

Madison Investment Advisors, LLC

Disclosure Brochure

*550 Science Drive
Madison, WI 53711
800-767-0300*

March 2024

www.madisoninvestments.com

This brochure provides information about the qualifications and business practices of Madison Investment Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at 800.767.0300. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Madison Investment Advisors, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

IARD No. 110297 SEC File No. 801-52751

Exhibit to Part 2

Madison Investment Advisors, LLC

Summary of Material Changes to Disclosure Brochure

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The were no material changes to the firm's Disclosure Brochure since the most recent update of the brochure (Disclosure Brochure dated December 2023).

Additional information about Madison Investment Advisors also is available on the SEC's website at www.adviserinfo.sec.gov.

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ADVISORY BUSINESS

Our Firm and Its History

“Madison” and/or “Madison Investments” is the unifying tradename of Madison Investment Holdings, Inc., Madison Asset Management, LLC, and Madison Investment Advisors, LLC. The Madison Funds and Madison ETFs are distributed by MFD Distributor, LLC. MFD Distributor, LLC is registered with the U.S. Securities and Exchange Commission (“SEC”) as a broker-dealer and is a member firm of the Financial Industry Regulatory Authority. Each Madison entity shares personnel and resources at our Madison, Wisconsin headquarters.

Based in Madison, Wisconsin, Madison fosters a reputation for its risk-sensitive investment philosophy and active bond and equity strategies since the founding of our parent company, Madison Investment Holdings, Inc., in 1974. The clients of our firm and its affiliates who entrust us with their assets include financial intermediaries, institutional funds, pension accounts, foundations, endowments, corporations, municipalities and insurance companies. The Madison investment philosophy is “Participate and Protect®” which reflects our investment goals of achieving consistent investment returns while limiting portfolio risk. 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. Of course, there is no assurance that these expectations will be realized.

Our organization has offices in Madison, WI and Milwaukee, Wisconsin.

Our Principal Owners

Our firm is a wholly owned subsidiary of Madison Asset Management, LLC which, in turn, is a subsidiary of Madison Investment Holdings, Inc. Madison Investment Holdings, Inc. is owned by its employees.

Our People

Madison is run by a deep and experienced leadership team that is led by the following individuals.

Steven Carl - Chair of the Executive Committee and Chief Distribution Officer

Mr. Carl serves as the Chair of the Executive Committee and Chief Distribution Officer. Mr. Carl is responsible for the direction of the firm, and management of the sales and marketing department. He is chair of the firm’s Executive Committee and a board member on the Madison Investments Foundation. Steve started in the industry in 1996 and joined Madison Investments in 2003. Prior to joining Madison, he worked in a variety of roles at Coopers & Lybrand, LLC, Strong Capital Management and Hewitt Associates. He holds a B.B.A. from The University of Wisconsin–Madison, earned his CPA designation and is FINRA registered as a principal.

Rich Eisinger – Head of Equities, Portfolio Manager

Mr. Eisinger serves as a mid-cap and large cap portfolio manager and analyst on Madison’s U.S. Equity Team. He is the Head of Equities with oversight of the firm’s Equity Teams. He started in the financial services industry in 1994 and joined Madison in 1997. Rich is also a member of the firm’s Investment Risk Oversight Committee. He earned his J.D. from the University of Louisville and his MBA from Cornell University.

Steven Fredricks - Chief Compliance Officer and Chief Legal Officer

Mr. Fredricks serves as Madison's Chief Compliance Officer and Chief Legal Officer. Steve joined Madison in May 2018. Mr. Fredricks served as Senior Vice President and Chief Compliance Officer for Jackson National Asset Management, LLC and the “Jackson Funds.” Previously, Mr. Fredricks served as Assistant General Counsel for Aid Association for Lutherans, and Secretary for the AAL Mutual Funds. Mr. Fredricks has a B.A. in Economics and Political Science from Marquette University, a J.D. from the Hamline University School of Law, attended the University of St. Thomas Graduate School of Business, and completed an international law program at the University of Oslo School of Law. Mr. Fredricks is a member of both the Massachusetts Bar and the Wisconsin Bar.

Jill Friedow – Director of Operations and Chief Technology Officer

Jill Friedow serves as Madison Investments Director of Operations and is the firm’s Chief Technology Officer.

She joined Madison Investments in 1999 and has more than twenty years of industry experience. Prior to joining Madison Investments, Jill was an Operations Manager for Grady & Company, a Cleveland-based international investment advisor firm. She holds a BS from Iowa State University and an MBA from Kent State.

Mark Henrickson – Chief Financial Officer

Mr. Henrickson serves as Madison Investments Chief Financial Officer. He joined Madison in 2014 and has over ten years of financial services experience. Prior to joining Madison Investments, Mark served as Chief Operating Officer and Chief Financial Officer at AquaMost. He also worked as a finance leader at Broadwind Energy, a research analyst with Baird and a CPA with Deloitte. Mark holds a B.S. in accounting from the University of Wisconsin-Milwaukee.

Patrick Ryan – Head of Multi-Asset Solutions, Portfolio Manager

Patrick serves as Portfolio Manager and Head of Madison's Multi-Asset Solutions Team. Patrick is a member of the firm's Investment Risk Oversight Committee and a board member of the Madison Investments Foundation. Patrick started in the financial services industry in 2000. He joined Madison in 2009 from Members Capital Advisors, where he was a Senior Analyst responsible for managing their asset allocation program. He holds a bachelor's degree in Finance from the University of Wisconsin, graduating with distinguished honors. He is a CFA charterholder.

Mike Sanders – Head of Fixed Income, Portfolio Manager

Mike serves as a Portfolio Manager and is the Head of Madison's Fixed Income Team. Mike is a member of the firm's Investment Risk Oversight Committee. Mike started in the financial services industry in 2004 and joined Madison in 2013. Prior to joining Madison, Mike was a Portfolio Manager at Ziegler Lotsoff Capital Management with an extensive background in credit research. He earned his BBA in finance from St. Norbert College, M.S. in economics from Marquette University and an MBA in analytical finance and accounting from the University of Chicago Booth School of Business. He is a CFA charterholder.

Haruki Toyama - Head of Mid Cap & Large Cap Equity, Portfolio Manager

Haruki serves as a mid-cap and large cap portfolio manager and analyst and is also the Head of the Mid and Large Cap Team. Haruki started in the financial services industry in 1994, was a member of the Madison U.S. Equity Team from 2002-2004 and he rejoined the firm in 2014. Prior to joining Madison, Haruki was co-founder and President of Marcus Asset Management in Milwaukee where he was portfolio manager of a long/short hedge fund and started his career working in analyst and portfolio manager roles at MFS Investment Management and David L. Babson & Company. Haruki holds a BA from Brown University and an MBA from Cornell University.

The Investment Risk Oversight Committee

Certain members of the management team and senior portfolio managers also serve as members of Madison's Investment Risk Oversight Committee ("Committee"), including Patrick Ryan, Rich Eisinger, and Steven Fredricks. Mr. Ryan chairs the Committee. From an investment perspective, the Firm's Committee conducts a quarterly portfolio and positioning review. Portfolio managers present performance and attribution of each investment strategy. The portfolio managers are also required to provide details about the positioning of their portfolios. The Committee also assesses Firm wide risk as it relates to individual companies and issuers. The Committee reviews each process to make sure that portfolio managers are adhering to the investment philosophy and process. The Committee will generally review any decision to invest in new types of securities or engage in any type of trading that differs from previously followed procedures, policies or practices prior to implementation by the respective fixed income, equity, or asset allocation teams. Finally, the Committee will examine any legal, regulatory, or other developments which may impact the management of the portfolios. The Committee does not drive management of individual client portfolios.

Our Services

Our core expertise is active bond management (including corporate, government, and municipal bonds), risk-managed equity management (primarily common stocks), and customized multi-asset portfolios. Services include the management of a wide range of fixed income, balanced and equity portfolios. In addition to the types of securities described above, we may invest in preferred stocks, government agency obligations, money market instruments and such other securities that we may select, unless expressly limited by written direction or client guidelines.

