



# Plumb Funds

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**Plumb Balanced Fund**  
(Investor Shares: PLBBX)  
(Institutional Shares: PLIBX)

**Plumb Equity Fund**  
(Investor Shares: PLBEX)  
(Institutional Shares: PLIEX)

## STATEMENT OF ADDITIONAL INFORMATION

**Dated August 1, 2020**

This Statement of Additional Information (the "SAI") contains detailed information about the Plumb Balanced Fund and the Plumb Equity Fund. This SAI is not a prospectus and should be read in conjunction with the prospectus of the Plumb Balanced Fund and the Plumb Equity Fund (the "Prospectus") dated August 1, 2020. The Prospectus may be obtained, without charge, by contacting Wisconsin Capital Funds, Inc. at the address or the telephone number listed above.

The financial statements of the Funds and the report of the independent registered public accounting firm thereon are incorporated by reference into this Statement of Additional Information from the Funds' Annual Report to Shareholders for the year ended March 31, 2020. See "Financial Statements."

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## **FUND HISTORY**

Wisconsin Capital Funds, Inc. is a Maryland corporation incorporated on April 4, 2007, and registered as an open-end, diversified management investment company under the Investment Company Act of 1940 (the "1940 Act"). Each of the Plumb Balanced Fund and the Plumb Equity Fund (each a "Fund" and collectively, the "Funds") is a series of Wisconsin Capital Funds, Inc. The Funds commenced operations on May 24, 2007. Wisconsin Capital Funds, Inc. may offer more than one class of shares. Each of the Funds currently offers two classes of shares: Investor Shares and Institutional Shares. The investment advisor of the Funds is Wisconsin Capital Management, LLC (the "Advisor"). The principal underwriter and distributor of shares of the Funds is Quasar Distributors, LLC (the "Distributor").

## **DESCRIPTION OF CERTAIN INVESTMENT STRATEGIES AND RISKS**

### **Lending Portfolio Securities**

Each Fund may lend its portfolio securities to broker-dealers and financial institutions, such as banks and trust companies; however, absent unforeseen market and economic conditions, the Funds have no present intention to do so. In the event a Fund engages in this activity, the Advisor will monitor the creditworthiness of firms to which the Fund lends its securities. Any such loan must be continuously secured by collateral in cash or cash equivalents maintained on a current basis in an amount at least equal to the market value of the securities loaned by the Fund. The Fund would continue to receive the equivalent of the interest or dividends paid by the issuer on the securities loaned and would also receive an additional return which may be in the form of a fixed fee or a percentage of the collateral. The Fund would have the right to call the loan and obtain the securities loaned at any time on notice of not more than five business days. The Fund would not have the right to vote the securities during the existence of the loan, but the Fund would call the loan to permit voting of securities during the existence of the loan if, in the Advisor's judgment, a material event requiring a shareholder vote would otherwise occur before the loan was repaid. In the event of bankruptcy or other default of the borrower, the Fund could experience both delays in liquidating the loan collateral or recovering the loaned securities and losses including (a) possible decline in the value of the collateral or in the value of the securities loaned during the period while the Fund seeks to enforce its rights thereto, (b) possible subnormal levels of income and lack of access to income during this period, and (c) expenses of enforcing its rights.

### **Repurchase Agreements**

Each Fund may from time to time enter into repurchase agreements. Repurchase agreements involve the sale of securities to the purchasing Fund with the concurrent agreement of the seller to repurchase the securities at the same price plus an amount equal to an agreed upon interest rate within a specified time, usually less than one week, but on occasion for a longer period. Each Fund may enter into repurchase agreements with broker-dealers and with banks. At the time a Fund enters into a repurchase agreement, the value of the underlying security, including accrued interest, will be equal to or exceed the value of the repurchase agreement and, in the case of repurchase agreements exceeding one day, the seller will agree that the value of the underlying security, including accrued interest, will at all times be equal to or exceed the value of the repurchase agreement. Each Fund will require continual maintenance of cash or cash equivalents held by its depository in an amount equal to, or in excess of, the market value of the securities which are subject to the agreement.

In the event the seller of the repurchase agreement becomes the subject of a bankruptcy or insolvency proceeding, or in the event of the failure of the seller to repurchase the underlying security as agreed, a Fund could experience losses that include: (1) decline in the value of the underlying security during the period with respect to which the Fund seeks to enforce its rights, and delay in the enforcement of such rights; (2) loss of all or a part of the income or proceeds of the repurchase; (3) additional expenses to the Fund in connection with enforcing those rights; and (4) delay in the disposition of the underlying security pending court action or possible loss of rights in such securities. The Advisor will invest in repurchase agreements only when it determines that the Fund should invest in short-term money market instruments and that the rates available on repurchase agreements are favorable as compared to the rates available on other short-term money market instruments or money market mutual funds. The Advisor does not currently intend to invest the assets of any Fund in repurchase agreements if, after doing so, more than 5% of the Fund's net assets would be invested in repurchase agreements. This limitation does not apply to a Fund's investments in repurchase agreements of the cash collateral received from the Fund's securities lending activity.

### **When-Issued Transactions**

Each Fund may purchase or sell portfolio securities in when-issued transactions, although absent unforeseen market and economic conditions, the Funds have no present intention to do so. In when-issued transactions, instruments are bought or sold with payment and delivery taking place in the future to secure what is deemed an advantageous yield or price to the Fund at the time of the transactions. The payment obligations and the interest rate in such transactions are fixed at the time the buyer commits to the purchase, although no interest accrues to the purchaser prior to settlement of the transaction. Consistent with the requirements of the 1940 Act, securities purchased on a when-issued basis are recorded as an asset (with the purchase price being recorded as a liability) and are subject to changes in value based upon changes in the general level of interest rates. At the time of delivery of the security, the value may be more or less than the transaction price. To the extent that a Fund remains substantially fully invested at the same time that it has entered into such transactions, which the Fund would normally expect to do, there will be greater fluctuations in the market value of the Fund's assets than if the Fund set aside cash to satisfy the purchase commitment. However, the Fund will maintain designated liquid assets with a market value, determined daily, at least equal to the amount of commitments for when-issued securities, such assets to be earmarked specifically for the settlement of such commitments. A Fund will only make commitments to purchase portfolio securities on a when-issued basis when it intends to actually acquire the securities, and not for the purpose of investment leverage, but reserves the right to sell the securities before the settlement date if deemed advisable. The Funds currently do not intend to purchase securities in when-issued transactions if, after such purchase, more than 5% of the participating Fund's net assets would consist of when-issued securities.

### **Illiquid and Restricted Investments or Securities**

The Securities and Exchange Commission ("SEC") has adopted a liquidity risk management rule, Rule 22e-4 (the "Liquidity Rule"), pursuant to which the Funds are required to establish a liquidity risk management program. The Liquidity Rule defines the term "illiquid investments" to mean any investment that a Fund reasonably expects cannot be sold or disposed of in current market conditions in seven calendar days or less without the sale or disposition significantly changing the market value of the investment. Illiquid investments may include securities and other financial instruments that do not have a readily available market, repurchase agreements which have a maturity of longer than seven calendar days and time deposits maturing in more than seven calendar days, unless, based

upon a review of the relevant market, trading and investment-specific considerations, those investments are determined not to be illiquid. Each Fund may not acquire any illiquid investment if, immediately after the acquisition, the Fund would have invested more than 15% of its net assets in illiquid investments. If the limitation on illiquid investments is exceeded, other than by a change in market values, the condition will be reported to the Board and, when required by the Liquidity Rule, to the SEC. If investments that were liquid at the time of purchase subsequently become illiquid and result in a Fund holding illiquid investments in excess of 15% of its net assets, the Fund will no longer purchase additional illiquid investments and may reduce its holdings of illiquid investments in an orderly manner, but it is not required to dispose of illiquid holdings immediately if it is not in the interest of the Fund. A Fund may be unable to dispose of its holdings in illiquid investments at then current market prices and may have to dispose of such investments over extended periods of time. The absence of a trading market can make it difficult to ascertain a market value for illiquid investments. When no market quotations are available, illiquid investments are priced at fair value as determined in good faith by the Advisor using guidelines approved by the Board. For the purposes of this restriction, the Funds do not consider variable rate demand notes to be restricted securities. See “Variable Rate Demand Notes” below.

In the event a security held by a Fund experiences limited trading volume, the price of such security may display abrupt or erratic movements. A Fund’s investment in securities that are less actively traded or that experience decreased trading volume over time may restrict its ability to dispose of securities promptly or at an acceptable price. To the extent it invests in illiquid investments or restricted securities, a Fund may encounter difficulty in determining a market value for such securities. Disposing of illiquid investments or restricted securities may involve time-consuming negotiations and legal expense. In addition, if a Fund holds a material percentage of its assets in illiquid investments or restricted securities, it may experience difficulty meeting its redemption obligations.

Restricted securities generally can be sold in privately negotiated transactions, pursuant to an exemption from registration under the Securities Act, or in a registered public offering. Where registration is required, a Fund may be obligated to pay all or part of the registration expense and a considerable period may elapse between the time it decides to seek registration and the time the Fund may be permitted to sell a security under an effective registration statement. If adverse market conditions were to develop during such a period, a Fund might obtain a less favorable price than prevailed when it decided to seek registration of the security.

### **Variable Rate Demand Notes**

Each Fund may purchase variable rate master demand notes, which are unsecured instruments that permit the indebtedness thereunder to vary and provide for periodic adjustments in the interest rate. Although the notes are not normally traded and there may be no secondary market in the notes, the participating Fund may demand payment of principal and accrued interest at any time. The investment policy of each Fund is to purchase variable rate demand notes only if, at the time of purchase, the issuer has unsecured debt securities outstanding that are rated within the two highest rating categories by either Standard & Poor’s or Moody’s Investors Service, Inc.

### **Mortgage-Backed Securities**

Each Fund may invest in mortgage-related securities, which include securities that represent interests in pools of mortgage loans made by lenders such as savings and loan institutions, mortgage bankers, commercial banks, and others. These pools are combined for sale to investors (such as

the Funds) by various governmental and government-related entities, as well as commercial banks, savings and loan institutions, private mortgage insurance companies, mortgage bankers, and other private issuers. Mortgage-related securities generally provide for a “pass-through” of monthly payments made by individual borrowers on their residential mortgage loans, net of any fees paid to the issuer or guarantor of the securities.

The Government National Mortgage Association (“GNMA”) is the principal government guarantor of mortgage-related securities. GNMA is authorized to guaranty, with the full faith and credit of the U.S. Government, timely payment of principal and interest on securities it approves that are backed by pools of FHA-insured or VA-guaranteed mortgages. GNMA securities are described as “modified pass-through” in that they provide a monthly payment of interest and principal payments owed on the mortgage pool, net of certain fees, regardless of whether the mortgagor actually makes the payment. Other government-related guarantors of these securities include the Federal National Mortgage Association (“FNMA”) and the Federal Home Loan Mortgage Corporation (“FHLMC”). FNMA and FHLMC securities are guaranteed as to payment of principal and interest by those agencies, but are not backed by the full faith and credit of the U.S. Government. With respect to private mortgage-backed securities, timely payment of principal and interest of these pools is supported by various forms of insurance or guarantees, including individual loan, title, pool, and hazard insurance. There can be no assurance that private insurers or guarantors can meet their obligations under such policies.

Certain mortgage-backed securities that a Fund may purchase provide for a prepayment privilege and for amortized payments of both interest and principal over the term of the security. The yield on the original investment in such securities applies only to the unpaid principal balance, as the Fund must reinvest the periodic payments of principal at prevailing market interest rates that may be higher or lower than the rate on the original security. In addition, the prepayment privilege may require the Fund to reinvest at lower yields than were received from the original investment. If these instruments are purchased at a premium in the market, and if prepayment occurs, such prepayments will be at par or stated value, which will result in reduced return on such transactions.

When interest rates fall, the principal on mortgage-backed securities may be prepaid. The loss of higher yielding, underlying mortgages and the reinvestment of proceeds at lower interest rates can reduce a Fund’s potential price gain in response to falling interest rates, reduce the Fund’s yield, or cause the Fund’s share price to fall. When interest rates rise, the effective duration of a Fund’s mortgage-related securities may lengthen due to a drop in prepayments of the underlying mortgages. This is known as extension risk, and such risk would increase the Fund’s sensitivity to rising rates and its potential for price declines. The Funds presently do not intend to purchase mortgage-backed securities if, after such purchase, more than 5% of the Fund’s net assets would consist of such securities.

