Madison INVESTMENTS

MADISON CORE BOND

June 30, 2024 | Separately Managed Account Investment Strategy Letter

Madison's philosophy revolves around the principle of "Participate and Protect®", which means we strive to build portfolios that participate as fully as possible in favorable markets and, more importantly, protect principal in difficult markets. We believe that this is best pursued through active duration, yield curve and sector management with the goal of minimizing portfolio risk. Our general objective for this portfolio is to generate a high level of current income, consistent with a prudent limitation of investment risk. Typically, our bond portfolios have a duration of 4 to 6 years and invest primarily in U.S. Government and Corporate debt securities, Asset-backed and Mortgage-backed securities.

Recent economic data releases provide ammo for both the bulls and the bears. The economy continues to show resiliency with strong spending by consumers on services and fixed investment by firms. However, spending on goods, especially durable goods, has slowed significantly, with less demand leading to disinflation in certain areas. With respect to labor, the market is currently stable, but there are signs of a slowdown. Initial jobless claims continue to creep higher, now above 230,000, well above the sub-200,000 level in January. Additionally, the unemployment rate is now 4%, which is the highest level since 2022. Individually, none of the data looks concerning, but taken in aggregate, it points to a mixed economic growth and employment picture. The Federal Reserve (Fed) continues to be in a wait-and-see mode given the recent string of better-than-expected inflation data that followed higher than expected inflation to start the year. However, if the employment data continues to trend worse, the Fed will most likely be forced to act, seeking to achieve the soft landing it so desperately wants.

DOWN TO 2

The most recent summary of economic projections (SEP) showed only two interest rate cuts in 2024, which is one fewer than the median expectation to start the year. Stronger inflation data introduced doubt at the Fed as to how long it will take to get inflation to the 2% target, thus the removal of cuts from the forecast. With fewer interest rate cuts priced in, Treasury rates increased during the quarter, with the 2-year, 10-year, and 30-year Treasury increasing by 13, 20 and 22 basis points (bps), to 4.75%, 4.40% and 4.56%, respectively. The increase in rates was offset by higher starting yields, which led to positive total returns. The Bloomberg U.S. Treasury Index returned 0.10% during the quarter.

Market participants continue to debate where the Fed Funds rate will end up when the upcoming cutting cycle is complete. The Fed's expectation of the long-term rate has crept up to 2.75%, with some officials believing that the rate is at or above 3.50%. Current market pricing suggests a long-term rate of between 3.50% to 4.00%. If the Fed begins cutting rates due to slowing inflation, it is doubtful the Fed will be able to reduce interest rates down to the level of the Fed's projections. However, if the Fed begins the cutting cycle due to slowing economic growth and a worsening labor market, the speed and number of cuts would most likely exceed what markets are currently pricing in.

TAKING A BREATHER

Corporate bonds finally took a breather from the relentless tightening that has been occurring since the fourth quarter 2023. Corporate spreads widened during the quarter, with the Bloomberg U.S. Corporate Index widening by 4 bps. Industrials underperformed, widening by 5 bps, while Financials held steady at 97 bps over Treasuries. Significant issuance during the first half of the year has been met with significant demand. However, spreads are near the tightest levels over the last decade and provide little cushion if the economy weakens.

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Underperformance was not limited to corporates during the quarter. Mortgage-backed securities (MBS) underperformed as well, with the Bloomberg U.S. MBS Index lagging Treasuries by -0.09%. Higher interest rate volatility contributed to some of the underperformance, with the inverting yield curve making up the balance. Asset-backed securities were one of the lone bright spots, with spreads remaining steady and additional carry benefiting performance.

PERFORMANCE & POSITIONING

During the second quarter, an overweight to financial corporate bonds, asset-backed, and higher coupon mortgage-backed securities were the largest contributors to relative performance. The strategy continued to trim select corporate bonds due to tight valuations.

Mike Sanders *Allen Olson*

Madison INVESTMENTS

MADISON CORE BOND

June 30, 2024 | Separately Managed Account Performance & Characteristics

Portfolio Characteristics may help you understand how the portfolio, taken as a whole, is situated relative to other portfolios or the benchmark. See the Definitions section on the last page for more details about each metric presented below.

