



Charitable Donation Accounts

Help fund charitable giving in your community with the potential to increase investment income.

Invest in Non-703-Type Investments as Approved by the NCUA

Federal credit unions (and state charters with approval) have the potential to increase charitable giving and investment income by investing in higher-yielding investments, which are permissible with a Charitable Donation Account (CDA). Investments offering the potential for higher rates of return may also involve a higher degree of risk.

Charitable Donation Accounts must distribute 51% of the total return to any 501(c)(3) charities, which can allow the credit union to retain up to 49% of the investment income. This has the potential to increase Net Income and Return on Assets. The CDA's value cannot exceed 5% of the credit union's Net Worth.

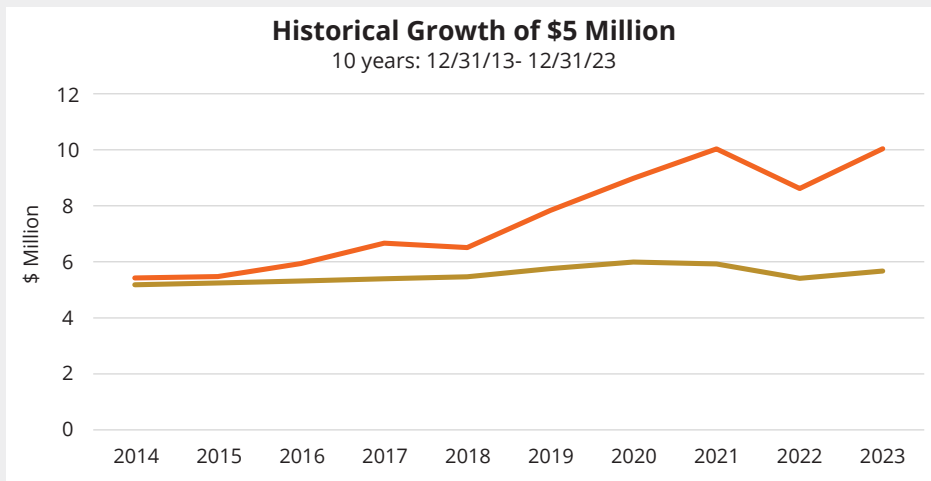
Investment Comparison

Balanced 703 Portfolio

50% Treasuries¹
50% U.S. Fixed Income, Investment-Grade MBS²

Balanced CDA Portfolio

50% U.S. Equity³
50% U.S. Fixed Income, Investment-Grade Corporate Bonds⁴



Balanced CDA Portfolio:
7.22% annualized return
\$10.0M ending value

Balanced 703 Portfolio:
1.26% annualized return
\$5.7M ending value

The graph presented does not represent the performance of any Madison Investments account, and it does not represent the fees and expenses associated with managing a portfolio. The material is based upon information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied upon as such.

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.

1. Treasuries are measured by the Bloomberg 1-5 Yr Treasury Index
2. U.S. Fixed Income, Investment-grade MBS are measured by the Bloomberg US Mortgage Backed Securities (MBS) Index
3. U.S. Equities are measured by the Russell 3000 Index
4. U.S. Fixed Income, Investment-grade Corporate Bonds are measured by the Bloomberg Intermediate Corporate Bond Index



Credit Union Investment Management

Madison Investments will construct a customized CDA portfolio given your risk tolerance and investment policy, with an objective of generating higher returns than your traditional NCUA 703-permissible investments to help increase your charitable giving. This includes traditional NCUA 703-permissible investments, plus:

- Investment-Grade Corporate Bonds
- High Yield Bonds
- U.S. Equities
- International Equities
- Alternative Investments

Why Madison Investments

Madison Investments is an independent, employee-owned firm. Because our employees are owners, we are only successful if our clients' investing experience is excellent. Our Credit Union Solutions Team is dedicated to serving the investment needs of credit unions.

With over \$23 billion* in client assets under management, our firm has been managing portfolios for more than 50 years.

Madison acts as a subadvisor on Charitable Donation Accounts through various Executive Benefit Solutions providers serving credit unions.

For more information about Madison's Credit Union Investment Management Services, please contact:

Bob Lindner
Director of Credit Union
Business Development
BobL@madisonadv.com
608.216.9196

For Investment Professional use only. Not for public distribution.

*Calculated as of 12/31/2023. The AUM includes all accounts to which Madison provides discretionary and non-discretionary advisory services, including accounts of a third party adviser where Madison provides non-discretionary model portfolio services.

Equity risk is the risk that securities held by the fund will fluctuate in value due to general market or economic conditions, perceptions regarding the industries in which the issuers of securities held by the fund participate, and the particular circumstances and performance of particular companies whose securities the fund holds. In addition, while broad market measures of common stocks have historically generated higher average returns than fixed income securities, common stocks have also experienced significantly more volatility in those returns.

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.

Commodity values can be very volatile. They can be impacted by world or local events, government regulations and economic conditions. Investments in commodities can lose value.

The Bloomberg 1-5 Yr 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 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 Russell 3000 Index measures the performance of the largest 3,000 U.S. companies representing approximately 98% of the investable U.S. equity market. The Russell 3000 Index is constructed to provide a comprehensive, unbiased and stable barometer of the broad market and is completely reconstituted annually to ensure new and growing equities are reflected. Russell Investment Group is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Russell Investment Group.

The Bloomberg Intermediate Corporate Bond Index measures performance of United States dollar-denominated investment grade, fixed-rate, taxable corporate bond securities with maturities greater than or equal to one year, but less than ten years, that are issued by U.S and non-U.S. industrial, utility and financial issuers.

"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.

Madison and its affiliates do not provide tax or legal advice. Please consult with a qualified professional for questions in these areas.

