



October 31, 2016

Dear Fellow FMI Fund Shareholders,

We are pleased to announce that FMI Large Cap Fund, FMI Common Stock Fund, and FMI International Fund, (the “Funds”) have each created a new Institutional class of shares, (the “Institutional Class”) effective October 31, 2016. The expense ratio of the current class of shares, (the “Investor Class”) and the new Institutional Class will reflect the differences in service arrangements applicable to each share class. The Institutional Class will have the same management fee as the Investor Class, but may have lower or no shareholder servicing fees, which may result in lower overall expenses paid by an Institutional Class shareholder. The ticker symbols for the new Institutional Class of shares are: FMI Large Cap Institutional “**FMIQX**”, FMI Common Stock Institutional “**FMIUX**”, and FMI International Institutional “**FMIYX**”. All of the Investor Class shares and Institutional Class shares are invested in the same underlying portfolio of the applicable Fund.

The Institutional Class account minimum for each of the Funds is \$100,000. If the current market value of your account(s) in the Investor Class is at least \$100,000 in a particular Fund, you may elect to exchange the account(s) from the Investor Class to the Institutional Class as described in each Fund’s current prospectus. For the purposes of calculating the total value of your accounts, all accounts registered with a common tax identification number within a Fund can be combined to reach the \$100,000 minimum, and you can elect to make the exchange at any time. Exchanging from Investor Class to Institutional Class shares may not be available at certain financial intermediaries, or there may be additional costs associated with this exchange charged by your financial intermediary. **There is no fee for exchanging accounts held directly with the Fund.** A shareholder may receive more or fewer Institutional Class shares than the number of Investor Class shares exchanged because the net asset value (“NAV”) per share of the Institutional Class shares may be higher or lower than that of the Investor Class shares at the time of exchange, although the total dollar value invested will be the same. **If your account is held directly with the Fund, you may exchange from Investor Class shares to Institutional Class shares by calling 1-800-811-5311 or by returning the Exchange Class Form by mail.** If your account is not held directly with the Fund, and you wish to exchange from Investor class shares to Institutional Class shares, please contact your financial intermediary.

An exchange from Investor Class to Institutional Class shares of a Fund (or vice versa) should generally not be a taxable event for federal income tax purposes. Please consult your tax advisor or accountant to discuss your specific situation.

If the total market value of your Institutional Class shares declines to less than \$100,000 due to shareholder action, such as a redemption, and not because of a change in market value, we may exchange your Institutional Class shares into Investor Class shares. A copy of the Fund’s current prospectus may be obtained by visiting the Fund’s website at [www.fmifunds.com](http://www.fmifunds.com).

Thank you for your continued investment in the FMI Funds.

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This letter is not a prospectus and does not purport to contain all information an investor may require to form an investment decision. This letter should be read in conjunction with the Prospectus for the Funds dated as of October 31, 2016 when it becomes available, because it will contain important information about the newly created Institutional Class shares of the Funds. ***Please read the Prospectus carefully to consider the investment objectives, risks, charges and expenses, before investing or sending money. The Prospectus contains this and more information about the FMI Funds. Please read the Prospectus or Summary Prospectuses carefully before investing.*** A copy of the Prospectus as well as other relevant documents (when available) may be obtained free of charge from the Securities and Exchange Commission’s website at [www.sec.gov](http://www.sec.gov) or by calling the Funds at 1-800-811-5311.

## **FMI Funds, Inc. - Guide to Choosing a Share Class**

Investors can choose between two classes of shares for each of the FMI Funds (the “Fund”): Investor Class and Institutional Class. As described in each Fund’s prospectus, the classes differ to the extent that they bear certain class specific minimums and expenses. When choosing a share class, it is important to consider your method of investing (directly with a Fund or through certain broker dealers or other financial intermediaries), the amount you plan to invest, and the expenses of each class. Both share classes are invested in the same underlying portfolio of the applicable Fund.

### **Investor Class – FMIHX, FMIMX and FMIJX**

The minimum initial investment in the Investor Class is \$1,000 for FMI Large Cap Fund (“FMIHX”) and FMI Common Stock Fund (“FMIMX”) and \$2,500 for FMI International Fund (“FMIJX”). Your entire purchase price is invested in Fund shares at the net asset value (“NAV”) per share of the Investor Class. Shareholders in the Investor Class shares may pay Shareholder Servicing fees of up to 0.15%.

### **Institutional Class – FMIQX, FMIUX, FMIYX**

The minimum initial investment in the Institutional Class is \$100,000. Your entire purchase price is invested in Fund shares at the NAV per share of the Institutional Class. Shareholders in Institutional Class shares may pay lower or no Shareholder Servicing fees. Institutional Class shares may not be available at all financial intermediaries.

### **Exchanging from Investor Class to Institutional Class Shares**

If the current market value of your accounts in the Investor Class of a Fund is at least \$100,000, you may elect to exchange the account(s) from Investor Class to Institutional Class shares of that Fund on the basis of relative NAVs. Exchanging from Investor Class to Institutional Class shares may not be available at certain financial intermediaries, or there may be additional costs involved associated with this exchange charged by your financial intermediary. **There is no fee for exchanging accounts held directly with the Fund.** A shareholder may receive more or fewer Institutional Class shares than the number of Investor Class shares exchanged because the NAV per share of the Institutional Class shares may be higher or lower than that of the Investor Class shares at the time of exchange, although the total dollar value will be the same.

You may exchange from Investor Class to Institutional Class shares by calling FMI Funds, Inc. at 1-800-811-5311 or by returning the attached form, or by contacting your financial intermediary if you don’t have a direct account with the Fund. If the total market value of your Institutional Class shares account declines to less than \$100,000 due to shareholder action, such as a redemption, and not because of a change in market value, we may exchange your Institutional Class shares into Investor Class shares of a Fund on the basis of relative NAVs. Although the total dollar value will be the same, a shareholder may receive more or fewer Investor Class shares than the number of Institutional Class shares exchanged. An exchange from Investor Class shares to Institutional Class shares of a Fund or from Institutional Class shares to Investor Class shares of a Fund pursuant to the preceding paragraphs should generally not be a taxable exchange for federal income tax purposes. Please contact your tax advisor or accountant to discuss your specific situation.

A copy of the Fund’s current prospectus may be obtained by visiting the Fund’s website at [www.fmifunds.com](http://www.fmifunds.com).