

Aravis Capital ICAV/ Fiduciary U.S. Small Cap Equity UCITS

Performance Through

30th September 2026

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About FMI

Founded in 1980, Independent

FMI has 14 investment professionals who are Employee Owners (22 Employees Total)

Headquarters: Milwaukee, Wisconsin (90 miles north of Chicago)

Managing Money is Our Sole Focus

One Team, One Process, One Philosophy. This mantra creates consistency, continuity, and alignment across all portfolios.

We believe purchasing good companies at discount valuations will achieve superior risk-adjusted returns over a full market cycle.

$8.3 Billion in AUM ($8.4 Billion in AUA) – As of September 30, 2026

U.S. Small Cap Equity:	$3.5 Billion	Inception: 1980
U.S. Large Cap Equity:	$2.9 Billion	Inception: 2000
International/Global Equity	$1.8 Billion	Inceptions: 2010, 2013

"We Eat Our Own Cooking"

FMI employees have significant investment in the firm and our mutual funds.

Investing alongside ensures alignment with client interests.

Aravis ICAV/Fiduciary U.S. Small Cap Equity UCITS

Aravis/Fiduciary U.S. Small Cap Equity UCITS – Launched April 2026

- Seed Investors from Australia/UK: Current AUM: US$10.2 Million
- Founders Class Available for first $100 Million (For Life of Investment)
- Early-stage Founders Class TER: 0.70% (inclusive)

Targeting Institutional Investors, Family Offices and Wealth Managers

- UK, France, Spain, and Nordic Countries to start.
- Plans for Expanded Registrations
- Focus on Institutional Allocators

Key UCITS Details

- Aravis Capital ICAV/Fiduciary Management US Small Cap Equity UCITS
- Founders Class USD Acc. ISIN: IE000517A1C8
- Also available in GBP, and Euro
- Availability: Allfunds, Clearstream, Euroclear (others available on request)
- Benchmark: Russell 2000

Aravis as a Partner

Aravis Capital is a seed investor. Investing alongside ensures alignment with client interests.

Professional Staff

Name	Function	Years Exp.	Partner	PMC*
John S. Brandser	President / Chief Executive Officer	41	Yes	Yes
Michael S. Stanley	Executive Vice President	26	Yes	-
Jonathan T. Bloom, CFA	Chief Investment Officer	16	Yes	Yes
Benjamin D. Karek, CFA	Director of Research	9	Yes	Yes
Dain C. Tofson, CFA	Research	18	Yes	Yes
Matthew T. Sullivan, CFA	Research	13	Yes	Yes
Jake E. Strole, CFA	Research	11	-	-
Uday Chatterjee, CFA	Research	14	-	-
Silas R.D. Grossman	Research	-	-	-
Robert M. Helf, CFA	Research/Client Service	36	Yes	-
Bladen J. Burns, CFA	Client Service	34	Yes	-
Carrie B. Nichols	Client Service	21	Yes	-
Drew D. Peterson, CFA	Client Service	8	Yes	-
Collin M. Hirsch	Trader	24	Yes	-
Nora S. Nicols	Trader/Portfolio Administration	17	Yes	-
Alexis B. Zawacki	Trade Operations	8	-	-
Ryan J. Ladwig, CPA	Chief Compliance Officer	16	-	-
Jessica P. Taske	Finance/Client Administration	24	Yes	-

*PMC = Portfolio Management Committee

Structural Advantages

"We Eat Our Own Cooking"

We invest alongside our investors, ensuring our interests are fully aligned with yours.

Active Focused Approach

We make our research count -- generally 30-40 concentrated holdings.

Time Horizon Arbitrage

3-5 year outlook allows us to capitalize on short-term market dislocations.

Low Turnover

Mitigate transaction costs and maintain tax efficiency through disciplined investing.

High Active Share

Different on purpose -- our portfolio looks nothing like the index.

Value Orientation

Emphasize quality businesses at a discount to intrinsic value.

45+ Year Track Record

We don't change our stripes -- disciplined, research-first since 1980.

We're Not a Product Shop

One investment team, one philosophy, one process -- consistent outcomes.



SECTION TWO

Research Process

Idea Generation

By the numbers

30–40

Holdings

6–8

New names per year · low turnover

$1–7B

Typical market cap at purchase

From idea to portfolio

1

Broad Sourcing

Company visits, conferences, trade periodicals, and quantitative screens.

2

Initial Screen

A good business at a fair valuation, earning returns above its cost of capital — no red flags in management or ownership.

3

Team Vetting

Ideas are discussed and vetted by the team. Most ideas are rejected early.

4

In-Depth Research

Promising names advance to full due diligence.

Research Process

Analysts evaluate three areas — business model, valuation, and management — supported by a disciplined ROIC framework.

Good Business	Reasonable Valuation	Company Management
• Advantaged business - durable, tough to replicate	• Significant discount to intrinsic value	• Superior capital allocation
• Attractive and improving ROIC prospects	• Normalized earnings assessment	• Track record of creating shareholder value
• Understandable business	• EV/NOPAT, P/Sales, P/Book, P/Earnings	• Smart strategic decisions
• Solid balance sheet	• Comps, SOTP, DCF, Private Market Value	• Disciplined acquisitions
• Defensible market positions with strong barriers to entry		• Sound ownership structure
• Recurring revenue and/or modestly priced, mission-critical products		• Aligned compensation

ROIC Focus

10+ years of filings reviewed, adjusting NOPAT and invested capital for write-offs — seeking a positive spread over the cost of capital through a full cycle and identify improving returns on capital.

The Investment Overview

Analyst Research → **Weekly Research Meeting** → **Portfolio Management Committee (PMC)**

- All research team members conduct fundamental research on ideas sourced from company visits, screens, conferences, trade periodicals, and general reading
- Strong orientation toward low absolute and relative valuations
- Business owner's approach: deeply examine business economics and management quality
- Focus on companies with strong recurring revenue and attractive returns on invested capital (ROIC)

- Structured weekly forum where research team members present investment ideas and provide updates on companies on the monitor list.
- The forum encourages collaborative discussion, surfaces key questions, and helps build conviction in potential investments.
- Once sufficient conviction is established, company reports and valuation models are produced using our standardized framework.

- Reviews portfolio exposures and fit of positions within the overall portfolio
- Collaborate and monitor existing holdings
- Target 3-5 year holding period, reflecting a long-term ownership orientation

Name	Role	Research Team	PMC
Jonathan T. Bloom, CFA	CIO	Yes	Yes
John S. Brandser	CEO, President	-	Yes
Uday Chatterjee, CFA	Senior Analyst	Yes	-
Silas R. D. Grossman	Analyst	Yes	-
Robert M. Helf, CFA	Senior Analyst/Client Service	Yes	-
Benjamin D. Karek, CFA	DOR, Senior Analyst	Yes	Yes
Jake E. Strole, CFA	Senior Analyst	Yes	-
Matthew T. Sullivan, CFA	Senior Analyst	Yes	Yes
Dain C. Tofson, CFA	Senior Analyst	Yes	Yes

Purchase & Sales

A committee-driven process paired with a primarily valuation-based sell discipline.

Purchase Decision

Write-Up & Valuation Model

Detailed report using our standard framework.

Research Meeting

Discussed and debated at the weekly meeting.

Conviction & Sizing

Sized 1–3% once conviction is reached.

Final Weighting

Reviewed by the PMC with oversight from the CIO.

Sell Discipline

Set a Target

A fair value range is established.

Valuation-Driven

~70–80% of exits are valuation-driven.

Fundamental Change

~20–30% of exits are from a change in thesis.

On Declines

No auto-sell; we re-underwrite and often add.