Discretionary Management

We have discretionary authority to make determinations regarding the securities that are to be bought and sold, as well as the quantities of such securities, for most clients. Such authority is provided in our contract with each client. In many cases, this discretion is subject to mutually agreed upon investment guidelines relative to the client's portfolio. We have model portfolio guidelines available for clients to adopt, in whole or in part, if they do not have their own. Client investment guidelines may or may not limit the scope of potential investments. As a result, clients can impose restrictions on investing in certain securities or types of securities. Within client guidelines and instructions, our portfolio managers make decisions as to the nature and quantity of securities to be bought or sold.

As part of a wrap fee program (discussed below) or existing client relationship, we may manage accounts on a non-discretionary basis. For non-discretionary management in the wrap program context, we will normally only recommend securities for a model portfolio but have no or limited authority to effect account transactions. We also provide some non-discretionary management for certain credit union portfolios and institutional accounts.

Wrap and Model Account Management

We also manage client accounts through wrap fee and model account programs sponsored by brokers or consulting firms. These "sponsor" firms generally enter into contracts with their clients to provide a variety of services for a predetermined fee. These services typically include all or some of the following: outline of client goals and objectives, asset allocation study, selection of advisers where appropriate, payment of advisers' management fees, custody of client assets, execution of trades for the client at no additional fee or commission and the monitoring of the investment performance on client assets. We receive a portion of the wrap fee for our services. It is the responsibility of the sponsoring organization to notify the client of the services provided by Madison and the portion of the attributable fee paid for those services. As these programs are generally part of a multiple client program, they offer efficiencies to participating managers. As such, fees paid to us are lower than are otherwise available.

Our Assets Under Management

As of December 31, 2023, Madison Investment Advisors, LLC managed approximately \$19 billion (approximately \$13 billion in assets on a discretionary basis and approximately \$6 billion on a non-discretionary basis).

Together with our affiliated investment advisory firms described below in the section entitled, "Other Financial Industry Activities and Affiliations," the Madison organization managed approximately \$23.9 billion in assets on a discretionary and non-discretionary basis as of December 31, 2023.

Typically, Madison will not manage accounts on a non-discretionary basis unless done so as part of a wrap fee or model account program or other sub-advisory relationship for certain financial intermediaries or institutional portfolios.

FEES AND COMPENSATION

Fee Schedules

The fee schedule for advisory services is as follows.

Separately Managed Account Fee Schedule	
Fixed Income Account Size (including Reinhart)	Advisory Fees
On the first \$5 million	0.50% annually
On the balance	0.40% annually

Separately Managed Accounts	
Equity and Balanced Account Size	Advisory Fees
On the first \$15 million	0.80% annually
On the balance	0.60% annually

Separately Managed Account Fee Schedule	
International Equity Account Size	Advisory Fees
On the first \$50 million	0.75% annually
Next \$100 million	0.50% annually
On the balance	0.40% annually

Depending on circumstances, fees may be subject to negotiation. Among items for consideration when negotiating fees, Madison may consider:

- The nature of the relationship with the client (e.g. institutional or private client);
- The existence of another account relationship with the client;
- The total value of assets managed or expected to be managed;
- Unique or special conditions specific to a client;
- The client's portfolio guidelines;
- The client's servicing requirements;
- The client's relationship to the firm; and/or
- Asset type or other investments.

Fees charged to clients whose assets are held in wrap accounts are set forth in the sponsor's wrap fee brochure and/or client agreement. From this fee, the sponsor pays us for our advisory services to the client. The fee that we receive varies and may be affected by several factors including account size and distribution fees received from unaffiliated fund companies.

How We Are Paid

We generally require fees to be computed and payable quarterly in advance, based on the valuation of assets under management on the last day of the prior quarterly period. Clients may select whether they prefer us to automatically deduct fees from their accounts or send them a bill for fees incurred.

Clients in certain wrap fee programs may be billed monthly or in another manner by the wrap program sponsor.

Other Fees You Should Understand

We do not custody client assets. Therefore, each client must appoint a custodian and may be required to pay custodian fees. Also, except with respect to clients in wrap fee programs, clients will generally incur brokerage and other transaction costs in the course of our management of their accounts. (see the section in this brochure entitled, "Brokerage Practices" for a discussion of how we make brokerage decisions that affect client accounts.)

Refunds of Advance Fees Paid

We may not change our fees without sixty (60) days' advance written notice. In the event of the termination of our services, any unearned portion of fees previously paid is prorated and fully refundable. A client may terminate an agreement with us at any time by written notice to us.

Investments in Affiliated Funds and ETFs

We may recommend investment in our affiliated no-load funds and exchange traded funds ("ETFs") if a client's account is too small to manage separately. We may also recommend that clients invest in affiliated ETFs, primarily for short-term investment purposes and cash management. Depending upon the agreement with the client, we may charge a separate advisory fee and our affiliate may receive a separate management fee from the no-load funds and ETFs.

Our employees are not compensated for the sale of securities in this manner. However, you should understand that we (or one of our affiliates) will receive any fees paid by the mutual fund, ETF, or other investment company as disclosed in the applicable prospectus for the mutual fund or ETF. That fee may be higher or lower than the fee a client may be paying on other assets that we manage in the client's account. Of course, to the extent the fee paid by the fund or ETF is higher than your account fee, any recommendation by us to invest in the mutual fund or ETF represents a potential conflict of interest.

PERFORMANCE-BASED FEES AND SIDE BY SIDE MANAGEMENT

We may entertain requests by certain "qualified clients," as defined by Rule 205-3(d) under the Investment Advisers Act of 1940, as amended ("Advisers Act"), to enter into an advisory contract that provides for compensation on the basis of a share of the capital gains upon, or the capital appreciation of, the qualified client's funds. This is commonly referred to as a "performance fee."

If we were to manage both accounts that are charged a performance-based fee and accounts that are charged an asset-based fee as described above in the section, "Fees and Compensation," we would have an incentive to favor accounts for which we receive a performance-based fee. To address this conflict, our procedures require us to monitor securities allocations to any performance-based fee account and compare them with accounts without such fees in order to ensure that no preferential treatment is being provided to the account with the performance-based fee.

TYPES OF CLIENTS

We provide investment advisory services to a variety of clients, including individuals, pension and profit-sharing trusts, insurance companies, foundations, charitable organizations, and other "institutional clients," such as mutual funds and exchange traded funds. A representative client list is available upon request.

Our minimum account size is typically \$500,000 for equity portfolio management and \$1,000,000 for fixed-income portfolio management. We do not have a formal minimum account size for individual investors. The decision on whether to accept an individual account depends upon the nature and circumstance of the relationship. In addition, we reserve the right to refuse to accept proposed management responsibilities or to resign from the management of any individual account.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Our Investment Strategies

Asset Allocation Strategies. We provide our asset allocation clients with asset allocation recommendations using a wide range of mutual funds and exchange-traded funds ("ETFs") based on proprietary asset allocation models. To be included, an investment must not only meet certain objective criteria, including performance, expenses, volatility, and duration of track record, but also be available for purchase through the client's custodian or clearing firm. Mutual funds managed by Madison may, from time to time, be included in our asset allocation decisions. If such funds are purchased for a client account, in addition to the fees due to Madison for its investment advisory and other services provided with regard to the program, Madison will also be entitled to investment advisory fees and in certain circumstances, servicing fees, for its services to these proprietary funds. Madison will typically not invest more than 20% of any non-investment company asset allocation account (at time of purchase) in mutual funds and exchange traded funds managed by Madison. Individual accounts may exceed this 20% limitation.

Madison will limit its mutual fund recommendations to classes of shares that are not subject to a front-end sales load (or those that qualify for a waiver of such load). (Mutual fund shares subject to a sales load that were purchased and transferred into an asset allocation account are subject to all fees and charges that are normally charged on mutual fund shares held within the account). Mutual funds that have 12b-1 fees may be purchased in an asset allocation account. Any 12b-1 fees paid by those mutual funds attributable to an asset allocation account investment will be paid to the client's custodian, if it is a broker/dealer, or directed broker which serves as the client's executing broker. This does not increase the cost of investment to asset allocation clients, but it does provide an incentive to use such funds within asset allocation strategy accounts over alternative funds that do not

have such arrangements. In fact, it is possible that if mutual funds are used in an asset allocation account that do not have 12b-1 fees that are payable to or revenue-sharing agreements with the client's custodian or directed broker, additional fees may be assessed against Madison or the client. While Madison believes it has tremendous latitude (open architecture) as it implements its asset allocation strategies and investment insights, clients should be aware that although those funds that do not have such arrangements may be considered when making allocation decisions, they are not normally so considered if additional fees or charges would be assessed against Madison or the client. More complete information about mutual funds purchased on behalf of clients in asset allocation accounts is contained in the relevant prospectus of each such fund, which is provided to clients at the time of purchase.