Portfolio Characteristics

	Madison Core Bond	Bloomberg U.S. Aggregate Bond Index
Effective Duration (years)	5.78	6.10
Wtd. Avg. Maturity (years)	8.41	8.36
Wtd. Avg. Quality[1]	AA-	AA
Wtd. Avg. Yield to Worst	5.20%	5.00%
Wtd. Avg. Current Yield	4.33%	3.64%
Avg. Turnover	20-40%	--

Sector Distribution (%)

	Madison	Index
Corporate	30.16	24.65
Industrials	14.48	14.21
Financials	13.96	8.16
Utilities	1.72	2.28
Securitized	43.84	27.74
MBS & CMBS	38.99	27.26
ABS	4.85	0.48
Treasury	23.51	42.82
Municipals	0.07	--
Agency/Government Related	0.68	4.80
Cash / Equivalents	1.70	--

Portfolio Statistics (%)

5-Years	Madison	Index
Up Capture Ratio	106.61	100.00
Down Capture Ratio	92.86	100.00
Standard Deviation	6.19	6.23
Information Ratio	1.44	--

Quality[1] Distribution (%)

	Madison	Index
AAA	7.95	3.57
AA	60.20	72.38
A	10.03	11.72
BBB	17.76	12.33
BB	2.18	--
B	0.18	--
Cash	1.70	--

Maturity Distribution (%)

	Madison	Index
0-1 Years	3.81	0.44
1-3 Years	9.00	21.51
3-5 Years	15.93	16.29
5-7 Years	9.17	9.75
7-10 Years	10.08	8.98
10+ Years	52.01	43.03

Cash is included in the 0-1 Year segment.

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June 30, 2024 | Separately Managed Account Performance & Characteristics

Portfolio Performance may help you understand how the portfolio, taken as a whole, is situated relative to other portfolios or the benchmark. See the Definitions section on the last page for more details about each metric presented below.

Trailing Returns (%)

	MADISON		
	Gross	Net**	Index
QTD	0.39	0.26	0.07
YTD	-0.05	-0.30	-0.71
1-Year*	4.09	3.57	2.63
3-Year*	-2.21	-2.70	-3.02
5-Year*	0.89	0.38	-0.23
10-Year*	2.15	1.64	1.35
Since Inception*	2.09	1.59	1.37

**Figures are annualized.*

Annual Total Returns (%)

	MADISON		
	Gross	Net**	Index
2023	6.52	5.99	5.53
2022	-12.21	-12.64	-13.01
2021	-0.97	-1.46	-1.54
2020	10.10	9.55	7.51
2019	9.35	8.80	8.72
2018	-0.08	-0.59	0.01
2017	3.92	3.40	3.54
2016	4.18	3.66	2.65
2015	0.94	0.44	0.55
2014	5.66	5.14	5.97

***Net returns are calculated using the highest Madison annual fee of 0.50%, calculated quarterly for periods prior to January 1, 2022 and applied monthly for periods beginning January 1, 2022. They do not reflect any third-party investment advisory fees or other expenses that may be incurred in the management of the account. Such fees and expenses will reduce the actual returns of the account. Actual fees and expenses will vary depending on each individual agreement, so readers should consult their advisors for additional details. See each entity's Part 2A Disclosure Brochure for more information. Actual returns may vary depending on a particular account's inception date, trading platform and trading discretion. Any differences in the timing of trades may result in various performance outcomes for Madison's separately managed accounts versus model manager accounts.*

Experienced Management

Mike Sanders, CFA®, FRM®
Head of Fixed Income,
Portfolio Manager
Industry since 2004

Allen Olson, CFA®
Portfolio Manager, Analyst
Industry since 1998

Madison INVESTMENTS

DISCLOSURES & DEFINITIONS

1. This measure is not the result of an assessment of the credit quality of the composite's portfolio by a Nationally Recognized Statistical Rating Agency ("NRSRO") or any other independent entity.

All or some of the information is presented as "supplemental information" included as part of the GIPS® Report for the Core Bond Composite on the reverse side, which must be included with this material. References to "Madison" are to that composite and references to inception date refer to performance since 4/1/2013. Year-to-date, quarterly and annualized performance figures are considered "preliminary" as of the date of this piece. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

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

All investing involves risks including the possible loss of principal. There can be no assurance the portfolios will achieve their investment objectives. The risks associated with an investment in the portfolio can increase during times of significant market volatility. The principal risks of investing in the portfolio include: interest rate risk, call risk, risk of default and liquidity risk. As interest rates rise, the prices of bonds fall. Long-term bonds are more exposed to interest-rate risk than short-term bonds. Unlike bonds, bond portfolios have ongoing fees and expenses. Please consult with your financial advisor to determine your risk tolerance and investment objectives.