SECTION THREE

FMI Small Cap Equity

FMI Small Cap Valuation Metrics vs. R2000 and S&P 500

June 30, 2026	FMI Small Cap	iShares Russell 2000	Discount to Russell 2000
FY1 Price/Earnings (Wtd. Avg.)	17.6x	30.6x	-42%
FY2 Price/Earnings (Wtd. Avg.)	15.0x	27.3x	-45%
P/S (Wtd. Avg.)	1.9x	7.1x	-73%
EV/EBITDA (Wtd. Avg.)	13.1x	19.6x	-33%
Average Discount			**-48%**

June 30, 2026	FMI Small Cap	iShares S&P 500	Discount to S&P 500
FY1 Price/Earnings (Wtd. Avg.)	17.6x	30.4x	-42%
FY2 Price/Earnings (Wtd. Avg.)	15.0x	25.6x	-41%
P/S (Wtd. Avg.)	1.9x	9.5x	-80%
EV/EBITDA (Wtd. Avg.)	13.1x	25.5x	-49%
Average Discount			**-53%**

Estimated valuations are based on a representative account from the FMI Small Cap Equity composite. Estimated valuations for FMI and the iShares are weighted average 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. Valuations presented above are shown as supplemental information to the Small Cap Equity compliant presentation.

FMI Small Cap Equity - Portfolio Holdings

Industrials, Energy, Materials, And Utilities	Finance	Consumer	Technology And Communications	Health Care
Producer Manufacturing 17.9%	**Finance 21.3%**	**Consumer Services 10.4%**	**Technology Services 8.9%**	**Distribution Services 2.1%**
Gates Industrial Corp. Ltd.	Houlihan Lokey Inc. Cl A	Aramark	Insight Enterprises Inc.	Henry Schein Inc.
Mueller Water Products Inc. Cl A	OneMain Holdings Inc.	Valvoline Inc.	Jack Henry & Associates Inc.	
Donaldson Co. Inc.	Zions Bancorp. NA	**Consumer Durables 8.1%**	**Commercial Services 8.1%**	
Carlisle Cos. Inc.	Primerica Inc.	Hayward Holdings Inc.	Huron Consulting Group Inc.	
Alliance Laundry Holdings Inc.	White Mountains Insurance Group Ltd.	Cavco Industries Inc.	FTI Consulting Inc.	
Simpson Manufacturing Co. Inc.		**Retail Trade 2.5%**	**Electronic Technology 3.5%**	
Process Industries 4.6%		BJ's Wholesale Club Holdings Inc.	MSA Safety Inc.	
AptarGroup Inc.				
Non-Energy Minerals 4.0%				
Louisiana-Pacific Corp.				
Transportation 3.0%				
GXO Logistics Inc.				
Distribution Services 2.6%				
Core & Main Inc. Cl A				

2026 New Purchases: FTI Consulting, Alliance Laundry, Jack Henry, GXO Logistics
2026 Complete Sales: Plexus Corp, Applied Industrial, CTS, Arrow Electronics, FirstCash, Fortune Brands, Robert Half

* The information presented is shown as supplemental information to the FMI Small Cap Equity compliant presentation

Preliminary: iShares Weights as of 9.30.26 (based on 7.10.26 holdings due to broken FactSet data feed)

Portfolio Total	**32.0%**	**21.3%**	**21.0%**	**20.5%**	**2.1%**
iShares Russell 2000 ETF	*25.3%*	*23.9%*	*10.4%*	*20.2%*	*19.4%*
iShares Russell 2000 Value	*26.8%*	*37.9%*	*10.6%*	*13.4%*	*10.8%*

FMI Small Cap: Quality Businesses / Attractively Valued –9/30/26

Company	Value
Aramark	Aramark is one of the largest participants in the food and facilities outsourcing industry. The size and strategy allow for numerous advantages over in-house or smaller participants. The company competes in a $500 bn global market with smaller players > 50% share. Trades at 20x NTM EPS.
AptarGroup	Aptar is a leading global supplier of dispensing, sealing and active packaging solutions. An intentional mix shift over the past decade has resulted in 80% of profits coming from the attractive Pharma segment (high barriers, high switching and solid growth prospects). Shares trade at 20x forward EPS, which is attractive vs. history and the overall market.
Jack Henry & Assoc.	Jack Henry is an established enterprise software company focused on serving local/ regional banks and credit unions. JHA provides mission critical core banking and payments products to its highly regulated industry. The quality enterprise boasts high customer retention and recurring revenues and trades at 19x EPS.
Hayward Holdings	Hayward is a pure-play pool equipment manufacturer, serving the U.S. residential pool market. Repair/ replace business accounts for 50% of sales and the installed base of pools grows consistently. Three players have 90% of the market. Less than 13x depressed EPS.
Huron Consulting	Huron is a leading consulting firm that serves hospitals, health systems, and higher education- industries that are constantly under pressure with limited resources. The company has been labeled as an AI loser and we disagree. The shares trade significantly below our estimate of intrinsic value at 15.3x EPS.
Louisiana-Pacific	Leading provider of engineered wood siding (Smartside) and oriented strand board (OSB) for new homes, repair/ remodeling and sheds. Mix is moving quickly toward advantaged Smartside business (over 50%). The opportunity in LPX is for a richer mix of business and a higher multiple.
Insight Enterprises	Insight is a reseller of IT solutions, positioned between a systems integrator and VAR. After a period of end market softness, the company expects better growth going forward. Shares are attractive at 12x EPS for expected double-digit EPS growth.
FTI Consulting	FTI is a leading global consulting firm specializing in crisis management and business transformation (re-org's, bankruptcies, regulatory issues, etc.). Highly specialized niche with excellent reputation. The company has been labeled as an AI loser and we do not believe that will be the case. The shares trade at 13x NTM EPS- well below intrinsic value.
OneMain Hldgs	The largest participant in the subprime personal lending industry with 20% market share. Scale brings advantages including technology spending, overhead absorption and capital costs. Strength in underwriting comes from data and consumer analytics. Barriers to success are high. Shares trade at 8x EPS with a 7.5% dividend yield.
Valvoline	Valvoline operates 2100+ Instant Oil Change locations in the U.S. and Canada. Store convenience allows the company to price product and service relative to value, not costs. The growing, yet defensive business trades at less than 16x NTM EPS.



SECTION FOUR

FMI Small Cap Equity Performance

FMI Small Cap Equity Composite

Performance: As of September 30, 2026

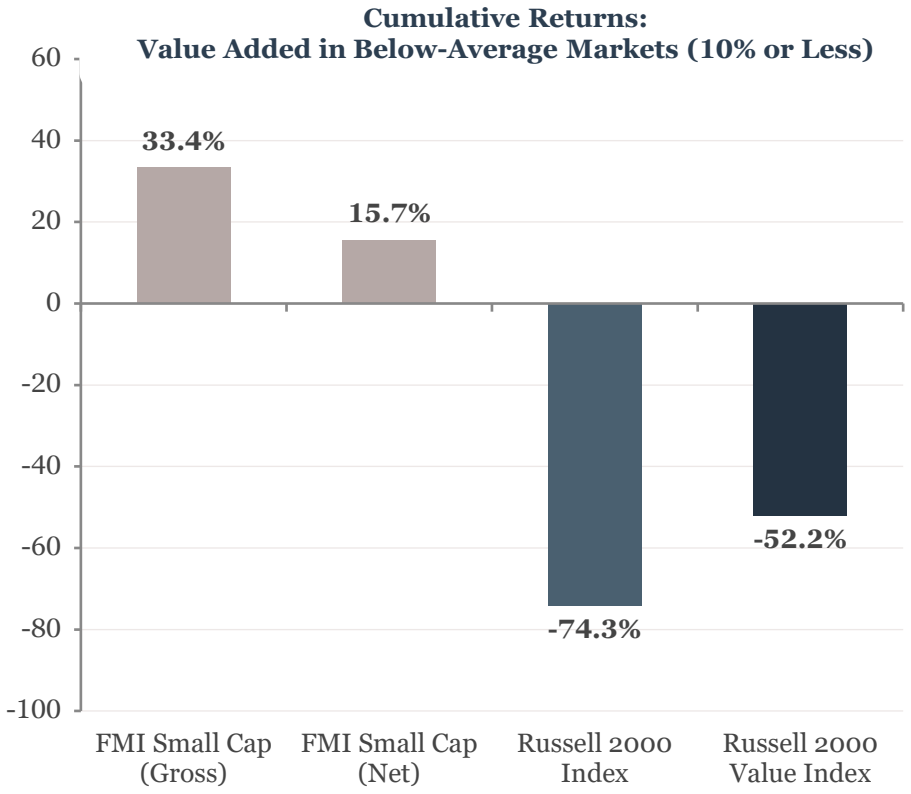
	Quarter	YTD	1 Year	3 Year	5 Year	10 Year	20 Year	30 Year	Since Inception 01/01/80
FMI Small Cap Equity (Gross)	**-5.08%**	**10.42%**	**8.53%**	**12.58%**	**10.60%**	**11.83%**	**10.80%**	**11.62%**	**13.72%**
FMI Small Cap Equity (Net)	**-5.26%**	**9.81%**	**7.72%**	**11.75%**	**9.78%**	**10.98%**	**9.92%**	**10.75%**	**12.84%**
Russell 2000 Index	-7.23%	13.71%	16.20%	17.72%	6.34%	9.84%	8.45%	8.65%	10.54%
Russell 2000 Value Index	-4.91%	16.96%	20.77%	17.93%	7.80%	9.40%	7.58%	9.48%	11.78%