### **Asset-Backed Securities**

Each Fund may invest in asset-backed securities. Asset-backed securities are structured similarly to mortgage-backed securities but have underlying assets that are not mortgage loans or interests in mortgage loans. These securities represent fractional interests in, or are secured by and payable from, pools of assets such as motor vehicle installment sales contracts, installment loan contracts, equipment leases, leases of various types of real and personal property, and receivables from revolving credit (e.g., credit card) agreements. Assets are securitized through the use of trusts and special purpose corporations that issue securities that are often backed by a pool of assets

representing the obligations of a number of different parties. Repayments relating to the assets underlying the asset-backed securities largely depend on the cash flows generated by such assets. The credit quality of most asset-backed securities depends primarily on the credit quality of the assets underlying such securities, how well the entity issuing the security is insulated from the credit risk of the originator or any other affiliated entities, and the amount and quality of any credit enhancements associated with the securities. Payments or distributions of principal and interest on asset-backed securities may be supported by credit enhancements including letters of credit, an insurance guarantee, reserve funds and overcollateralization.

Because asset-backed securities have structures and characteristics similar to those of mortgage-backed securities, they are subject to many of the same risks as mortgage-backed securities, and often to a greater extent. For example, the underlying assets may be unsecured or may be subject to security interests affected by various state laws that treat consumer credit relating to personal property differently from that relating to real property. Such securities may be subject to greater liquidity and valuation risks, particularly during times of economic distress. Because of the pass-through of prepayments of principal on the underlying assets, asset-backed securities are often subject to more rapid repayment than their stated maturity date would indicate. Any such prepayments would require a Fund to reinvest the proceeds of such prepayments at the prevailing interest rates, which may be lower than those at which the assets were previously invested.

### **Real Estate Investment Trusts**

Each Fund may invest up to 10% of its total assets in real estate investment trusts (“REITs”). Equity REITs invest directly in real property while mortgage REITs invest in mortgages on real property. REITs may be subject to certain risks associated with the direct ownership of real estate, including declines in the value of real estate, risks related to general and local economic conditions, overbuilding and increased competition, increases in property taxes and operating expenses, fluctuations in interest rates, and variations in rental income. In addition, the failure of a REIT to qualify as such for tax purposes would have an adverse impact on the value of the participating Fund’s investment in that REIT. To qualify as a REIT, a company is, among other things, required to pay at least 90% of its taxable income to its shareholders every year. Some REITs have relatively small market capitalizations, which could increase their market volatility. REITs tend to be dependent on specialized management skills and may have limited diversification, causing them to be subject to risks inherent in operating and financing a limited number of properties.

### **Initial Public Offerings**

Each Fund may purchase securities of companies in initial public offerings (“IPOs”), although the Funds have no plans to do so in the immediate future. The prices of securities purchased in IPOs can be very volatile. The effect of IPOs on a Fund’s performance depends on a variety of factors, including the portion of the Fund’s assets that it invests in IPOs at any given time and whether and to what extent a security purchased in an IPO appreciates or depreciates in value.

### **High Yield Debt Securities**

Each Fund may invest up to 5% of its total assets at the time of purchase in debt securities (including convertible securities) that are non-rated or rated below investment grade, i.e., rated below “BBB” by S&P or “Baa” by Moody’s. Such securities are commonly referred to as “junk bonds” or “high yield/high risk” securities. Non-investment grade securities are regarded to be speculative with

regard to the issuer's capacity to pay interest and repay principal. Such securities involve a heightened risk of issuer default or bankruptcy and are more sensitive to economic conditions than higher-rated securities. In addition, the secondary market for such securities may not be as liquid as the market for higher-rated securities.

### **Convertible Securities**

Each Fund may invest in convertible securities. Convertible securities include any bonds, debentures, notes, preferred stocks, or other securities which may be converted into or exchanged for a specified amount of common stock of the same or a different issuer within a particular period of time at a specified price or formula. Convertible securities are hybrid securities that have characteristics of both bonds and stocks. Like bonds, convertible securities pay interest. Convertible securities also offer an investor the right to benefit from the capital appreciation potential in the underlying common stock upon exercise of the conversion feature.

The value of a convertible security is a function of its "investment value," which is determined by its yield in comparison with the yields of other securities of comparable quality and maturity that do not have the conversion privilege, and its "conversion value," which is the security's worth if converted into the underlying common stock. Investment value is typically influenced by interest rates and the credit standing of the issuer. If interest rates go up, the investment value of the convertible security will generally go down, and vice versa. Conversion value is determined by the market price of the underlying common stock and generally decreases as the convertible security approaches maturity. As the market price of the underlying common stock goes down, the conversion value will tend to go down as well since the convertible security presents less opportunity for capital appreciation upon conversion.

Convertible securities are generally more secure than common stock but less secure than non-convertible debt securities such as bonds. Convertible securities are usually subordinate to non-convertible bonds in terms of payment priority.

### **Short Sales**

Each Fund may effect short sales of securities. To effect a short sale, a Fund sells a security it does not own and simultaneously borrows the security, usually from a brokerage firm, to make delivery to the buyer. The Fund then is obligated to replace the borrowed security by purchasing it at the market price at some future date. Until the security is replaced, the Fund is required to pay the lender any accrued interest or dividends and may be required to pay a premium. Each Fund may also make short sales "against the box", i.e., short sales made when the Fund owns securities identical to those sold short.

A Fund participating in a short sale will realize a gain if the security declines in price between the date of the short sale and the date on which the Fund replaces the borrowed security. The Fund will incur a loss if the price of the security increases between those dates. The amount of any gain will be decreased, and the amount of any loss increased, by the amount of any premium or interest the Fund may be required to pay in connection with a short sale. A short position may be adversely affected by imperfect correlation between movements in the price of the security sold short and the securities being hedged.

The Funds will not effect a short sale if, as a result, the aggregate value of all of the particular Fund's open short positions will exceed 5% of the value of the Fund's net assets. To secure the



Fund's obligation to replace any borrowed security, the Fund either will place in a segregated account, or its custodian will segregate on its books and records, an amount of cash or liquid securities at such a level that (i) the amount so segregated plus the amount deposited with the broker as collateral will equal the current value of the security sold short, and (ii) the amount so segregated plus the amount deposited with the broker as collateral will not be less than the market value of the security at the time it was sold short; or otherwise cover its short position in accordance with positions taken by the SEC.

A Fund may only engage in short sale transactions in securities listed on one or more national securities exchange (including the Nasdaq Stock Market).

A Fund will use short sales to limit its exposure to possible declines in the market value of its portfolio securities and to attempt to realize a gain.

### **Options and Futures**

Each Fund may engage in transactions in options and futures contracts. Some options and futures strategies, including selling futures, buying put options, and writing call options, tend to hedge the Fund's investments against price fluctuations. Other strategies, including buying futures, writing puts, and buying calls, tend to increase market exposure.

Each Fund may purchase or write (sell) listed call options on stocks and stock indices. A call option on a stock gives the purchaser of the option the right to buy, and the writer of the option the obligation to sell, the underlying stock at a stated price if the option is exercised before a specific date. The premium paid to the writer is the consideration for undertaking the obligations under the option contract. A call option written (sold) by the Fund exposes the Fund during the term of the option to possible loss of an opportunity to realize appreciation in the market price of the underlying stock, or to possible continued holding of a stock which might otherwise have been sold to protect against depreciation in the market price of the stock.

Each Fund may purchase or write (sell) listed put options on stocks and indices. A put option on a stock gives the purchaser of the option the right to sell, and the writer of the option the obligation to buy, the underlying stock at a stated price if the option is exercised before a specific date.

An option on an index is the same as a stock option except that the option is only settled in cash.

Whenever a Fund does not own securities underlying an open option position sufficient to cover the position, or whenever a Fund has written (sold) a put, the Fund will maintain in a segregated account with its custodian cash or cash equivalents sufficient to cover the exercise price or, with respect to index options, the market value of the open position. The Fund may ultimately sell the option in a closing sale transaction, exercise it, or permit it to expire.

Each Fund may purchase and sell exchange-traded futures contracts on stock indices. A futures contract on an index is an agreement by which one party agrees to accept delivery of, and the other party agrees to make delivery of, an amount of cash equal to the difference between the value of the underlying index at the close of the last trading day of the futures contract and the price at which the contract originally was written. Although the value of an index might be a function of the value of certain specified securities, no physical delivery of those securities is made.

When a purchase or sale of a futures contract is made by a Fund, the Fund is required to deposit with its custodian (or broker, if legally permitted) a specified amount of cash or U.S. Government securities ("initial margin"). The margin required for a futures contract is set by the exchange on which the contract is traded and may be modified during the term of the contract. The initial margin is in the nature of a performance bond or good faith deposit on the futures contract which is returned to the Fund upon termination of the contract, assuming all contractual obligations have been satisfied. The Fund expects to earn interest income on its initial margin deposits. A futures contract held by the Fund is valued daily at the official settlement price of the exchange on which it is traded. Each day the Fund pays or receives cash, called "variation margin," equal to the daily change in value of the futures contract. This process is known as "marking to market." Variation margin does not represent a borrowing or loan by the Fund, but is instead a settlement between the Fund and the broker of the amount one would owe the other if the futures contract expired. In computing daily net asset value, the Fund will mark to market all of its open futures positions.

While a Fund maintains an open futures position, the Fund must maintain with its custodian, in a segregated account, assets with a market value sufficient to cover the Fund's exposure on the position (less the amount of the margin deposit associated with the position). The Fund's exposure on a futures contract is equal to the amount paid for the contract by the Fund.

Index futures contracts in which a Fund may invest are closed out prior to delivery by offsetting purchases or sales of matching futures contracts (same exchange, underlying index, and delivery month), or in cash. If an offsetting purchase price is less than the original sale price, the Fund would realize a capital gain, or if it is more, the Fund would realize a capital loss. Conversely, if an offsetting sale price is more than the original purchase price, the Fund would realize a capital gain, or if it is less, the Fund would realize a capital loss. The transaction costs must also be included in these calculations.

Options and futures contracts can be highly volatile investments. Successful options and futures strategies require the ability to predict future movements in securities prices, interest rates, and other economic factors. There may be an imperfect correlation between movements in prices of options and futures contracts and movements in the value of the stock or index that the investment is designed to simulate. Options and futures contracts also involve a high degree of leverage, and a relatively small price movement in an option or futures contract can result in immediate and substantial gain or loss to a Fund. There can be no assurance that a liquid market will exist for an option or futures contract at any particular time. On volatile trading days when a price fluctuation limit is reached or a trading halt or suspension is imposed, it may be very difficult for a Fund to close out positions or enter into new positions and to value the option or futures contract. If the secondary market is not liquid, it could prevent prompt liquidation of unfavorable positions and potentially require the Fund to continue to hold the position until delivery or expiration.

The Funds will engage in transactions in futures contracts and options thereon either for bona fide hedging purposes or to seek to increase total return, in each case in accordance with the rules and regulations of the CFTC. To the extent a Fund engages in transactions in futures contracts and options thereon, it will do so only in accordance with certain CFTC exemptive provisions that permit the Fund to claim an exclusion from the definition of a "commodity pool operator" under the Commodity Exchange Act, and therefore the Funds are not subject to registration or regulation as a commodity pool operator under the Commodity Exchange Act.

A Fund may hold positions in futures contracts and related options if, as a result, the sum of initial margin deposits and premiums paid to establish such positions (1) does not exceed 5% of the Fund's net assets, and (2) for those futures contracts and related options that do not qualify as bona fide hedging positions, either does not exceed 5% of the Fund's liquidation value after taking into account unrealized profits and unrealized losses on such contracts; provided, however, that in the case of an option which is in-the-money at the time of purchase, the in-the-money amount may be excluded in calculating the 5% limitation; or if the aggregate net notional value of the Fund's commodity interests does not exceed 100% of the liquidation value of its portfolio, after taking into account unrealized profits and losses on such contracts.

### **Exchange-Traded Funds**

Each Fund may invest in securities of exchange-traded funds ("ETFs"). ETFs are similar to traditional mutual funds, except that their securities trade throughout the trading day in the secondary brokerage market, much like stocks of public companies.

ETFs have their own operating expenses that are deducted from their assets and thus are borne by the shareholders of the ETF. Accordingly, a Fund will bear its share of the operating expenses of any ETFs in which it invests. As a result, shareholders of the Fund will bear two layers of operating expenses to the extent the Fund invests in ETFs. An investment in an ETF generally presents the same primary risks as an investment in a traditional mutual fund, such as the risk that the prices of the securities owned by the ETF will go down.

In addition to the risks described above, an investment in an ETF is also subject to the following risks that do not apply to an investment in a traditional mutual fund: (1) the market price of securities may trade at a discount to their actual value; (2) an active trading market for an ETF's securities may not develop or be maintained; or (3) trading of an ETF's securities may be halted if the listing exchange's officials deem such action appropriate, the shares or interests are de-listed from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halt trading in general.

