

MADISON LARGE CAP EQUITY

Strategy Overview

Executing a consistent investment philosophy and process for over two decades.

PARTICIPATE AND PROTECT® PHILOSOPHY

Madison's Large Cap strategy seeks to provide superior long-term returns while assuming lower-than-average risk. To pursue this goal, we employ a disciplined valuation process and intensive fundamental research. Our high-conviction portfolios consist of investments in well-managed, high-quality companies that exhibit sustainable competitive advantages, prudent financial leverage and durable growth characteristics.

INTENSIVE FUNDAMENTAL RESEARCH

Madison's U.S. Equity Team approaches investing with the mindset that stocks are fractional ownership in a business, not pieces of paper for short-term speculation. We employ bottom-up, fundamental research to analyze stocks for potential inclusion in our portfolio.

BUSINESS MODEL ANALYSIS

How good is the business?

1

We conduct an in-depth analysis of the fundamental characteristics of the business. Key criteria include whether the company has a sustainable competitive advantage, durable sales and earnings growth, and a solid balance sheet.

MANAGEMENT TEAM ASSESSMENT

Do they create value for the shareholder?

2

When evaluating management, we focus on their capital allocation actions and strategies, operational acumen, strategic plans, integrity and shareholder alignment.

VALUATION

What is the business worth?

3

Even if a company meets all of the desired criteria, the price has to be right. We determine the value of the business and buy stocks at good prices in relation to that value. We employ discounted cash flow modeling, valuation multiple comparisons and private market valuations. We then use scenario analysis to stress test our work.

Investment Process Overview

UNIVERSE

Domestically traded stocks over \$1 billion in market capitalization

SCREEN FOR HIGH QUALITY AT GOOD PRICES

Quantitative:

- ▶ Profitable growth
- ▶ Strong balance sheets
- ▶ Attractive valuations

Leverage Team's Experience:

- ▶ Relationships in industry
- ▶ Interactions with management teams
- ▶ Prior investments

INTENSIVE FUNDAMENTAL RESEARCH

A thorough evaluation of the business, management and valuation

THESIS REPORT

Consistent, repeatable process

HIGH CONVICTION

A concentrated, low turnover portfolio



HIGH CONVICTION PORTFOLIO MANAGEMENT

We assign a confidence ranking to each stock to assist us with position sizing and in making trim and sell decisions.

Our portfolio construction process contemplates the confidence ranking, the valuation potential of the stock, and a thorough analysis of risk factors. Our process allows portfolio managers to act decisively and with conviction. The execution of our strategy results in a concentrated, low-turnover portfolio whose high active share reflects our willingness to stand apart from market indices.

WHY MADISON?

Our management discipline requires constant attention to individual stocks, continual monitoring of market conditions and the willingness to make tough decisions. It has meant having the wisdom to be patient, the courage to act on our convictions, and the discipline to stay true to our style.

CONSERVATIVE MANAGEMENT FOR OVER 40 YEARS

Since Madison was founded in 1974, managing client assets has been the sole focus of our company. Our investment professionals build risk-conscious portfolios and strive to deliver excellent investment results and best-in-class service to our clients. We partner with investors and their advisers to help clients achieve their investment goals through our offering of actively-managed stock, bond, and asset allocation portfolios constructed to emphasize downside protection.

INDEPENDENT AND ALIGNED WITH OUR CLIENTS

Madison is 100% employee-owned. Because our employees are owners, we are only successful if our clients' investing experience is excellent. We make decisions that are in the long-term best interest of those we serve. Our independence allows us to focus entirely on managing our clients' assets with no outside influences.

"Madison" and/or "Madison Investments" is the unifying tradename of Madison Investment Holdings, Inc., Madison Asset Management, LLC ("MAM"), and Madison Investment Advisors, LLC ("MIA"), which also includes the Madison Scottsdale office. Hansberger Growth Investors, L.P. or "HGI" is an affiliate of "Madison Investments." MAM, MIA and HGI are registered as investment advisers with the U.S. Securities and Exchange Commission. Madison Funds are distributed by MFD Distributor, LLC. MFD Distributor, LLC is registered with the U.S. Securities and Exchange Commission as a broker-dealer, and is a member firm of the Financial Industry Regulatory Authority. The home office for each firm listed above is 550 Science Drive, Madison, WI 53711. Madison's toll-free number is 800-767-0300.

Any performance data shown represents past performance. Past performance is no guarantee of future results.

Non-deposit investment products are not federally insured, involve investment risk, may lose value and are not obligations of, or guaranteed by, any financial institution. Investment returns and principal value will fluctuate.

This report is for informational purposes only and is not intended as an offer or solicitation with respect to the purchase or sale of any security.

Following our Participate and Protect® investment philosophy, our goal is to build portfolios so that investors will participate in favorable markets and be protected during market declines compared with investors in portfolios holding more speculative and volatile securities. There is no assurance that this goal will be realized.

Large Cap investing is based on the expectation of positive price performance due to continued earnings growth or anticipated changes in the market or within the company itself. However, if a company fails to meet that expectation or anticipated changes do not occur, its stock price may decline. Moreover, as with all equity investing, there is the risk that an unexpected change in the market or within the company itself may have an adverse effect on its stock. Investing in growth-oriented stocks involves potentially higher volatility and risk than investing in income-generating stocks. The biggest risk of equity investing is that returns can fluctuate and investors can lose money.

Active Share: the percentage of a portfolio that differs from its benchmark index. Active Share can range from 0% for a strategy that perfectly mirrors the benchmark to 100% for a portfolio with no overlap with an index.

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888.971.7135

Experienced Management



Matt Hayner, CFA
Portfolio Manager
Industry since 2002



Rich Eisinger
Portfolio Manager
Industry since 1994

MADISONINVESTMENTS.COM