Risk (Standard Deviation): As of September 30, 2026

	3 Year	5 Year	10 Year	20 Year	30 Year	Since Inception 01/01/80
FMI Small Cap Equity (Gross)	**12.8%**	**13.7%**	**17.6%**	**17.5%**	**17.3%**	**17.0%**
FMI Small Cap Equity (Net)	**12.8%**	**13.7%**	**17.6%**	**17.5%**	**17.3%**	**17.0%**
Russell 2000 Index	16.9%	17.2%	22.1%	21.2%	21.5%	21.5%
Russell 2000 Value Index	15.0%	15.3%	22.3%	21.4%	20.6%	20.1%
% Russell 2000 (Gross)	76%	80%	80%	83%	82%	79%
% Russell 2000 (Net)	76%	80%	80%	83%	82%	79%
% Russell 2000V (Gross)	85%	89%	79%	82%	85%	84%
% Russell 2000V (Net)	85%	89%	79%	82%	85%	84%

Performance as of September 30th is preliminary and subject to final reconciliation. Standard Deviation Calculation is based on quarterly performance. Please refer to the attached GIPS composite report for a detailed explanation of the FMI Small Capitalization Equity Composite.

Fiduciary Small Cap Equity Composite



Bottom-Up Risk Management

- **Advantaged Businesses**
- **Disciplined Valuation Framework**
- **Durable Balance Sheets**

Please refer to the attached GIPS composite report for a detailed explanation of the FMI Small Capitalization Equity Composite.
Timeframe for chart is the inception of the FMI Small Cap Strategy (1/1/1980) to last fully completed calendar year on record. Chart contains cumulative returns (chain linked together): 1981, 1984, 1986, 1987, 1990, 1994, 1998, 2000, 2001, 2002, 2005, 2007, 2008, 2011, 2014, 2015, 2018, and 2022.

FMI Small Cap Equity Composite

Calendar Year Performance - As of September 30, 2026

Year	FMI Small Cap (Gross)	FMI Small Cap (Net)	Russell 2000	Russell 2000 Value
1980	+37.3%	+36.4%	+38.6%	+25.4%
1981	+21.6%	+20.5%	+2.0%	+14.9%
1982	+34.3%	+33.3%	+25.0%	+28.5%
1983	+23.3%	+22.3%	+29.1%	+38.6%
1984	+7.5%	+6.7%	-7.3%	+2.3%
1985	+29.9%	+28.9%	+31.1%	+31.0%
1986	+3.1%	+2.3%	+5.7%	+7.4%
1987	+3.1%	+2.2%	-8.8%	-7.1%
1988	+23.1%	+22.0%	+25.0%	+29.5%
1989	+24.4%	+23.4%	+16.3%	+12.4%
1990	-7.9%	-8.7%	-19.5%	-21.8%
1991	+39.2%	+38.2%	+46.0%	+41.7%
1992	+14.5%	+14.1%	+18.4%	+29.1%
1993	+16.0%	+15.2%	+18.9%	+23.8%
1994	+0.9%	+0.1%	-1.8%	-1.5%
1995	+27.8%	+26.9%	+28.5%	+25.8%
1996	+18.0%	+17.1%	+16.5%	+21.4%
1997	+29.3%	+28.4%	+22.4%	+31.8%
1998	-4.6%	-5.4%	-2.6%	-6.5%
1999	+4.7%	+3.9%	+21.3%	-1.5%
2000	+15.9%	+15.0%	-3.0%	+22.8%
2001	+20.4%	+19.6%	+2.5%	+14.0%
2002	-4.8%	-5.5%	-20.5%	-11.4%
2003	+27.2%	+26.2%	+47.3%	+46.0%
2004	+20.9%	+20.0%	+18.3%	+22.3%
2005	+11.1%	+10.3%	+4.6%	+4.7%
2006	+18.5%	+17.6%	+18.4%	+23.5%
2007	-0.9%	-1.7%	-1.6%	-9.8%
2008	-21.1%	-21.7%	-33.8%	-28.9%
2009	+35.7%	+34.6%	+27.2%	+20.6%
2010	+23.5%	+22.4%	+26.9%	+24.5%
2011	+5.6%	+4.8%	-4.2%	-5.5%
2012	+11.3%	+10.4%	+16.4%	+18.1%
2013	+33.4%	+32.3%	+38.8%	+34.5%
2014	+8.0%	+7.1%	+4.9%	+4.2%
2015	-5.7%	-6.5%	-4.4%	-7.5%
2016	+21.7%	+20.7%	+21.3%	+31.7%
2017	+15.4%	+14.5%	+14.7%	+7.8%
2018	-8.1%	-8.8%	-11.0%	-12.9%
2019	+27.1%	+26.2%	+25.5%	+22.4%
2020	+4.4%	+3.6%	+20.0%	+4.6%
2021	+31.8%	+30.8%	+14.8%	+28.3%
2022	-5.0%	-5.7%	-20.4%	-14.5%
2023	+26.3%	+25.4%	+16.9%	+14.7%
2024	+11.5%	+10.7%	+11.5%	+8.1%
2025	+3.1%	+2.3%	+12.8%	+12.6%
YTD 2026	+10.4%	+9.8%	+13.7%	+17.0%
SI-Cum. Return	**+40,598%**	**+28,274%**	**+10,713%**	**+18,168%**

Performance as of September 30th is preliminary and subject to final reconciliation. Please refer to the attached GIPS composite report for a detailed explanation of the FMI Small Capitalization Equity Composite.