A Fund's investment in an ETF is subject to the investment restrictions of the Fund. In particular, because most ETFs are investment companies, the Fund's purchase of ETF shares is subject to the limitations on the Fund's investment in other investment companies. See "Investment Restrictions" in this Statement of Additional Information.

### **Master Limited Partnerships**

Each Fund may invest in securities of master limited partnerships ("MLPs"), which are publicly traded limited partnerships. The partnership units are registered with the SEC and are freely exchanged on a securities exchange or in the over-the-counter market. MLPs often own businesses or properties relating to energy, natural resources or real estate, or may be involved in the film industry or research and development activities. The risks of investing in MLPs are generally those involved in investing in partnerships as opposed to corporations. For example, state law governing partnerships is often less restrictive than state law governing corporations. Accordingly, there may be fewer protections afforded investors in a MLP than investors in a corporation. Additional risks involved with investing in MLPs include risks associated with the specific industry or industries in which the partnership invests, such as the risks of investing in the real estate or oil and gas industries, as well as interest-rate risk.

## **Exchange-Traded Notes**

Each Fund may invest in exchange-traded notes (“ETNs”). ETNs are senior, unsecured, unsubordinated debt securities that are typically issued by an underwriting financial institution. ETNs are typically linked to the return of a benchmark index or reference rate and are designed to provide investors with a way to access those returns. Like ETFs, ETNs are listed on an exchange and traded in the secondary market. However, subject to certain restrictions an ETN also can be redeemed at any time, or can be held until maturity. Whereas ETF shares represent an interest in a portfolio of securities, ETNs are structured products that are an obligation of the issuing financial institution. The issuing financial institution agrees to pay a return based on the target index less any fees. Unlike fixed-income bonds, ETNs do not make periodic interest payments, and the principal investment is not protected.

ETNs are subject to credit risk, including the risk that the issuer of the ETN may default on its obligations. The value of an ETN may vary and may be influenced by, among other things, the time to maturity, level of supply and demand for the ETN, volatility and lack of liquidity in underlying markets, changes in the applicable interest rates, changes in the issuer’s credit rating, and economic, legal, political, or geographic events that affect the particular index. The value of the ETN may drop due to a downgrade in the issuer’s credit rating, despite the underlying index remaining unchanged.

## **Investments in Other Investment Companies**

An investment by a Fund in another fund may cause the Fund to increase payments of administration and distribution expenses. See “Investment Restrictions” in this Statement of Additional Information.

## **Recent Fixed Income Market Events**

The U.S. Government implemented various measures designed to stabilize the U.S. economy following the recession during the late 2000s, including by keeping the federal funds rate at or near zero percent and purchasing large quantities of securities issued or guaranteed by the U.S. Government, its agencies and instrumentalities on the open market (quantitative easing). The Board of Governors of the Federal Reserve System has ended quantitative easing and has begun unwinding the purchases made under its quantitative easing program. These policy changes may expose debt instrument and related markets to heightened volatility and may reduce liquidity for certain Fund investments, which could cause the value of a Fund’s investments and share price to decline. To the extent that a Fund experiences high redemptions because of these policy changes, the Fund may experience increased portfolio turnover, which will increase the costs that the Fund incurs and may lower the Fund’s performance, and have trouble selling investments to meet shareholder redemptions.

## **Cybersecurity Risk**

The increased use of technologies and the dependence on computer systems for performing necessary business functions has made each Fund increasingly susceptible to information-security and operational risks. Cyber incidents can result from both deliberate attacks and unintentional events. Cyber attacks include, for example, gaining unauthorized access to digital systems for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyber attacks without gaining unauthorized access include causing denial-of-service incidents on websites. Cyber security failures or breaches of a Fund’s third party service provider (including service providers such as the administrator, a sub-administrator, or the transfer agent) or the issuers of

securities in which a Fund invests could cause disruptions and negatively affect business operations. These incidents could result in financial losses, the inability of Fund shareholders to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, and additional compliance costs. Efforts to prevent or respond to any cyber incidents may require substantial resources, which could have a negative impact on each Fund and its shareholders. While the Funds and their service providers have taken steps to prevent and otherwise limit the impact of potential cyber incidents, there are inherent limitations in any plan or system, including the possibility that certain risks or the potential impact of those risks have not been identified. Moreover, the Funds cannot control the cybersecurity plans and systems put in place by issuers in which the Fund invests.

### Temporary Defensive Positions

Each Fund may invest, without limitation, in short-term investments for temporary defensive purposes in response to adverse market, economic, political or other conditions. Short-term investments include U.S. Treasury bills, certificates of deposit, money market funds, commercial paper, variable rate demand notes, and repurchase agreements.

### Portfolio Turnover

The portfolio turnover rates for the Funds for the fiscal years ended March 31, 2019 and 2020 were as follows:

	<u>2019</u>	<u>2020</u>
Balanced Fund	58%	52%
Equity Fund	64%	46%

### INVESTMENT RESTRICTIONS

Each Fund has adopted the following investment restrictions, none of which (except as otherwise noted) may be changed without the approval of the holders of a majority of the outstanding shares (as defined in the 1940 Act) of the Fund. A Fund may not:

(1) Purchase the securities of issuers conducting their principal business activity in the same industry if immediately after such purchase the value of the Fund's investments in such industry would exceed 25% of the value of its total assets, provided that there is no limitation with respect to or arising out of investments in obligations issued or guaranteed by the U.S. Government, its agencies, or instrumentalities.

(2) Purchase a security if, as a result, with respect to 75% of the value of the Fund's total assets, more than 5% of its total assets would be invested in the securities of any one issuer, other than obligations issued or guaranteed by the U.S. Government, its agencies, or instrumentalities.

(3) Make loans, except through the purchase of debt obligations in accordance with the Fund's investment objective and policies and through repurchase agreements with banks, brokers, dealers, and other financial institutions, and except for securities lending activity as permitted by the 1940 Act.

(4) Issue senior securities in violation of the 1940 Act or borrow money, except (a) as a temporary measure, and then only in amounts not exceeding 5% of the value of the Fund's total assets, or (b) from banks, provided that immediately after any such borrowing all borrowings of the Fund do not exceed one-third of the Fund's net assets. The exceptions to this restriction are not for investment leverage purposes but are solely for extraordinary or emergency purposes and to facilitate management of the Fund's portfolio by enabling the Fund to meet redemption requests when the liquidation of portfolio instruments is deemed to be disadvantageous or not possible. While the Fund has borrowings in excess of 5% of the value of the Fund's total assets outstanding, it will not make any purchases of portfolio instruments. If due to market fluctuations or other reasons the net assets of the Fund fall below 300% of its borrowings, the Fund will promptly reduce its borrowings in accordance with the 1940 Act. To do this, the Fund may have to sell a portion of its investments at a time when it may be disadvantageous to do so.

(5) Mortgage or pledge any assets except to secure permitted borrowings, and then only in an amount up to 15% of the value of the Fund's net assets, taken at cost at the time of such borrowings.

(6) Purchase or sell real estate or commodities, except that the Fund may purchase and sell (a) securities issued by real estate investment trusts or other companies which invest in or own real estate, and (b) securities secured by interests in real estate, provided in each case that such securities are marketable.

(7) Purchase securities of other investment companies, except to the extent permitted by the 1940 Act. Subject to certain exceptions, the 1940 Act currently prohibits a Fund from investing more than 5% of its total assets in securities of another Fund, investing more than 10% of its total assets in securities of such Fund and all other investment companies, or purchasing more than 3% of the total outstanding voting stock of another Fund.

(8) Purchase more than 10% of the outstanding voting securities of any one issuer or invest in companies for the purpose of exercising control or management.

(9) Act as an underwriter of securities issued by others, except in instances where the Fund has acquired portfolio securities which it may not be free to sell publicly without registration under the Securities Act of 1933 (if the Fund sells such securities, it may technically be deemed an "underwriter" for purposes of such Act).

In addition to the foregoing restrictions, the Funds' Board of Directors has adopted the following restrictions, which may be changed without shareholder approval. A Fund may not:

(a) purchase securities on margin, but the Fund may obtain such short-term credits as may be necessary for the clearance of purchase and sales of securities.

(b) participate on a joint or joint-and-several basis in any securities trading account.

(c) invest more than 15% of its net assets in illiquid securities.

(d) effect any short sale of securities that the Fund does not own if, as a result thereof, the aggregate value of all of the Fund's open short positions would exceed 5% of the Fund's net assets.

(e) purchase an option or futures contract if, as a result, the aggregate initial margin and premiums required to establish such positions would exceed 5% of the Fund's net assets.

The restrictions described above that involve a maximum percentage generally apply when an investment is made and will not be violated as a result of subsequent changes in the values of securities held by the Fund.

## **DETERMINATION OF NET ASSET VALUE AND PRICING CONSIDERATIONS**

Shares of the Funds are offered and sold to the public directly or through the Distributor without a sales charge at the net asset value per share next determined after the purchase order has been received by the Funds' transfer agent. The net asset value per share of each Fund is calculated as of the close of trading on the New York Stock Exchange (generally 4:00 P.M. Eastern Time). Net asset value per share with respect to each class is calculated by adding the total fair market value of all securities and other assets of the Fund, subtracting the liabilities of the Fund, and dividing the remainder by the number of outstanding shares of the Fund.

The Funds' net asset values are determined only on the days on which the New York Stock Exchange is open for trading. That Exchange is regularly closed on Saturdays and Sundays and on New Years' Day, Martin Luther King, Jr. Day, Presidents' Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. If one of those holidays falls on a Saturday or Sunday, the Exchange will be closed on the preceding Friday or the following Monday, respectively.

Portfolio securities which are traded on an exchange are valued at the last sale price reported by the exchange on which the securities are primarily traded on the day of valuation. If there are no sales on a given day for securities traded on an exchange, the latest bid quotation will be used. If there is no Nasdaq Official Closing Price for a Nasdaq-listed security or sales price available for an over-the-counter security, the mean of the latest bid and asked quotations from Nasdaq will be used. Debt securities for which market quotations are not readily available may be valued based on information supplied by independent pricing services, including services using matrix pricing formulas, and/or independent broker bid quotations. Debt securities with remaining maturities of 60 days or less are generally valued on an amortized cost basis, which involves valuing an instrument at its cost and thereafter assuming a constant amortization to maturity of any discount or premium, regardless of the impact of fluctuating rates on the market value of the instrument. Any securities or other assets for which market quotations are not readily available are valued at fair value as determined in good faith by the Advisor pursuant to procedures established under the general supervision and responsibility of the Funds' Board of Directors. Expenses and fees, including advisory fees, are accrued daily and taken into account for the purpose of determining net asset value per share.

Reliable market quotations are not considered to be readily available for many longer-term corporate bonds and notes in which the Balanced Fund may invest. As authorized by the Board of Directors, these investments are stated at fair market value on the basis of valuations furnished by independent broker bid quotations and/or independent pricing services. Independent pricing services approved by the Board of Directors determine valuations for normal, institutional-sized trading units of such securities using methods based on market transactions for comparable securities and various relationships between securities which are generally recognized by institutional traders.

The Funds intend to pay all redemptions in cash. The Funds typically expect that it will take one to three days following the receipt of a redemption request to pay out redemption proceeds; however, while not expected, payment of redemption proceeds may take up to seven days. Each Fund reserves the right to suspend or postpone redemptions during any period when: (a) trading on the New York Stock Exchange is restricted, as determined by the Securities and Exchange Commission or that Exchange is closed for other than customary weekend and holiday closing; (b) the Securities and Exchange Commission has by order permitted such suspension; or (c) an emergency, as determined by the Securities and Exchange Commission, exists, making disposal of portfolio securities or valuation of net assets of the Fund not reasonably practicable.

## MANAGEMENT

### Board of Directors

Under applicable law, all corporate powers are exercised by or under the authority of, and the business and affairs of the Funds are managed under the direction of, the Board of Directors. The Advisor is delegated responsibility for each Fund's investment management, and the officers are delegated responsibility for each Fund's operations. The Board of Directors meets regularly to review each Fund's performance and expenses and other operational matters. The Board elects the officers and hires the Funds' service providers. The Board annually reviews and considers approval of the continuation of the investment advisory agreement with the Advisor, the distribution agreement with the Distributor, and the Funds' Rule 12b-1 Distribution Plan. The Board also establishes and reviews numerous policies and procedures governing the conduct of the Funds' business.

Information pertaining to the Directors and officers of the Funds is set forth below. Except as shown otherwise in the table, the address for each person is Wisconsin Capital Management, LLC, 8401 Excelsior Drive, Suite 102, Madison, Wisconsin 53717.

