# MADISON HIGH QUALITY INTERMEDIATE GOVERNMENT CORPORATE BOND

## June 30, 2021 | 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 pursue the highest risk-adjusted total investment return within the policy limitations of (1) investing in U.S Treasuries, U.S. Agencies and "A" or better corporate bonds issued by U.S. domiciled firms (2) maintaining a dollar weighted average maturity of ten years or less.*

A year ago, a 'normal' summer season and reopened economy seemed like a distant and perhaps overly optimistic goal. Yet here we are, thanks to the efforts of countless health care professionals, infectious disease experts, and governmental authorities we are in a much better place. While the COVID-19 pandemic continues to impact our lives, we are rapidly welcoming a more familiar, and open, way of life.

### OPEN ROAD AHEAD BUT HOW MUCH GAS IS IN THE TANK?

Recent months have removed many of the factors holding back economic growth. Successful vaccine distribution, reopening regional economies, and unprecedented stimulus has set the stage for a dramatic economic recovery from the near complete shut-down seen last spring. As we approach mid-2021 the landscape ahead appears much more familiar with increased capacity limits, freedom to travel, and sectors especially hard hit, like entertainment and hospitality, returning to life. However, as the shut-down took an uneven toll on businesses and geographies, the reopening is similarly uneven. Many areas continue to experience pandemic related disruptions and while consumers are ready, a full reopening will be gradual in arriving.

In fact, after solid 4.3% GDP growth in the final quarter of 2020, first quarter 2021 GDP came in at 6.4%. Estimates for the second quarter began at 10% but recently have declined. Estimates for the second half of 2021 are varied but generally lower as stimulus induced spending declines. Much of the initial stimulus fueled bounce back has likely run its course with future growth increasingly dependent on economic activity. With the light at the end of the tunnel seemingly brighter in recent months, the conversation has turned to how resilient the re-opened economy will be. As relayed several times in our quarterly commentaries, as strong as the bounce back has been, a closer look conveys struggling small businesses, labor market disruption, and a potential wave of personal bankruptcies and evictions. This wider view sets the stage for ongoing uncertainty and likely continued calls for policy responses to maintain economic growth going forward.

### EYES TURN TOWARD THE FED – WHO'S NOT READY TO TALK ABOUT IT ... YET

Responding to unprecedented monetary policy support, plentiful liquidity, strong investor demand, and ongoing congressional stimulus efforts, markets reacted favorably to strong growth and spending data. Meanwhile, rising demand and supply chain issues pushed inflation measures higher with Consumer Price Index (CPI) recently printing near 5% year-over-year (YOY). In recent comments the Fed has maintained that many price increases will ease as growth returns to a more normal trajectory, anticipating a CPI YOY decline to 2.1% in 2022. However, price levels will be closely watched for signs that consumer inflation expectations are rising. In our view, many of the well-publicized increases in used car prices, lumber, and air fares are not sustainable. However, we feel it is likely that overall price levels will settle in at higher levels and the conversation will turn to what level can the Fed tolerate should consumer expectations begin to shift.

As the quarter progressed, estimates for growth and inflation gradually decreased as stimulus worked its way through the system. 10-year Treasury yields paused before heading lower into quarter-end, retracing some of their first quarter sell-off. This was not terribly surprising as fits and starts were expected as stimulus plans were debated, approved, and then executed. More surprising was the flattening in the 5-10-year Treasury curve as 5-year rates rose while 10-year rates shifted lower following the June Federal Open Market Committee (FOMC) meeting. While not anticipating any monetary changes at the meeting, the post-meeting press conference exemplified the challenge Chairman Powell will face in the months ahead as the FOMC seeks to navigate a complex path towards monetary policy normalization. After many months of emergency stimulus, markets were focused on the recent uptick in inflation. The unanticipated shift forward in FOMC members views on Fed Fund rate increases, commonly referred to as the 'dot plot', accelerated the late quarter flattening move. While the initial yield curve movement eased into quarter end, the volatile reaction to any perceived change in Fed policy amplified the potential for market moving volatility in the months ahead.