SECTION FIVE

Macro/Market Summary – “The View from Milwaukee”

Current Market Observations – October 2026

Equity Valuations & Market Drivers	Valuations on most measures remain near all-time highs. Year-to-date (YTD), markets have been led by the information technology and energy sectors. The popular large-cap indices are concentrated and correlated. AI-related companies continue to make up around 45% of the S&P 500. AI spending and the Iranian conflict have been key drivers of performance in '26. In July, however, the narrative flipped and the worst-performing sector was information technology, while financials and energy led performance. A combination of high valuations, questionable returns on unprecedented capital spending, competition, and pricing triggered intense stock volatility in the technology space and could foreshadow future rotation. August and September were led by info technology. Overall, businesses perceived to be AI losers have underperformed this year. Quality compounders across all market caps have generally lagged for the past three years. U.S. small-cap stocks, which had been outperforming through mid-August, have retreated 9% from highs. Higher rates and the rotation back to AI are reasons for recent large-cap outperformance. Developed international markets have underperformed the technology-led U.S. large caps.
Corporate Earnings	The quality of earnings remains poor, due to one-time and non-GAAP adjustments. Significant stock compensation expense means GAAP EPS differs materially from adjusted EPS. Overall, Q2 earnings were ahead of estimates with companies benefiting from technology capex leading the growth. More challenging conditions exist in housing, autos, industrials, and construction, among other industries.
Interest Rates	The Federal Reserve unanimously raised interest rates on 9/16 for the first time since 2023 and partially reversed three rate cuts made in 2025. The increase raises the federal funds range by 0.25% to between 3.75%-4.00%. Chairman Warsh noted this action shows that the FOMC is serious about its approach to inflation as consumer prices remain above the 2% goal. The most recent inflationary challenge has come from the run-up in energy and commodity prices. The futures market now favors one additional 25 basis-point-hike by the December meeting. Meanwhile, longer-term yields have surged to multi-year highs due to persistent inflation concerns, ongoing U.S. annual deficits and overall debt levels, and technology company borrowing. For example, the 10-year Treasury yield climbed to over 5%, its highest level since 2007.
Inflation	The latest CPI figure is 3.4% (LTM ending August), which is an acceleration on a month-over-month basis from the July report. Elevated inflation is resulting in higher longer-term yields, which are weighing on many asset classes. Cumulative inflation of over 29% since 2020 is taking its toll on consumer spending and sentiment. The low-end consumer remains under pressure. In February, the Supreme Court struck down Trump's sweeping IEEPA tariffs. The federal government owes over $166 billion in tariff refunds to corporations, with more than $120 billion repaid thus far.
Economic	The U.S. economy as measured by real GDP appears to be improving from a soft 4Q25 (0.5% growth). Real GDP grew 2.5% in Q1 and 2.2% in Q2. Second quarter GDP was driven by business investment and improved household spending. Underlying growth was likely stronger than the headline as rising imports (semiconductors, etc.) reduced the figure. Estimates suggest that over 100% of reported U.S. GDP over the last 4 quarters was driven by AI, with the rest of the economy contracting. Mortgage rates have increased to approximately 7.4%. The U.S. labor market remains resilient (low-hire/low-fire) as nonfarm payroll employment increased in September (+29,000). ISM manufacturing PMI continued in expansion mode at 54.5 in September, which was similar to August. The overall economy (per ISM) continued in expansion for the 23rd month in a row.
Risks	1) Geopolitical risks, particularly Iran, China, and Russia (Ukraine). 2) Elevated stock market valuations. 3) Political/tariff risks. 4) Recession/stagflation. 5) High government debt level.

2025 - 2026: Speculative Growth & Lower Quality (U.S.) vs. S&P 600

2025

Goldman Sachs - Top Performing Themes	
Macro/Thematic	**2025**
Global Rare Earths	136.8%
US Metals	85.0%
US Data Centers	67.6%
Quantum Computing	64.9%
Bitcoin Sensitive	60.5%
AI Leaders	56.8%
High Beta 12M Winners	51.7%
US Meme Stocks	50.6%
Nuclear	46.3%
Infrastructure	38.5%
S&P U.S. Small Cap Quality Index	**+3.3%**

YTD 2026

Goldman Sachs - Top Performing Themes	
AI + Macro/Thematic	**2026**
Memory	184.5%
Neoclouds	120.1%
AI Inference Chips	107.7%
AI Semiconductors	83.7%
Data Centers	81.7%
Optical Networks	75.1%
AI Software	47.8%
60% AI + 40% Energy Bottleneck	47.2%
Bitcoin Sensitive	45.9%
800V Data Centers	43.7%
S&P U.S. Small Cap Quality Index	**+7.6%**

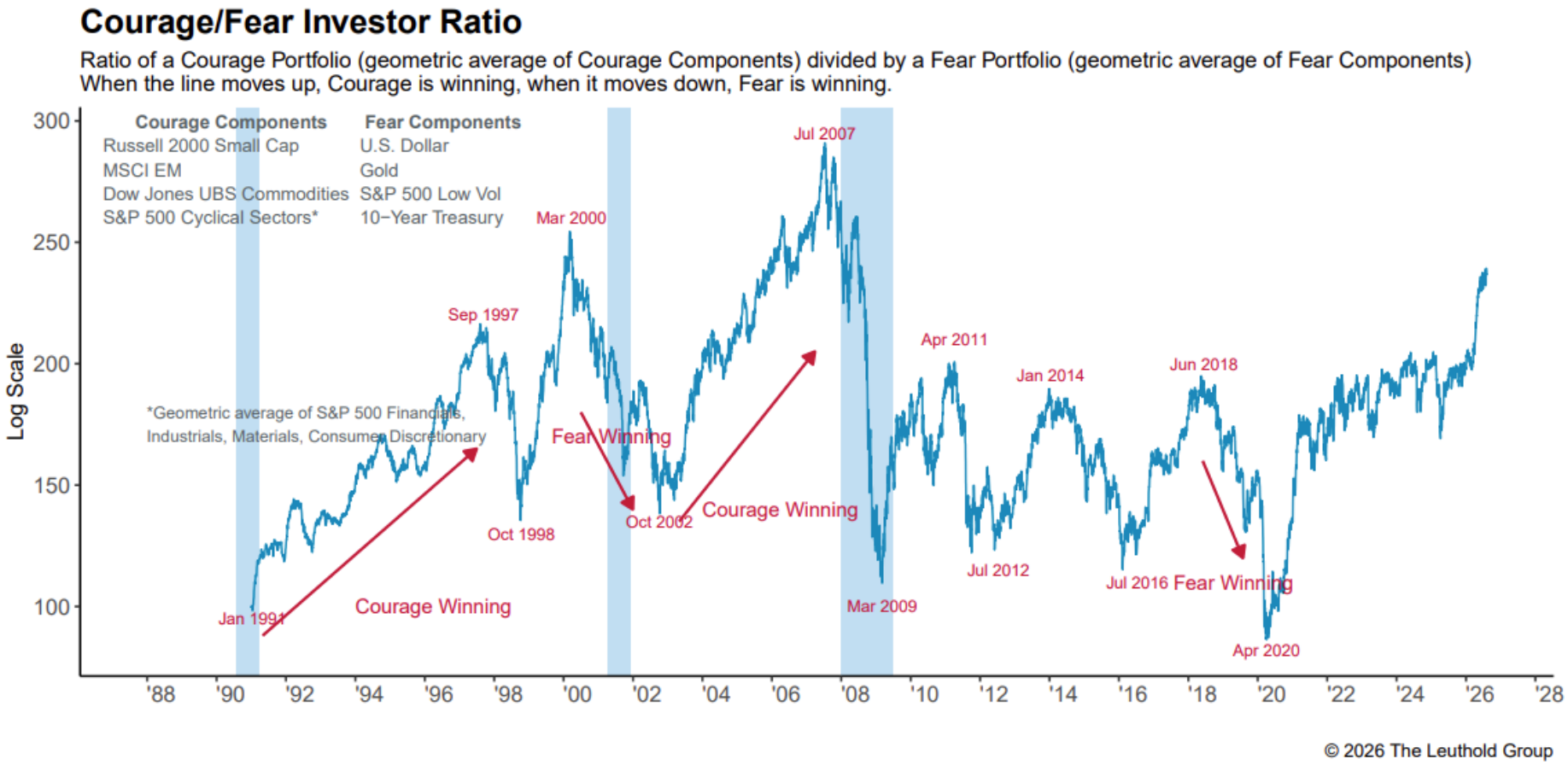
**Goldman Sachs Macro/Thematic baskets. Stocks are selected by Goldman Sachs specialists. Baskets are rebalanced on a quarterly basis. YTD 2026 returns are through 30th September 2026*