Name, Address and Year of Birth	Position(s) Held with Wisconsin Capital Funds, Inc.	Term of Office and Length of Time Served <sup>(1)</sup>	Principal Occupation(s) During Past Five Years	Number of Portfolios in Fund Complex Overseen by Director	Other Directorships Held by Director
<b>Independent Directors:</b>					
Jay Loewi Birth date: 1957	Director	Since May 2007	Chief Executive Officer, QTI Group (staffing company), since November 2007; President, QTI Group of Companies, since 2002.	2	None
Harlan J. Moeckler Birth date: 1957	Director	Since June 2017	Chief Financial Officer and Treasurer of TradeLink Holdings LLC (alternative investment and proprietary trading firm) since 2006.	2	None



<b>Name, Address and Year of Birth</b>	<b>Position(s) Held with Wisconsin Capital Funds, Inc.</b>	<b>Term of Office and Length of Time Served<sup>(1)</sup></b>	<b>Principal Occupation(s) During Past Five Years</b>	<b>Number of Portfolios in Fund Complex Overseen by Director</b>	<b>Other Directorships Held by Director</b>
Patrick J. Quinn Birth date:1949	Director	Since May 2007	Currently Retired; President and Chairman of the Board of Ayres Associates (professional civil engineering firm), from April 2000 until retirement in December 2010.	2	National Presto Industries since May 2001.
Roy S. Schlachtenhaufen Birth date: 1949	Director	Since June 2017	Currently Retired; Senior Portfolio Manager at US Bancorp Investments, Inc. (wealth management firm) from 1991 until retirement in April 2017.	2	None
<b>Interested Directors and Officers:</b>					
Thomas G. Plumb <sup>(2)(3)</sup> Birth date:1952	Director, Chairman, President and Chief Executive Officer	Since May 2007	President of Wisconsin Capital Management, LLC, since January 2004; Chief Compliance Officer of Wisconsin Capital Management, LLC since August 2018; President and Principal of SVA Plumb Wealth Management, LLC from March 2011 - March 2019; President of SVA Plumb Financial, LLC (financial and trust services firm) from March 2011 - March 2019; CEO of SVA Plumb Trust Company from March 2011 - March 2019.	2	None
	Secretary	Since August 2017			

<b>Name, Address and Year of Birth</b>	<b>Position(s) Held with Wisconsin Capital Funds, Inc.</b>	<b>Term of Office and Length of Time Served<sup>(1)</sup></b>	<b>Principal Occupation(s) During Past Five Years</b>	<b>Number of Portfolios in Fund Complex Overseen by Director</b>	<b>Other Directorships Held by Director</b>
Nathan M. Plumb <sup>(3)</sup> Birth date: 1975	Director	Since January 2017	Principal of Custer Plumb Financial Services since January 2017; Chief Operating Officer, Vice President, and Corporate Secretary of Wisconsin Capital Management, LLC from January 2015 to December 2016; Portfolio Manager of Wisconsin Capital Management, LLC from September 2013 to December 2016; Assistant Portfolio Manager of Wisconsin Capital Management, LLC from 2010 to September 2013; Associate Financial Consultant of SVA Plumb Wealth Management, LLC from March 2011 to December 2014.	2	None
	Chief Financial Officer and Treasurer	Since August 2017			
Bonnie Romani Birth date: 1970	Chief Compliance Officer	Since August 2018	Client Service Administrator of Wisconsin Capital Management, LLC, since August 2018; State Analyst at American Family Insurance from February, 2006 through March 2018.	N/A	N/A

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- (1) Officers of the Funds serve one-year terms, subject to annual reappointment by the Board of Directors. Directors of the Funds serve a term of indefinite length until their resignation or removal, and stand for re-election by shareholders as and when required under the 1940 Act.
- (2) Thomas G. Plumb is an "interested person" of the Funds by virtue of his positions with the Funds and the Advisor.
- (3) Nathan M. Plumb is the son of Thomas G. Plumb. Nathan M. Plumb is an "interested person" of the Funds by virtue of this relationship to Thomas G. Plumb.

## Board Committees

The Board of Directors of the Funds has an audit committee and a nominating committee.

Audit Committee. The audit committee consults with the independent auditors for the Funds on matters pertaining to their audits of the Funds' annual financial statements and approves all audit and non-audit services to be provided by the independent auditors. The audit committee has adopted a written charter, which is available upon request. The audit committee consists of Jay Loewi, Harlan J. Moeckler (Chair), Patrick J. Quinn and Roy S. Schlachtenhaufen, none of whom is an "interested" person of the Funds. Harlan J. Moeckler has been determined by the Board to be an audit committee financial expert. The audit committee met two times during the fiscal year ended March 31, 2020.

Nominating Committee. The nominating committee considers and recommends nominees for directors to the Board to fill vacancies and for election and re-election as and when required. All nominations of directors who are not "interested persons" of the Funds must be made and approved by the nominating committee. The nominating committee has not established any specific, minimum qualifications or standards for director nominees. The nominating committee has adopted a written charter, which is available upon request. No policy or procedure has been established as to the recommendation of director nominees by shareholders, except that nominations of directors who are not "interested persons" of the Funds must be made and approved by the nominating committee. The nominating committee consists of Jay Loewi (Chair), Harlan J. Moeckler, Patrick J. Quinn and Roy S. Schlachtenhaufen, none of whom is an "interested" person of the Funds. The nominating committee did not meet during the fiscal year ended March 31, 2020.

A brief summary of each director's specific experience, qualifications, attributes, and skills that led the nominating committee to conclude that such person should serve as a director for the Funds is set forth below.

*Jay Loewi.* Mr. Loewi has been the Chief Executive Officer of QTI Group, a privately owned human resources and staffing organization, since November 2007. He has served QTI and its affiliates in various other executive management roles for over 15 years. Mr. Loewi also has experience as a commercial loan officer that required him to analyze creditworthiness of businesses. Mr. Loewi's educational background includes both attending and teaching finance and accounting-related courses. Mr. Loewi's many years of experience analyzing the financial performance of businesses and his educational background bring a strong knowledge base of financial, accounting and audit matters to the Board and its committees.

*Harlan J. Moeckler.* Mr. Moeckler has served as the Chief Financial Officer and Treasurer of TradeLink Holdings LLC, a diversified alternative investment and proprietary trading firm, since 2006. Mr. Moeckler has also served on the Board of Directors for TradeLink WorldWide Ltd since 2008 and TradeLink Global Equity Master Fund Ltd since February of 2017. Prior to joining TradeLink, Mr. Moeckler served as a Vice President of fund accounting and administration for State Street Corp from 2002 until 2006. Mr. Moeckler graduated with a business degree in Accounting and Finance from the University of Wisconsin. Mr. Moeckler is also a Certified Public Accountant and became a Chartered Alternative Investment Analyst in 2004. Mr. Moeckler's accounting background relating to and experience in the financial services industry add value and perspective to the Board.

*Nathan M. Plumb.* Mr. Nathan M. Plumb has extensive experience in the investment management industry. He currently serves as a Principal of Custer Plumb Financial Services and

Chief Financial Officer and Treasurer of the Funds. He was an associate portfolio manager for the Funds from January 2014 through December 2016, and from August 2013 to December 2014 he served as an assistant portfolio manager of the Funds. He also served as Vice President (from August 2015) and Chief Financial Officer (from January 2015) of the Funds through December 2016. From 2003 until December 2016, Mr. Plumb served in various roles with Wisconsin Capital Management and related entities, including as an active member of Wisconsin Capital Management's research committee beginning in 2010 and as a portfolio manager for privately managed accounts beginning in 2009. He holds a Masters of Business Administration from the University of Wisconsin and a Bachelor's degree in Psychology from Gustavus Adolphus College. He also holds his Certified Trust and Financial Advisor (CTFA) certification. Mr. Nathan M. Plumb's significant experience in the mutual fund industry generally, and with respect to the Funds' operations and investments specifically, adds meaningful perspective to the Board.

*Thomas G. Plumb.* Mr. Thomas Plumb is the President and Founder of Wisconsin Capital Management, LLC. He has been the lead portfolio manager of the Funds since their inception in 2007. He has also served as the President, Chief Executive Officer and Chairman of the Funds since their inception, and Secretary since August 1, 2017. Mr. Plumb also served as Chief Executive Officer of SVA Plumb Trust Company and President of SVA Plumb Financial, LLC from March 2011 through March 2019, and serves as a portfolio manager for separately managed accounts managed by Wisconsin Capital Management, LLC. Mr. Plumb has over 20 years of experience serving on fund boards of directors and has over 40 years of investing experience.

*Patrick J. Quinn.* Mr. Quinn served as Chairman and President of Ayres Associates Inc., an engineering consulting firm, from 2000 until his retirement in December 2010. He currently serves on the board of directors and the audit committee of National Presto Industries, Inc. since 2001. Mr. Quinn also serves on numerous other non-profit boards and commissions. The nominating committee believes that Mr. Quinn's management and administrative background together with his MBA degree from University of Wisconsin—Eau Claire brings a wealth of experience and knowledge to the Board and its committees.

*Roy S. Schlachtenhaufen.* Mr. Schlachtenhaufen served as a Portfolio Manager and Senior Portfolio Manager in the private Client Group at U.S. Bancorp Investments, Inc. from 1991 until his retirement in 2017. Mr. Schlachtenhaufen has served on the Human Resource Committee of the Board of Directors of Feed My People, a non-profit food bank, since 2013. Mr. Schlachtenhaufen was also the Executive Administrator of the Iowa Development Commission and worked as a stock broker for Dean Witter in Des Moines, Iowa and in the fixed income department of Boatmen's Bank NA, in Kansas City, Missouri before becoming Portfolio Manager at U.S. Bancorp Investments, Inc. Mr. Schlachtenhaufen graduated with a business degree in Economics from the University of Iowa in 1972 and a J.D. from Drake Law School in 1981. Mr. Schlachtenhaufen's background and education, particularly his experience in the wealth management industry, add value and perspective to the Board.

## **Board Leadership Structure**

Mr. Tom Plumb, an interested person of the Funds, currently serves as Chairman of the Board. As Chairman, Mr. Plumb undertakes the functions and duties that are customary for a chairman of a board of directors, including overseeing the planning of the agenda for Board meetings and presiding over meetings of the Board.

Mr. Pat Quinn currently serves as the lead independent director of the Funds. As lead independent director, Mr. Quinn presides over meetings of the independent directors. The lead independent director also acts as a liaison from time to time between the Fund management and the other independent directors of the Funds. The lead independent director may also perform such other duties as may be requested by the independent directors.

The Board has determined that it is currently in the best interests of the Funds and their shareholders that Mr. Plumb, as an interested person of the Funds, serves as Chairman in addition to his roles of President and Chief Executive Officer of the Funds and President of the Advisor. In reaching this conclusion, the Board considered many factors, including the following:

- Mr. Plumb has over 20 years experience serving as director on a fund board of directors, including over 10 years serving as chairman of a fund board;
- the Board's belief that an interested Chairman has a personal and professional stake in the performance of the Funds;
- the Board's belief that an interested Chairman is best equipped to provide oversight over the Funds' day-to-day operations and to facilitate the orderly and efficient flow of information from Fund management to the independent directors;
- the Board has a lead independent director and all Board Committees consist only of independent directors;
- the independent directors have the opportunity to meet in executive session and with the Funds' Chief Compliance Officer at least quarterly;
- the Board's belief that the independent directors are able to act effectively and independently; and
- the Board's belief that the Funds have had effective leadership while Mr. Plumb has been Chairman.

## **Risk Oversight**

The Board oversees risk as part of its oversight of the Funds. The Board primarily provides risk oversight during its regular quarterly meetings and as otherwise may be necessary or appropriate. To aid its oversight and evaluation, the Board and its Committees obtain regular periodic reports and other information from the Funds' management and Chief Compliance Officer regarding the Funds' operations. The Funds' Chief Compliance Officer also has an opportunity to meet at least quarterly in executive session with the Independent Directors. In addition, the Board obtains relevant risk and risk management information from the Funds' independent registered public accounting firm, Fund counsel and other Fund service providers, as the Board believes is necessary or appropriate. The Board reviews and discusses the Funds' primary risk exposures and the steps management has taken to monitor and control such risks periodically during Board meetings and, when it deems necessary, communicates its thoughts on how risk assessment and risk management could be improved.

While the Board provides risk oversight, the management of risks to the Funds on a day-to-day basis is carried out by Fund management, the Advisor and other Fund service providers. Not all

risks that may affect the Funds can be identified nor can controls be developed to eliminate or mitigate every occurrence or effect of some risks. It may not be practical or cost-effective to eliminate or mitigate certain risks, the processes and controls employed to address certain risks may be limited in their effectiveness, and some risks are simply beyond the reasonable control of the Funds, the Advisor or other service providers. Moreover, it is necessary to bear certain risks (such as investment-related risks) to achieve the Funds' goals. As a result of the foregoing and other factors, the Funds' ability to manage risk is subject to substantial limitations. Although the risk management policies and procedures of the Advisor and other Fund service providers are designed to be effective, there can be no guarantee that they will be effective.

