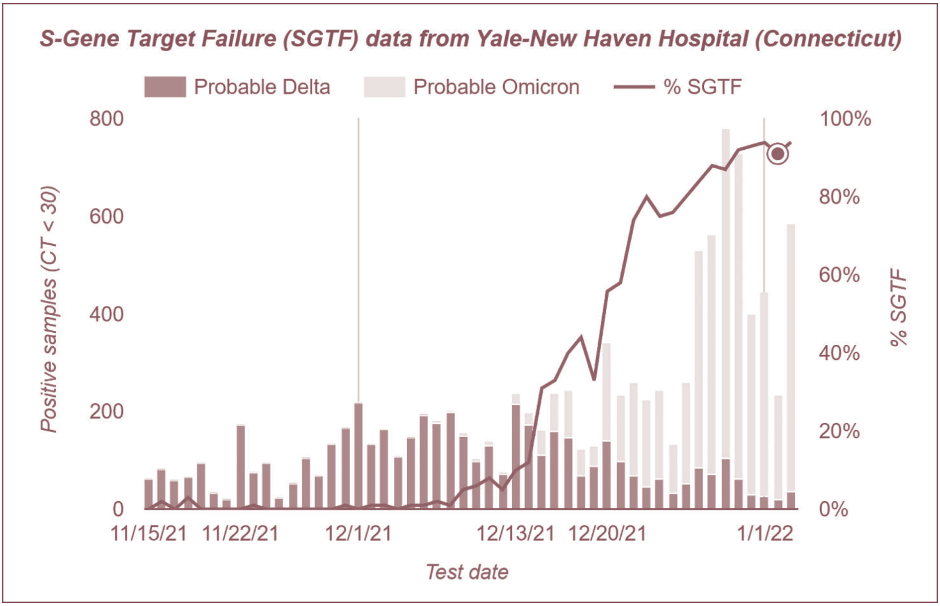

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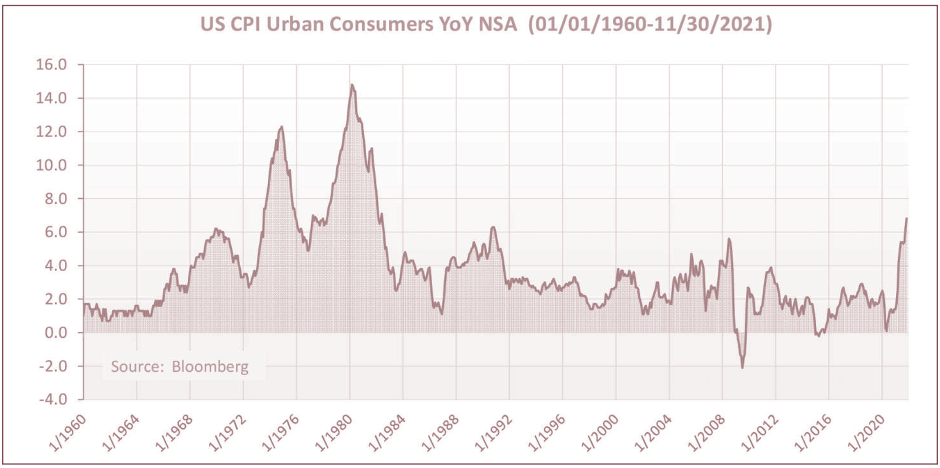
Inflation/Interest Rates



It is interesting how widespread the belief is that inflation (6.8% in November) will be temporary, and that we will quickly return to a sub-2% rate. One look at the bond market, with the 10-year yield at 1.51% (12/31/21), shows the credit markets are not concerned with inflation at all. The Fed only recently acknowledged that inflation is lasting longer than they expected. Still, Powell and company see the situation as merely transient. But as we indicated in our last letter, many forces are at work to keep inflation elevated. Higher wages and increased salary expectations are becoming the norm. Cost-of-living adjustments in labor contracts are making a comeback after 40 years. Greater regulatory costs are becoming a permanent feature of the landscape as the administrative state continues its inexorable growth. Higher transportation and

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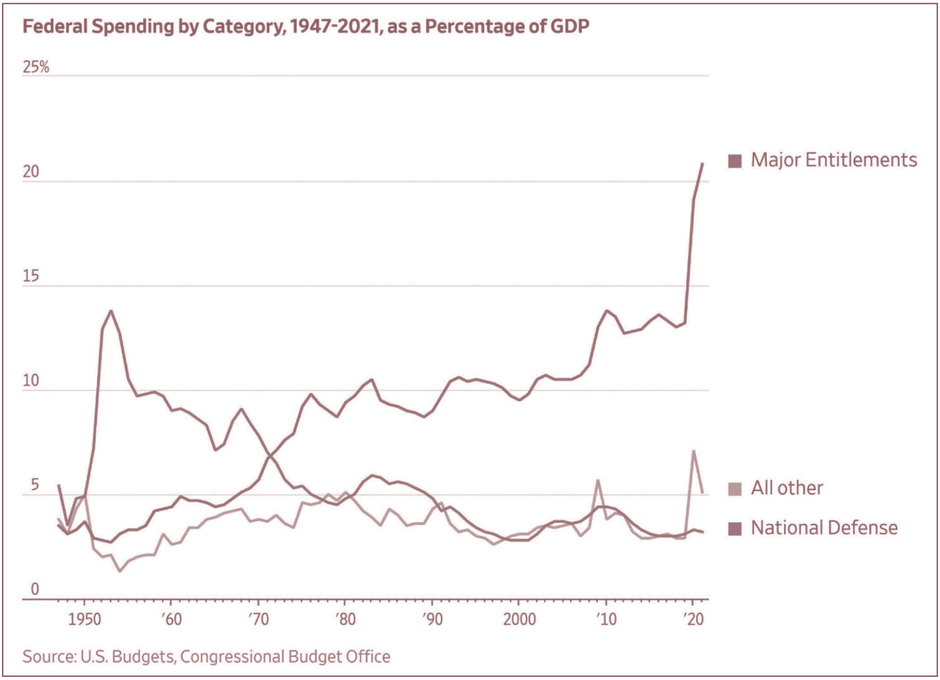
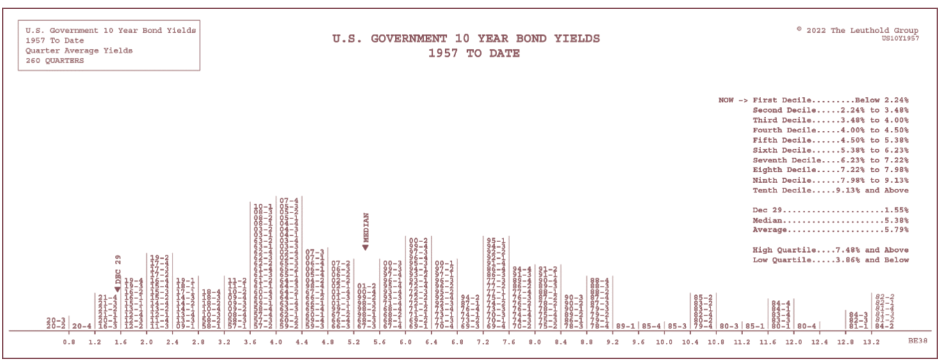
[3] Using the Conference Board's 6.5% estimate of real GDP in the fourth quarter of 2021.

reshoring expenses will play out over years. Expanded cradle-to-grave benefits are increasingly more difficult to block, even when funding them is virtually impossible (see the following chart). An inflation mindset appears to be taking hold.



