
MADISON MID CAP EQUITY

Strategy Overview

This overview is an introduction to Madison's Mid Cap philosophy, process, and investment team.

OUR PHILOSOPHY

Madison's Mid Cap portfolios follow the firm's long-term philosophy of "Participate and Protect[®]" with the goal of seeking superior returns while exposing our clients' portfolios to only moderate risks*. To achieve our goals, we emphasize high-quality growth companies that exhibit sustainable competitive advantages and consistent cash flow. We perform multiple screens to develop a high conviction portfolio concentrated in companies with attractive growth characteristics and purchased when valuations are reasonable.

OUR STRATEGY

We employ a fundamental, "bottom-up" strategy in constructing our equity portfolios. The companies that we typically invest in are consistently growing at an above average pace, yet sell at a below average multiple.

We follow a rigorous three-step process when evaluating companies. We consider the business model, the management team and the valuation of each potential investment. When evaluating the business model we look for a sustainable, competitive advantage, cash flow that is both predictable and growing, as well as a rock-solid balance sheet. When assessing management we look to see how they have allocated capital in the past, their track record for enhancing shareholder value and the nature of their accounting practices. The final step in the process is assessing the proper valuation for the company. We strive to purchase securities trading at a discount to their intrinsic value as determined by discounted cash flows. We corroborate this valuation work with additional valuation methodologies.

Often we find companies that clear the first or second hurdle, but not the third. Those companies are monitored for inclusion at a later date when the valuation is more appropriate. With this focus, we are able to avoid the volatility of high-growth/high-multiple equities, while still investing in high-quality growth companies.

While the market is made up of thousands of stocks, to be included in our universe, candidates must have:

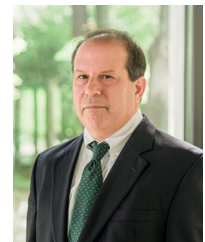
- ▶ Consistent, sustainable cash flow/earnings growth
- ▶ Good relative valuation characteristics
- ▶ Qualities that inspire a high degree of confidence

It is the combination of the above criteria that drives our investment decisions.

PORTFOLIO CRITERIA

- ▶ High Confidence Level
- ▶ Attractive Relative Valuation
- ▶ Consistent Growth

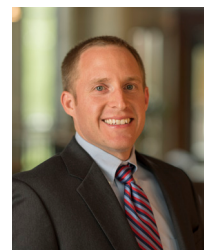
Experienced Management



Rich Eisinger
Portfolio Manager
Industry since 1994



Haruki Toyama
Portfolio Manager
Industry since 1994



Andy Romanowich
Portfolio Manager
Industry since 2004



OUR UNIVERSE

Our universe is defined generally by the stocks represented in the Russell Midcap® Index. Through our rigorous fundamental analysis, we build a portfolio of 25-40 stocks.

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.

Investing in small, mid-size or emerging growth companies involves greater risks not associated with investing in more established companies, such as business risk, significant stock price fluctuations and illiquidity.

Indices are unmanaged. An investor cannot invest directly in an index. They are shown for illustrative purposes only, and do not represent the performance of any specific investment. Index returns do not include any expenses, fees or sales charges, which would lower performance.

Russell Investment Group is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Russell Investment Group.

Russell MidCap Index is a market-capitalization-weighted index representing the smallest 800 companies in the Russell 1000 Index. The average Russell MidCap Index member has a market cap of \$8 billion to \$10 billion, with a median value of \$4 billion to \$5 billion.

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