### Director Ownership of Fund Shares

The table below sets forth the dollar range of shares of the Funds owned by the Directors of the Funds as of December 31, 2019, using the following ranges: none; \$1-\$10,000; \$10,001 - \$50,000; \$50,001 - \$100,000; and over \$100,000.

<u>Name of Director</u>	<u>Dollar Range of Equity Securities in each Plumb Fund</u>	<u>Aggregate Dollar Range of Equity Securities in All Plumb Funds Overseen by Director</u>
Jay V. Loewi	None (Balanced Fund) \$50,001 - \$100,000 (Equity Fund)	\$50,001 - \$100,000
Harlan J. Moeckler	None (Balanced Fund) \$10,001 - \$50,000 (Equity Fund)	\$10,001 - \$50,000
Nathan M. Plumb	None (Balanced Fund) over \$100,000 (Equity Fund)	over \$100,000
Thomas G. Plumb	over \$100,000 (Balanced Fund) over \$100,000 (Equity Fund)	over \$100,000
Patrick J. Quinn	over \$100,000 (Balanced Fund) \$50,001 - \$100,000 (Equity Fund)	over \$100,000
Roy S. Schlachtenhaufen	None (Balanced Fund) over \$100,000 (Equity Fund)	over \$100,000

### Material Transactions with Independent Directors

No Director who is not an interested person of the Funds, or his or her immediate family members, owned beneficially or of record, as of the date of this Statement of Additional Information, any securities of the Advisor, the Distributor, or any person directly or indirectly controlling, controlled by, or under common control with the Advisor or the Distributor.

No Director who is not an interested person of the Funds, or an immediate family member of such Director, has had, since the Funds' inception, a direct or indirect interest in the Advisor or the Distributor or in any person directly or indirectly controlling, controlled by or under common control with the Advisor or the Distributor which exceeds \$120,000. In addition, no Director who is not an interested person of the Funds, or any immediate family members of such Director, has had, during the two most recently completed calendar years, a direct or indirect material interest in any transaction or series of similar transactions in which the amount involved exceeds \$120,000 and to which one of the parties was the Funds; an officer of the Funds; an investment company (or an entity that would be an investment company but for the exclusions provided by Section 3(c)(1) or 3(c)(7) of the 1940 Act); an officer of an investment company (or an entity that would be an investment company but for the exclusions provided by Section 3(c)(1) or 3(c)(7) of the 1940 Act) having the same investment

advisor or principal underwriter as the Funds or having an investment advisor or principal underwriter that directly or indirectly controls, is controlled by, or is under common control with the Advisor or the Distributor; the Advisor or the Distributor; an officer of the Advisor or the Distributor; or a person directly or indirectly controlling, controlled by or under common control with the Advisor or the Distributor or an officer of any such "control" person. No Director who is not an interested person of the Funds, or immediate family member, or such a Director, has had, in the two most recently completed calendar years, a direct or indirect relationship, in which the amount involved exceeds \$120,000, with any of the persons described above in this paragraph and which include payments for property or services to or from any of those persons; provision of legal services to any person specified above in this paragraph; provision of investment banking services to any person specified above in this paragraph, other than a participating underwriter in a syndicate; or any consulting or other relationship that is substantially similar in nature and scope to the relationships detailed herein.

### **Director and Officer Compensation**

Directors and officers of the Funds who are officers, directors, employees or shareholders of the Advisor do not receive any remuneration from the Funds for serving as directors or officers. Directors who are not so affiliated with the Advisor are entitled to receive as compensation for their services an annual retainer fee. The following compensation was paid to the Directors who are not affiliated with the Advisor for their services during the fiscal year ended March 31, 2020:

Director	Aggregate Compensation from Each Plumb Fund	Pension or Retirement Benefits	Estimated Annual Benefits upon Retirement	Total Compensation from Plumb Fund Complex
<b>Independent Directors:</b>				
Jay V. Loewi	(Balanced Fund) \$7,433 (Equity Fund) \$2,557	None	None	\$10,000
Patrick J. Quinn	(Balanced Fund) \$7,433 (Equity Fund) \$2,557	None	None	\$10,000
Roy S. Schlachtenhaufen	(Balanced Fund) \$7,433 (Equity Fund) \$2,557	None	None	\$10,000
Harlan J. Moeckler	(Balanced Fund) \$7,433 (Equity Fund) \$2,557	None	None	\$10,000
<b>Interested Directors:</b>				
Thomas G. Plumb	(Balanced Fund) \$0 (Equity Fund) \$0	None	None	\$0
Nathan M. Plumb	(Balanced Fund) \$7,433 (Equity Fund) \$2,557	None	None	\$10,000

Directors who are not affiliated with the Advisor also receive reimbursement for reasonable travel, meals, and lodging expenses incurred in connection with their attendance at meetings.

### **Code of Ethics for Personal Trading**

The Funds and the Advisor have each adopted a code of ethics under Rule 17j-1 of the 1940 Act designed to ensure, among other things, that the interests of Fund shareholders take precedence over personal interest of their respective directors, officers, and employees. Under the code of ethics, personal investment activities are subject to limitations designed to avoid both actual and perceived conflicts of interest with the investment activities of the Funds. The code permits personnel of the Funds and the Advisor to invest in securities, including securities that may be purchased or held by a Fund, subject to certain exceptions and pre-clearance procedures. The Funds' principal underwriter and distributor, Quasar Distributors, LLC, has also adopted a similar code of ethics under Rule 17j-1 of the 1940 Act.

### **Code of Ethics for Principal Executive, Financial and Accounting Officers**

The Funds have established a separate code of ethics that applies to its principal executive, financial and accounting officers. This written code sets forth standards that are reasonably designed



to deter wrongdoing and to promote honest and ethical conduct, including the ethical handling of conflicts of interest; full, fair, accurate, timely, and understandable disclosure in reports and documents the Funds file with the SEC and in other shareholder communications; compliance with applicable governmental laws, rules, or registrations; the prompt internal reporting of violations of the code to an appropriate person; and accountability for adherence to the code.

### **Proxy Voting Policies**

Proxy voting policies adopted by the Funds are attached to this Statement of Additional Information as Exhibit A. These proxy voting policies describe the procedures used by the Funds to determine how to vote proxies. Information regarding how the Funds voted proxies relating to portfolio securities held by a Fund during the most recent 12-month period ended June 30 will be made available annually within sixty (60) days of June 30 as follows:

- Without charge, upon request, by calling 1-866-987-7888;
- On the Funds' website at [www.plumbfunds.com](http://www.plumbfunds.com); and
- On the SEC's website at [www.sec.gov](http://www.sec.gov).

### **Policy Regarding Disclosure of Fund Holdings**

The Funds believe that portfolio holdings information constitutes material, non-public information. Accordingly, the Funds have adopted a policy limiting disclosure of each Fund's portfolio holdings. A complete list of each Fund's portfolio holdings as of the end of each calendar quarter will be posted on the Funds' website within thirty (30) days after the end of such quarter. Lists of each Fund's portfolio holdings are also disclosed to the extent required by law or to ratings agencies such as Morningstar or Lipper. Information about each Fund's portfolio holdings may also be disclosed to the Funds' Advisor, distributor, transfer agent, custodian, independent auditor, legal counsel, and other service providers (subject to their duty to maintain the confidentiality of such information) to the extent necessary to enable such providers to carry out their responsibilities to the Funds. Portfolio holdings information may be disclosed in other instances if the recipient of such information is bound by the duty of confidentiality and the Board of Directors of the Funds (including a majority of the independent directors) determines that such disclosure is appropriate. This policy does not prohibit disclosure to the media and others of particular stocks, industries, or market segments that a Fund owns, likes or dislikes, so long as details that would constitute material, non-public information are not selectively disclosed. The Board of Directors receives quarterly reports on compliance with this policy. A copy of the Funds' policy regarding disclosure of portfolio holdings is available on the Funds' website at [www.plumbfunds.com](http://www.plumbfunds.com).

Within three to four business days at the close of each fiscal quarter, the Funds may include their respective top ten portfolio holdings in a fact sheet which will be distributed to shareholders and prospective investors and included on the Fund's website at [www.plumbfunds.com](http://www.plumbfunds.com).

In addition to the foregoing disclosures, each of the following third-party service providers to the Funds receive information concerning the Funds' portfolio holdings with no lag time in connection with performance of their services to the Funds:

- Wisconsin Capital Management, LLC—serves as the Funds' investment advisor;

- U.S. Bank, National Association (“U.S. Bank, N.A.”)—serves as the Funds’ custodian and generally receives portfolio holdings information on a daily basis;
- U.S. Bancorp Fund Services, LLC now doing business as U.S. Bank Global Fund Services (“Fund Services”)—acts as the administrator, accountant, and the transfer agent to the Funds and generally receives portfolio holdings information on a daily basis;
- Cohen & Company, Ltd.—serves as the Funds’ Independent Registered Public Accounting Firm and generally receives portfolio holdings information on a semi-annual basis in connection with the preparation of annual and semiannual reports to shareholders, and otherwise from time to time as may be necessary or advisable in connection with the performance of its services to the Funds; and
- Quarles & Brady LLP—acts as counsel for the Funds and generally receives portfolio holdings information on a quarterly basis in connection with the preparation of regulatory filings, and otherwise from time to time as may be necessary or advisable in connection with the performance of its services to the Funds.

The Funds file with the SEC a complete schedule of their portfolio holdings for the first and third quarters of each fiscal year as an exhibit to the Funds’ report on Form N-PORT and for the second and fourth quarters of each fiscal year on Form N-CSR. These forms are generally filed or made publicly available within 60 days following the end of the fiscal quarter. These forms are available without charge, upon request, by calling 1-866-987-7888, or on the Funds’ website at [www.plumbfunds.com](http://www.plumbfunds.com). These forms are also available on the SEC’s website at [www.sec.gov](http://www.sec.gov). The Funds will post their entire securities portfolios on their website ([www.plumbfunds.com](http://www.plumbfunds.com)) concurrent with filings on Form N-CSR and Form N-PORT.

## **CONTROL PERSONS AND PRINCIPAL HOLDERS OF SECURITIES**

The following table sets forth the names, addresses and percentage ownership of each person who owns of record, or is known to management to own, beneficially 5% or more of a Fund’s outstanding shares or 5% or more of a class of a Fund’s shares as of July 1, 2020. Because Institutional Shares are a new class of shares, the table shows only the ownership of Investor Shares. Any person owning more than 25% of a Fund’s shares may be considered a “controlling person” of that Fund. A controlling person’s vote could have a more significant effect than the vote of other Fund shareholders on matters presented to shareholders for approval, such as, for example, elections of directors and approval of distribution agreements, Rule 12b-1 distribution plans, and investment advisory and sub-advisory agreements. Other than those named below, no person controls any Fund:

<u>Name and Address</u>	<u>Fund</u>	<u>Percentage Ownership</u>	<u>Type of Ownership</u>
National Financial Services LLC For the Exclusive Benefit of Our Customers 499 Washington Blvd Jersey City, NJ 07310	Balanced Fund	49.96%	Record
	Equity Fund	38.84%	Record
Charles Schwab & Co., Inc. Special Custody A/C FBO Customers Attn: Mutual Funds 211 Main St San Francisco, CA 94105	Balanced Fund	18.96%	Record
	Equity Fund	17.72%	Record
SVA Trust Company LLC PO Box 44966 Madison, WI 53744	Balanced Fund	9.72%	Record
	Equity Fund	15.06%	Record
TD Ameritrade Inc Exclusive Benefit Of Our Clients PO Box 2226 Omaha NE 68103-2226	Balanced Fund	5.49%	Record
US Bank NA Cust Thomas G Plumb IRA 8401 Excelsior Dr, Suite 102 Madison, Wisconsin 53717	Equity Fund	5.68%	Beneficial

As of July 1, 2020, the directors and officers of Wisconsin Capital Funds, Inc. as a group beneficially owned approximately 1.70% of the outstanding shares of the Balanced Fund and approximately 12.76% of the Equity Fund.

## **ADVISORY, ADMINISTRATION, AND OTHER SERVICES**

### **Advisory Services**

Wisconsin Capital Management, LLC, 8401 Excelsior Drive, Suite 102, Madison, Wisconsin 53717 serves as the investment advisor for each Fund pursuant to an Advisory Agreement. The Advisor manages the investment and reinvestment of each Fund's assets subject to the supervision of the Funds' Board of Directors. The Advisor formulates and implements a continuous investment program for each Fund consistent with its investment objective, policy, and restrictions.