We do not see how interest rates can remain low if inflation continues at an elevated level. Low rates are the lynchpin for the investment world. Valuations depend on exceptionally low discount rates. The whole complexion changes if we move back toward something that approaches historical norms. The median 10-year Treasury yield over the past 65 years, as the following chart shows, is over 5%, putting today's figure in the first decile. With inflation running well over 5% and short-term rates near zero, how long will financial markets stand for negative 5%-plus real yields? The last time we had today's kind of inflation the 10-year Treasury yield was over 10%!



The Fed's desire to avoid roiling the capital markets by returning to a normal interest rate policy has gone on for over a decade. Jim Grant, the publisher of *Grant's Interest Rate Observer*, recently reminded readers that Jerome Powell himself, when he was a Fed governor nine years ago, warned against quantitative easing (QE), moral hazard, and the so-called "Fed put," and remarked,

> *I think we are actually at a point of encouraging risk-taking, and that should give us pause. Investors really do understand now that we will be there to prevent serious losses […] Meanwhile, we look like we are blowing a fixed income duration bubble right across the credit spectrum that will result in big losses when rates come up down the road.*

In recent years Powell has been the cheerleader of such policies, while sound money voices, such as the economist and former Fed nominee, Judy Shelton, have been attacked by the media and some politicians as having "non-mainstream" beliefs. The fact that nothing visibly bad has happened after a decade or so means… what exactly? That it is a good idea to print money and encourage reckless behavior? That the Fed should be in cahoots with the fiscal authorities to accommodate unbridled deficit spending?

The truth is that something bad has already been happening due to easy Fed policies. As former Federal Reserve board member Kevin Warsh recently commented,

> *Extraordinarily aggressive monetary policy, namely quantitative easing, discourages investments in real assets like capital equipment relative to financial assets such as stocks. That's why nonresidential capital investment in the real economy […] is running 7% below the pre-pandemic trend and 25% below trend since the advent of QE.*[4]

The Fed can blow smoke about the environment and other things completely outside of its mandate, but it is fairly clear that their policies are largely driven by a subservience to Wall Street.

Time Horizon

One of the most interesting aspects of investing is the role of time horizon. When something predicted doesn't happen relatively quickly, people tend to reflexively view it as incorrect. Sometimes things simply take a lot longer to unfold than most expect. The market works on its own schedule… occasionally one that is far beyond most investors' time horizons, yet the risk inherent in an unsustainably low interest rate environment does not disappear even if "nothing bad" happens for years. A structurally unsound bridge can remain functional for years before, "out of nowhere," it collapses. When we observe highly questionable and speculative behavior being rewarded, we always have to remind ourselves of Warren Buffett's quip about the stock market being a voting machine in the short run, but a weighing machine in the long run. Patience, combined with fundamentally sound businesses, usually wins.

Market

As mentioned at the outset, stocks are very rich by historical standards. David Rosenberg, the highly esteemed strategist and economist, recently said, "Yes, we are in a huge – perhaps unprecedented – equity market bubble, and it keeps getting bigger and

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[4] Kevin Warsh. "The Fed Is the Main Inflation Culprit." *The Wall Street Journal*, December 12, 2021.

bigger." The market has been riding an epic wave of unprecedented conditions, including a rate structure perpetuated by a Fed that views every hiccup (housing crunch, stock market hit, coronavirus, etc.) as a justification for QE. They have virtually destroyed the meaning of cost-of-capital. Profligate and highly speculative behaviors have not been penalized much in recent years. Eventually, the Fed will likely have to deal with stubbornly high inflation and a loss of credibility. Governments will face the consequences of budgets that have no possible chance of ever being balanced. This may feed into stagflation. Ultimately these realities get reflected in the stock market. Confidence will wobble and speculative stocks will come under increasing pressure. This process may already be underway.

A number of popular "meme stocks" have recently taken a dive. From their highs last year, Workhorse Group Inc. is down 89.9%, GameStop Corp. is off 69.3%, and AMC Entertainment Holdings Inc. is down 62.5%. Many other high-multiple stocks (high multiple of sales… most do not have earnings) have been hammered: SmileDirectClub Inc. is down 85.4%; Zillow Group, Inc., 70.7%; Peloton Interactive, Inc., 79.1%; and DraftKings Inc., 63.1%. The table includes some others.

Notable Names Down From Their Highs

Company	Ending Price	52-Week High	% Off High
Koss Corporation	10.68	127.45	-91.6%
Workhorse Group Inc.	4.36	42.96	-89.9%
Lordstown Motors Corp. Class A	3.45	31.57	-89.1%
SmileDirectClub Inc Class A	2.35	16.08	-85.4%
Stitch Fix, Inc. Class A	18.92	113.76	-83.4%
Peloton Interactive, Inc. Class A	35.76	171.09	-79.1%
Express, Inc.	3.08	13.97	-78.0%
BARK Inc Class A	4.22	17.25	-75.5%
Chegg, Inc.	30.70	115.21	-73.4%
Zillow Group, Inc. Class A	62.22	212.40	-70.7%
Beyond Meat, Inc.	65.16	221.00	-70.5%
Teladoc Health, Inc.	91.82	308.00	-70.2%
GameStop Corp. Class A	148.39	483.00	-69.3%
Nikola Corporation	9.87	30.40	-67.5%
Groupon, Inc.	23.16	64.69	-64.2%
Penn National Gaming, Inc.	51.85	142.00	-63.5%
DraftKings Inc Class A	27.47	74.38	-63.1%
Plug Power Inc.	28.23	75.49	-62.6%
AMC Entertainment Holdings, Inc. Class A	27.20	72.62	-62.5%
Bumble, Inc. Class A	33.86	84.80	-60.1%
Pinterest, Inc. Class A	36.35	89.90	-59.6%
TripAdvisor, Inc.	27.26	64.95	-58.0%
Novavax, Inc.	143.07	331.68	-56.9%
Wix.com Ltd.	157.79	362.07	-56.4%
Squarespace, Inc. Class A	29.50	64.71	-54.4%

Source: FactSet. Data as of 12/31/21 using Vanguard Total Stock Market Index ETF.

People who invest on momentum face a dilemma: sell into weakness as the models dictate, or suddenly turn into a contrarian. History would suggest that the latter rarely happens. Speculative stocks will find a bottom after the momentum players are done selling, but that process seems barely underway. After raising a record amount of money in 2021, two thirds of 2021 IPOs are now below their offering price. While events don't transpire exactly the same in each cycle, a similar pattern occurred in 2000. The largest, most popular names fell only modestly in the first five months after the market peaked on March 9th of that year, even while the most speculative names were crushed. Then, in the fall, the bigger names toppled. The Nasdaq-100 Index dropped 82.4% from the peak on March 9th to the bottom on October 7th of 2002.

From September 1st of 2000 to the bottom the hit was <80%>, so most of the damage came well after the speculative bubble was first pricked. The situation is a bit more mixed today, with several of the largest companies continuing to grow nicely… and some of these are not trading at nosebleed multiples. Therefore, we don't see the market's comeuppance necessarily playing out completely along market cap lines, although that feature will dominate if true fear is pervasive. The Russell 2000 remains very expensive. If rates start moving toward normal historical levels, reflecting the issues we have already described, valuations are likely to decline. That should work in favor of the Fund. 2021 was a good rebound year for the Fund, gaining over 15 percentage points relative to the Russell 2000 benchmark. We are confident that the strategy will continue to be successful over the long run.

