

## MADISON INTERMEDIATE GOVERNMENT CORPORATE BOND

December 31, 2020 | 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 Intermediate Govt/Corp Bond	Bloomberg Barclays US Interm. Govt/Credit Bond Index
Effective Duration (years)	3.41	4.05
Wtd. Avg. Maturity (years)	3.64	4.31
Wtd. Avg. Quality <sup>1</sup>	A+	AA-
Wtd. Avg. YTW	0.54	0.59
Wtd. Avg. Current Yield	2.29	2.12
Avg. Turnover	20-40%	-

### Sector Distribution (%)

	Madison	Index
Corporate Bonds	53.46	33.32
Treasury	35.66	57.19
Agency	6.99	4.73
Non-Corporate Credit	0.05	4.77
Cash	3.85	-

### Portfolio Statistics (%)

Since Inception	Madison	Index
Up Capture Ratio	87.85	100.00
Down Capture Ratio	72.82	100.00
Standard Deviation	2.57	2.95

### Quality<sup>2</sup> Distribution (%)

	Madison	Index
AAA	43.04	63.74
AA	3.59	3.87
A	29.98	14.89
BBB/BB	19.55	17.49
Cash	3.85	--

### Maturity Distribution (%)

	Madison	Index
0-1 Years	14.51	1.17
1-3 Years	30.78	35.58
3-5 Years	26.94	28.00
5-7 Years	17.28	18.16
7-10+ Years	10.50	17.09

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



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### Trailing Returns (%)

	MADISON		
	Gross	Net**	Index
QTD	0.46	0.34	0.48
YTD	5.25	4.73	6.43
1-Year*	5.25	4.73	6.43
3-Year*	4.10	3.58	4.67
5-Year*	3.22	2.71	3.64
10-Year*	2.64	2.13	3.11
Since Inception*	4.63	4.11	4.93

*\*figures are annualized*

### Experienced Management

**Paul Lefurgey, CFA**  
Co-Head of Fixed Income,  
Portfolio Manager  
Industry since 1988

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

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

### Annual Total Returns (%)

	MADISON		
	Gross	Net**	Index
2011	4.62	4.10	5.80
2012	2.71	2.20	3.89
2013	-0.08	-0.58	-0.86
2014	2.10	1.59	3.13
2015	1.04	0.53	1.07
2016	1.89	1.38	2.08
2017	1.94	1.44	2.14
2018	1.24	0.73	0.88
2019	5.88	5.35	6.80
2020	5.25	4.73	6.43

*\*\*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.*

## 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 NRSROs, (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 information is presented as "supplemental information" included as part of the GIPS® compliant performance presentation for the Intermediate Government/Corporate Bond Composite on the reverse side, which must be included with this material. References to "Madison" are to that composite and references to inception date refer to performance since 1/1/1993. 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.

### Definitions

**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 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.

"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.

**MADISON**  
**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	543	258	5.25%	4.73%	6.43%	0.5%	1.98%	2.31%
2019	13,993	524	270	5.88%	5.35%	6.80%	0.1%	1.63%	2.04%
2018	12,895	547	354	1.24%	0.73%	0.88%	0.1%	1.57%	2.09%
2017	13,761	533	380	1.94%	1.44%	2.14%	0.1%	1.39%	2.11%
2016	13,312	565	420	1.89%	1.38%	2.08%	0.2%	1.46%	2.22%
2015	13,030	582	429	1.04%	0.53%	1.07%	0.2%	1.39%	2.10%
2014	13,953	652	411	2.10%	1.59%	3.13%	0.1%	1.35%	1.94%
2013	12,112	647	410	-0.08%	-0.58%	-0.86%	0.2%	1.51%	2.11%
2012	6,984	838	422	2.71%	2.20%	3.89%	0.2%	1.60%	2.16%
2011	7,320	1038	361	4.62%	4.10%	5.80%	0.2%	2.01%	2.55%
2010	7,349	46	15	4.51%	3.99%	5.89%	0.2%	-	-
2009	6,766	127	20	6.13%	5.61%	5.24%	0.7%	-	-
2008	5,282	162	23	7.19%	6.67%	5.08%	0.4%	-	-
2007	7,273	193	27	8.02%	7.49%	7.39%	0.2%	-	-
2006	7,782	173	31	4.21%	3.70%	4.08%	0.2%	-	-
2005	8,793	160	33	1.69%	1.19%	1.58%	0.2%	-	-
2004	8,813	166	42	1.93%	1.42%	3.04%	0.2%	-	-
2003	7,419	181	43	3.53%	3.02%	4.31%	0.3%	-	-
2002	6,272	172	43	7.84%	7.31%	9.84%	2.1%	-	-
2001	5,526	176	46	8.83%	8.29%	8.96%	0.6%	-	-
2000	4,584	208	48	9.13%	8.60%	10.12%	1.0%	-	-
1999	3,956	229	59	0.51%	0.01%	0.39%	0.3%	-	-
1998	3,682	222	65	8.74%	8.21%	8.44%	0.3%	-	-
1997	3,122	215	69	7.74%	7.22%	7.87%	0.2%	-	-
1996	2,641	201	78	3.91%	3.40%	4.05%	0.3%	-	-
1995	2,265	206	81	14.63%	14.08%	15.33%	0.7%	-	-
1994	1,833	178	77	-0.57%	-1.06%	-1.93%	0.3%	-	-
1993	1,696	198	82	6.57%	6.05%	8.79%	0.4%	-	-