U.S. Market Value to GDP At All-Time High



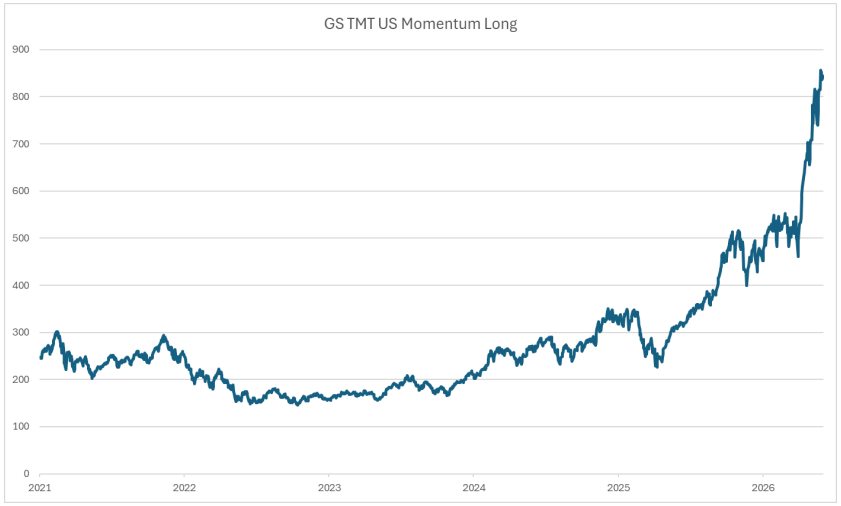
Source: CurrentMarketValuation.com

Courage/Fear Ratio - Risk Appetite Back Near Highs



AI-Related Stocks Have Gone Vertical

Semiconductors have gone from a cyclical sector to the single biggest bet in the US equity market — *and the move just went vertical.*



GS TMT Momentum Long Basket

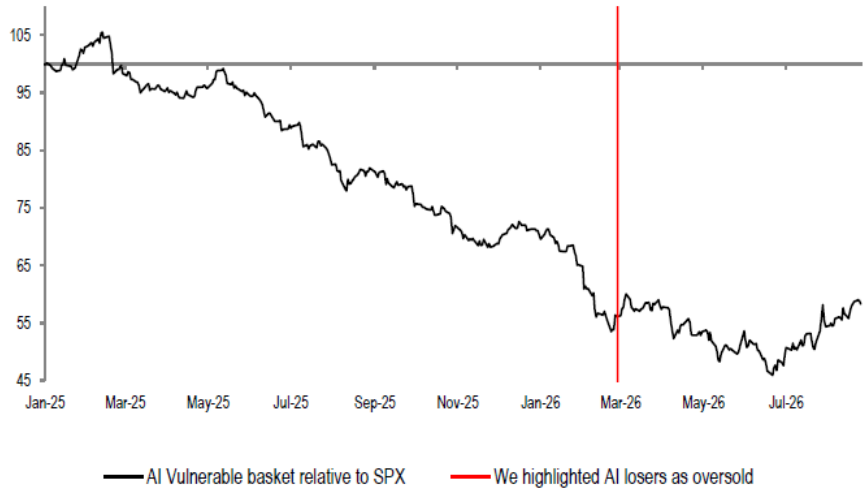


Semiconductors (SOX) vs. S&P 500

Source: Bloomberg

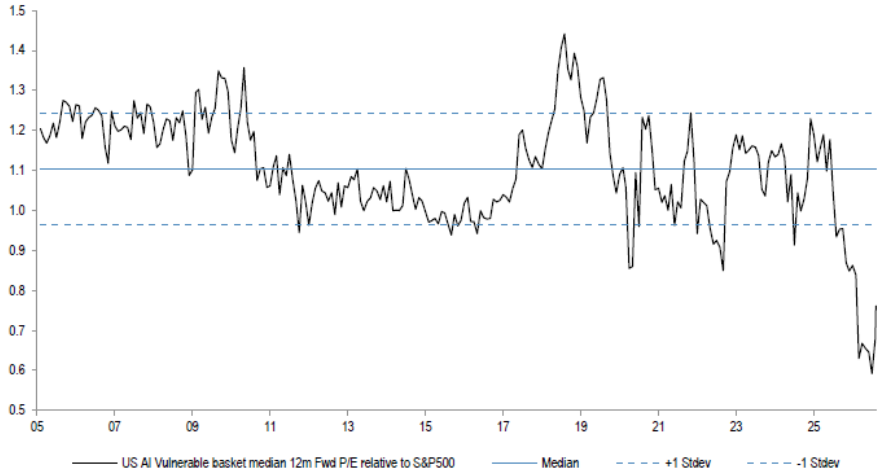
US AI at Risk Basket - Oversold and Cheap vs. History

US AI at risk basket relative to S&P500



Source: J.P. Morgan, Bloomberg Finance L.P.

US AI at risk basket 12m Fwd P/E relative



Source: IBES, J.P. Morgan

We Spent Like There Was No Tomorrow. Tomorrow Arrived.

13×

The average business is spending 13× more on AI tokens than in January 2025 — often more than the engineering team it was supposed to replace.

$500M

One company reportedly spent half a billion dollars in a single month on Claude — roughly what the entire US population spends on shampoo.

800%

"Code churn" — lines deleted vs. added — rose over 800% under high AI adoption. More AI. More rework. More burnout.

Cost Cutting

Uber and Microsoft have reportedly discontinued some Claude Code licenses, as costs became unmanageable and productivity proved elusive.

"Is the bill worth it?" — the one question nobody, as of today, can definitively answer.

Source: https://www.derekthompson.org/p/the-great-ai-cost-panic-of-2026

Only in the aftermath is an investment cycle formally labeled a "bubble."

THE FIVE STAGES AT A GLANCE

Minsky's Model of Asset Price Bubbles

1 Displacement

- Investors get captivated by a new innovation or technology
- A genuine structural shift creates real profit opportunity
- Early adopters experience rational discovery — value creation is real

2 Boom

- Investment accelerates as the new paradigm proves itself
- Profits rise and asset prices climb; optimism is high but rational
- Debt increases, yet balance sheets remain fundamentally solid

3 Euphoria

- Asset prices skyrocket as caution is abandoned
- Speculators believe growth will be indefinite
- Leverage soars; hidden debt obscures true risk from the public

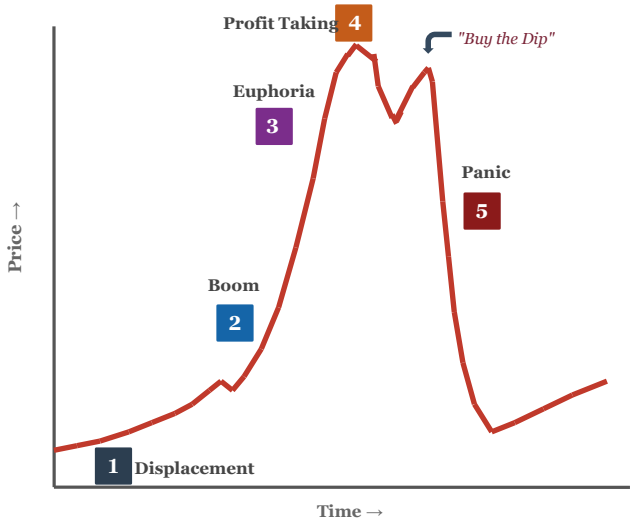
4 Profit Taking

- Insiders quietly sell and rotate into safer assets
- "Buy the Dip" mentality keeps public buying
- "Markets can stay irrational longer than you can stay solvent" — Keynes

5 Panic

- Prices collapse as fast as they rose; liquidity evaporates
- Hidden leverage and interconnected debt assert themselves
- "Only when the tide goes out do you find who swam naked" — Buffett