On December 17, 2021, the Fund's Board of Directors declared a distribution payable on December 17, 2021 to shareholders of record on December 16, 2021 as follows:

Class	Ticker	Income	Short-Term Capital Gain	Long-Term Capital Gain	Total Distribution
Investor Class	FMIMX	$0.10430932	$0.00000	$3.86103	$3.96533932
Institutional Class	FMIUX	$0.14624010	$0.00000	$3.86103	$4.00727010

Thank you for your investment in the FMI Common Stock Fund.

Shares		Value (b)
COMMON STOCKS — 98.3% (a)		
COMMERCIAL SERVICES SECTOR — 20.6%		
	Advertising/Marketing Services — 4.5%	
1,185,000	Interpublic Group of Cos. Inc.	$ 44,378,250
	Miscellaneous Commercial Services — 11.3%	
305,000	CDK Global Inc.	12,730,700
122,000	Concentrix Corp.	21,791,640
190,000	FTI Consulting Inc.*	29,149,800
895,000	Genpact Ltd.	47,506,600
		111,178,740
	Personnel Services — 4.8%	
143,000	ManpowerGroup Inc.	13,918,190
302,000	Robert Half International Inc.	33,679,040
		47,597,230
CONSUMER DURABLES SECTOR — 1.0%		
	Homebuilding — 1.0%	
65,000	LGI Homes Inc.*	10,041,200
CONSUMER NON-DURABLES SECTOR — 2.3%		
	Apparel/Footwear — 2.3%	
520,000	Skechers U.S.A. Inc. — Cl A*	22,568,000
DISTRIBUTION SERVICES SECTOR — 13.3%		
	Electronics Distributors — 3.7%	
271,000	Arrow Electronics Inc.*	36,387,170
	Medical Distributors — 5.0%	
448,000	Henry Schein Inc.*	34,733,440
367,000	Herbalife Nutrition Ltd.*	15,021,310
		49,754,750
	Wholesale Distributors — 4.6%	
218,000	Applied Industrial Technologies Inc.	22,388,600
395,000	Beacon Roofing Supply Inc.*	22,653,250
		45,041,850
ELECTRONIC TECHNOLOGY SECTOR — 7.7%		
	Aerospace & Defense — 1.2%	
63,000	Huntington Ingalls Industries Inc.	11,764,620
	Electronic Components — 6.5%	
840,000	nVent Electric PLC	31,920,000
335,000	Plexus Corp.*	32,123,150
		64,043,150
FINANCE SECTOR — 19.9%		
	Finance/Rental/Leasing — 3.8%	
477,000	FirstCash Holdings Inc.	35,684,370
32,123	Triton International Ltd.	1,934,768
		37,619,138

Shares		Value (b)
COMMON STOCKS — 98.3% (a) (Continued)		
FINANCE SECTOR — 19.9% (Continued)		
	Investment Banks/Brokers — 3.8%	
360,000	Houlihan Lokey Inc. — Cl A	$ 37,267,200
	Life/Health Insurance — 2.5%	
158,000	Primerica Inc.	24,216,660
	Multi-Line Insurance — 1.1%	
11,000	White Mountains Insurance Group Ltd.	11,152,900
	Real Estate Development — 4.8%	
215,000	The Howard Hughes Corp.*	21,882,700
1,070,000	Kennedy-Wilson Holdings Inc.	25,551,600
		47,434,300
	Regional Banks — 3.9%	
602,000	Zions Bancorporation N.A.	38,022,320
HEALTH TECHNOLOGY SECTOR — 3.0%		
	Medical Specialties — 1.9%	
330,000	Dentsply Sirona Inc.	18,410,700
	Pharmaceuticals: Major — 1.1%	
555,000	Phibro Animal Health Corp.	11,333,100
PROCESS INDUSTRIES SECTOR — 2.0%		
	Industrial Specialties — 2.0%	
332,000	Donaldson Co. Inc.	19,674,320
PRODUCER MANUFACTURING SECTOR — 20.9%		
	Building Products — 3.1%	
143,000	A.O. Smith Corp.	12,276,550
130,000	Simpson Manufacturing Co. Inc.	18,079,100
		30,355,650
	Industrial Machinery — 4.1%	
505,000	Flowserve Corp.	15,453,000
615,000	Gates Industrial Corp. PLC*	9,784,650
135,000	Woodward Inc.	14,777,100
		40,014,750
	Miscellaneous Manufacturing — 12.1%	
170,000	Brady Corp. — Cl A	9,163,000
206,000	Carlisle Cos. Inc.	51,112,720
138,000	LCI Industries	21,510,060
1,000,000	TriMas Corp.	37,000,000
		118,785,780
	Trucks/Construction/Farm Machinery — 1.6%	
525,000	Trinity Industries Inc.	15,855,000
RETAIL TRADE SECTOR — 1.8%		
	Specialty Stores — 1.8%	
271,000	BJ's Wholesale Club Holdings Inc.*	18,148,870

Shares		Value (b)
COMMON STOCKS — 98.3% (a) (Continued)		
TECHNOLOGY SERVICES SECTOR — 5.8%		
	Information Technology Services — 5.8%	
321,000	Insight Enterprises Inc.*	$ 34,218,600
475,000	KBR Inc.	22,619,500
		56,838,100
	Total common stocks	967,883,748
Principal Amount		
SHORT-TERM INVESTMENTS — 1.8% (a)		
	Bank Deposit Account — 1.8%	
$17,442,486	U.S. Bank N.A., 0.006%^	17,442,486
	Total short-term investments	17,442,486
	Total investments — 100.1%	985,326,234
	Other liabilities, less assets — **(0.1%) (a)**	(883,703)
	TOTAL NET ASSETS — 100.0%	$984,442,531
	Investor Class — Net Asset Value Per Share ($0.0001 par value, 300,000,000 shares authorized), offering and redemption price ($442,640,295 ÷ 13,890,831 shares outstanding)	$ 31.87
	Institutional Class — Net Asset Value Per Share ($0.0001 par value, 300,000,000 shares authorized), offering and redemption price ($541,802,236 ÷ 16,985,391 shares outstanding)	$ 31.90

* Non-income producing security.
^ The rate shown is as of December 31, 2021.
(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)

December 31, 2021

Dear Fellow Shareholders:

The FMI International portfolios gained 4.23% (currency hedged) and 3.74% (currency unhedged) in the December quarter,[1] compared with an MSCI EAFE Index gain of 3.91% in local currency (LOC) and 2.69% in U.S. Dollars (USD). The MSCI EAFE Value Index rose 2.35% in LOC and 1.17% in USD, trailing the MSCI EAFE Growth Indices by around 3%. The FMI International portfolio's top performing sectors were Distribution Services, Finance, and Consumer Durables, while Consumer Non-Durables, Producer Manufacturing, and Health Technology each underperformed. Ferguson PLC, Sony Group Corp., and Smiths Group PLC were among the strongest individual contributors, as Koninklijke Philips N.V., Millicom International Cellular S.A., and Nabtesco Corp. each failed to keep pace. A strong USD was a tailwind for the FMI International currency hedged performance.