It should not be assumed that recommendations made in the future will be profitable or will equal the performance of the securities in this list.

Holdings may vary depending on account inception date, objective, cash flows, market volatility, and other variables. Any securities identified and described herein do not represent all of the securities purchased or sold, and these securities may not be purchased for a new account. There is no guarantee that any securities transactions identified and described herein were, or will be profitable. Any securities identified and described herein are not a recommendation to buy or sell, and is not a solicitation for brokerage services.

Upon request, Madison may furnish to the client or institution a list of all security recommendations made within the past year.

Effective Duration: a measure of a portfolio's interest-rate sensitivity. The longer a portfolio's duration, the more sensitive the portfolio is to shifts in interest rates.

Average Maturity: computed by weighting the maturity of each security in the portfolio by the market value of the security, then averaging these weighted figures.

Yield to Maturity: measures the annual return an investor would receive if they held a particular bond until maturity as of the end of a report period. In order to make comparisons between instruments with different payment frequencies, a standard yield calculation basis is assumed. This yield is calculated assuming semiannual compounding.

Portfolio Turnover: a measure of the trading activity in an investment portfolio—how often securities are bought and sold by a portfolio. The range represents the typical turnover of the portfolio.

Yield to Worst: the lowest potential yield that can be received on a bond without the issuer actually defaulting. The yield to worst is calculated by making worst case scenario assumptions on the issue by calculating the returns that would be received if provisions, including prepayment, call or sinking fund, are used by the issuer.

Upside Capture Ratio: a portfolio's performance in up markets relative to its benchmark. The security's upside capture return is divided by the benchmark's upside capture return over the time period.

Downside Capture Ratio: a portfolio's performance in down markets relative to its benchmark. The security's downside capture return is divided it by the benchmark's downside capture return over the time period.

Standard Deviation: a statistical measurement of dispersion about an average, which, for a portfolio, depicts how widely the returns varied over a certain period of time. Investors may use the standard deviation of historical performance to understand the range of returns for a portfolio. When a portfolio has a higher standard deviation than its benchmark, it implies higher relative volatility. Standard deviation has been calculated using the trailing monthly total returns for the appropriate time period. The standard deviation values are annualized.

Information Ratio: a measurement of portfolio returns beyond the returns of a benchmark, usually an index, compared to the volatility of those returns.

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

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

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

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

DISCLOSURES AND DEFINITIONS

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

The Bloomberg US Treasury Index measures US dollar-denominated, fixed-rate, nominal debt issued by the US Treasury. Treasury bills are excluded by the maturity constraint, but are part of a separate Short Treasury Index.

The Personal Consumption Expenditures Price Index is a measure of the prices that people living in the United States, or those buying on their behalf, pay for goods and services.

The Bloomberg U.S. Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, mortgage backed securities, asset-backed securities and corporate securities, with maturities greater than one year.

The Bloomberg US Mortgage Backed Securities (MBS) Index tracks agency mortgage backed pass-through securities (both fixed-rate and hybrid ARM) guaranteed by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC). The index is constructed by grouping individual TBA-deliverable MBS pools into aggregates or generics based on program, coupon and vintage.

The Bloomberg US Corporate Index measures the investment grade, US dollar-denominated, fixed-rate, taxable corporate and government-related bond markets.

In addition to the ongoing market risk applicable to portfolio securities, bonds are subject to interest rate risk, credit risk and inflation risk. When interest rates rise, bond prices fall; generally, the longer a bond's maturity, the more sensitive it is to this risk. Credit risk is the possibility that the issuer of a security will be unable to make interest payments and repay the principal on its debt. Bonds may also be subject to call risk, which allows the issuer to retain the right to redeem the debt, fully or partially, before the scheduled maturity date. Proceeds from sales prior to maturity may be more or less than originally invested due to changes in market conditions or changes in the credit quality of the issuer.

A basis point is one hundredth of a percent.

Bond Spread is the difference between yields on differing debt instruments of varying maturities, credit ratings, and risk, calculated by deducting the yield of one instrument from another.

Yield Curve is a line that plots yields (interest rates) of bonds having equal credit quality but differing maturity dates. The slope of the yield curve gives an idea of future interest rate changes and economic activity. There are three main types of yield curve shapes: normal (upward sloping curve), inverted (downward sloping curve) and flat. Yield curve strategies involve positioning a portfolio to capitalize on expected changes.

