

MADISON MUNICIPAL BOND LADDERS

Strategy Overview

This overview is an introduction to Madison’s Municipal Bond Ladder philosophy, process, and investment team.

- ▶ Maturity constraints based on a client’s needs (e.g. 5, 10 or 15 years)
- ▶ Decades of experience managing municipal bonds
- ▶ Consistently monitored, diversified portfolios
- ▶ Emphasis on investment-grade rated bonds within liquid sectors
- ▶ Transparent holdings comprised of traditional bond structures

INVESTMENT OVERVIEW

- ▶ Pursues steady income, low turnover
- ▶ Investment-grade bonds, low turnover
- ▶ Active issuer screening and monitoring

Experienced Management

INVESTMENT PHILOSOPHY

Madison believes in providing valuable fixed income investment solutions which meet client needs. Laddered portfolios may be appealing to clients desiring a steady stream of income generated by a high quality portfolio.

Successful execution of a laddered approach requires an appropriate balance between creditworthiness, diversification, structure and valuation. Every investment decision is paramount given our intention to hold bonds added to the portfolio through maturity. We refer to our approach as “buy and actively monitor.”



Jeff Matthias, CFA
Portfolio Manager
Industry since 1990

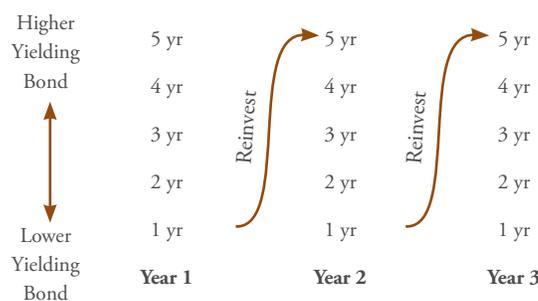
APPROACH TO LADDERED PORTFOLIOS

A bond ladder is constructed by purchasing a series of investment-grade municipal bond issues with staggered maturities. Issuer selection is vital during the initial funding of the ladder and subsequent reinvestment of cash flows.

As bonds mature, the proceeds are used to purchase securities at the longer end of the maturity structure of the ladder. This process allows the client to potentially capture higher yields. Madison continuously monitors all bonds purchased and stands ready to transact in the event of credit deterioration.



Michael Peters, CFA
Portfolio Manager
Industry since 1987



INVESTMENT PROCESS

Our repeatable investment process is consistently applied across all tax-exempt municipal bond portfolios.

1. We craft a portfolio strategy underpinned by a top-down approach. Our team inputs macroeconomic factors into proprietary relative-valuation analysis, then evaluates and refines output from the analysis.
2. We methodically construct the portfolio using a bottom-up analysis of each bond. This process strives to strike a balance between: creditworthiness, diversification, structure, valuation and liquidity.
3. We vigilantly monitor all bonds within the portfolio and stand ready to transact if credit deteriorates or to enhance portfolio characteristics.

MADISON'S PARTICIPATE AND PROTECT® PHILOSOPHY*

Since 1974, Madison has served investment management clients with a sound blend of investment philosophy and process, disciplined thinking and a spirit of independence. As an employee-owned firm, our clients value our independence and willingness to be contrarian.

Our core principle of participate and protect exemplifies our belief that while most bond investors want to share the benefit of a rising market, they have a primary interest in risk moderation and avoiding meaningful losses of core capital.

“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.

Investment income may be subject to certain state and local taxes and, depending on your tax status, the federal alternative minimum tax. Capital gains are not exempt from federal income tax.

*Madison’s expectation is that investors will participate in market appreciation during bull markets and be protected during bear markets compared with investors in portfolios holding more speculative and volatile securities. There is no assurance that Madison’s expectations will be realized.

Bonds are subject to certain risks including interest-rate risk, credit risk and inflation risk. As interest rates rise, the prices of bonds fall. Long-term bonds are more exposed to interest-rate risk than short-term bonds.