For the full calendar year, the FMI International portfolios advanced 13.83% (currency hedged) and 9.22% (currency unhedged),[2] compared to the MSCI EAFE Index gain of 18.70% in LOC and 11.26% in USD. The MSCI EAFE Value Index added 17.99% in LOC and 10.89% in USD, coming up just short of the MSCI EAFE Growth Indices. The FMI International currency hedged performance was boosted by a strong USD, but to a lesser degree than the LOC benchmarks. Several idiosyncratic developments weighed on our relative performance, but we believe these setbacks are temporary in nature, creating an opportunity to drive future returns (more on this later). We continue to be as confident as ever in the portfolio.

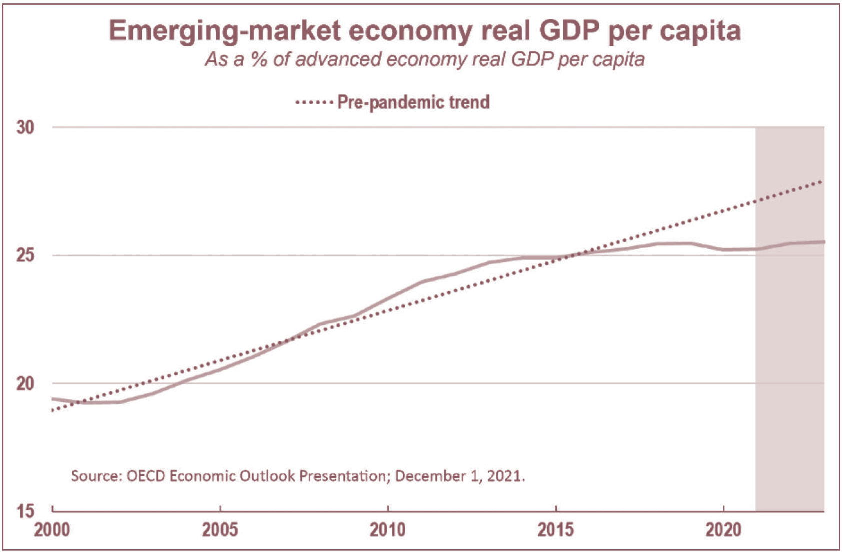
State of the Dis-Union

World growth continues to rebound from the pandemic, but is expected to slow to pre-crisis levels as the new year progresses. In 2022, growth rates in developed regions such as the U.S., Europe, and Japan are projected to be well ahead of 2019 levels, coming off a strong recovery in 2021. The catch-up for emerging markets, however, has been more muted (see the chart on the following page), with meaningfully lower vaccination rates and stimulus levels. This has negatively impacted our holdings with outsized

[1] The FMI International Fund [currency hedged] Investor Class (FMIJX) and the FMI International Fund [currency hedged] Institutional Class (FMIYX) had a return of 4.23% and 4.25%, respectively, for the fourth quarter of 2021. The FMI International Fund [unhedged] Institutional Class (FMIFX) had a return of 3.74% for the fourth quarter of 2021.

[2] The FMI International Fund [currency hedged] Investor Class (FMIJX) and the FMI International Fund [currency hedged] Institutional Class (FMIYX) had a return of 13.83% and 13.95%, respectively, for the full calendar year 2021. The FMI International Fund [unhedged] Institutional Class (FMIFX) had a return of 9.22% for the full calendar year 2021.

emerging market exposure (such as Unilever PLC and Jardine Matheson Holdings Ltd.), despite attractive long-term prospects. Notably, China's growth has stalled, and is expected to decelerate in 2022 (5.1% growth, from 8.1% in 2021), as it is facing a property slowdown, energy shortages, and lingering weakness in consumer activity.[3]



The Omicron COVID-19 variant has taken the world by storm, proving to be highly contagious. However, evidence thus far suggests that the variant is less severe than previous strains, which is a significant and encouraging development. A combination of vaccination and mass low-grade infection should help combat the virus. The near-term impact on the economy remains uncertain as several countries once again imposed significant restrictions. Among others, the Netherlands and Austria reinstated strict nationwide lockdowns, Japan and several European countries tightened travel restrictions, Ireland introduced a curfew for pubs and restaurants, and China continued with its "zero-COVID" policies. It is likely that restrictions will loosen as people learn to live *with* the virus, not run from it. We are starting to see reduced isolation and quarantine recommendations, which is promising. In the meantime, growth will continue to be impacted to varying degrees.

Up, Up, and Away

Per our discussion in the September letter, inflation is not just a U.S. problem. Inflation accelerated in the fourth quarter across the globe (see charts on the following page),[4] from food, energy, and shelter, to transportation, wages, and commodities. The Consumer Price Index reached a 10-year high in the United Kingdom (at 5.1%),[5] a

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3 OECD Economic Outlook Presentation. December 1, 2021.

4 https://www.bloomberg.com/opinion/articles/2021-12-20/what-eight-charts-are-telling-us-about-markets-in-2022?sref=vqHOAy1P.

5 Elliot Smith. "UK inflation hits 10-year high ahead of key Bank of England meeting." *CNBC*, December 15, 2021.

29-year peak in Germany (6.0%),[6] and a 25-year high in the Eurozone (4.9%).[7] In China, the Producer Price Index reached a 26-year pinnacle (12.9%),[8] pushing up prices for countries that import Chinese goods. Interestingly, the majority (55%) of fund managers *still* think inflation is transitory, according to a recent Bank of America investor survey.[9] We remain in the minority, as relentless money printing (for over a decade) and an astounding $32 trillion in global monetary and fiscal stimulus since 2020[10] won't just disappear without a trace.

Inflation has surged past the 2% rate many central banks target

Sources: National statistics offices via Bloomberg

Encouragingly, the Bank of England started raising interest rates (the first rate increase among major economies), while the European Central Bank (ECB) and Federal Reserve (Fed) have begun tapering their asset purchases (with the Fed expected to raise rates in 2022). Baby steps, we admit, but additional rate hikes could be on the horizon, should inflation continue to run rampant. As previously described, higher rates would be music to value investors' ears (and FMI portfolios), given that growth stocks have been the primary beneficiaries of ultra-low interest rates.

[6] Jana Randow. "German Inflation Surges to 6% as ECB Insists Spike Will Pass." *Bloomberg*, November 29, 2021.

[7] Silvia Amaro. "Euro zone inflation rate hits a record 4.9% for November." *CNBC*, November 30, 2021.

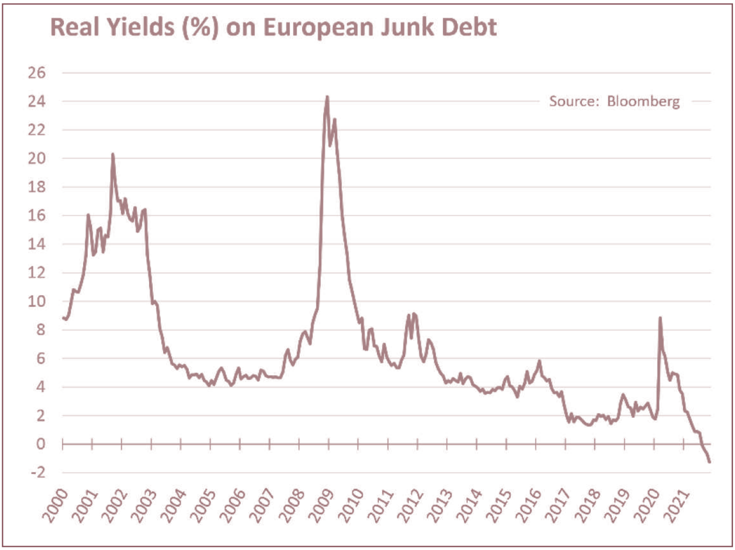
[8] "China Factory Inflation Slows in November From 26-Year High." *Bloomberg News*, December 8, 2021.