Madison's expectation is that investors in the strategy will participate near fully in market appreciation during bull markets and experience something less than full participation during bear markets compared with investors in portfolios holding more speculative and volatile securities. Therefore, the investment philosophy is intended to represent a conservative investment strategy. There is no assurance that Madison's expectations regarding this investment strategy will be realized.

Asset-backed securities are bonds made up of a collection of consumer debts.

Mortgage-backed Securities (MBS) are bonds made up of a collection of residential or commercial mortgages.

Madison-574099-2024-07-15

MADISON
CORE BOND COMPOSITE
GIPS COMPOSITE REPORT

Year End	Total Firm Assets (millions)	Composite Assets		Annual Performance Results						
		USD (millions)	Number of Accounts	Composite Gross	Composite Net (.50%)	Bloomberg U.S. Aggregate Bond Index	Composite Dispersion	Composite 3-Yr. Annualized Ex-Post Standard Deviation	Index 3-Yr. Annualized Ex-Post Standard Deviation	% of Bundled Fee Accounts
QTD+				0.39%	0.26%	0.07%				
YTD+				-0.05%	-0.30%	-0.71%				
1 Year^				4.09%	3.57%	2.63%				
3 Years^				-2.21%	-2.70%	-3.02%				
5 Years^				0.89%	0.38%	-0.23%				
10 Years^				2.15%	1.64%	1.35%				
Since Inception^				2.09%	1.59%	1.37%				
Figures above are as of June 30, 2024. ^Returns are annualized if inception date is more than one year ago.										
2023	17,291	286	Five or fewer	6.52%	5.99%	5.53%	N/A	6.94%	7.14%	0%
2022	16,693	297	Five or fewer	-12.21%	-12.64%	-13.01%	N/A	5.78%	5.77%	0%
2021	19,129	190	Five or fewer	-0.97%	-1.46%	-1.54%	N/A	3.56%	3.35%	0%
2020	14,498	165	Five or fewer	10.10%	9.55%	7.51%	N/A	3.50%	3.36%	0%
2019	13,993	123	Five or fewer	9.35%	8.80%	8.72%	N/A	2.68%	2.87%	0%
2018	12,895	163	Five or fewer	-0.08%	-0.59%	0.01%	N/A	2.46%	2.84%	0%
2017	13,761	204	Five or fewer	3.92%	3.40%	3.54%	N/A	2.43%	2.78%	0%
2016	13,312	213	Five or fewer	4.18%	3.66%	2.65%	N/A	2.64%	2.98%	0%
2015	13,030	220	Five or fewer	0.94%	0.44%	0.55%	N/A	-	-	0%
2014	13,953	223	Five or fewer	5.66%	5.14%	5.97%	N/A	-	-	0%
04/01 - 12/31/2013	12,112	164	Five or fewer	-1.79%	-2.16%	-1.90%	N/A	-	-	0%

+Preliminary

N/A - Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

As of December 31, 2023, total assets under advisement in this strategy are $365 million encompassing non-bundled fee accounts and non-discretionary accounts which do not include any model-traded assets. This is presented as supplemental information.

Core Bond Composite contains fully discretionary direct fixed income accounts. The composite seeks to invest primarily in investment grade securities which consist of corporate debt securities, U.S. government debt securities, foreign government debt securities, and asset-backed, mortgage-backed and commercial mortgage-backed securities. The principal risks of investing in the portfolio include: interest rate risk, call risk, risk of default and liquidity risk. As interest rates rise, the prices of bonds fall. Long-term bonds are more exposed to interest-rate risk than short-term bonds. Unlike bonds, bond portfolios have ongoing fees and expenses. In a low-interest environment, there may be less opportunity for price appreciation. For comparison purposes the composite is measured against the Bloomberg U.S. Aggregate Bond Index which is a broad-based flagship benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, mortgage-backed securities and asset-backed securities, with maturities greater than one year. From 12/6/19-6/30/22, the composite was named the Core Plus Composite. Prior to 12/6/19, the composite was named the Core Bond Composite.