Options and Covered Call Strategies. For a thorough description of the various options-related strategies we provide for our investment company clients, please refer to the applicable prospectus and other disclosure materials for the respective investment companies we manage that have adopted option strategies.

Madison Fixed-Income Strategies. We employ a top-down investment process that focuses on capital preservation through active management of the following key fixed income risks: duration posture, yield curve positioning, industry/sector allocation, quality and security selection.

We are active duration managers. This means that when we believe interest rates are falling, we lengthen duration to take advantage of the increased returns that should be available as rates drop. Likewise, when our proprietary market indicators warn of forces that threaten the markets, our managers will seek to shorten portfolio maturities and durations with the goal of limiting potential declines.

Based on the strategies and philosophy described above, we manage a variety of types of bond portfolios with the distinctions generally relating to the specific type of securities in the portfolio. For example, we manage accounts that contain: only government securities; only corporate securities; mixtures of both government and corporate securities; municipal bonds (tax- exempt securities); and securities with a limited duration.

Sustainable Fixed-Income Strategy. We incorporate the foregoing fixed-income investment process, and then consider fifteen (15) factors across sustainable groups (including categories of "Community," "Societal," and "Corporate"). Madison scores each factor (1-5 points for each factor), and calculates a score with a maximum possible score of seventy-five (75) for a security. When scoring, Madison considers the following factors:

- **Community**
 - Carbon footprint;
 - Environmental steward;
 - Water usage;
 - Accident risk (spill, industrial problems, loss of life in producing product, data breach, etc.); and
 - Promotion of "green" technologies.
- **Societal**
 - Job creation;
 - Long term impacts of products (weapons, gaming, foods, tobacco, booze, etc.) on peoples' lives;
 - Worker safety;
 - Labor relations; and
 - Product safety.
- **Corporate**
 - Commitment to bondholders;
 - Comp structure for execs, and basis of incentives;
 - Insiders on board;
 - Gender/ethnic diversity on board and management; and
 - Accounting issues – past history.
- **Extra Considerations**
 - Current governance issue(s) or unresolved liability can result in a negative score.

The minimum score for inclusion in a Sustainable Fixed-Income Strategy portfolio 45 or higher.

This strategy follows a sustainable investment approach by investing in companies and securities that embed sustainability in their overall strategy and demonstrate adherence to sustainable business practices. In pursuing such a strategy, the strategy may forgo opportunities to gain exposure to certain companies, industries, or sectors, and may be overweight or underweight in certain industries or sectors relative to its benchmark index, which may cause the Sustainable Fixed-Income Strategy's performance to be more or less sensitive to developments affecting those sectors. In addition, since sustainable investing takes into consideration factors beyond traditional financial analysis, the investment opportunities for the Sustainable Fixed-Income Strategy may be limited at times. Sustainability related information provided by issuers and third parties, upon which the portfolio managers may rely, continues to develop, and may be incomplete, inaccurate, use different methodologies, or be applied differently across companies and industries. Madison's framework of sustainable investing will vary from other managers. Further, the regulatory landscape for sustainable investing in the United States is still developing and future rules and regulations may require the strategy to modify or alter its investment process. Similarly, government policies incentivizing companies to engage in sustainable practices may fall out of favor, which could potentially limit the strategy's investment universe. There is also a risk that the companies identified through the investment process may fail to adhere to sustainable business practices, which may result in the strategy selling a security when it might otherwise be disadvantageous to do so.

Reinhart Fixed Income Strategies. Quality, stability, and predictability are the hallmarks of the Reinhart fixed income strategies and philosophy. Each of these attributes is described as follows:

- **Quality:** We believe in building high-quality, investment grade fixed income portfolios of treasury, agency, high-quality corporate, asset-backed, and/or municipal bonds.
- **Stability:** Interest rate risk is the most prevalent risk in any fixed income portfolio. We feel that it is difficult to predict short-term movement in interest rates. Generally, we build portfolios with durations similar to those of the chosen benchmark to avoid wild performance swings relative to the appropriate index.
- **Predictability:** Bonds play an important role in managing cash flows and providing diversification within an overall investment plan. We seek to construct portfolios with very predictable cash flows.

Our portfolio managers are heavily involved in fundamental research. In addition, our entire fixed income team formally meets at least monthly to review economic trends, portfolio positioning, and changes in the credit fundamentals of issuers held in client portfolios. Potential changes to portfolio positioning are also discussed.

We utilize a three-step process to determine suitability for inclusion in the portfolio. First, we examine the credit ratings of the issue in question. We view this as an outsider's perspective of the credit quality of the issuer in question. Second, we have developed a real-time database which tracks the movements of each issuer's securities in numerous markets. This provides us with the market's perspective of each issuer. Third, and most importantly, is our internal research. We have developed our "Causes of Financial Distress Methodology" to determine an issuer's credit quality. Within this methodology, we seek to identify any factors that have the ability to create financial distress for a given issuer. We then assess the exposure of each issuer to the potential causes of distress. If the exposure is sufficiently low, the issuer is classified as acceptable for inclusion in the portfolio. In-depth credit research is performed for all issuers on our core holdings list.

Equity Strategies. We are bottom-up stock-pickers, focused on high-quality consistent growth companies trading at reasonable valuations. Our goal is to outperform the market indices through a market cycle while taking less risk. We strive to remain both objective and unemotional in our decision-making process through independent thinking.

We follow a rigorous three (3) step process when evaluating companies. We consider (1) the business model, (2) the management team, and (3) the valuation of each potential investment. When evaluating the business model, we look for sustainable, competitive advantages, metrics that demonstrate relatively high levels of profitability, stable and growing earnings, and a solid balance sheet. When assessing management, we evaluate their operational and capital allocation track records, and the nature of their accounting practices. The final step in the process is assessing the proper valuation for the company. We strive to purchase securities trading at a discount to their intrinsic value as determined by discounted cash flow modeling and additional valuation methodologies. Often, we find companies that clear the business model and management hurdles, but not the valuation hurdle. Those companies are monitored for inclusion at a later date when the price may be more appropriate.

We seek to avoid the downside risks associated with overpriced securities. Instead, we will invest in the stocks of issuers that we believe have a blend of both value and growth potential: what we call “GARP” for “growth at a reasonable price.” This investment strategy reflects our general “Participate and Protect®” investment philosophy. Our expectation is that investors in this strategy will participate 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. There is no assurance that our expectations regarding this investment strategy will be realized.

A key element of our overall valuation is to focus on downside as well as the upside, so that we can set a target purchase price that would reflect very attractive upside return potential relative to the downside risk. This is intended to help avoid permanent impairments of capital and avoid excessive volatility that can impede the long-term compounding of returns.

Large Cap Equity Strategy. The number of holdings in a typical client “Large Cap Equity” account will range from 25-40. This reflects our belief that our client’s assets should be in our top investment ideas and that focusing on our best investment ideas is the best way to achieve a client’s investment objectives. The weighted average market capitalization of companies held by a typical Large Cap Equity portfolio will generally exceed \$25 billion. We would not normally purchase any company with a market capitalization below \$1 billion in market cap in a Large Cap Equity account.

Mid Cap Equity Strategy. Similarly, the number of securities in a typical client “Mid Cap Equity” portfolio will likely range from 25–40. Normally, 80% of a Mid Cap Equity account must be in companies with market capitalizations between \$500 million and \$70 billion. The size of the companies in each index changes with market conditions and the composition of the index. We generally do not purchase stocks of companies below \$500 million market capitalization for the “Mid Cap Equity” portfolios, but such smaller companies are considered for other accounts with investment objectives that include opportunistic investing in smaller companies and special situations or for clients whose investment objectives include investment in smaller companies. The portfolio’s weighting for any one industry shall not exceed 25% of the total market value of the portfolio at the time of purchase.