+Preliminary

Assets above are rounded to the nearest million

As of December 31, 2020, total assets under advisement in this strategy are \$775 million encompassing bundled fee accounts, non-bundled fee accounts and non-discretionary accounts. This is presented as supplemental information.

*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 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 Bond Index (Index) which 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. As of 1/1/2011, the composite was redefined to include all non-bundled accounts regardless of tax status or commissions since all accounts follow similar guidelines.

For the purposes of GIPS compliance and the determination of total assets under management, the Firm is defined as Madison. Madison represents Madison Investment Advisors, LLC ("MIA") and Madison Asset Management, LLC ("MAM"), two investment advisers under common control registered with the U.S. Securities and Exchange Commission pursuant to the Investment Advisers Act of 1940. (Registration does not imply a certain level of skill or training.) Prior to December 1, 2010, this composite was maintained by Madison Investment Advisors, Inc. ("MIA Inc."). On November 30, 2010, pursuant to a corporate reorganization that involved no change of control or personnel relating to account composite management, all composite accounts managed by MIA Inc. were transferred to MIA and performance information for periods prior to December 1, 2010 refer to this composite as managed by MIA Inc. During the first quarter of 2013, MIA and its parent company, MAM (also a registered investment adviser), began the process of eliminating the distinction between accounts and products managed by the two companies. Because MIA and MAM share all resources and personnel at their mutual Wisconsin office location and because there is no longer a brand or line of business distinction between products and services offered by the two registered investment advisers, for periods after March 31, 2013, the collective definition of the firm (Madison) includes accounts and assets managed by MAM and MIA. However, the firm does not claim compliance with the GIPS standards for assets and accounts managed by MAM prior to April 1, 2013. As of December 31, 2013, Madison Scottsdale, LC ("Scottsdale"), another registered investment adviser under common control with MIA, merged its assets into, and became part of, MIA and subsequently those assets became part of the firm (Madison). The transaction resulted in no change to the resources or personnel as the sole purpose of this change was to simplify Madison's legal corporate structure. Prior to January 1, 2014, Scottsdale did not claim GIPS compliance and no performance for composites formally maintained by Scottsdale are contained in this performance presentation or included in the definition of the firm (Madison). As of October 30, 2020, Hansberger Growth Investors, LP ("HGI LP"), an affiliated registered investment adviser under common control with MIA, consolidated its assets into MIA, and subsequently those assets became part of the firm (Madison). The transaction resulted in no change to the resources or personnel as the sole purpose of this change was to simplify the legal corporate structure. Prior to October 30, 2020, HGI LP claimed GIPS® compliance and all composite accounts managed by HGI LP were transferred to MIA and performance information for periods prior to October 30, 2020 refer to those composites as managed by HGI LP. 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. Beginning January 1, 2010, 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 Intermediate Government/Corporate Bond Composite was created January 1, 1993, and the inception date is January 1, 1993.

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