The Advisory Agreement pursuant to which the Advisor is retained by each Fund provides for compensation to the Advisor (computed daily and paid monthly) at the annual rate of 0.65% of such Fund's average daily net assets. The following table sets forth the advisory fees paid by each Fund (not including the effect of any fee waivers or expense recoupments) to the Advisor for the fiscal years ended March 31, 2018, March 31, 2019, and March 31, 2020:

	<u>Fiscal Year Ended March 31, 2018</u>	<u>Fiscal Year Ended March 31, 2019</u>	<u>Fiscal Year Ended March 31, 2020</u>
Balanced Fund	\$247,334	\$503,736	\$723,295
Equity Fund	\$180,410	\$229,194	\$255,717

The Advisory Agreement provides that the Advisor may render similar services to others so long as its services under the Agreement are not impaired thereby. The Advisory Agreement also provides that the Funds will indemnify the Advisor against certain liabilities, including liabilities under the federal securities laws, or, in lieu thereof, contribute to resulting losses. The Advisory Agreement further provides that, subject to Section 36 of the 1940 Act, the Advisor will not be liable for any error of judgment or mistake of law or for any loss suffered by the Funds in connection with the matters to which the Agreement relates, except liability to the Funds or its shareholders to which the Advisor would otherwise be subject by reason of willful misfeasance, bad faith, or gross negligence, in the performance of its duties, or by reason of its reckless disregard of its obligations and duties under the Agreement.

### Information About Portfolio Manager

Thomas G. Plumb serves as the portfolio manager for each Fund.

Thomas G. Plumb serves as the Advisor’s President and Chief Executive Officer. Mr. Plumb is the indirect owner of all of the voting units of the Advisor through TGP, Inc. Mr. Thomas Plumb is entitled to receive distributions of the Advisor’s profits and cash distributions through his indirect ownership interest in the Advisor.

Portfolio manager compensation is comprised primarily of a market-based salary and a bonus component. Any bonus component would be made at the discretion of Mr. Plumb and has historically been calculated based upon the relative performance of the Fund managed by the portfolio manager before taxes over a rolling three-year period. The relative performance of a Fund is determined by comparing the performance of the Fund to a combination of the performance of such Fund’s benchmark(s) and the performance of the other mutual funds in such Fund’s Morningstar category. Since the amount of any bonus paid to the portfolio manager is related to the relative performance of the Funds, the performance of the Funds will have a material impact on the overall compensation of the portfolio manager. Overall, the profitability of the Advisor determines the total amount of compensation that is available for the portfolio manager. The portfolio manager is compensated by the Advisor, not by the Funds.

The table below sets forth the dollar range of shares of the Funds owned by the portfolio manager of the Funds as of March 31, 2020.

<u>Portfolio Manager</u>	<u>Dollar Range of Equity Securities in each Plumb Fund</u>
Thomas G. Plumb	Over \$1,000,000 (Balanced Fund) Over \$1,000,000 (Equity Fund)

The following table provides information about other accounts managed by Mr. Thomas Plumb as of March 31, 2020. None of the accounts shown in the table is charged a fee based on performance.

<u>Portfolio Manager</u>	<u>Registered Investment Companies</u>	<u>Other Pooled Investment Vehicles</u>	<u>Other Accounts</u>
Thomas G. Plumb	0	0	33 totaling \$108.2 million

Many, but not all, of the accounts managed by Mr. Thomas Plumb have investment strategies similar to those employed for the Funds. Possible material conflicts of interest arising from the portfolio manager's management of the investments of the Funds, on the one hand, and the investments of the other accounts, on the other hand, include:

- The portfolio manager's allocation of sufficient time, energy, and resources to managing the investments of the Fund in light of his responsibilities with respect to numerous other accounts, particularly accounts that have different strategies from those of the Funds;
- The fact that the fee is payable to the Advisor for managing the Funds may be less than the fees payable to the Advisor for managing other accounts, potentially motivating the portfolio manager to spend more time on managing the other accounts;
- The proper allocation of investment opportunities that are suitable for the Funds and other accounts; and
- The proper allocation of aggregated purchase and sale orders for the Funds and other accounts.

### **Administration Services**

Prior to June 1, 2017, Wisconsin Capital Management, LLC acted as the administrator for each Fund. The services provided by Wisconsin Capital Management included: (a) services pertaining to general management of the Funds, such as the preparation of materials for meetings of the Board of Directors, and the maintenance of the Funds' books and records to the extent not maintained by the Funds' other service providers; (b) services relating to monitoring the Funds' compliance with applicable securities and tax laws and services relating to the preparation and filing of documents the Funds are required to file with the SEC and tax authorities; (c) maintaining and keeping current certain accounts and financial records of the Funds, preparing the Funds' financial statements and other financial reports, calculating the Funds' total returns, expense ratios and portfolio turnover rates, and overseeing the accounting-related services provided by the Funds' other service providers; (d) providing supervision and oversight of all aspects of the Funds' operations being performed by the Funds' other service providers; (e) preparing information in response to audits performed by the Funds' independent accountants and the SEC; and (f) providing the Funds, to the extent not provided pursuant to other agreements, with executive, administrative and clerical services as are reasonably necessary to provide effective administration of the Funds.

The following table sets forth the fees paid by each Fund to Wisconsin Capital Management, LLC for its prior services as administrator for each Fund for the fiscal years ended March 31, 2017, and March 31, 2018:

	<b>Fiscal Year Ended March 31, 2017</b>	<b>Fiscal Year Ended March 31, 2018</b>
Balanced Fund	\$66,040	\$11,286
Equity Fund	\$43,928	\$9,233

Effective as of June 1, 2017, Fund Services acts as administrator to the Funds pursuant to a Fund Administration Servicing Agreement (the “Administration Agreement”). Under the Administration Agreement, Fund Services provides the Funds services pertaining to: (a) services pertaining to general management of the Funds, such as the preparation of materials for meetings of the Board of Directors, and the maintenance of the Funds’ books and records to the extent not maintained by the Funds’ other service providers; (b) services relating to monitoring the Funds’ compliance with applicable securities and tax laws and services relating to the preparation and filing of documents the Funds are required to file with the SEC and tax authorities; (c) maintaining and keeping current certain accounts and financial records of the Funds, preparing the Funds’ financial statements and other financial reports, calculating the Funds’ total returns, expense ratios and portfolio turnover rates, and overseeing the accounting-related services provided by the Funds’ other service providers; (d) providing supervision and oversight of all aspects of the Funds’ operations being performed by the Funds’ other service providers; (e) preparing information in response to audits performed by the Funds’ independent accountants and the SEC; and (f) providing the Funds, to the extent not provided pursuant to other agreements, with executive, administrative and clerical services as are reasonably necessary to provide effective administration of the Funds; and (g) compliance with and reporting under state securities laws and certain tax laws applicable to the Funds and with certain administrative support software applications. For providing the foregoing services, Fund Services receives an asset-based fee, with a minimum annual fee, subject to certain conditions. Prior to June 1, 2017, Fund Services served as sub-administrative agent for the Funds. U.S. Bank, N.A., Fund Services, and the Distributor are affiliates.

The following table sets forth the fees paid by each Fund to Fund Services for its services for each Fund for the fiscal years ended March 31, 2018, March 31, 2019, and March 31, 2020:

	<b>Fiscal Year Ended March 31, 2018</b>	<b>Fiscal Year Ended March 31, 2019</b>	<b>Fiscal Year Ended March 31, 2020</b>
Balanced Fund	\$59,334	\$69,134	\$98,401
Equity Fund	\$55,256	\$58,852	\$61,694

### **Fund Accounting Services**

Fund Services, 615 East Michigan Street, Milwaukee, Wisconsin 53202 serves as the Funds’ accounting services agent (the “Accounting Agent”) pursuant to a Fund Accounting Services Agreement (the “Accounting Agreement”). Under the Accounting Agreement, Fund Services provides pricing services, maintains the financial records of the Funds and provides other accounting-related services. U.S. Bank, N.A., Fund Services, and the Distributor are affiliates.

### **Transfer and Dividend Disbursing Agency Services**

Fund Services, 615 East Michigan Street, Milwaukee, Wisconsin 53202 is the transfer and dividend disbursing agent for each Fund. U.S. Bank, N.A., Fund Services, and the Distributor are affiliates.

### **Custodial Services**

U.S. Bank, N.A., 1555 North Rivercenter Drive, Milwaukee, Wisconsin 53212 is the custodian of each Fund’s portfolio securities and cash, and is also responsible for handling the receipt and

delivery of securities and receiving and collecting income from investments. U.S. Bank, N.A., Fund Services, and the Distributor are affiliates.

### **Legal Counsel and Independent Registered Public Accounting Firm**

Quarles & Brady LLP, 411 East Wisconsin Avenue, Milwaukee, Wisconsin 53202, serves as legal counsel to the Funds.

Cohen & Company, Ltd., 1350 Euclid Avenue, Suite 800, Cleveland, Ohio 44115 serves as independent registered public accountants for the Funds, and in such capacity audits the annual financial statements of the Funds, reviews certain regulatory reports, prepares and/or reviews the federal income tax returns, and performs other professional auditing, tax, and accounting services when engaged by the Funds to do so.

### **Expenses**

The Funds are responsible for the payment of their own expenses. Such expenses include, without limitation: the fees payable to the Advisor, Administrator and Accounting Agent; the fees and expenses of the Funds' custodian and transfer and dividend disbursing agent; association membership dues; any portfolio losses; filing fees for the registration or qualification of Fund shares under federal or state securities laws; expenses of the organization of the Funds; taxes; interest; costs of liability insurance, fidelity bonds, indemnification, or contribution; any costs, expenses, or losses arising out of any liability of, or claim for damages or other relief asserted against, the Funds for violation of any law; legal and auditing fees and expenses; expenses of preparing and setting in type prospectuses, statements of additional information, proxy material, reports, and notices and the printing and distributing of the same to the Funds' existing shareholders and regulatory authorities; compensation and expenses of the Funds' Directors; and extraordinary expenses incurred by the Fund. The Advisor will bear the expense of printing and distributing prospectuses to prospective shareholders.

The Advisor has agreed to reimburse the Funds for all expenses they incur through July 31, 2021 so their annual operating expenses do not exceed 1.19% of average daily net assets for Investor Shares and 0.99% of average daily net assets for Institutional Shares in the case of the Balanced Fund and 1.19% of average daily net assets for Investor Shares and 0.99% of average daily net assets for Institutional Shares in the case of the Equity Fund. For any year in which a Fund's actual operating expense ratio is lower than the applicable cap, the Advisor may recoup any or all of the fees it has waived and/or the expenses it has reimbursed during the immediately preceding 36 months, provided the amount of recoupment in any year shall be limited so that it does not cause the Fund's total operating expenses to exceed the applicable cap for that year. For the year ended March 31, 2020, the Advisor waived expenses for the Plumb Equity Fund of \$95,993. For the year ended March 31, 2020, the Advisor recouped expenses from the Plumb Balanced Fund in the amount of \$31,525 and waived expenses in the amount of \$28,760.

The following table shows the remaining waived or reimbursed expenses subject to potential recovery expiring in:

**Plumb Balanced Fund**

2021	\$122,739
2022	\$11,798
2023	\$28,760

**Plumb Equity Fund**

2021	\$110,110
2022	\$89,091
2023	\$95,993



## DISTRIBUTION OF SHARES

Quasar Distributors, LLC, 111 East Kilbourn Avenue, Suite 1250, Milwaukee, Wisconsin 53202, serves as principal underwriter and distributor of the shares of each Fund. U.S. Bank, N.A., and Fund Services, are affiliates. Prior to March 31, 2020, the Distributor was an affiliate of U.S. Bank, N.A. and Fund Services.

Under the Distribution Agreement approved by the Board of Directors (including a majority of those directors who are not interested persons of the Funds or of the Distributor), the Distributor has agreed to use appropriate efforts to solicit orders for the sales of Fund shares and to undertake such advertising and promotion as it believes is reasonable in connection with such solicitation. The Distributor engages in activities which it in good faith deems reasonable, which are primarily intended to result in the sale of Fund shares, including without limitation advertising, compensation of securities dealers, sales personnel and others for distribution and related services, the printing and mailing of prospectuses to persons other than current shareholders, and the printing and mailing of sales literature. The Distributor offers shares on a continuous basis but is not obligated to sell any certain number of shares of the Funds.

The Distribution Agreement will continue for each Fund automatically for successive one-year terms, provided that such continuance is approved at least annually (i) by the vote of the members of the Funds' Board of Directors who are not interested persons of the Funds or the Distributor, cast in person at a meeting for the purpose of voting on such approval, and (ii) by the vote of either a majority of the Funds' Board or a majority of the outstanding voting securities of the particular Fund. Notwithstanding the above, the Distribution Agreement may be terminated without penalty on not less than 60 days' prior written notice by either party and will automatically terminate in the event of its assignment.