Fed speakers following the June meeting largely confirmed continued accommodative policy consistent with their stated goal of a return to full employment and tolerance for increased price levels prior to any reduction in policy accommodation or 'lift off'. We believe the Fed remains committed to Average Inflation Targeting (AIT) as well as basing policy changes on actual data as opposed to forecasted data. In our view, balance sheet reductions, or tapering asset purchases, will precede any rate increases and will be well advertised. The movement of the 'dot plot', recognizes that balance was needed with respect to the Fed's dual mandate by some committee members, but the primary message remains unchanged. Still, there clearly is a more active debate regarding the timing and nature of policy normalization.

## RISK MARKETS – PANDEMIC, WHAT PANDEMIC?

Investment grade debt issuance slowed from the torrid pace seen last year but new issues remain well received. Resultingly, credit spreads continued their tightening trend during the quarter. Demand for credit remained strong from investors searching for yield but to a lesser degree than in 2020 when credit spreads were significantly wider driving record demand. With credit spreads ending the period near levels seen in late 2019 we have adopted an increasingly selective approach toward additional purchases. The Bloomberg Barclays Intermediate Corporate Index posted a 1.70% total return during the second quarter of 2021 due primarily to a shift lower in treasury yields and a flattening of the yield curve. Lower quality, longer duration issues outperformed higher quality, shorter duration, issues during the period. Higher-beta sectors such as Energy, Consumer Cyclicals, and Financials outperformed during the quarter, while other sectors such as Technology, Consumer non-Cyclicals, and Utilities lagged on a total return basis. While credit valuations are not as attractive as seen in the depths of the crisis a year ago, the recovery and the Fed's implicit backstop makes corporate bonds attractive versus other alternatives.

## PERFORMANCE & POSITIONING

During the second quarter, the Madison High Quality Intermediate Government Corporate portfolio underperformed the benchmark, returning +0.74% (gross of fees) versus the Bloomberg Barclay's Intermediate Government Corporate A+ return of +0.79%. Net of fee returns for the portfolio were 0.61%.** Duration positioning was slightly additive to performance during the quarter as Treasury rates retraced some of the upward move seen in the first quarter. Security selection and yield curve positioning were detractive to performance as spreads on corporate bonds remained stable and the yield curve flattened. Sector selection proved additive to performance as portfolio exposure to A-rated issues turned in strong quarterly performance. Portfolio yield was a slight detractor to performance as conservative maturity positioning reduced portfolio yield.

The portfolio has maintained exposure to corporate securities as monetary and fiscal stimulus provide an attractive backdrop for credit performance. High-quality credits continue to perform well although we have recently become more selective towards new purchases as valuations have returned to pre-pandemic levels. We continue to view corporates in the 5-7 year

***Net returns are calculated using the highest Madison annual fee of 0.50%, calculated quarterly. 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.*

maturity sector as attractive given their position on a steeper yield curve providing meaningful yield relative to shorter issues. The portfolio has maintained its exposure to 5-7 year Treasury holdings and increased duration slightly as rates moved higher in recent quarters making yields more attractive, these purchases were funded with sales of issues inside two years which have been firmly anchored by Fed policy. We continue to hold benchmark Agency issues in the portfolio although we have stepped back on new purchases as valuations increase. The positively shaped yield curve has provided significant return opportunities in recent quarters as holdings roll down the curve. We anticipate continued curve steepening and will seek opportunities to move holdings out the curve as longer rates shift gradually higher. We feel that the opportunity to add 10-year maturities will come, but for now we will look for more attractive valuations to shift further out the curve.

The light at the end of the tunnel is growing closer. We anticipate continued economic reopening taking hold over the next few quarters. This will allow the Fed to begin removing some the extraordinary stimulus currently in place and normalizing monetary policy. This process will likely start with balance sheet adjustments/reductions and then towards an eventual lift-off in the Fed Fund rate. In our view, movement toward lift-off will place upward pressure on rates. We expect some modest re-steepening and grudgingly higher rate levels as Fed leadership regains control of the message. We continue to anticipate increased volatility as markets navigate the challenging months ahead, but with that volatility will come opportunities for portfolio return. The past 12-18 months has, once again, reinforced the need for portfolio diversification and rewarded those who have maintained exposure to high quality fixed income within their overall portfolio.