Small Cap Equity Strategy. The “Small Cap Equity” strategy invests primarily in a diversified mix of common stocks of small cap U.S. companies that are believed to be undervalued by various measures and offer sound prospects for capital appreciation. “Small cap” is defined as those companies with market capitalizations of between \$100 million and \$15 billion. For this strategy Madison employs bottom-up fundamental research analysis to identify stocks of businesses that are selling at what it believes are substantial discounts to prices that accurately reflect their future earnings prospects. Madison conducts extensive research on each prospective investment using a five-pillar analysis process to evaluate companies as potential investments for the portfolio. Investments that meet most of the criteria are added to a list of similar companies to be monitored by Madison.

Companies meeting all five pillars may be added to the Small Cap Equity portfolio. The five pillars of the analysis are: (1) strong business traits, (2) defensible market niche, (3) attractive growth potential, (4) capable management, and (5) discount to private market value. In reviewing companies, Madison applies the characteristics identified above on a case-by-case basis as the order of importance varies depending on the type of business or industry and the company being reviewed. As a result of employing the five-pillar analysis, the portfolio may hold cash opportunistically, particularly during periods of market uncertainty when investments meeting all five pillars may be difficult to identify.

The Small Cap Equity investment strategy reflects Madison’s general “Participate and Protect®” investment philosophy. Madison’s expectation is that investors will participate 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, this 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.

Of course, these descriptions only illustrate Large Cap, Mid Cap, and Small Cap Equity accounts. Accounts managed as “Large Cap Growth Equity,” “Large Cap Value Equity,” “Covered Call and Income Strategy,” “Balanced” or in some other unique style would normally have appropriate differences in number of holdings, industry benchmarks, weightings and market capitalizations. For example, accounts managed

with the objective of having exposure to all market sectors will hold a greater percentage of securities of companies in commodity-based or heavily cyclical sectors that reflect, to the extent possible, our general investment methodology among the opportunities available within those market sectors.

Considering market volatility, market capitalization references in this section may be adjusted to reflect current economic conditions.

Select Equity Strategy. The Select Equity strategy (“Select Strategy”) seeks long-term capital appreciation. The Select Strategy seeks to achieve its investment objective by investing in the common stock of established, high-quality companies. The portfolio managers define “high-quality” companies as those businesses that have demonstrated stable revenue and earnings growth patterns and high profitability metrics, and that maintain low levels of debt. A secondary objective of the Select Strategy is to create a portfolio in which downside volatility is less than its benchmark. This will be achieved by constructing the portfolio with companies that have above average balance sheet strength compared to their industry peers and being sensitive to company valuations when buying, selling, and weighting the portfolio. Publicly traded equities of any capitalization may be considered for this portfolio if there is adequate trading volume in the security. The portfolio will typically be comprised of 30 to 40 companies.

Strategic Equity Strategy. The Strategic Equity Strategy (“Strategic Strategy”) will invest primarily in common stocks of high-quality, large cap companies (generally, stocks with a market capitalization of greater than \$10 billion). Under normal conditions, Madison’s portfolio managers define “high-quality” companies as those businesses that exhibit durable growth, operate in large growing markets, and have strong competitive advantages with high barriers to entry. Stocks that meet these criteria are selected by using an intensive bottom-up fundamental research process. The Strategic Equity Strategy generally invests in 25-40 companies at any given time. This reflects Madison's belief that client money should be invested in Madison’s top investment ideas, and that focusing on Madison’s highest conviction investment ideas is the best way to achieve the Fund’s investment objective.

International Equity Strategies. The Madison International Equity Strategy seeks to identify companies that have consistently exhibited the ability to maintain a competitive market advantage through innovative product design, exceptional management, strong market share and superior profitability. These companies have a true franchise with the potential to generate various degrees of economic rents while growing faster than the economy. Short-term variations in results, expectations and capital markets produce numerous opportunities to acquire shares in these companies at valuations that the team deems attractive relative to their forecast long-term prospects.

The team is comprised of patient, long-term investors and as a result, they are much less concerned with the movements of share prices and market trends than with the inherent value of consistently growing companies, with strong products and sound management.

Sustainable Equity Strategy. The Sustainable Equity Strategy (“Sustainable Strategy”) will invest primarily in common stocks of high-quality, large cap companies (generally, stocks with a market capitalization of greater than \$10 billion) that Madison believes incorporate sustainability into their overall strategy. Under normal conditions, Madison’s portfolio managers define “high-quality” companies as those businesses that exhibit durable growth, operate in large growing markets, and have strong competitive advantages with high barriers to entry. Stocks that meet these criteria are selected by using an integrated research process that combines bottom-up fundamental analysis and sustainable research. The research process analyzes a company’s sustainable practices using quantitative and qualitative analysis and engagement with the company. The Sustainable Strategy generally invests in only 35-50 companies at any given time. This reflects Madison's belief that your money should be invested in Madison’s top investment ideas, and that focusing on Madison’s highest conviction investment ideas is the best way to achieve the Fund’s investment objective.

Madison follows a multi-step process when evaluating companies for the Sustainable Strategy, where Madison considers (1) the business model and overall strategy, (2) the company’s sustainable business practices starting with corporate governance, (3) the Board of Directors and the management team, and (4) the risk-reward of each potential investment. When evaluating the business model and overall strategy, Madison looks for durable competitive advantages, metrics that demonstrate consistent or improving levels of return on capital, growing revenue and earnings, and a solid balance sheet. When considering sustainable business practices, the Sustainable Strategy’s portfolio managers identify material factors by industry, analyze corporate data and future targets, and engage with corporate management to better understand the company’s sustainable efforts and goals. The sustainable research is combined with the fundamental research to develop an integrated view and investment

thesis. When assessing the Board of Directors and the management team, Madison evaluates management's operational and capital allocation track records and the Board of Directors' corporate governance record including how the Board structures executive compensation. The final step in the process is assessing the risk-reward for the stock when deciding to invest in a company.

Madison seeks to purchase securities trading at a discount to their intrinsic value as determined by applying relative multiples to projected earnings, discounted cash flows, and additional valuation methodologies. Often Madison finds companies that meet our business model and sustainability criteria but not our valuation hurdle. Those companies are monitored for inclusion later when the price may be more appropriate. Madison's criteria for selecting sustainable investments will vary by industry and by company. Madison uses a proprietary scoring system to assign an "above average," "average," or "below average" rating to each company and monitors these ratings across the portfolio. Madison will only invest in securities it determines are "average" or "above average." Madison primarily uses the services of Sustainalytics US Inc., an independent, third-party service that provides sustainability analytics and ratings. The Sustainalytics ratings are not determinative, but one of many factors considered when making investment decisions. Madison considers a number of sustainability metrics when reviewing a company for the portfolio, which may include: carbon footprint; waste management; water usage; diversity, equity, and inclusion; product safety; data management; board composition; ethical standards; and regulatory issues. Madison may also use research reports and other data when reviewing sustainable investing opportunities. Madison may sell stocks for several reasons, including: (1) excessive valuation, (2) the fundamental business prospects for the company have materially changed, (3) the company no longer meets our sustainability criteria or inconsistent or negative changes in sustainability practices, or (4) Madison finds a more attractive alternative.

This strategy follows a sustainable investment approach by investing in companies that embed sustainability in their overall strategy and demonstrate adherence to sustainable business practices. In pursuing such a strategy, the strategy may forgo opportunities to gain exposure to certain companies, industries, or sectors, and may be overweight or underweight in certain industries or sectors relative to its benchmark index, which may cause the Sustainable Strategy's performance to be more or less sensitive to developments affecting those sectors. In addition, since sustainable investing takes into consideration factors beyond traditional financial analysis, the investment opportunities for the Sustainable Strategy may be limited at times. Sustainability related information provided by issuers and third parties, upon which the portfolio managers may rely, continues to develop, and may be incomplete, inaccurate, use different methodologies, or be applied differently across companies and industries. Madison's framework of sustainable investing will vary from other managers. Further, the regulatory landscape for sustainable investing in the United States is still developing and future rules and regulations may require the strategy to modify or alter its investment process. Similarly, government policies incentivizing companies to engage in sustainable practices may fall out of favor, which could potentially limit the strategy's investment universe. There is also a risk that the companies identified through the investment process may fail to adhere to sustainable business practices, which may result in the strategy selling a security when it might otherwise be disadvantageous to do so. Prior to 2022, this strategy was known internally as the Madison Disciplined Equity strategy. The strategy has evolved over time to the current approach.