[9] Michael Hartnett, David Jones, Shirley Wu, and Myung-Jee Jung. "Global Fund Manager Survey: FOMCash." *BofA Global Research*, December 14, 2021.

[10] Michael Hartnett, David Jones, Shirley Wu, and Myung-Jee Jung. "The Flow Show: Every Little Thing Xi Does Is Magic." *BofA Global Research*, December 10, 2021.

Market Froth

Stock valuations are elevated in an absolute sense, with accommodative policies continuing to encourage speculation. Thanks to unprecedented Central Bank intervention, the natural pricing functions of financial markets are distorted. Returns in the bond market are virtually non-existent. If over $11 trillion in negative-yielding bonds globally weren't concerning enough, now European *junk bonds* collectively have a *negative real yield* (nominal yield minus inflation) for the first time in history.[11] Given the inherent risks in junk bond investing, market participants have historically received around a 6.6% real yield (average since 2000) on these holdings, as illustrated below. Today, the real yield is roughly -1.3%.[12] Despite going down the risk spectrum, junk bondholders are not being adequately compensated. Investors are rightly turning to equities, which have the best shot at earning attractive real returns, but this puts upward pressure on stock valuations as well.



A November study by McKinsey Global Institute (MGI) observed an unusual disconnect between asset growth and the economy in recent years:

> *Though the growth in wealth usually tracks GDP growth, since the beginning of this century wealth has soared while GDP growth has been tepid. At a global level, wealth is now up by nearly 50% from the pre-2000 average relative to GDP. Asset prices rising faster than general inflation drove much of this increase, while net new investment contributed only 28% to wealth growth. Declining interest rates combined with inelastic land markets in real estate underpinned asset price growth.*[13]

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[11] Tatiana Darie. "Run-it-Hot Eurozone Economy Robs Junk Bond Market of Real Yield." *Bloomberg*, September 6, 2021.

[12] Source: *Bloomberg*.

[13] Jonathan Woetzel, Anu Madgavkar, and Jan Mischke. "Global Wealth Has Exploded. Are We Using It Wisely?" *McKinsey Global Institute*, November 26, 2021.

If the historical relationship between wealth and GDP returns, lower asset prices could follow.

Similarly, balance sheet leverage has increased significantly, creating additional risk. Per MGI, "Financial claims and obligations also grew much faster than GDP. Our balance-sheet view highlights that for every $1 in net new investment, we have created nearly $2 in debt. In other words, half of all new debt is backed by asset value increases or not backed by assets at all, rather than financing new capital stocks."[14] Brookings Institution estimates that private debt globally "jumped by 15 percentage points of GDP to 165 percent of GDP in 2020, its highest level since records started in 1970," while "global government debt registered its fastest single-year jump to roughly 100 percent of GDP, its highest level in half a century."[15]

Despite frothy financial markets, we believe the FMI International portfolios are well-positioned. In addition to owning strong, differentiated businesses, our companies are well-run, have robust balance sheets, and trade at discount valuations. From a relative standpoint, FMI is fishing in one of the most attractive ponds! With international stocks lagging U.S. stocks, and value underperforming growth in sizable measure over the last decade, the setup on a valuation front is compelling. The portfolio remains at a significant discount to the MSCI EAFE Index, partially driven by the risk reward opportunity and our overweight in the U.K.

A Flicker at the End of the Tunnel

We have spoken at length about the exceptional divergence between growth and value stocks in recent years. Needless to say, we have been swimming upstream given our firm's value orientation. After a brief reprieve in late 2020 (fourth quarter) and early 2021 (first quarter), there has been yet another rotation back into growth stocks following the emergence of the COVID-19 Delta and Omicron variants. The MSCI EAFE Growth Index has beaten the MSCI EAFE Value Index by over 10% since mid-May, and 43% cumulatively over the past three years. Seemingly, the lower the quality and more speculative the equity, the greater the reward…this is not our kind of party.

There is a flicker of light at the end of the tunnel, however, with the FMI Common Stock Fund (U.S. small-mid-cap portfolio) as the potential beacon. Unlike in the large-cap arena (both International and U.S.), small-cap domestic investors became more discerning in 2021, bringing the high-flying growth stocks back down to earth. For the full year, the Russell 2000 Value Index outperformed the Russell 2000 Growth Index by *over 25%*, with the FMI Common Stock Fund picking up 15% versus the core Russell 2000 benchmark, illustrating just how quickly performance can flip. We strongly believe it is just a matter of time before the FMI International and FMI Large Cap portfolios follow suit.

[14] Ibid.

[15] M. Ayhan Kose, Peter Nagle, Franziska Ohnsorge, and Naotaka Sugawara. "Debt tsunami of the pandemic." *Brookings Institution*, December 17, 2021.

Today's Losers… Tomorrow's Winners

Last quarter we highlighted three stocks (Fresenius Medical Care AG & Co. KGaA, Smith & Nephew PLC, and Safran S.A.) facing acute COVID pressures, but where the long-term investment case remains compelling. Below, we describe two additional holdings that underperformed in 2021, but that we believe have bright futures. We added to both of these holdings over the course of the year.

Koninklijke Philips N.V. (PHIA NA) is a top-10 global MedTech company with a strong position in diagnostic imaging, patient monitoring, respiratory care, and personal health. In normal times, the business should be able to grow the top line in the mid-single-digits, with potential to drive several hundred basis points of margin improvement. However, a €500 million sleep device product recall (to be completed by Fall 2022) has weighed heavily on the stock. In limited circumstances, including when unapproved ozone cleaning is used, a sound abatement foam component may degrade. This foam is being extensively tested for potential harmful effects (including carcinogens). Relatedly, Philips Respironics' facility in Pennsylvania has received a Form 483 letter from the FDA with several "observations" that need to be addressed. We believe the €13 billion hit (-30%+) to the market cap far exceeds virtually all worst-case fundamental scenarios. Sleep system hardware accounts for only ~7% of the company's sales. Prior to the recall, the stock had been trading at a sizeable discount to MedTech peers, despite having a good chance of growing earnings faster than the sector. The gap has widened dramatically, creating an attractive setup for those who are willing to see through this bump in the road.

Samsung Electronics Co. Ltd. Preferred (005935 KS) is the world's dominant semiconductor memory producer (#1 is DRAM & NAND), the #2 semiconductor foundry, the leader in display technologies, and a leader in consumer electronics (mobile devices, televisions, appliances, 5G equipment, medical devices, and more). The memory industry's competitive structure is favorable, and secular demand growth ("content per box") is strong. Memory markets have seen structural improvement through consolidation, broadening bespoke demand, increasing scale advantages, and rising barriers to entry. Samsung has the leading cost and technology position. Cyclical concerns, including the near-term trajectory of DRAM pricing, led to weakness in the stock following a strong 2020. However, we believe these concerns will prove short-lived as the industry gradually becomes less cyclical (higher highs and higher lows) and the long-term secular prospects for the company remain robust. As of 9/30/21 they had over $84 billion of net cash on the balance sheet (20% of the market cap), and a throwaway valuation of around 11 times next twelve months earnings and 5 times EV/EBITDA. Samsung Electronics continues to be one of the highest conviction ideas across our portfolios.