# MADISON HIGH QUALITY INTERMEDIATE GOVERNMENT CORPORATE BOND

## June 30, 2021 | 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 High Quality Interm. Government/ Corporate Bond | Bloomberg Barclays U.S. Interm. Gov't/Credit A+ Bond Index |
|---|---|---|
| Effective Duration (years) | 3.43 | 3.98 |
| Wtd. Avg. Maturity (years) | 3.62 | 4.17 |
| Wtd. Avg. Quality[1] | AA | AA+ |
| Wtd. Avg. Yield to Worst | 0.70 | 0.76 |
| Wtd. Avg. Current Yield | 1.89 | 1.67 |
| Turnover Range | 20-40% | - |

### Sector Distribution (%)

| | Madison | Index |
|---|---|---|
| Corporate Bonds | 39.79 | 19.00 |
| Treasury | 44.03 | 71.05 |
| Agency/Government Related | 15.02 | 9.95 |
| Cash | 1.16 | - |

### Portfolio Statistics (%)

| Since Inception of 1/1/2012 | Madison | Index |
|---|---|---|
| Up Capture Ratio | 78.73 | 100.00 |
| Down Capture Ratio | 67.08 | 100.00 |
| Standard Deviation | 1.55 | 2.12 |

### Quality[2] Distribution (%)

| | Madison | Index |
|---|---|---|
| AAA | 59.11 | 78.37 |
| AA | 3.34 | 4.82 |
| A | 36.12 | 16.69 |
| BBB | 0.27 | 0.12 |
| Cash | 1.16 | -- |

### Maturity Distribution (%)

| | Madison | Index |
|---|---|---|
| 0-1 Years | 14.43 | 1.44 |
| 1-3 Years | 28.54 | 38.17 |
| 3-5 Years | 30.74 | 28.65 |
| 5-7 Years | 18.63 | 17.68 |
| 7-10+ Years | 7.66 | 14.06 |

*Cash is included in 0-1 Year segment.*

# MADISON HIGH QUALITY INTERMEDIATE GOVERNMENT CORPORATE BOND

## June 30, 2021 | 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 | 0.74 | 0.61 | 0.79 |
| YTD | -0.74 | -0.99 | -1.02 |
| 1-Year* | -0.17 | -0.67 | -0.6 |
| 3-Year* | 3.66 | 3.14 | 4.31 |
| 5-Year* | 2.13 | 1.62 | 2.27 |
| Since Inception* | 1.98 | 1.47 | 2.24 |

**Figures are annualized.*

### Annual Returns (%)

| | MADISON | | |
|---|---|---|---|
| | Gross | Net** | Index |
| 2012 | 2.46 | 1.95 | 3.14 |
| 2013 | -0.33 | -0.83 | -1.00 |
| 2014 | 2.24 | 1.73 | 2.84 |
| 2015 | 1.15 | 0.65 | 1.31 |
| 2016 | 1.33 | 0.83 | 1.44 |
| 2017 | 1.55 | 1.05 | 1.60 |
| 2018 | 1.43 | 0.93 | 1.19 |
| 2019 | 5.09 | 4.56 | 5.89 |
| 2020 | 4.74 | 4.21 | 6.15 |

***Net returns are calculated using the highest Madison annual fee of 0.50%, calculated quarterly. 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 differences.*

### Experienced Management

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

**Paul Lefurgey, CFA**
Portfolio Manager
Industry since 1988

**Chris Nisbet, CFA**
Portfolio Manager
Industry since 1990

# 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.

2. 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. In the event of split rating between NSRSOs, (i.e., when a majority rating cannot be derived), the lower 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%.

All or some of the above information is presented as "supplemental information" included as part of the GIPS® compliant performance presentation for the High Quality Intermediate Government/Corporate Bond Composite on the following page, which must be included with this material. References to "Madison" are to that composite and references to inception date refer to performance since 1/1/2012. Past performance is no guarantee of future results. 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.

Although the information in this report has been obtained from sources that the firm believes to be reliable, we do not guarantee its accuracy, and any such information may be incomplete or condensed.

All opinions included in this report constitute the firm's judgment as of the date of this report and are subject to change without notice. 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.

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. 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. 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. 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.

"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.

