

MADISON TAX ADVANTAGED PORTFOLIOS

Strategy Overview

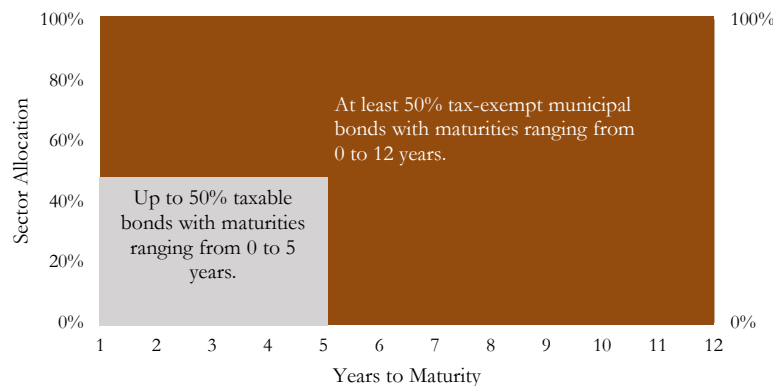
We strive to deliver superior risk-adjusted returns by adapting to client maturity preferences, conducting thorough credit analysis, transacting at justifiable valuations and diligently monitoring portfolios.

- ▶ Consistent processes combining top-down and bottom-up research
- ▶ Emphasize high-quality, investment grade rated bonds
- ▶ Focus on risk management

MADISON TAX-ADVANTAGED STRATEGY LINEUP

Madison offers clients a tax-advantaged strategy which consists of high quality tax-exempt municipal and taxable, investment grade bonds. Clients are able to select a maturity profile suitable for their needs. Common across all tax-exempt portfolios is our thorough investment process implemented by our experienced tax-exempt and taxable bond teams.

TAX-ADVANTAGED SECTOR ALLOCATION AND MATURITY DISTRIBUTION



GENERIC PROFILE OF FIXED SECTOR CHARACTERISTICS

	Quality	Liquidity	Yield	Tax-exempt income	Return Volatility
Treasuries	Highest	Highest	Lowest	n/a	Mid
Corporate A+	High	Mid	Mid	n/a	Mid-to-High
Corporates BBB	Mid	Mid	Mid-to-High	n/a	Highest
Taxable Munis	Mid-to-High	Lowest	Mid-to-High	n/a	Mid
Tax-Exempt Munis	High	Low-to-Mid	Low-to-Mid	Highest	Mid

Note: These are subjective observations made by Madison's portfolio managers based on historical sector index data. The characteristics are in relation to the other four sectors listed and not based upon other investible sectors. There is no guarantee these subjective observations represent an accurate depiction of the future.

INVESTMENT OBJECTIVES

- ▶ Steady income
- ▶ Low turnover
- ▶ Tax efficiency

Portfolio Characteristics

Maturity:	Taxable bonds 0-5 years and tax-exempt bonds 0-12 years
Duration:	+/- 15% of applicable benchmark
Sector:	At least 50% invested in tax-exempt municipals and up to 50% invested in taxable bonds. Within munis our emphasis is on general obligation and essential service revenue bonds
Benchmark	Two factor blended benchmark: 50% Bloomberg Barclays Municipal Bond 1-10 Year Blend Index; 50% BofA Merrill Lynch 1-5 Year Corporate/ Government Index
Quality:	100% investment-grade At least 90% rated A or higher ¹ Average portfolio quality A+ or higher ²
Positions:	Typically 25-40 issues 5% maximum per issuer (excluding Treasuries)
Derivatives:	none

Note: The minimum portfolio size is \$250,000 to better ensure prudent diversification. Client preferences can be incorporated into the Tax-Advantaged Strategy for portfolios \$2 million or larger. This may include a specific state (geographic) emphasis, minimum quality threshold, duration target, or maximum maturity constraints.

Our Goal

We seek to produce high quality portfolios which provide our clients with a steady stream of tax-advantaged income while experiencing less downside volatility during challenging market environments.



INVESTMENT PROCESS

Our repeatable investment process is consistently applied across all tax-advantaged bond portfolios. We begin with a top-down approach by inputting macroeconomic factors into our proprietary relative valuation analysis. Output from this analysis is evaluated and refined by our bond experts and underpins the development of portfolio strategy. Client portfolios are methodically constructed using bottom-up analysis emphasizing an appropriate balance between creditworthiness, diversification, structure, valuation and liquidity. Individual bonds meeting specified criteria are purchased using best execution. The tax-advantaged bond team vigilantly monitors all bonds purchased and stands ready to transact in the event of credit deterioration or to enhance portfolio characteristics.



Experienced Management



Jeff Matthias, CFA, CAIA, CIPM, CFP
Portfolio Manager
Industry since 1990



Michael Peters, CFA
Portfolio Manager
Industry since 1987



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

MADISON'S PARTICIPATE AND PROTECT® PHILOSOPHY³

Since 1974, Madison Investments has served investment management clients with a sound blend of investment philosophy and process, disciplined thinking and a spirit of independence. As an employee owned firm, our clients value our independence and willingness to be contrarian. Our core principle of participate and protect exemplifies our belief that while most bond investors want to share the benefit of a rising market, they have a primary interest in risk moderation and avoiding meaningful losses of core capital.

Disclosures

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

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.

1 Credit quality ratings on underlying securities of the composite are received from one or more NRSRO (e.g. S&P, Moody’s, Fitch, etc.) and converted to the equivalent major rating category commonly utilized by more than one NRSRO. The quality ratings are calculated by Madison and in the event of split ratings among the NRSROs, the highest rating is used. Bonds backed by U.S. Government or agency securities are given an implied rating equal to the rating of such securities. Ratings and portfolio credit quality may change over time. Portfolio distributions are rounded to the nearest 0.1%.

2 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.

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

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

Bonds are subject to certain risks including interest-rate risk, credit risk and inflation risk. As interest rates rise, the prices of bonds fall. Long-term bonds are more exposed to interest-rate risk than short-term bonds. There may be less opportunity for price appreciation in a low interest environment.

Diversification does not assure a profit or protect against loss in a declining market.

April 30, 2020