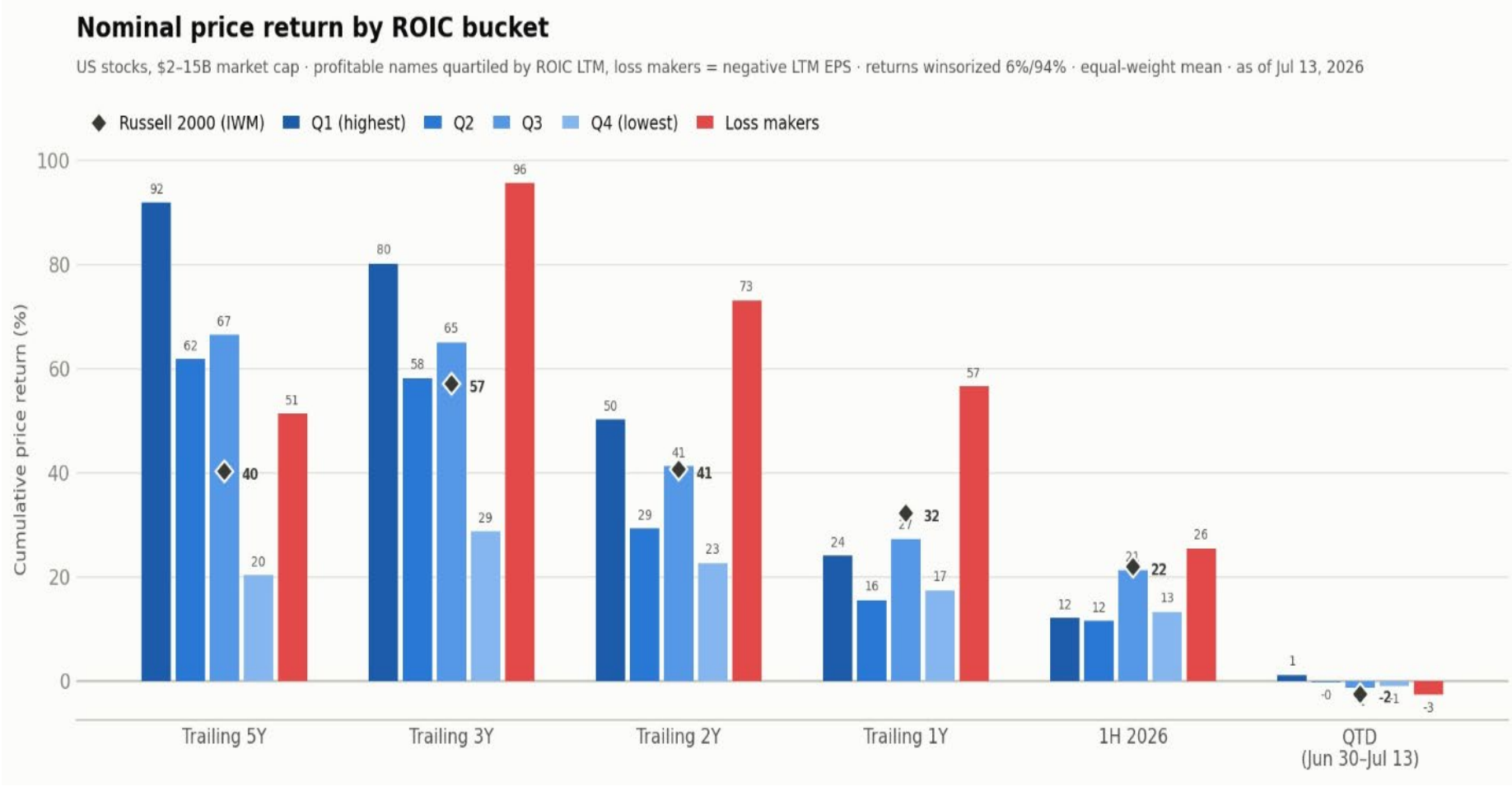
The 5 Stages of an Asset Bubble



High Quality is Due for a Comeback!