Cash Management and ETFs

A client's custodian may "sweep" non-invested cash balances in client accounts every day into a money market or some other cash account selected by the client and offered as a service by the custodian. At the client's request, we will recommend the sweep vehicle among the choices offered by the custodian. In that case, we make a recommendation based on our understanding of the client's tax status and risk preferences. We do not direct cash sweeps to our proprietary money market mutual fund. Some custodians may not offer a sweep vehicle and in such cases, uninvested cash balances may be a deposit of the custodian's bank subject to FDIC limits for each, separate account.

Cash sweeps generally fall into three categories: (1) government money market funds, (2) prime rated money market funds (commercial paper), (3) tax-exempt money market funds (municipal vehicles), and (4) bank sweeps. The process and mechanics are the same for equity and fixed income clients.

In some situations, often at a client's request or in connection with a specific investment strategy, we may invest client accounts in exchange traded funds ("ETFs") or other investment companies. To the extent any account is so invested, you should understand that the ETF or other investment company itself pays the manager of the fund an investment advisory fee like most other investment companies. Therefore, in addition to the fee you pay to us to manage your account, you will indirectly pay your *pro rata* portion of the management

fee of the ETF or other investment company in which your account is invested. That fee is described in the offering materials (prospectus) for the ETF or other investment company.

Class Action Settlements

Although we may be authorized to vote proxies in client accounts as described herein in the section entitled, "Voting Client Securities," we will not handle or otherwise process any potential "class action" claims or similar settlements that clients may be entitled to for securities held in client accounts. Clients will receive the paperwork for such claims directly from their account custodians or, if we receive the forms on behalf of a client, we will promptly forward them to the client to complete. Each client should verify with his/her/its custodian or other account administrator whether such claims are being made on the client's behalf by the custodian or if the client is expected to file such claims directly.

Risk

Market Risk. Although we work hard to preserve your capital and achieve real growth of client wealth, investing in securities involves risk of loss that each client should be prepared to bear. Typical investment risks include market risk typified by a drop in a security's price due to company specific events (such as an earnings disappointment or a downgrade in the rating of a bond) or general market activity (such as occurs in a "bear" market when stock values fall in general). For fixed-income securities, a period of rising interest rates could erode the value of a bond since bond values generally fall as bond yields go up.

General Risk of Investing in Securities. While investments in stocks and bonds have been keystones in wealth building and management for more than one-hundred years, at times they've produced surprises for even the savviest investors. Those who enjoyed growth and income of their investments were rewarded for the risks they took by investing in the markets. When the rare calamity strikes, the word "security" itself seems a misnomer. Risks in investing in securities may include Alternative Minimum Tax Risk, Asset Allocation Risk, Call Risk, Capital Gains Tax-Related Risk, Concentration Risk, Credit and Prepayment/Extension Risk, Currency Risk, Derivatives Risk, Equity Risk, ETF Risks, Fixed Income Market Capacity Risk, Foreign Security and Emerging Market Risk, Growth Investment Risk, Growth and Value Risks, Interest Rate Risk, International Risk, Legislative Risk, Liquidity Risk, Market Risk, Mid-Cap Company Risk, Mortgaged-Backed Securities Risk, Non-Investment Grade Security Risk, Option Risk, Risk of Default, Risks of General Obligation versus Limited Purpose Bonds, Small Cap Risks, Special Risks Associated with Dividend Paying Stocks, State Specific Tax Risks, Sustainable Investment Risk, Tax Risk, Unknown Market Risks, and Value Investing Risk, among others. Although we seek to appropriately address and manage the risks we identified and disclosed to you in connection with the management of the securities in your account, you should understand that the very nature of the securities markets includes the possibility that there are additional risks that we did not contemplate for any number of reasons. We certainly seek to identify all applicable risks and then appropriately address them, take appropriate action to reasonably manage them and, of course, to make you aware of them so you can determine if they exceed your risk tolerance. Nevertheless, the often-volatile nature of the securities markets and the global economy in which we work suggests that the risk of the unknown is something you must consider in connection with your investments in securities. Unforeseen events have the potential to upset the best laid plans and could, in a worst-case scenario, produce the material loss of the value of some or all the securities we manage for you.

DISCIPLINARY INFORMATION

There are no legal or disciplinary events that we believe are material to a client's evaluation of our business or the integrity of our management.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Investment Adviser Affiliates

Madison Investment Holdings, Inc. is our parent company. Madison Asset Management, LLC is an investment adviser affiliate registered with the SEC. The Reinhart Portfolio Management Team is based in Milwaukee, Wisconsin. Each "Madison" entity shares personnel and resources at our Madison, Wisconsin, and Milwaukee, Wisconsin offices.

Registration does not imply a certain level of skill or training.

Sub-Advisory Services and Investment Adviser Affiliates

If authorized by a client, we may delegate the management of all or a percentage of a client's account to one of our investment adviser affiliates identified above. We would do so if the affiliate has a particular investment expertise that we believe would be suitable to the client and conforms to the stated investment policies of the client's account. To avoid any potential conflict of interest, we will not charge different fees to any client for amounts managed by our affiliates in a sub-advisory capacity in this manner. Of course, because of the affiliation, we indirectly receive a portion of any sub-advisory fees we pay to our affiliates to manage assets in this manner.

Investment Company Affiliates

Our affiliate, Madison Asset Management, LLC, acts as investment adviser to the Madison Funds, the Ultra Series Fund, and the Madison ETFs. In addition to these funds, Madison Asset Management, LLC is the investment adviser to the Madison Covered Call & Equity Strategy Fund, a closed-end fund traded on the New York Stock Exchange. Some of our officers hold offices in each of the investment companies affiliated with Madison Asset Management, LLC. Jill Friedow serves as an interested Trustee of Madison Funds and the Madison Covered Call & Equity Strategy Fund, and Leslie Oliverson serves as an interested trustee of the Madison ETFs.

As an affiliated company, we receive management fees indirectly through Madison Asset Management, LLC and we share offices and personnel at our Madison, Wisconsin headquarters. Please refer to the subsection entitled, "Investments in Affiliated Funds" in the Fees and Compensation section herein.

Broker-Dealer Affiliate

We also have an affiliated broker-dealer, MFD Distributor, LLC, for the limited purpose of serving as the distributor of our affiliated mutual funds and ETFs (Madison Funds, Ultra Series Fund, and Madison ETFs). MFD Distributor, LLC does not perform any other brokerage activities, has no employees of its own and other than its mutual fund services, the broker-dealer engages in no trades, transactions or other brokerage activities whatsoever. It is not permitted to perform any trades for our clients, including the accounts of our affiliated mutual fund portfolios, and does not carry customer accounts. Several of our employees are registered representatives of MFD Distributor, LLC so that they can make offers of our affiliated funds to the public.

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Our Code of Ethics

We impose restrictions upon ourselves, and any person associated with us in connection with the purchase or sale, directly or indirectly, for their own account or accounts controlled by them, of securities recommended to or purchased for clients. We maintain strict guidelines and a Code of Ethics for all our employees designed to assure that we, and persons associated with us, may not benefit, directly or indirectly, from transactions made for the accounts of clients and that no other conflict of interest exists.

Generally, employees may not trade in any securities that are held in client portfolios or are being traded in client portfolios, except under a de minimis exception. Employees are also prohibited from investing in IPOs. We, our officers, employees and directors are required to pre-clear securities trades in order to avoid a conflict of interest between individual and client interests. As a general guideline, employees may not purchase or sell a security which, to his or her knowledge or belief, is under consideration as an acquisition or sale by a client or any investment company or is in the process of being acquired or sold for a client or mutual fund. Our Code of Ethics contains various exemptions for personal securities trades that we believe do not involve potential conflicts, such as transactions in Treasury Securities, open-end mutual funds, and securities that we will not purchase for clients.