We want to remind our shareholders that investors can be fixated on benchmark returns, in both good and bad times. What is equally, if not more important, however, is *how much risk* is taken to generate those returns. Given FMI's focus on business quality, balance sheet, valuation and downside protection, we believe we are taking significantly less risk than the average manager, and the market as a whole. We strive to generate attractive *risk-adjusted* returns. Even though our shareholders may not have needed the downside protection ex-post, it still makes sense to operate with prudence ex-ante. Investors never know in advance when they might run into more difficult times.

On December 17, 2021, the Fund's Board of Directors declared a distribution payable on December 17, 2021 to shareholders of record on December 16, 2021 as follows:

Class	Ticker	Income	Short-Term Capital Gain	Long-Term Capital Gain	Total Distribution
Investor Class	FMIJX	$1.23232474	$0.00000	$0.00000	$1.23232474
Institutional Class	FMIYX	$1.27118680	$0.00000	$0.00000	$1.27118680

Class	Ticker	Income	Short-Term Capital Gain	Long-Term Capital Gain	Total Distribution
Institutional Class	FMIFX	$0.65868695	$0.06603	$0.22507	$0.94978695

Thank you for your continued support of the FMI International Funds.

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

Shares		Value (b)
LONG-TERM INVESTMENTS — 97.6% (a)		
COMMON STOCKS — 89.3% (a)		
COMMERCIAL SERVICES SECTOR — 6.3%		
	Advertising/Marketing Services — 2.4%	
5,650,000	WPP PLC (Jersey)	$ 86,036,446
	Miscellaneous Commercial Services — 3.9%	
1,210,000	DKSH Holding AG (Switzerland)	99,734,578
560,000	Secom Co. Ltd. (Japan)	38,912,302
		138,646,880
COMMUNICATIONS SECTOR — 1.2%		
	Wireless Telecommunications — 1.2%	
1,560,000	Millicom International Cellular S.A. (Luxembourg)*	44,382,000
CONSUMER DURABLES SECTOR — 7.2%		
	Electronics/Appliances — 5.8%	
1,640,000	Sony Group Corp. (Japan)	207,096,349
	Home Furnishings — 1.4%	
4,250,000	Howden Joinery Group PLC (Britain)	52,057,369
CONSUMER NON-DURABLES SECTOR — 5.9%		
	Household/Personal Care — 5.9%	
1,175,000	Henkel AG & Co. KGaA (Germany)	91,592,527
2,225,000	Unilever PLC (Britain)	119,363,086
		210,955,613
CONSUMER SERVICES SECTOR — 7.4%		
	Media Conglomerates — 0.9%	
2,515,000	Vivendi (France)	34,020,146
	Movies/Entertainment — 3.0%	
18,950,000	Bolloré (France)	105,998,125
	Other Consumer Services — 3.5%	
52,000	Booking Holdings Inc. (United States)*	124,759,960
DISTRIBUTION SERVICES SECTOR — 9.1%		
	Wholesale Distributors — 9.1%	
1,330,000	Ferguson PLC (Jersey)	236,242,958
4,350,000	Rexel S.A. (France)	88,098,140
		324,341,098
ELECTRONIC TECHNOLOGY SECTOR — 4.9%		
	Aerospace & Defense — 3.2%	
930,000	Safran S.A. (France)	113,853,522
	Electronic Equipment/Instruments — 1.7%	
3,340,000	Yokogawa Electric Corp. (Japan)	60,285,081

Shares		Value (b)
LONG-TERM INVESTMENTS — 97.6% (a) (Continued)		
COMMON STOCKS — 89.3% (a) (Continued)		
FINANCE SECTOR — 8.9%		
	Major Banks — 5.0%	
4,173,500	DBS Group Holdings Ltd. (Singapore)	$ 101,077,840
122,700,000	Lloyds Banking Group PLC (Britain)	79,680,264
		180,758,104
	Multi-Line Insurance — 1.6%	
1,260,000	Arch Capital Group Ltd. (Bermuda)*	56,007,000
	Property/Casualty Insurance — 2.3%	
420,000	Chubb Ltd. (Switzerland)	81,190,200
HEALTH SERVICES SECTOR — 2.4%		
	Medical/Nursing Services — 2.4%	
1,300,000	Fresenius Medical Care AG & Co. KGaA (Germany)	84,276,559
HEALTH TECHNOLOGY SECTOR — 8.2%		
	Medical Specialties — 5.5%	
2,325,000	Koninklijke Philips N.V. (Netherlands)	86,051,907
6,425,000	Smith & Nephew PLC (Britain)	112,131,252
		198,183,159
	Pharmaceuticals: Major — 2.7%	
230,000	Roche Holding AG (Switzerland)	95,418,088
INDUSTRIAL SERVICES SECTOR — 2.0%		
	Oilfield Services/Equipment — 2.0%	
2,345,000	Schlumberger Ltd. (Curacao)	70,232,750
PROCESS INDUSTRIES SECTOR — 3.4%		
	Chemicals: Specialty — 1.7%	
1,200,000	NOF Corp. (Japan)	60,677,474
	Industrial Specialties — 1.7%	
540,000	Akzo Nobel N.V. (Netherlands)	59,326,987
PRODUCER MANUFACTURING SECTOR — 10.5%		
	Building Products — 1.8%	
5,950,000	Sanwa Holdings Corp. (Japan)	63,533,978
	Industrial Conglomerates — 5.1%	
1,015,000	Jardine Matheson Holdings Ltd. (Bermuda)	55,812,430
5,850,000	Smiths Group PLC (Britain)	125,220,604
		181,033,034
	Industrial Machinery — 1.5%	
1,870,000	Nabtesco Corp. (Japan)	55,408,151
	Trucks/Construction/Farm Machinery — 2.1%	
3,930,000	CNH Industrial N.V. (Netherlands)	75,983,318

Shares		Value (b)
LONG-TERM INVESTMENTS — 97.6% (a) (Continued)		
COMMON STOCKS — 89.3% (a) (Continued)		
RETAIL TRADE SECTOR — 10.1%		
	Discount Stores — 5.7%	
23,590,000	B&M European Value Retail S.A. (Luxembourg)	$ 203,194,004
	Food Retail — 1.5%	
1,176,000	Greggs PLC (Britain)	53,231,767
	Specialty Stores — 2.9%	
16,150,000	CK Hutchison Holdings Ltd. (Cayman Islands)	103,980,577
TECHNOLOGY SERVICES SECTOR — 1.8%		
	Packaged Software — 1.8%	
450,000	SAP SE (Germany)	63,332,704
	Total common stocks	3,188,200,443
PREFERRED STOCKS — 8.3% (a)		
CONSUMER NON-DURABLES SECTOR — 3.0%		
	Household/Personal Care — 3.0%	
825,000	Amorepacific Corp. (South Korea)	50,776,522
105,000	LG Household & Health Care Ltd. (South Korea)	54,370,446
		105,146,968
ELECTRONIC TECHNOLOGY SECTOR — 5.3%		
	Telecommunications Equipment — 5.3%	
3,180,000	Samsung Electronics Co. Ltd. (South Korea)	190,118,434
	Total preferred stocks	295,265,402
	Total long-term investments	3,483,465,845