### **Rule 12b-1 Plan**

Each Fund has adopted a distribution plan (the "Rule 12b-1 Plan") for the Investor Shares of each Fund which, among other things, requires it to pay the Distributor a monthly amount of up to 0.25% of its average daily net assets attributable to Investor Shares, computed on an annual basis. The amount paid under the Rule 12b-1 Plan reimburses the Distributor for distributing Investor Shares of each Fund and providing services to shareholders. Covered distribution expenses include, but are not limited to, the printing of prospectuses and reports used for sales purposes, advertisements, expenses of preparation and printing of sales literature, expenses associated with electronic marketing and sales media and communications, and other sales or promotional expenses, including compensation paid to any securities dealer (including the Distributor), financial institution or other person who renders assistance in distributing or promoting the sale of Investor Shares of each Fund, provides shareholder services to the Funds or has incurred any of the aforementioned expenses on behalf of the Funds pursuant to either a Dealer Agreement or other authorized arrangement. Covered shareholder servicing expenses include, but are not limited to, costs associated with relationship management, retirement plan enrollment meetings, investment and educational meetings, conferences and seminars, and the cost of collateral materials for such events. A Fund is obligated to pay fees under the Rule 12b-1 Plan only to the extent of expenses actually incurred by the Distributor for the current year, and thus there will be no carry-over expenses from previous years. No fee paid by Investor Shares of one Fund under the Rule 12b-1 Plan may be used to reimburse the Distributor for expenses incurred in connection with its provision of distribution or shareholder services to Investor Shares of another Fund.

The Funds' Rule 12b-1 Plan also authorizes the Funds to pay covered distribution and servicing expenses directly rather than through the Distributor, subject to the requirement that the aggregate amounts paid directly and to the Distributor do not exceed 0.25% per annum of the particular Fund's average daily net assets attributable to Investor Shares. The Funds' direct payment of covered distribution and servicing expenses is made with the Distributor's knowledge primarily for administrative convenience.

Under the Rule 12b-1 Plan, the Distributor provides the Directors for their review promptly after the end of each quarter a written report on disbursements under the Rule 12b-1 Plan and the purposes for which such payments were made, plus a summary of the expenses incurred by the Distributor under the Rule 12b-1 Plan. In approving the Rule 12b-1 Plan in accordance with the requirements of Rule 12b-1, the Directors considered various factors, including the amount of the distribution fee. The Directors determined that there is a reasonable likelihood that the Rule 12b-1 Plan will benefit the Funds and their shareholders. In particular, the Directors determined that it believes that the Rule 12b-1 Plan is reasonably likely to result in the retention of existing Fund assets or in the sale of additional shares of each Fund, thereby preserving and potentially leading to additional economies of scale that may reduce a Fund's expense ratio.

The Rule 12b-1 Plan continues in effect from year to year only so long as such continuance is specifically approved at least annually by the vote of the Directors, including a majority of the Directors who are not interested persons of the Distributor, cast in person at a meeting called for such purpose.

The Rule 12b-1 Plan may be terminated with respect to each Fund, without penalty, by vote of a majority of the Directors who are not interested persons, or by vote of a majority of the outstanding voting securities of the affected Fund. Any change in the Rule 12b-1 Plan that would materially increase the distribution cost to a Fund requires approval by the shareholders of that Fund; otherwise, it may be amended by the Directors, including a majority of the Directors who are not interested persons, by vote cast in person at a meeting called for the purpose of voting upon such amendment. So long as the Rule 12b-1 Plan is in effect, the selection or nomination of the Directors who are not interested persons is committed to the discretion of such Directors.

For the fiscal year ended March 31, 2020, the Balanced Fund paid \$262,449 and the Equity Fund paid \$86,477 to the Distributor under the Rule 12b-1 Plan.

The principal types of activities for which the Funds made payments (net of waivers) under the Rule 12b-1 Plan for the fiscal year ended March 31, 2020 were as follows:

	<b>Advertising/ Sales Literature</b>	<b>Printing/Mailing of Prospectuses (Other than to Current Investors)</b>	<b>Underwriter Compensation</b>	<b>Broker-Dealer Compensation<sup>(1)</sup></b>	<b>Sales Personnel Compensation</b>
Balanced Fund	\$0	\$0	\$27,952	\$237,601	\$0
Equity Fund	\$0	\$0	\$10,326	\$73,168	\$0

<sup>(1)</sup> Includes compensation to broker-dealers and financial institutions other than the Distributor.

## **Revenue Sharing**

The Advisor pays additional compensation out of its own assets (and not as an additional charge to any Fund) to selected financial advisors in connection with the retention and/or servicing of Fund investors and Fund shares, including without limitation for various shareholder servicing, recordkeeping or other services with respect to the Funds.

Such revenue-sharing payments are in addition to any distribution fees payable under the Rule 12b-1 Plan of any Fund. The level of revenue-sharing payments made to financial advisors under these arrangements is generally, but need not be, based on the aggregate value of accounts in the Funds for which these financial advisors are responsible, or may include a fixed fee. The amount of these payments may be substantial and may be different for different financial advisors based on, for example, the nature of the services being provided pursuant to the arrangement. The minimum aggregate size required for eligibility for such payments, as well as the factors in selecting the firms and institutions to which they will be made, are determined by the Advisor from time to time.

Receipt of, or the prospect of receiving, this additional compensation, may influence your financial advisor's recommendation of the Funds. You should review your financial advisor's compensation disclosure and/or talk to your financial advisor to obtain more information on how this compensation may have influenced your financial advisor's recommendation of the Funds.

## **PORTFOLIO TRANSACTIONS AND BROKERAGE**

The Advisor is responsible for decisions to buy and sell securities for each Fund, the selection of brokers and dealers to effect the transactions, and the negotiation of brokerage commissions, where applicable. Purchases and sales of securities on a national securities exchange are effected through brokers who charge a negotiated commission for their services. In the over-the-counter market, securities are generally traded on a "net" basis with dealers acting as principal for their own accounts without a stated commission, although the price of the security usually includes a profit to the dealer. In underwritten offerings, securities are purchased at a fixed price which includes an amount of compensation to the underwriter, generally referred to as the underwriter's concession or discount. On occasion, certain money market instruments may be purchased directly from an issuer, in which case no commissions or discounts are paid.

In placing purchase and sale orders for portfolio securities for a Fund, it is the policy of the Advisor to seek the best net price and the most favorable execution in light of the overall quality of brokerage and research services provided. In addition, the Advisor may place orders for portfolio transactions with brokers who recommend the purchase of shares of the Funds to clients if the Advisor believes that such brokers' commissions or dealer spreads, quality of execution, and the overall quality of brokerage and research services are comparable to those of other brokers. In selecting brokers to effect portfolio transactions, the Advisor will not take into account the brokers' promotion or sales of shares issued by any investment company. In selecting brokers to effect portfolio transactions, the determination of what is expected to result in best net price and the most favorable execution involves a number of largely judgmental considerations. Among these are the Advisor's evaluation of the broker's efficiency in executing and clearing transactions and the broker's financial strength and stability. The best net price takes into account the brokerage commission or dealer spread involved in purchasing the securities. Transactions in the securities of small companies may

involve specialized services on the part of the broker and thereby entail higher commissions or spreads than would be paid in transactions involving more widely traded securities.

In selecting brokers to effect portfolio transactions for a Fund, the Advisor also takes into consideration the research, analytical, statistical, and other information and services provided by the broker, such as general economic reports and information, reports or analyses of particular companies or industry groups, market timing and technical information, access to computerized databases and the software for analyzing such databases, and the availability of the brokerage firm's analysts for consultation. Where computer software serves functions other than assisting the Advisor in the investment decision-making process (e.g., recordkeeping), the Advisor makes a reasonable allocation of the cost of the software to such other functions and bears such part of the cost itself. While the Advisor believes such information and services have substantial value, the Advisor considers them supplemental to its own efforts in the performance of its duties under the Advisory Agreement. Other clients of the Advisor may benefit from the availability of these services to the Advisor, and the Funds may benefit from services available to the Advisor as a result of transactions for other clients. The Advisory Agreement provides that the Advisor, in placing orders for portfolio securities, is entitled to rely upon Section 28(e) of the Securities Exchange Act of 1934. Such section generally permits the Advisor to cause a Fund to pay a broker or dealer that provides brokerage and research services to the Advisor an amount of commission for effecting a securities transaction in excess of the amount another broker or dealer would have charged for effecting the transaction; provided the Advisor determines in good faith that such amount of commission is reasonable in relation to the value of brokerage and research services provided by the executing broker or dealer viewed in terms of either the particular transaction or the Advisor's overall responsibilities with respect to the Fund and the other accounts as to which the Advisor exercises investment discretion.

The Advisor does not compensate broker-dealers for, or otherwise take into consideration, the efforts of a broker-dealer in marketing, offering, or selling Fund shares in allocating brokerage, although pursuant to procedures adopted by the Funds, the Advisor may effect portfolio transactions through such broker-dealers.

The Advisor may direct portfolio transactions for the Funds to broker-dealers under agreements in which a portion of the commissions paid to such broker-dealers by the Funds are returned to the Funds and used to pay the Funds' expenses. There are no minimum levels of brokerage commissions that must be earned under these directed brokerage arrangements. The allocation of transactions to such broker-dealers will be made only if it is consistent with "best execution."

On occasions when the Advisor deems the purchase or sale of a security to be in the best interest of a Fund as well as the Advisor's other customers (including any other fund or other Funds or advisory account for which the Advisor acts as investment advisor), the Advisory Agreement provides that the Advisor, to the extent permitted by applicable laws and regulations, may aggregate the securities to be sold or purchased for the Fund with those to be sold or purchased for such other customers in order to obtain the best net price and most favorable execution. In such event, allocation of the securities so purchased or sold, as well as the expenses incurred in the transaction, will be made by the Advisor in the manner it considers to be most equitable and consistent with its fiduciary obligations to the Fund and such other customers. In some instances, this procedure may adversely affect the size of the position obtainable for the Fund.

During the last three fiscal years, the aggregate commissions on portfolio transactions paid by the Funds were as follows:

	<u>Year ended March 31, 2018</u>	<u>Year ended March 31, 2019</u>	<u>Year ended March 31, 2020</u>
Balanced Fund	\$18,893	\$53,856	\$44,563
Equity Fund	\$27,368	\$28,885	\$19,468

The Funds did not pay any brokerage commissions to U.S. Bank during their past three fiscal years.

The table below shows information on brokerage commissions paid by the Funds to brokers or dealers who supplied research services to the Advisor during the fiscal year ended March 31, 2020:

	<u>Amount of Commissions Paid to Brokers or Dealers Who Supplied Research Services to the Advisor</u>	<u>Total Dollar Amount Involved</u>
Balanced Fund	\$44,563	\$89,807,229
Equity Fund	\$19,468	\$35,453,994

As of the fiscal year ended March 31, 2020, the following Fund owned the following securities of its “regular brokers or dealers” or their parents:

	<u>Security of Regular Broker/ Dealer of the Portfolio</u>	<u>Value of Portfolio's Aggregate Holding of Securities as of 3/31/20</u>
Balanced Fund	J.P. Morgan Chase & Co.	\$1,800,600

### TAXES

Each Fund intends to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended (the “Code”), and to take all other action required so that no federal income tax will be payable by the Fund itself. In order to qualify as a regulated investment company, each Fund must satisfy a number of requirements. If a Fund were to fail to qualify as a regulated investment company under the Code, it would be treated as a regular corporation whose net taxable income (including taxable dividends and net capital gains) would be subject to income tax at the corporate level, and distributions to shareholders would be subject to a second tax at the shareholder level.

The dividends received deduction available to a corporate shareholder with respect to certain ordinary income distributions from the Funds may be reduced below 50% if the shareholder has incurred any indebtedness directly attributable to its investment in Fund shares.

Any ordinary income or capital gain distribution will reduce the net asset value of Fund shares by the amount of the distribution. Although such a distribution thus resembles a return of capital if received shortly after the purchase of shares, it generally will be taxable to shareholders.

As of March 31, 2020, the Plumb Balanced Fund had short-term capital loss carryforwards amounting to \$692,163 that may be carried forward indefinitely to offset future capital gains.

Each Fund will be subject to a nondeductible 4% excise tax if it fails to meet certain requirements with respect to distributions of ordinary income and capital gain net income. It is anticipated that this provision will not materially affect the Funds or their shareholders. Dividends declared in October, November, or December to shareholders on a date in any such month and paid during January of the following year will be treated as received by the shareholders on December 31 of the year declared.

All or part of any loss that a shareholder realizes on a redemption of shares will be disallowed if the shareholder purchases other shares of the Fund (including by the automatic reinvestment of Fund distributions in additional Fund shares) within 30 days before or after the redemption.