We may manage accounts for employees in the same manner as other clients utilizing the same model or composite provided that, in order to avoid any potential conflicts of interest, all transactions for employee accounts managed by our firm must occur after we have completed trading for all non-employee client accounts in the same model or composite. Specifically, when entered concurrently with client accounts, employee accounts and/or internal products will always trade last in any trading rotation (see Brokerage Practices herein). If employee accounts and/or internal products are entered after client accounts, they will wait until all other client accounts are complete before trading.

With permission, employees may also invest in private placements and similar non-public offerings, some of which we may also recommend as a non-discretionary investment to certain clients of our firm or its affiliates for which such investment (“alternative investments”) might be suitable. If investments in alternative investments are both suitable to you and an otherwise permissible investment in your account, you should understand that our employees will have a potential conflict of interest with you in the event the participation in any alternative investment is “cut-back” or otherwise limited because it is oversubscribed. A copy of our Code of Ethics is available to any person upon request.

Prohibition on Use of Insider Information

We also adopted policies and procedures to prevent the misuse of “insider” information (material, non-public information). A copy of such policies and procedures is available to any person upon request.

BROKERAGE PRACTICES

In General

Unless we receive specific directions from a client regarding the placement of brokerage business, we will select the brokers and dealers to effect client transactions. Our first consideration in selecting a broker is whether the broker will provide the best execution of the desired transaction. In addition to best execution price, selection is based on the overall reasonableness of brokerage commissions paid and consideration of a variety of other factors. An important consideration is the receipt of research products, research services, access to brokerage firm analysis, and the availability of economic data, market data and research. Also important is the availability of quotations, statistics and other investment decision-making aids. See the discussion below entitled, “Research and Soft Dollar Benefits.”

Trading of Bonds

The majority of bonds are not traded on listed exchanges, but rather are purchased from or sold to brokers or dealers. Each broker/dealer maintains an inventory of bonds (bond “positions”) that it owns as a principal or transacts as an agent on behalf of another customer. The number and value of bonds that each broker holds varies, depending on the brokerage firm’s size, financial strength and involvement in the bond market. No one firm dominates this market or provides substantially all the buying/selling needs of a particular money manager for all its clients.

We use a three-step process to buy/sell bonds for client accounts depending upon how the client has instructed us to trade on their behalf: (1) “free to trade” – if, with respect to a client account, we are free to choose the broker/dealers we wish to trade with, we typically contact at least three broker/dealers before executing a trade in order to seek best execution; (2) “in competition” – for client accounts that require us to include a designated broker/dealer in our list of trading partners, we will put that broker in competition with others and select the broker who provides us with best execution (in the event of a tie between brokers, the designated broker receives the trade); and (3) “directed” – if a client has directed us, through written notification, to trade with a specific broker/dealer, we will negotiate directly with that broker in order to execute trades on that clients behalf. The “directed” trade process begins by us asking the broker/dealer for a specific issue to be purchased. We will specify the targeted issue with respect to issuer, sector, maturity, coupon and yield/spread objectives. We will also provide the required block size for all clients using that broker/dealer and/or custodian. The broker is asked to offer the targeted issue or, if they cannot, other possible issues that are substantially similar substitutes. The broker will offer any bonds meeting our criteria available in its current inventory. If the broker/dealer cannot offer our targeted security and cannot offer a substantially similar substitute, we will work closely with the broker to locate suitable bonds from other broker/dealers or their customers. When the “directed” clients designated directed broker confirms a specific transaction, the

applicable commission agreed upon in advance by the client shall be received by the broker/dealer acting as principal, regardless of whether the bonds were acquired directly from the directed broker/dealer or indirectly from another broker/dealer. The commissions paid by “directed” clients may differ from other “non-directed” clients due to the trade size, security specifics, or total arrangement between the client and their broker. These practices are followed unless they are specifically modified or limited by us or the client.

We believe this process to be in our clients’ best interest because it gives clients access to the best priced, most attractive securities from several dealers. By aggregating the purchases or sales of a broader base of clients, including those who use other brokers and/or custodians, and working to find the best options for executing broker/dealers we seek increase competition and find bonds available in larger blocks, resulting in better overall execution prices.

In connection with accounts for which we act as a sub-adviser for programs sponsored by another adviser and for which there is a “fee in lieu of commission” or similar “wrap fee” arrangement, in most circumstances we will not trade with the program sponsor in recognition that commissions are often included in the price of bonds. This restriction may be imposed on us by the program sponsor or implemented at our discretion. It is designed to avoid potential conflicts of interest or duplicate commission payment.

In our efforts to achieve best execution of portfolio transactions, we may trade securities for client accounts by utilizing electronic marketplaces or trading platforms. Some of these electronic systems may impose additional service fees. We may pay these fees directly to the provider of the service or these fees may be included in the execution price of a security. Our intention is that we will only use such systems and incur such fees if we believe that doing so helps us to achieve the best execution of the applicable transaction, taking into account all relevant factors under the circumstances. For example, we will consider the speed of the transaction, the price of the security, the research we receive (in equity transaction effected in this manner), our ability to block the transaction and other factors discussed in this Brokerage Practices section.

Trading of Common Stocks

When we trade the same security in more than one client account, we generally attempt to aggregate trades in order to create a “block transaction” or a sequence of aggregated block transactions containing clients of the same type. Generally, buying and selling in blocks helps create trading efficiencies, prompt attention and desired price execution. We may block transactions among clients of our firm and among clients of our subsidiary investment adviser affiliates that share our resources and personnel in our Wisconsin office. If, for any reason, we cannot block transactions, we will follow the procedures described below under “Trade Allocation Practices.”

For accounts utilizing one or more of the firm’s asset allocation strategies, we will place all or substantially all transactions to purchase or sell common stocks with the client’s “directed” broker, when appropriate or required. (See the discussion below entitled, “Directed Brokerage and Compensation for Client Referrals.”) Whenever applicable, we will attempt to block or aggregate trades for clients who use the same directed brokers in order to create a “block transaction” unless we believe that best execution can be achieved without blocking because, for example, of the high liquidity of the security, the size of the transaction or other factors that we consider in seeking to achieve best execution of client transactions in equity securities. (Mutual fund securities traded in client accounts are transacted at net asset value, so blocking of transactions is not necessary for accounts holding such securities.)

For transactions in securities other than mutual fund shares, the commission amount and per share commission rate will differ between our clients with directed brokerage relationships versus those clients who do not have such relationships, due to the dollar value and the size (number of shares) of the trade for each account and the relationship between the client and their broker. Because each client may differ in portfolio size, investment objective, equity exposure and the extent of the relationship with their broker, we do not negotiate commission discounts on the block transaction itself.

We seek to achieve best execution when we execute equity (stock) transactions for our clients. We consider a variety of factors when determining and analyzing our success in achieving best execution, including, among other factors, the speed of a transaction, the price at which the transaction is executed, the service provided by the executing broker and any costs involved. There are myriad factors that go into achieving best execution for our clients. Some factors we consider include price, access to block liquidity, avoidance of toxic order flow

and commission rates. When permitted, we believe blocking orders in like securities for clients helps prevent any client in a particular equity strategy from being disadvantaged in connection with regard to best execution compared with any other client whose account we manage under the same strategy.

Since directed broker clients trade with their directed brokers, clients within a strategy will not necessarily buy or sell a security at the same price or at the same time as other clients within that strategy. As a result, performance among clients within a strategy may vary.

Trade Allocation Practices

When the firm has trading authority and brokerage discretion, we seek to allocate trades fairly across the various accounts we manage. For discretionary, non-directed client accounts, we generally block all transactions for such clients in a single transaction or sequential transactions with the same broker. For all directed broker accounts, including wrap accounts and unified management accounts (UMA), we follow our trade rotation policy among clients that are transacting in the same security in the same strategy. The trade rotation process for these clients commences concurrently with the blocked trade for the discretionary non-directed client accounts. The policy is designed to ensure that we do not trade on behalf of any one client or group of clients in a systematic manner that favors that one client or group or is otherwise unfair to other clients for whom we do not trade in the initial blocked transaction or transactions. In these situations, on any given trade, a client's account may trade first, last or mid-way in the order of trades executed with the goal of long-term rotational trade entry timing among these client accounts. Decisions regarding whether any client account trades separately from others are based on liquidity, speed of execution and various other factors.