Principal Amount		Value (b)
SHORT-TERM INVESTMENTS — 0.6% (a)		
	Bank Deposit Account — 0.6%	
$19,224,848	U.S. Bank N.A., 0.006%^	$ 19,224,848
	Total short-term investments	19,224,848
	Total investments — 98.2%	3,502,690,693
	Other assets, less liabilities — **1.8% (a)**	65,337,343
	TOTAL NET ASSETS — 100.0%	$3,568,028,036
	Investor Class — Net Asset Value Per Share ($0.0001 par value, 300,000,000 shares authorized), offering and redemption price ($1,075,854,578 ÷ 30,241,763 shares outstanding)	$ 35.58
	Institutional Class — Net Asset Value Per Share ($0.0001 par value, 300,000,000 shares authorized), offering and redemption price ($2,492,173,458 ÷ 69,897,783 shares outstanding)	$ 35.65

* Non-income producing security.
^ The rate shown is as of December 31, 2021.
(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

December 31, 2021 (Unaudited)

Settlement Date	Counterparty	Currency to be Delivered	U.S. $ Value on December 31, 2021 of Currency to be Delivered	Currency to be Received	U.S. $ Value on December 31, 2021 of Currency to be Received	Unrealized Appreciation (Depreciation)
2/18/22	State Street Bank and Trust Co.	625,000,000 British Pound	$ 845,807,681	862,603,125 U.S. Dollar	$ 862,603,125	$16,795,444
2/18/22	The Bank of New York Mellon	610,000,000 Euro	695,163,429	712,565,400 U.S. Dollar	712,565,400	17,401,971
2/18/22	The Bank of New York Mellon	775,000,000 Hong Kong Dollar	99,398,951	99,694,485 U.S. Dollar	99,694,485	295,534
2/18/22	The Bank of New York Mellon	48,500,000,000 Japanese Yen	421,787,428	424,699,099 U.S. Dollar	424,699,099	2,911,671
2/18/22	JPMorgan Chase Bank, N.A.	115,000,000 Singapore Dollar	85,311,744	85,570,570 U.S. Dollar	85,570,570	258,826
2/18/22	State Street Bank and Trust Co.	295,000,000,000 South Korea Won	247,896,729	250,175,971 U.S. Dollar	250,175,971	2,279,242
2/18/22	JPMorgan Chase Bank, N.A.	140,000,000 Swiss Franc	153,835,298	152,645,621 U.S. Dollar	152,645,621	(1,189,677)
			$2,549,201,260		$2,587,954,271	$38,753,011

Shares		Value (b)
LONG-TERM INVESTMENTS — 98.2% (a)		
COMMON STOCKS — 89.7% (a)		
COMMERCIAL SERVICES SECTOR — 6.3%		
	Advertising/Marketing Services — 2.4%	
126,400	WPP PLC (Jersey)	$ 1,924,780
	Miscellaneous Commercial Services — 3.9%	
26,450	DKSH Holding AG (Switzerland)	2,180,148
12,200	Secom Co. Ltd. (Japan)	847,732
		3,027,880
COMMUNICATIONS SECTOR — 1.2%		
	Wireless Telecommunications — 1.2%	
34,300	Millicom International Cellular S.A. (Luxembourg)*	975,835
CONSUMER DURABLES SECTOR — 7.4%		
	Electronics/Appliances — 5.9%	
37,000	Sony Group Corp. (Japan)	4,672,296
	Home Furnishings — 1.5%	
93,400	Howden Joinery Group PLC (Britain)	1,144,037
CONSUMER NON-DURABLES SECTOR — 5.9%		
	Household/Personal Care — 5.9%	
25,650	Henkel AG & Co. KGaA (Germany)	1,999,445
49,000	Unilever PLC (Britain)	2,628,670
		4,628,115
CONSUMER SERVICES SECTOR — 7.4%		
	Media Conglomerates — 0.9%	
55,000	Vivendi (France)	743,979
	Movies/Entertainment — 3.0%	
418,000	Bolloré (France)	2,338,112
	Other Consumer Services — 3.5%	
1,150	Booking Holdings Inc. (United States)*	2,759,115
DISTRIBUTION SERVICES SECTOR — 9.1%		
	Wholesale Distributors — 9.1%	
29,500	Ferguson PLC (Jersey)	5,239,975
96,000	Rexel S.A. (France)	1,944,235
		7,184,210
ELECTRONIC TECHNOLOGY SECTOR — 4.8%		
	Aerospace & Defense — 3.2%	
20,400	Safran S.A. (France)	2,497,432
	Electronic Equipment/Instruments — 1.6%	
71,900	Yokogawa Electric Corp. (Japan)	1,297,754

Shares		Value (b)
LONG-TERM INVESTMENTS — 98.2% (a) (Continued)		
COMMON STOCKS — 89.7% (a) (Continued)		
FINANCE SECTOR — 8.9%		
	Major Banks — 5.0%	
88,470	DBS Group Holdings Ltd. (Singapore)	$ 2,142,652
2,736,100	Lloyds Banking Group PLC (Britain)	1,776,799
		3,919,451
	Multi-Line Insurance — 1.6%	
28,000	Arch Capital Group Ltd. (Bermuda)*	1,244,600
	Property/Casualty Insurance — 2.3%	
9,350	Chubb Ltd. (Switzerland)	1,807,449
HEALTH SERVICES SECTOR — 2.4%		
	Medical/Nursing Services — 2.4%	
29,100	Fresenius Medical Care AG & Co. KGaA (Germany)	1,886,498
HEALTH TECHNOLOGY SECTOR — 8.4%		
	Medical Specialties — 5.7%	
54,000	Koninklijke Philips N.V. (Netherlands)	1,998,625
142,000	Smith & Nephew PLC (Britain)	2,478,232
		4,476,857
	Pharmaceuticals: Major — 2.7%	
5,100	Roche Holding AG (Switzerland)	2,115,792
INDUSTRIAL SERVICES SECTOR — 2.0%		
	Oilfield Services/Equipment — 2.0%	
51,300	Schlumberger Ltd. (Curacao)	1,536,435
PROCESS INDUSTRIES SECTOR — 3.3%		
	Chemicals: Specialty — 1.7%	
27,000	NOF Corp. (Japan)	1,365,243
	Industrial Specialties — 1.6%	
11,700	Akzo Nobel N.V. (Netherlands)	1,285,418
PRODUCER MANUFACTURING SECTOR — 10.7%		
	Building Products — 1.8%	
132,000	Sanwa Holdings Corp. (Japan)	1,409,493
	Industrial Conglomerates — 5.2%	
22,900	Jardine Matheson Holdings Ltd. (Bermuda)	1,259,216
130,300	Smiths Group PLC (Britain)	2,789,102
		4,048,318
	Industrial Machinery — 1.6%	
41,500	Nabtesco Corp. (Japan)	1,229,646
	Trucks/Construction/Farm Machinery — 2.1%	
85,300	CNH Industrial N.V. (Netherlands)	1,649,205

