

MADISON SUSTAINABLE EQUITY

Strategy Overview

Integrating Quality and Sustainability

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

OUR INVESTMENT STRATEGY

We utilize a bottom-up, fundamental research process to evaluate the companies we are considering for inclusion in the portfolio with four key areas of focus:

SUSTAINABILITY

1 Sustainability, starting with governance, is essential to assessing a company's long-term viability and potential for profit. Companies that prioritize all stakeholders create value for investors over the long term.

QUALITY

2 We believe high quality sustainable growth companies deliver the highest risk adjusted returns over a full market cycle. We look for companies with above market growth, sustainable competitive advantages, and stable or improving returns on capital.

INTENSIVE FUNDAMENTAL RESEARCH

3 We integrate intensive fundamental and sustainable research for each company we evaluate. We look for companies that embed sustainability into their overall strategy and meet our high-quality criteria. Our fundamental and sustainable research focuses on industry analysis, business model and strategy, in-depth financial and valuation review, corporate governance, and sustainable business practices.

VALUATION

4 We strive to purchase high quality companies at attractive valuations. We use a variety of valuation methods, and scenarios to determine the right price including absolute and relative multiples, comparable valuations, discounted cash flow modeling, and private market valuations.

INVESTMENT PHILOSOPHY

- + Invest in high quality companies with sustainable growth and strong corporate governance
- + Pursues superior long term returns while minimizing risk

KEY FACTS

Strategy Inception:	March 2008*
Benchmarks:	S&P 500® Index
Positions:	35-50 high quality stocks with a focus on sustainability
Top 10 Weight	Typically 25-35%
Sector Weight	Less than 2x S&P 500 weight
Turnover	Typically 20-40%



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 pursue 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 Investments is an independent firm owned by the employees and the founder. 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.

Experienced Management



Maya Bittar, CFA®
Portfolio Manager
Industry since 1986

Prior experience: Artisan Partners, LLC, Firstar (U.S. Bank), Wellington Management Company

Education: BBA in accounting, MBA in international business, MS in finance from the University of Wisconsin-Madison, Applied Security Analysis Program



Dave Geisler
Portfolio Manager
Industry since 2004

Prior experience: Lateef Investment Management, Artisan Partners, Cowen and Company

Education: BA in economics from University of California-San Diego, MBA from University of California-Berkeley, certifications in Management of Technology and Entrepreneurship, Certificate in ESG Investing from the CFA Institute

DISCLOSURES

“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. MAM and MIA 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.

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.

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.

The strategy follows a sustainable investment approach by investing in companies that embed sustainability in their overall strategy and demonstrate adherence to sustainable business practices. In pursuing such a strategy, the strategy may forgo opportunities to gain exposure to certain companies, industries or sectors, and may be overweight or underweight in certain industries or sectors relative to its benchmark index, which may cause the strategy’s performance to be more or less sensitive to developments affecting those sectors. In addition, since sustainable investing takes into consideration factors beyond traditional financial analysis, the investment opportunities for the strategy may be limited at times. Sustainability related information provided by issuers and third parties, upon which the portfolio managers may rely, continues to develop, and may be incomplete, inaccurate, use different methodologies, or be applied differently across companies and industries. Madison’s framework of sustainable investing will vary from other managers. Further, the regulatory landscape for sustainable investing in the United States is still developing and future rules and regulations may require the strategy to modify or alter its investment process. Similarly, government policies incentivizing companies to engage in sustainable practices may fall out of favor, which could potentially limit the strategy’s investment universe. There is also a risk that the companies identified through the investment process may fail to adhere to sustainable business practices, which may result in the strategy selling a security when it might otherwise be disadvantageous to do so.

Madison’s criteria for selecting sustainable investments will vary by industry and company. Madison uses a proprietary scoring system to assign an “above average,” “average,” or “below average” rating to each company, and monitors these ratings across the portfolio. Madison will only invest in securities it determines are “average” or “above average.”

*Prior to 2022, this strategy was known as Madison Disciplined Equity. Since its inception, the portfolio has placed an emphasis on strong corporate governance, but recently it has evolved to incorporate a broader set of sustainability factors.

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.

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.

The S&P 500® is an unmanaged index of large companies, and is widely regarded as a standard for measuring large-cap and mid-cap U.S. stock-market performance. Results assume the reinvestment of all capital gain and dividend distributions. An investment cannot be made directly into an index.

Not FDIC Insured | No Financial Institution Guarantee | May Lose Value

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