For the purposes of GIPS compliance and the determination of total assets under management, the Firm is defined as Madison. Madison represents Madison Investment Advisors, LLC ("MIA") and Madison Asset Management, LLC ("MAM"), two investment advisers under common control registered with the U.S. Securities and Exchange Commission pursuant to the Investment Advisers Act of 1940. (Registration does not imply a certain level of skill or training.) Prior to December 1, 2010, the Firm's composites were maintained by Madison Investment Advisors, Inc. ("MIA Inc."). On November 30, 2010, pursuant to a corporate reorganization that involved no change of control or personnel relating to account composite management, all composite accounts managed by MIA Inc. were transferred to MIA and performance information for periods prior to December 1, 2010 refer to this composite as managed by MIA Inc. During the first quarter of 2013, MIA and its parent company, MAM (also a registered investment adviser), began the process of eliminating the distinction between accounts and products managed by the two companies. Because MIA and MAM share all resources and personnel at their mutual Wisconsin office location and because there is no longer a brand or line of business distinction between products and services offered by the two registered investment advisers, for periods after March 31, 2013, the collective definition of the firm (Madison) includes accounts and assets managed by MAM and MIA. However, the firm does not claim compliance with the GIPS standards for assets and accounts managed by MAM prior to April 1, 2013. As of December 31, 2013, Madison Scottsdale, LC ("Scottsdale"), another registered investment adviser under common control with MIA, merged its assets into, and became part of, MIA and subsequently those assets became part of the firm (Madison). The transaction resulted in no change to the resources or personnel as the sole purpose of this change was to simplify Madison's legal corporate structure. Prior to January 1, 2014, Scottsdale did not claim GIPS compliance and no performance for composites formally maintained by Scottsdale are contained in this performance presentation or included in the definition of the firm (Madison). As of October 30, 2020, Hansberger Growth Investors, LP ("HGI LP"), an affiliated registered investment adviser under common control with MIA, consolidated its assets into MIA, and subsequently those assets became part of the firm (Madison). The transaction resulted in no change to the resources or personnel as the sole purpose of this change was to simplify the legal corporate structure. Prior to October 30, 2020, HGI LP claimed GIPS® compliance and all composite accounts managed by HGI LP were transferred to MIA and performance information for periods prior to October 30, 2020 refer to those composites as managed by HGI LP. On June 11, 2021, Madison acquired the fixed income management assets of Reinhart Partners, Inc. ("Reinhart"), an unaffiliated registered investment adviser, and subsequently those assets became part of the firm (Madison). The Investment Team of Reinhart, who were responsible for composite performance prior to June 11, 2021, joined Madison on that date and continue to manage the Reinhart Fixed Income Strategies. A list of composite descriptions and a list of broad distribution pooled funds are available upon request.

Madison claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. The firm, as defined above, has been independently verified for the periods January 1, 1991 through December 31, 2023. A copy of the verification report is available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Composite policy does not require the temporary removal of any portfolio incurring a client-initiated significant cash inflow or outflow. Past performance is not indicative of future results.

The U.S. Dollar is the currency used to express performance. Time-weighted returns are presented gross and net of management fees and include the reinvestment of all income. Net returns are calculated using the highest annual fee of 0.50%, as described below, applied quarterly for periods prior to January 1, 2022 and applied monthly for periods beginning January 1, 2022. Actual returns will be reduced by investment advisory fees and other expenses that may be incurred in the management of the account. The collection of fees produces a compounding effect on the total rate of return net of management fees. As an example, the effect of investment management fees on the total value of a client's portfolio assuming (a) quarterly fee assessment, (b) $1,000,000 investment, (c) portfolio return of 8% a year, and (d) 1.00% annual investment advisory fee would be $10,416 in the first year, and cumulative effects of $59,816 over five years and $143,430 over ten years. The annual composite dispersion presented is an equal-weighted standard deviation calculated using the annual gross returns of the accounts in the composite for the entire year. The three-year annualized ex-post standard deviation of both the composite (using monthly gross returns) and the benchmark are required to be presented for year-end periods beginning in 2011. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.

From inception through September 30, 2022, the performance track record presented is that of mutual funds. These funds have several share classes, depending on the investor, which as of February 29, 2024 reflect expense ratios ranging from 0.42% annually on all assets, up to 0.85% annually on all assets. The expense ratios include management fees ranging from 0.39% to 0.55% annually on all assets. The management fee schedule for individual accounts in this strategy is as follows: 0.50% annually on the first $5 million and 0.40% annually on the balance. Actual investment advisory fees incurred by clients may vary. Additional information regarding investment advisory fees are described in our disclosure brochure.

The Core Bond Composite was created April 1, 2013, and the inception date is April 1, 2013.

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