Dividends and other distributions paid to individuals and other non-exempt persons are subject to a 24% backup federal withholding tax if the Transfer Agent is not provided with the shareholder's correct taxpayer identification number or certification that the shareholder is not subject to such backup withholding or if the Funds are notified that the shareholder has under-reported income in the past. In addition, such backup withholding tax will apply to the proceeds of redemption or repurchase of shares from a shareholder account for which the correct taxpayer identification number has not been furnished. For most individual taxpayers, the taxpayer identification number is the individual's social security number. A shareholder may furnish the Transfer Agent with such number and the required certifications by completing and sending the Transfer Agent either the account application form accompanying the Prospectus or an IRS Form W-9.

The foregoing discussion of tax consequences is a general summary of some of the federal income tax considerations generally affecting each Fund and its shareholders and is based on federal tax laws and regulations in effect on the date of this Statement of Additional Information, which are subject to change by legislative or administrative action, with possible retroactive effect. Shareholders should consult their own tax advisors regarding the state and local tax consequences of an investment in a Fund and the particular tax consequences to them of an investment in the Fund.

## **COST BASIS REPORTING**

The Funds are required to report to you and to the IRS the cost basis of your Fund shares acquired on or after January 1, 2012 ("covered shares") when those shares are subsequently redeemed. Unless you elect a different permissible cost basis method in writing, the cost basis of covered shares will be determined using the average cost method, described below. These reporting requirements do not apply to shares held by you through a tax-deferred arrangement such as a 401(k) or an individual retirement account. Shares acquired prior to January 1, 2012 ("non-covered shares") are treated as if they are held in an account separate from the covered shares for purposes of these reporting requirements. The Funds are not required to determine or report a shareholder's cost basis of non-covered shares and are not responsible for the accuracy and reliability of any information provided for non-covered shares. However, as a courtesy, the Funds will continue to provide you with the cost basis of non-covered shares using the average cost method when available.

The cost basis of a share is generally its purchase price adjusted for distributions, returns of capital, and other corporate actions. Cost basis is used to determine whether the redemption of a share results in a gain or loss. If you redeem covered shares during any year, the Funds will report

the gain or loss, cost basis, and holding period of such covered shares to you and to the IRS on your Consolidated Form 1099.

A cost basis method is used by the Funds to determine which specific shares are deemed to be sold when a shareholder sells less than his or her entire position in a Fund and has made multiple purchases of Fund shares on different dates at differing net asset values. If a shareholder does not affirmatively elect a particular cost basis method, the Funds will use the average cost method, which averages the cost basis of all Fund shares purchased on or after January 1, 2012, in an account regardless of holding period, and deems shares sold or transferred first to be those with the longest holding period. Each shareholder may elect in writing for an alternate permissible cost basis method to be used to calculate the cost basis of its covered shares. The cost basis reporting method cannot be changed for previously redeemed covered shares.

If you hold Fund shares through a financial intermediary, please contact that financial intermediary to discuss the reporting of cost basis and available elections for your account.

You are encouraged to consult your tax advisor regarding the application of these cost basis reporting rules and, in particular, which cost basis calculation method you should elect. Representatives of the Funds are not licensed tax advisors and are unable to give tax advice.

## **CAPITAL STOCK AND OTHER SECURITIES**

### **General**

The authorized capital stock of the Funds consists of two billion (2,000,000,000) shares of Common Stock, \$0.001 par value per share. The shares of Common Stock are presently divided into two series, the Plumb Balanced Fund and the Plumb Equity Fund, each consisting of 400 million authorized shares of Common Stock. Each series is further divided into two classes of shares, including a class of Institutional Shares and a class of Investor Shares. The Board of Directors may authorize the issuance of additional series of Common Stock (funds) and more than one class of shares in a series.

Each share of Common Stock (including each share of the two classes mentioned above) has one vote and, when issued and paid for in accordance with the terms of the Prospectus, will be fully paid and non-assessable. Shares of Common Stock are redeemable at net asset value, at the option of the shareholder. Shares of Common Stock have no preemptive, subscription, conversion, or accumulative voting rights and are freely transferable. Shares of Common Stock can be issued as full shares or fractions of shares. Each share of a series issued and outstanding has identical dividend, liquidation, and other rights.

Shareholders have the right to vote on the election of the directors at each meeting of shareholders at which directors are to be elected and on other matters as provided by law or the Funds' Articles of Incorporation or Bylaws. Shareholders of the Funds vote together to elect a single Board of Directors and on other matters commonly affecting all of the Funds, with each share entitled to a single vote. On matters affecting only one Fund, only the shareholders of that Fund are entitled to vote. On matters relating to all Funds, but affecting individual Funds differently (such as a new Advisory Agreement), separate votes by shareholders of each Fund are required. The Funds' Articles of Incorporation do not require the holding of annual meetings of shareholders. However, special meetings of shareholders may be called (and, at the request of shareholders holding 10% or more

of the Funds' outstanding shares, must be called) for purposes such as electing or removing directors, changing fundamental policies, or approving investment advisory contracts.

### **FINANCIAL STATEMENTS**

The financial statements, related notes, and related report of Cohen & Company, Ltd., an Independent Registered Public Accounting Firm, contained in the Annual Report to Shareholders of the Funds as of March 31, 2020, and for the year then ended, are [hereby incorporated by reference](#). Copies of the Funds' Annual Report may be obtained without charge by writing to the Plumb Funds, 8401 Excelsior Drive, Suite 102, Madison, Wisconsin 53717, by calling 1-866-987-7888, or by visiting the Plumb Funds website at [www.plumbfunds.com](http://www.plumbfunds.com).



## **EXHIBIT A**

### **Wisconsin Capital Funds, Inc. (“Plumb Funds”, or the “Funds”) Proxy Voting Policy**

#### **64.1 Overview**

The “Funds” have delegated proxy voting decisions to the Funds’ investment adviser Wisconsin Capital Management, LLC (“WisCap”). WisCap’s Proxy Voting Committee determines how votes should be cast by the Fund, given their knowledge of the companies in which the Funds are invested and practices common in the companies’ relevant industries. The Funds expect WisCap to cast votes on behalf of the Funds in accordance with this Proxy Voting Policy, and to maintain policies and procedures designed to provide reasonable assurance proxies are voted in the Funds’ best economic interest. See Appendix A for WisCap’s current Proxy Voting Policy.

Questions regarding this policy should be directed to the Chief Compliance Officer (“CCO”) of the Funds or his/her designee.

#### **64.2 Conflicts of Interest**

WisCap may occasionally encounter a conflict in voting proxies for the Funds. In these instances, WisCap, consistent with its Proxy Voting Policy, has a duty to recognize potential conflicts and to resolve the conflict before voting the proxy. Accordingly, when WisCap believes that a particular vote to be cast presents a material conflict of interest, WisCap shall inform the Funds’ Board of Directors of the conflict and, as appropriate, seek guidance from the Board (or select members) as to how the vote should be cast and if legal counsel should be contacted.

Further, the Board of Directors may establish a proxy voting committee, a majority of the members of which may not be “interested persons” of WisCap that shall be authorized to provide guidance to WisCap on how to cast votes on behalf of the Fund if a material conflict of interest is present.

#### **64.3 Voting Guidelines**

WisCap shall follow guidelines as outlined within its Proxy Voting Policy in casting votes for the Funds. The WisCap Proxy Voting Policy is attached as Appendix A.

#### **64.4 Oversight**

The CCO shall take into account WisCap’s routine review of proxy voting activities in connection with the CCO’s annual review of Fund compliance matters.

**Wisconsin Capital Management, LLC (“WisCap”)  
Proxy Voting Policy**

### **33.1 Overview**

This proxy voting policy is designed to provide reasonable assurance that proxies are voted in the clients’ best economic interest, when the responsibility for voting client proxies rests with WisCap. WisCap will vote proxies for clients pursuant to the authority granted in the investment advisory agreement between WisCap and its client, or as granted by written direction from each client.

The Proxy Review Committee (“Committee”), which consists of officers and/or employees of WisCap, is responsible for ensuring that proxies are voted in accordance with this policy.

Employees of WisCap are responsible for carrying out its proxy voting obligations under the oversight of WisCap’s Proxy Voting Committee.

Questions regarding this policy should be directed to the Chief Compliance Officer (“CCO”).

### **33.2 Conflicts of Interest**

#### **A. Overview**

WisCap may encounter a material conflict in voting client proxies. WisCap has a duty to recognize a material conflict and to resolve the conflict before voting the proxy. For purposes of this policy, material conflicts of interest are defined as those conflicts that, in the opinion of the Committee, a reasonable investor would view as important in making a decision regarding how to vote a proxy.

Examples of material conflicts include (but are not limited to):

1. WisCap provides investment advisory services to a publicly traded company and WisCap also holds that same security within client portfolios; and
2. An employee of WisCap has a business or personal relationship (such as a close friend or spouse) with a member of executive management, a participant in the proxy contest, or a corporate director of the company.

#### **B. Identifying Conflicts of Interest**

1. WisCap maintains a separate listing of all material business conflicts of interests – those business relationships between the firms and other parties that are deemed to be material and may result in a conflict with respect to a future proxy contest.
2. All employees are required to disclose all personal and familial relationships that may present a material conflict of interest with respect to a future proxy contest. Employees who are unsure whether a relationship should be disclosed as a material conflict should consult with Compliance for guidance.

#### **C. Resolving Material Conflicts of Interest**

Upon identification of a material conflict of interest related to a specific proxy vote, the Committee will take one of the following actions to ensure the proxy voting decision is based on the client's best interests and is not a result of the conflict.

1. Engage an independent party to determine how to vote the proxy;
2. Prepare a report that (i) describes the conflict of interest; (ii) discusses procedures used to address such conflict of interest; (iii) discloses any contacts from outside parties (other than routine communications from proxy solicitors) regarding the proposal; and (iv) confirms the recommendation was made solely on the investment merits and without regard to any other consideration;
3. Refer the proxy to a client or to a representative of the client for voting purposes; or
4. Disclose the conflict to the affected clients and seek their consent to vote the proxy prior to casting the vote.

### **33.3 Disclosures to Clients**

A client may request WisCap to deliver this Proxy Voting Policy as well as a record of how WisCap has voted that client's proxies. WisCap will use its respective Part 2A of Form ADV disclosures to:

- A. Notify clients of how they may obtain a copy of this policy;
- B. Notify clients of how they may obtain a record of how their securities were voted; and
- C. Summarize WisCap's proxy voting policies.

### **33.4 Voting Guidelines**

WisCap will strive to vote all proxies in the best economic interests of its clients. The decision of how to vote follows the same criteria WisCap uses in managing client accounts – to vote for proposals in such a manner that, in WisCap's opinion, will increase shareholder value.

#### General Overview

The Committee has established base guidelines for voting proxies, as summarized within the Proxy Trust system. The Committee shall review the base guidelines on a periodic basis.

WisCap will generally support management's recommendations on proxy issues relating to business operations matters since management's ability is a key factor WisCap considers in selecting equity securities for client portfolios. WisCap believes a company's management should generally have the latitude to make decisions related to the company's business operations. However, when WisCap believes the company's management is acting in an inconsistent manner with its clients' best interests, WisCap will vote against management's recommendations.

From time to time, the Portfolio Manager responsible to review a specific proxy proposal may desire to vote contrary to WisCap's base guidelines. Under such circumstances, the Portfolio Manager will notify the Committee, indicating the matter to be voted upon, the base proxy voting guideline applicable to that matter, and the rationale for the desired vote. Based upon

the information provided, the Committee is responsible for reviewing all relevant information and determining whether to deviate from the applicable base proxy voting guideline.

New matters not already determined in the proxy voting guidelines will be reviewed by one of the officers and/or members of the Committee and will establish a guideline.

In evaluating a particular proxy proposal, WisCap will take into consideration, among other items:

1. Management's assertions regarding the proxy proposal;
2. WisCap's determination of how the proxy proposal will impact its clients; and
3. WisCap's determination of whether the proxy proposal will create dilution for shareholders.

### **33.5 Record Retention Requirements**

WisCap shall keep the following proxy voting records:

- A. These proxy voting policies and procedures;
- B. Proxy statements received regarding client securities. Electronic statements, such as those maintained on EDGAR or by a proxy voting service, are acceptable;
- C. Records of proxy votes cast on behalf of each client;
- D. Records of client requests for proxy voting information, including a record of the information provided by WisCap;
- E. Documents prepared by WisCap that were material to making the decision of how to vote; and
- F. Documentation of Committee approval for a Portfolio Manager to vote a proxy contrary to the base proxy voting guidelines.

WisCap will keep these records in accordance with their Record Retention Policy.