Small Cap Stocks have been dominated by Loss Makers

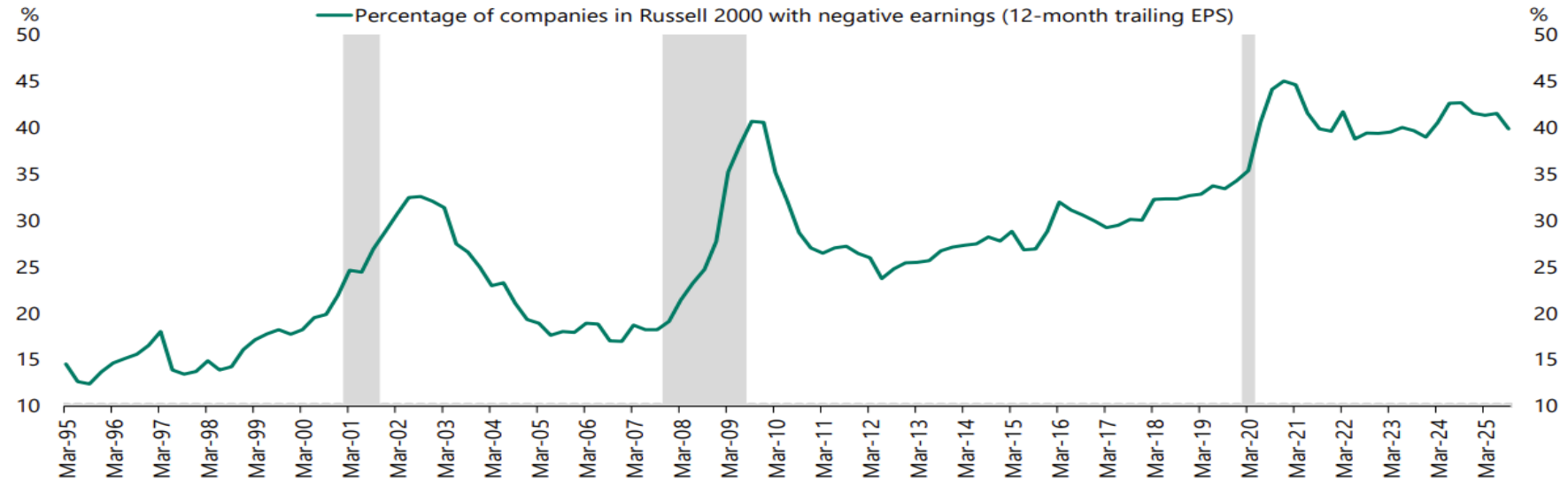


Source: Furey Research

Need for Discernment

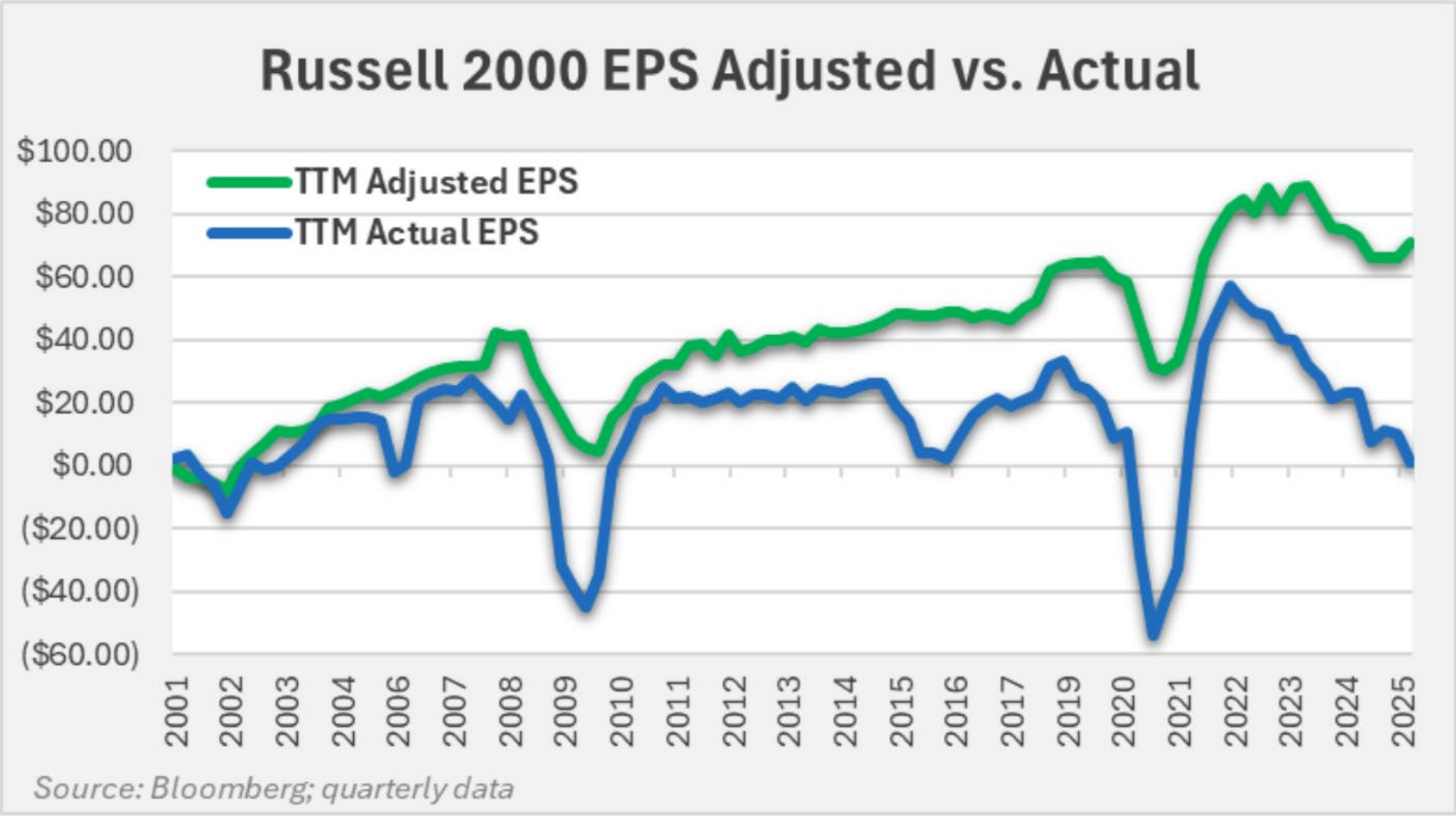
As of 9/30/26

- **42% of the iShares Russell 2000 companies lose money**
- **38% of the iShares Russell 2000 Value companies lose money**
- **37% of the iShares Russell 2500 Companies lose money**
- **18% of the S&P SmallCap 600 Companies lose money**



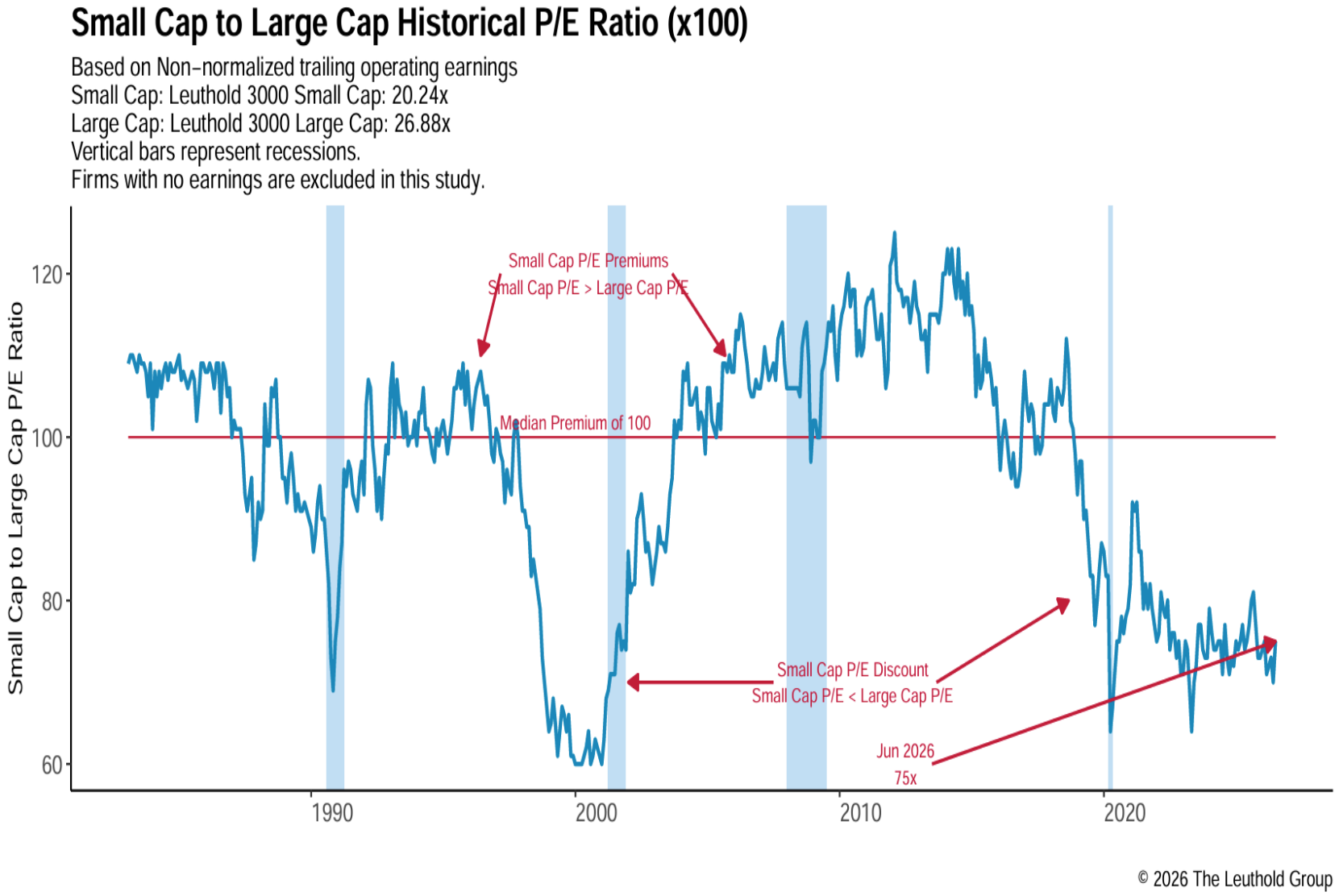
Sources: Bloomberg, Apollo Chief Economist