We will often also add small amounts of additional trades to a previously initiated and ongoing trade if, in our discretion, we believe that doing so will not affect the execution of the original ongoing trade.

Furthermore, if we determine that a particular "wrap" program sponsor (or designated broker) either has procedures for transmission of transaction instructions or transaction execution practices that are unusually time-consuming or lengthy or has transmission/communication problems on a given trading day, we will periodically deviate from our normal rotation practices and place that sponsor's (or designated broker's) transactions after those of other, similarly situated programs (or clients) in an effort to avoid delays we deem undue in execution of transactions. In these cases, the deviation may or may not disadvantage such accounts, depending on market conditions.

Finally, certain accounts subject to non-discretionary capital flow activity such as new accounts, accounts experiencing contributions or withdrawals, or similarly situated accounts will normally be invested according to the most recently updated model before existing accounts in the same program (or group of accounts) are similarly invested. Also, because we share our back-office functions with our affiliates at our Wisconsin headquarters, in the unlikely event that one of our affiliates seeks to trade the same security as we are trading, the security would be traded first for the accounts of the first firm whose portfolio managers provided the trade instructions to our shared trading desk.

Cross Trades

There may be occasions when we will sell a particular security for one of our clients (for example, because the client needs to raise cash or is changing investment priorities) at the same time that we buy the same type of security for another client. In such situations, we can reduce transaction costs to both clients by identifying a particular security and instructing a broker to sell from one account and purchase in the other. This is known as a "cross trade." Although we believe the transaction benefits both clients, you should be aware that we represent the interests of both the selling and buying client in the same transaction, and, as a result, may have conflicting loyalties at the time we effect a cross trade. For this reason, we always execute such trades through a third-party broker who determines the respective purchase and sale price based on the market.

Cross trades by investment company clients are subject to additional or separate rules governed by the Investment Company Act of 1940, as amended. Cross trades involving clients subject to ERISA are generally prohibited by law and, therefore, we will not include any ERISA clients in brokered cross trades conducted on a principal basis.

Directed Brokerage and Compensation for Client Referrals

When executing transactions for a client account, we may place all or a portion of the transactions with a broker with whom the client has a special advisory or consulting relationship. Such transactions are placed with a broker who may have provided manager selection services, performance measurement services, asset allocation services, or a variety of other consulting or monitoring assistance to the client, all with the specific knowledge and full approval of the client.

We will trade with directed brokers even when not explicitly required to do so if the market allows it or the trade is of a size that, in our opinion, would not adversely impact the market (in recognition of price and liquidity factors) under the circumstances. These trades are executed as described in the "Trade Allocation Practices" discussion herein.

We do not maintain agreements with referring brokers regarding our internal allocation of brokerage transactions. However, all or a sizable portion of a particular client's brokerage transaction business may be directed to a particular broker if the client has directed, agreed or stipulated us to do so. Commissions are not intended to compensate brokers for client referrals.

With regard to client directed brokerage, we are required to disclose that we may be unable to negotiate commissions, block or aggregate client orders or otherwise achieve the benefits described above, including best execution, if you limit our brokerage discretion. Directed brokerage commission rates may be higher than the rates we might pay for transactions in non-directed accounts, and there may be certain fees associated with directed brokerage transactions. Also, clients that restrict our brokerage discretion may be disadvantaged in obtaining allocations of new issues of securities that we purchase or recommend for purchase in other clients' accounts. It is our policy that such accounts not participate in allocations of new issues of securities obtained through brokers and dealers other than those designated by the client. Generally, we encourage each client to compare the possible costs or disadvantages of directed brokerage against the value of the custodial or other services provided by the broker to the client in exchange for the directed broker designation. Directing brokerage may cost clients more money.

Accounts with Different Investment Objectives

It is possible that we or our affiliates may manage accounts of clients whose investment objectives are substantially different from one another. As a result, it is possible that it would be appropriate for us to sell a security "short" from one account while holding it "long" in another account. This may occur if we manage an account that involves significant short-term trading or pursues unique option strategies. In general, our positions with regard to any security will be net long. We seek to avoid a conflict of interest by attempting to limit such situations to, for example, an instance in which there is a readily available supply of the security being purchased or sold and the transactions in a security do not affect its market price.

Research and Other Soft Dollar Benefits

Obtaining the best price and execution of trades is of utmost importance in placing transactions. If a broker is allowed a commission in excess of that which another broker might have charged for executing the same transaction, it is done in recognition that such broker's special services are of great importance to us and our client(s). Research services furnished by brokers may be used in servicing all our accounts; all clients benefit from the research received from all brokers with whom we deal.

Although we seek best execution of transactions, you should understand that obtaining research and services by means of soft dollar benefits represents a conflict of interest since it enables us to receive research that we might otherwise have to produce ourselves or purchase with our own money.

What is the "research" that is paid for with soft dollars? Research refers to services and/or products provided by a broker, the primary use of which must directly assist us in our "investment decision-making process" and not in the management of our firm. The term "investment decision-making process" refers to the quantitative and qualitative processes and related tools we use in rendering investment advice to our clients, including financial analysis, trading and risk analysis, securities selection, broker selection, asset allocation, and suitability analysis.

Research may be proprietary or third party. Proprietary research is provided directly from a broker (for

example, research provided by broker analysts and employees about a specific security or industry or region). Third party research constitutes payment by a broker, in full or in part, for research services provided by third parties. Both types of research may involve electronically provided research and electronic portfolio management services and computer software supporting such research and services. For example, a tool that helps us decide what might happen to the price of a particular bond following a specific change in interest rates is considered research because it affects our decision-making process regarding that bond.

In some situations, we may execute a transaction with one broker and settle the transaction with another broker. This use of “step-outs” allows us to decouple - to some extent - execution services from research services. In other words, we may execute a transaction with an “execution” broker and step-out the transaction - and related commissions - to a broker who provides research services to book and settle the transaction.

We may receive products or services from brokers which we use for both research and for administrative, marketing or other non-research purposes. In such instances, we make a good faith effort to determine the relative proportion of our use of such product/service that is for research. Only that portion of the research aspect of the cost of obtaining such product/service may be paid for using soft dollars. We pay the remaining portion of the cost of obtaining the product or service in cash from our own resources.

We have an incentive to select a broker-dealer based on our interest in receiving the research or other services they can provide us. This incentive may conflict with client interests in receiving most favorable execution and our measurement of favorable execution may differ from that of a client. We believe we pay fair and reasonable brokerage commissions in return for research products or services provided by brokers. We may use research products or services provided by brokers in servicing any or all our clients. Although we believe that all clients of our firm and its affiliates benefit from the research and services received by us from brokers, we may not necessarily use such research products or services in connection with the client accounts that paid commissions to or otherwise traded with the brokers providing such products or services. We will share proprietary research we receive with our affiliates because the cost for such research cannot be unbundled from the bundled soft dollar commissions we pay. However, we do not share any soft dollars earned for payment of third party research with our affiliates (other than Madison Asset Management with which we share all personnel and resources at our Wisconsin office location) since such amounts can be quantified and unbundled from the cost of execution only.

Our firm has a standing Brokerage Committee consisting of members of our portfolio management and operations teams. The committee meets at least quarterly to review the quality of brokerage execution obtained on behalf of our clients, to monitor our use of soft dollar research and other services received in connection with client transactions and to review and compare the quality of broker services provided. During our last fiscal year, our Brokerage Committee established an estimated equity brokerage commission budget in advance that reflected our estimate of the most value to our firm and its clients for research and other services, if any, provided by the broker-dealers to which we direct client transactions. The committee was satisfied with the quality of brokerage obtained by our firm for its clients.

Unmanaged and Non-Discretionary Account Assets

Most accounts accepted by Madison are “Managed Accounts,” meaning Madison has investment discretion over those accounts. Madison will not accept individual security instructions and will not place trades at the direction of the client in a Managed Account, except in very limited circumstances. As an accommodation, for specified assets that are not managed by Madison or are otherwise not subject to investment management discretion by Madison but which are maintained in the same account as the assets managed for a client by Madison so that the client has a consolidated account statement of all assets and for which the power of attorney given to Madison to trade the account applies (referred to as “Accommodation Account Assets”), at client’s request, we will relay client-directed trade instructions to the client’s designated broker for settlement at the client’s designated custodian pursuant to the client’s negotiated broker commission schedule. Although we will relay such information, it is the client’s responsibility to contact his/her/its broker directly to ensure the timeliness of any transactions in Accommodation Account Assets. In all cases, if a client desires Madison to initiate any securities transactions in the client’s Accommodation Account Assets, the client should understand that Madison is not a broker and that any such instructions may not be communicated to the client’s designated broker on as timely a basis as they would have been had the client contacted the client’s broker directly. Clients should understand that Madison accepts no responsibility for losses to client’s Accommodation Account Assets resulting from Madison’s failure to timely relay client instructions as described

above, or from Madison's failure to accurately relay such instructions.