Shares		Value (b)
LONG-TERM INVESTMENTS — 98.2% (a) (Continued)		
COMMON STOCKS — 89.7% (a) (Continued)		
RETAIL TRADE SECTOR — 10.1%		
	Discount Stores — 5.7%	
520,000	B&M European Value Retail S.A. (Luxembourg)	$ 4,479,054
	Food Retail — 1.5%	
25,400	Greggs PLC (Britain)	1,149,734
	Specialty Stores — 2.9%	
352,100	CK Hutchison Holdings Ltd. (Cayman Islands)	2,266,970
TECHNOLOGY SERVICES SECTOR — 1.8%		
	Packaged Software — 1.8%	
10,000	SAP SE (Germany)	1,407,393
	Total common stocks	70,471,101
PREFERRED STOCKS — 8.5% (a)		
CONSUMER NON-DURABLES SECTOR — 3.1%		
	Household/Personal Care — 3.1%	
18,700	Amorepacific Corp. (South Korea)	1,150,934
2,450	LG Household & Health Care Ltd. (South Korea)	1,268,644
		2,419,578
ELECTRONIC TECHNOLOGY SECTOR — 5.4%		
	Telecommunications Equipment — 5.4%	
71,000	Samsung Electronics Co. Ltd. (South Korea)	4,244,783
	Total preferred stocks	6,664,361
	Total long-term investments	77,135,462

Principal Amount		Value (b)
SHORT-TERM INVESTMENTS — 1.1% (a)		
	Bank Deposit Account — 1.1%	
$889,659	U.S. Bank N.A., 0.006%^	$ 889,659
	Total short-term investments	889,659
	Total investments — 99.3%	78,025,121
	Other assets, less liabilities — **0.7% (a)**	533,156
	TOTAL NET ASSETS — 100.0%	$78,558,277
	Institutional Class — Net Asset Value Per Share ($0.0001 par value, 300,000,000 shares authorized), offering and redemption price ($78,558,277 ÷ 3,650,628 shares outstanding)	$ 21.52

* Non-income producing security.

^ The rate shown is as of December 31, 2021.

(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 for Period Ended December 31, 2021

FMI FUND / INDEX	3 Months[1]	1 Year	3 Year	5 Year	10 Year	Since Inception[1]	Inception Date
			Average Annual Total Returns				
Large Cap – Investor Class	10.38%	18.64%	17.38%	13.13%	13.23%	9.78%	12-31-01
S&P 500	11.03%	28.71%	26.07%	18.47%	16.55%	9.52%	12-31-01
Russell 1000 Value	7.77%	25.16%	17.64%	11.16%	12.97%	8.34%	12-31-01
Large Cap – Institutional Class	10.40%	18.80%	17.54%	13.28%	N/A	14.37%	10-31-16
S&P 500	11.03%	28.71%	26.07%	18.47%	16.55%	19.11%	10-31-16
Russell 1000 Value	7.77%	25.16%	17.64%	11.16%	12.97%	12.52%	10-31-16
Common Stock – Investor Class	8.43%	30.64%	19.93%	12.38%	12.01%	12.06%	12-18-81
Russell 2000	2.14%	14.82%	20.02%	12.02%	13.23%	10.65%	12-18-81
Russell 2000 Value	4.36%	28.27%	17.99%	9.07%	12.03%	11.94%	12-18-81
Common Stock – Institutional Class	8.45%	30.76%	20.06%	12.50%	N/A	14.35%	10-31-16
Russell 2000	2.14%	14.82%	20.02%	12.02%	13.23%	14.53%	10-31-16
Russell 2000 Value	4.36%	28.27%	17.99%	9.07%	12.03%	12.30%	10-31-16
International – Investor Class	4.23%	13.83%	10.07%	6.87%	9.32%	8.27%	12-31-10
MSCI EAFE Net (USD)	2.69%	11.26%	13.54%	9.55%	8.03%	6.02%	12-31-10
MSCI EAFE Net (LOC)	3.91%	18.70%	13.35%	8.36%	10.09%	7.85%	12-31-10
MSCI EAFE Value Net (USD)	1.17%	10.89%	7.82%	5.34%	5.81%	4.03%	12-31-10
MSCI EAFE Value Net (LOC)	2.35%	17.99%	7.57%	4.16%	7.86%	5.86%	12-31-10
International – Institutional Class	4.25%	13.95%	10.20%	7.00%	N/A	7.21%	10-31-16
MSCI EAFE Net (USD)	2.69%	11.26%	13.54%	9.55%	8.03%	9.51%	10-31-16
MSCI EAFE Net (LOC)	3.91%	18.70%	13.35%	8.36%	10.09%	9.27%	10-31-16
MSCI EAFE Value Net (USD)	1.17%	10.89%	7.82%	5.34%	5.81%	5.95%	10-31-16
MSCI EAFE Value Net (LOC)	2.35%	17.99%	7.57%	4.16%	7.86%	5.64%	10-31-16
International II – Currency Unhedged – Institutional Class	3.74%	9.22%	N/A	N/A	N/A	6.55%	12-31-19
MSCI EAFE Net (USD)	2.69%	11.26%	13.54%	9.55%	8.03%	9.53%	12-31-19
MSCI EAFE Value Net (USD)	1.17%	10.89%	7.82%	5.34%	5.81%	3.91%	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, 2021, the annual operating expense ratios for the Investor Class of FMI Large Cap Fund, FMI Common Stock Fund and FMI International Fund are: 0.81%, 1.02% and 0.91%, 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: 0.67%, 0.90%, 0.77% and 0.90%*, respectively.

* Note that the annual operating expenses for the Institutional Class of FMI International Fund II – Currency Unhedged are 1.43% 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, 2022.

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) and Liquidity 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) and Liquidity 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 and Liquidity 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, and Liquidity Risk.

For details regarding these risks, please refer to the Funds' Summary or Statutory Prospectuses dated January 31, 2021.

For more information about the FMI Funds, call 1-800-811-5311 for a free Prospectus or Summary Prospectus. Please read these Prospectuses carefully to consider the investment objectives, risks, charges and expenses, before investing or sending money. These Prospectuses contain this and more information about the FMI Funds. Please read the Prospectuses or Summary Prospectuses carefully before investing.

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 Russell 1000 Index measures the performance of the 1,000 largest companies in the Russell 3000 Index which comprises the 3,000 largest U.S. companies based on total market capitalization. The Russell 1000 Value Index includes equities that exhibit value characteristics and the Russell 1000 Growth Index includes equities that exhibit growth characteristics.

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 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 Nasdaq-100 Index is a stock market index made up of 101 equity securities issued by 100 of the largest non-financial companies listed on the Nasdaq stock market. It is a modified capitalization-weighted index. The stocks' weights in the index are based on their market capitalizations, with certain rules capping the influence of the largest components. It is based on exchange, and it does not have any financial companies.

The Producer Price Index, published by the Bureau of Labor Statistics, is a group of indexes that calculates and represents the average movement in selling prices from domestic production over time. It is a measure of inflation based on input costs to producers.

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

Bond Yield is the return an investor realizes on a bond. It is the discount rate that can be used to make the present value of all the bond's cash flows equal to its price.

Bond or fixed income duration is a measure of the sensitivity of the price of a bond or other debt instrument to a change in interest rates.

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.

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 is the monetary value of all finished goods and services produced within a country's borders in a specific time period. Real GDP is an inflation-adjusted measure of GDP that is expressed in base-year prices.

IPO – Initial Public Offering refers to the process of offering shares of a private corporation to the public in a new stock issuance. An IPO allows a company to raise capital from public investors.

Nominal Yield is the coupon rate on a bond. It is calculated by dividing all the annual payments by the face, or par, value of the bond.

Stagflation is characterized by slow economic growth and relatively high unemployment which is at the same time accompanied by rising prices (i.e. inflation).

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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