Gross performance results do not reflect the deduction of investment advisory fees. Your returns will be reduced by advisory fees and other expenses that may be incurred in the management of your investment advisory account. Investment advisory fees are described in our disclosure brochure.

Our 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 these expectations will be realized.

# DISCLOSURES

The Bloomberg Barclays US Intermediate Corporate Bond Index measures the investment grade, fixed-rate, taxable corporate bond market. It includes USD-denominated securities publicly issued by US and non-US industrial, utility and financial issuers.

Bloomberg Barclays Intermediate Government Corporate A+ Index measures the performance of United States dollar-denominated United States Treasuries, government-related and investment-grade United States corporate securities that have a remaining maturity of greater than or equal to one year and less than 10 years.

The Consumer Price Index (CPI) is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services.

In addition to the ongoing market risk applicable to portfolio securities, bonds are subject to interest rate risk. When interest rates rise, bond prices fall; generally, the longer a bond's maturity, the more sensitive it is to this risk. 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.

Past performance does not guarantee future results. 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.

Gross performance results do not reflect the deduction of investment advisory fees. Your returns will be reduced by advisory fees and other expenses that may be incurred in the management of your investment advisory account. Investment advisory fees are described in our disclosure brochure.

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

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.

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

# MADISON
## HIGH QUALITY INTERMEDIATE GOVERNMENT/CORPORATE 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 | Index | Composite Dispersion | Composite 3-Yr. Annualized Ex-Post Standard Deviation | Index 3-Yr. Annualized Ex-Post Standard Deviation |
| 2020+ | 14,498 | 217 | 19 | 4.74% | 4.21% | 6.15% | 0.2% | 1.69% | 2.25% |
| 2019 | 13,993 | 127 | 19 | 5.09% | 4.56% | 5.89% | 0.1% | 1.59% | 2.05% |
| 2018 | 12,895 | 120 | 28 | 1.43% | 0.93% | 1.19% | 0.1% | 1.57% | 2.12% |
| 2017 | 13,761 | 144 | 29 | 1.55% | 1.05% | 1.60% | 0.1% | 1.40% | 2.11% |
| 2016 | 13,312 | 171 | 41 | 1.33% | 0.83% | 1.44% | 0.1% | 1.48% | 2.20% |
| 2015 | 13.030 | 165 | 46 | 1.15% | 0.65% | 1.31% | 0.1% | 1.42% | 2.00% |
| 2014 | 13,953 | 158 | 40 | 2.24% | 1.73% | 2.84% | 0.1% | - | - |
| 2013 | 12,112 | 180 | 27 | -0.33% | -0.83% | -1.00% | 0.1% | - | - |
| 2012 | 6,984 | 238 | 30 | 2.46% | 1.95% | 3.14% | 0.2% | - | - |

+Preliminary

Assets above are rounded to the nearest million

**As of December 31, 2020, total assets under advisement in this strategy are $1,651 million encompassing bundled fee accounts, non-bundled fee accounts and non-discretionary accounts. This is presented as supplemental information.**

***High Quality Intermediate Government/Corporate Bond Composite*** *contains fully discretionary direct intermediate fixed income government/corporate bond accounts. The composite seeks to invest in investment grade securities, both government and A or better corporate. Average maturities range from 0 to 12 years, with average duration of 0 to 9 years. Composite strategy is to determine the overall direction of interest rates and position durations accordingly, analyze the yield curve to determine the most advantageous portfolio construction and determine the relative attractiveness of corporate vs. government and/or government agency 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 Barclays U.S. Intermediate Government/Credit A+ Bond Index (Index) which measures the performance of United States dollar-denominated United States Treasuries, government-related and A or better United States corporate securities that have a remaining maturity of greater than or equal to one year and less than 10 years.*

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.) 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. 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, 2019. 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 requires the temporary removal of any portfolio incurring a client-initiated significant cash inflow or outflow of greater than 75% of portfolio assets. 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. 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 presented for year-end periods beginning in 2011. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.

The management fee schedule is as follows: 0.50% annually on the first $20 million; 0.40% annually on the next $30 million; 0.35% 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 High Quality Intermediate Government/Corporate Bond Composite was created January 1, 2012, and the inception date is January 1, 2012.

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