Actual Earnings are Near Zero



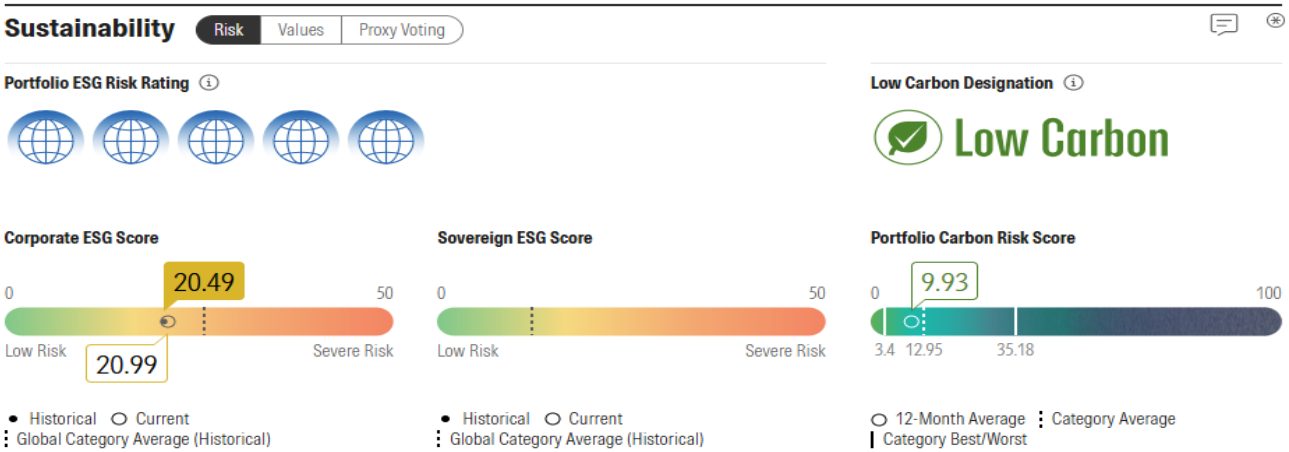
Source: Palm Valley Capital

Relative Valuations of "Profitable" U.S. Small Caps

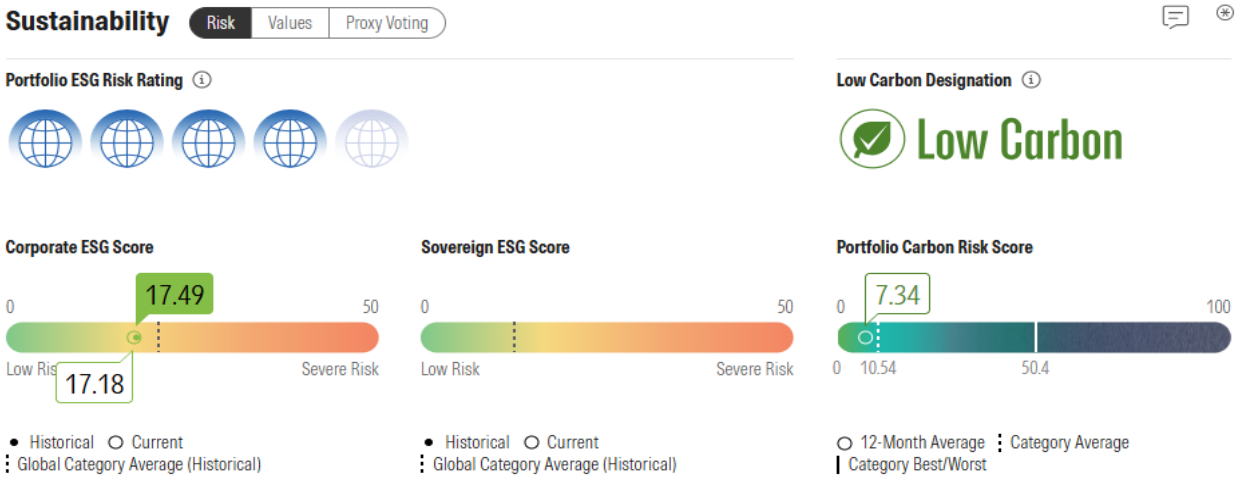


Sustainability

FMI Common Stock Investor FMIMX



FMI Large Cap Investor FMIHX



Sources as of 10.19.26:
https://www.morningstar.com/funds/xnas/fmimx/sustainability
https://www.morningstar.com/funds/xnas/fmihx/sustainability

Why Fiduciary Management?

01

Continuity of the Team and Process

Unwavering investment philosophy provides investors with consistency and predictability in executing the same proven process.

02

Differentiated Organizational Structure

One rigorous organizational structure and operating process that allows FMI to think and act differently.

03

Long-Term Orientation

A 3–5 year time horizon. Low turnover. 45+ years of consistency — we don't change our stripes.

04

"We Eat Our Own Cooking"

FMI employees are heavily invested alongside our clients. This alignment ensures our interests are inseparable from those of our investors.

Fiduciary Management, Inc.
Small Cap Equity Composite
12/31/2015 – 12/31/2025

Year	Total Return Gross of Fees %	Total Return Net of Fees %	*Benchmark Return %	Number of Portfolios	Dispersion %	Three Year Ex-Post Standard Deviation		Total Composite Assets End of Period ($ millions)	Total Firm Assets End of Period ($ millions)	Percentage of Firm Assets %
						Composite	*Benchmark			
2016	21.65	20.65	21.31	171	0.46	12.02%	15.77%	$ 2,596.0	$ 22,626.7	11.47%
2017	15.42	14.49	14.65	171	0.84	11.12%	13.91%	$ 2,774.0	$ 25,322.0	10.96%
2018	-8.10	-8.83	-11.01	160	0.74	11.73%	15.79%	$ 2,220.4	$ 19,833.6	11.20%
2019	27.14	26.17	25.53	119	1.83	12.44%	15.71%	$ 2,415.0	$ 22,609.9	10.68%
2020	4.40	3.60	19.96	104	1.49	21.15%	25.27%	$ 2,079.2	$ 16,284.2	12.77%
2021	31.74	30.77	14.82	102	0.60	21.11%	23.35%	$ 2,294.9	$ 17,068.4	13.45%
2022	-4.98	-5.70	-20.40	96	0.29	22.76%	26.02%	$ 2,173.9	$ 13,021.5	16.69%
2023	26.34	25.41	16.93	92	0.38	18.02%	21.11%	$ 3,050.0	$ 14,729.1	20.71%
2024	11.46	10.65	11.54	93	0.23	18.11%	23.30%	$ 3,616.0	$ 14,761.5	24.50%
2025	3.11	2.34	12.81	91	0.25	10.44%	16.60%	$ 3,100.6	$ 11,174.1	27.75%

*Benchmark: Russell 2000 Index®

Returns reflect the reinvestment of dividends and other earnings.
The above table reflects past performance. Past performance does not guarantee future results. A client's investment return may be lower or higher than the performance shown above. Clients may suffer an investment loss.

Fiduciary Management, Inc. claims compliance with the Global investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Fiduciary Management, Inc. has been independently verified for the periods 12/31/1993 - 12/31/2025. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. The Small Cap Equity Composite has had a performance examination for the periods 12/31/1993 - 12/31/2025. The verification and performance examination reports are available upon request.

FMI was founded in 1980 and is an independent investment counseling firm registered with the SEC and the State of Wisconsin. The firm manages over $11.1 billion in assets of pension and profit-sharing trusts, mutual funds, Taft-Hartley funds, insurance company portfolios, endowments and personal trusts. The firm includes both institutional and mutual fund business. Although the firm has participated in wrap programs, it is a separate and distinct business and is excluded from firm-wide assets.

The FMI Small Cap Equity Composite was created and incepted in January 1980. These accounts primarily invest in small to medium capitalization US equities.

The FMI Small Cap Equity Composite reflects time-weighted and asset-weighted returns for all discretionary accounts, with a market value greater than $500,000 as of month end. A small percentage of composite assets (typically ranging from 0-5%) historically has been invested in unmanaged fixed income securities at the direction of account holders. From December 31, 1993, thru September 30, 2002, all accounts included were managed for at least one quarter, from October 1, 2002, to present all accounts were managed for at least one month. All returns are calculated using United States Dollars and are based on monthly valuations using trade date accounting. All accounts in this composite are fee paying. Gross of fees returns are calculated gross of management fees, gross of custodial fees, gross of withholding taxes and net of transaction costs. Net of fees returns are calculated net of actual management fees and transaction costs and gross of custodial fees and withholding taxes. Dispersion is calculated using the equal weighted standard deviation of all accounts in the composite for the entire period. As of 12/31/2011, the trailing three year annualized ex-post standard deviation for the Composite and Benchmark are required to be stated per GIPS®. FMI uses gross returns to calculate these.

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

Up to $25,000,000	0.85%
$25,000,001-$50,000,000	0.80%
$50,000,001-$100,000,000	0.70%
$100,000,001 and above	0.60%

The firm generally requires a minimum of $3 million in assets to establish a discretionary account. High Net Worth individuals may establish an account with a minimum of $1,000,000, however, the firm reserves the right to charge a minimum dollar fee for High Net Worth individuals depending on the client servicing involved. The minimum account sizes do not apply to new accounts for which there is a corporate, family, or other substantial relationship to existing accounts. In addition, the firm reserves the right to waive the minimum account size and minimum annual fee under certain circumstances. A complete list and description of all firm composites and FMI distributed mutual funds are available upon request.

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

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