Any instructions regarding Accommodation Account Assets must be provided orally to Madison personnel to ensure that the instructions are received and promptly confirmed in writing by letter or e-mail. Madison will, in turn, confirm a client's instructions in this manner, but such confirmation is not a brokerage transaction confirmation. Because Madison either does not manage or does not have discretion (or both) over Accommodation Account Assets, each client with Accommodation Account Assets is responsible for reviewing the confirmation statement from its broker to ensure that the client-directed trade was communicated correctly. Clients should contact Madison and the client's broker immediately if the client's instructions regarding its Accommodation Account Assets do not appear to conform to the client's intent.

Finally, there may be occasions where Madison is unable to arrange to execute a client's desired instructions. This may occur, for example, if the client's request requires the use of a margin account and the account managed by Madison is a cash account. In such situations, the client should establish a separate account to accomplish its transactions directly with its selected broker. Madison will not normally manage assets for clients in margin accounts.

REVIEW OF ACCOUNTS

We review our client accounts at least quarterly. We do not have a limitation on the number of client accounts assigned to any particular account officer, nor is there a precise sequence or review schedule. All portfolios are reviewed continuously rather than periodically. Accounts are reviewed by our portfolio management professionals. The review may include holdings, aggregate statistical composition of factors such as sector weightings, and comparison to any relevant benchmarks and investment policies. Triggering factors could be major market moves, new information regarding specific holdings, or the passage of time. Investment strategy meetings usually occur each month. These meetings include a review of factors such as economic conditions, government policy, sector valuations, and other factors which might be expected to affect portfolio performance. We then review portfolios for any changes that might be needed due to strategy shifts developed in the investment strategy meeting. The participants in this process include portfolio managers, research analysts and senior management.

We offer to furnish account reports to non-wrap account clients on a quarterly basis (wrap account clients receive their client reports from the sponsor of their wrap account). Our non-wrap clients also receive separate monthly accounting reports from their portfolio custodian detailing all cash and asset transactions and activity. In general, meetings with clients are held quarterly or less frequently, according to the stated desires of each client. Reports include an analysis of all assets under management, and current and historical performance.

CLIENT REFERRALS AND OTHER COMPENSATION

There may be occasions when we pay a percentage of the fee, we receive from accounts that have been referred to us to the person making the referral (a "solicitor"). In such cases, you will receive a separate written disclosure statement from the solicitor before you open your account with us that will explain, among other things, the nature of our affiliation with the solicitor (if any) and a description of the compensation the solicitor will receive from us. Our policy is that if we pay such referral fees to a solicitor for any account, the fee schedule applicable to that client's account will be the same as the schedule that would have applied to accounts of similar size receiving similar services where no referral fees are paid.

CUSTODY

We require each client to select a qualified custodian to hold its account. We will not accept custody of client funds or securities, other than the deduction of management fees from the client's account at the custodian. Each client's qualified custodian (bank or broker-dealer) will send quarterly or more frequent account statements directly to our clients. Clients are urged to compare the account statements they receive from their qualified custodians with the quarterly account statements we normally provide. Minor variations may occur because of reporting dates, accrual methods of interest and dividends, and other factors. The custody statement is the official record of your account for tax purposes.

INVESTMENT DISCRETION

Please refer to the discussion entitled, “Advisory Business – Discretionary Management” above.

VOTING CLIENT SECURITIES – PROXY VOTING SUMMARY

When you give us authority to vote proxies for securities held in your account, we do not assume the role of an active shareholder. Rather, if we are dissatisfied with the performance of a particular company, we will generally reduce or terminate our position in the company rather than attempt to force management changes through shareholder activism.

Nevertheless, our goal is to vote all proxies in our clients’ best interests. For practical purposes, unless we make an affirmative decision to the contrary, when we vote a proxy as the Board of Directors of a company recommends, it means we agree with the Board that voting in such manner is in the interests of our clients as shareholders of the company for the reasons stated by the Board. However, if we believe that voting as the Board of Directors recommends would not be in a client’s best interests, then we must vote against the Board’s recommendation.

We will vote against the Board of Directors recommendation if the Board recommends an action that could dilute or otherwise diminish the value of your position. This may occur if we are unable to liquidate the affected securities without incurring a loss that would not otherwise have been recognized absent management’s proposal. This may also occur if the action would cause the securities held to lose value, rights or privileges and there are no comparable replacement investments readily available on the market. We may vote in a manner that could diminish the value of your position in the short-term if we believe it will increase the value in the long-term and we are holding the security in your portfolio for the long-term.

In the unlikely event that we are required to vote a proxy that could result in a conflict between your best interests and the interests of our firm, we may alert you or your representative in advance to obtain your consent or direction on how to vote a proxy under such circumstances. In general, however, in the event of a conflict, we will seek the advice of a knowledgeable, independent third party as to how to vote.

If you would like to know how we voted any proxy in your account, please contact your client service representative and he or she will give you that information. If you are not sure who your client service representative is, call us at 800-767-0300 and we will be happy to answer your questions. You may also request a complete copy of our written proxy voting procedures by calling us at 800-767-0300 to request a copy.

FINANCIAL STATEMENTS

Not applicable.

PERFORMANCE PRESENTATION STANDARDS

The firm claims compliance with the Global Investment Performance Standards (GIPS®). The firm is a registered investment adviser. To receive a list of composite descriptions and/or a presentation that complies with the GIPS standards, contact us at the address and/or phone number on the front page of this brochure.

REPRESENTATIVE CLIENT LIST

Corporate, municipal, and other institutional clients may be identified as such in our firm’s representative client or reference lists (the identities of individual, i.e. “natural person,” clients are never so disclosed absent written client permission).

PRIVACY POLICY

FACTS

WHAT DOES MADISON INVESTMENTS DO WITH YOUR PERSONAL INFORMATION?

Why?

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

What?

The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- Social Security number and transaction history
- Account balances and checking account information
- Purchase history and wire transfer instructions

When you are *no longer* our customer, we continue to share your information as described in this notice.

How?

All financial companies need to share investors' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their investors' personal information; the reasons the Madison organization chooses to share; and whether you can limit this sharing.

Reason we can share your personal information	Does Madison Investments share?	Can you limit this sharing?
For our everyday business purposes —such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes —to offer our products and services to you	Yes	No
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes —information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes —information about your creditworthiness	No	We don't share
For nonaffiliates to market to you	No	We don't share

Questions?

Call 1-800-767-0300 or go to www.madisonadv.com.

Who we are

Who is providing this notice?	Madison Investment Advisors, LLC, Madison Asset Management, LLC, and Madison Investment Holdings, Inc. (together “Madison”), 550 Science Drive, Madison, WI 53711
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What we do

How does Madison protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
How does Madison collect my personal information?	We collect your personal information, for example, when you <ul style="list-style-type: none"> • Open an account or provide account information • Pay your bills or make deposits or withdrawals from your account • Give us your contact information We also collect your personal information from other companies.
Why can't I limit all sharing?	Federal law gives you the right to limit only <ul style="list-style-type: none"> • sharing for affiliates' everyday business purposes—information about your creditworthiness • affiliates from using your information to market to you • sharing for nonaffiliates to market to you State laws and individual companies may give you additional rights to limit sharing.

Definitions

Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> • Our affiliates include companies with a common "Madison," name; financial companies such as Madison Funds and MFD Distributor.
Nonaffiliates	Companies not related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> • Madison does not share with nonaffiliates so they can market to you.
Joint marketing	A formal agreement between nonaffiliated financial companies that together market financial products or services to you. <ul style="list-style-type: none"> • Madison does not jointly market.

Other important information