

## MADISON INTERNATIONAL EQUITY

September 30, 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 International <sup>1</sup>	MSCI ACWI ex USA	MSCI EAFE
3 Year Sales Growth	13.4	11.5	7.3
ROE (1 yr median)	13.2	11.0	9.7
P/E (Forward 2 yr)	17.5	14.7	15.4
Long Term EPS Growth	12.6	9.5	7.7
EPS Growth (Forward 1-2 yr)	25.5	22.9	22.8
Price/Book	2.5	1.6	1.6
Dividend Yield	1.8	2.6	2.7
Number of holdings	58	2,375	902
Active Share	82.4	-	-

### Sector Distribution (%)

	Madison International <sup>1</sup>	MSCI ACWI ex USA	MSCI EAFE
Communication Services	7.74	7.45	5.47
Consumer Discretionary	12.47	13.80	11.86
Consumer Staples	11.88	9.74	11.94
Energy	2.14	4.17	2.77
Financials	17.35	16.92	15.07
Health Care	10.98	10.49	14.36
Industrials	9.20	11.71	15.23
Information Technology	17.83	11.74	8.62
Materials	6.17	7.89	7.62
Real Estate	-	2.72	3.10
Utilities	1.76	3.36	3.97
Cash	2.48	-	-

*Figures are rounded to the nearest 0.01% and may not equal 100%.*

### Top Ten Holdings<sup>1</sup>

Security	Country	%
Alibaba Group Holding Ltd. ADR	China	3.6
Tencent Holdings Ltd.	China	3.5
NXP Semiconductors NV	Netherlands	3.0
Ping An Insurance Company of China, Ltd.	China	2.7
Manulife Financial Corporation	Canada	2.6
AstraZeneca PLC	UK	2.5
Novartis AG	Switzerland	2.5
Prudential plc	UK	2.3
Telefonaktiebolaget LM Ericsson Class B	Sweden	2.3
Credit Suisse Group AG	Switzerland	2.1

### Regional Distribution (%)

	Madison International <sup>1</sup>	MSCI ACWI ex USA	MSCI EAFE
Emerging Markets	24.56	29.71	-
Europe	49.45	40.17	62.94
Japan	11.82	16.48	25.83
North America	5.31	6.47	-
Pacific Ex-Japan	6.39	7.17	11.23
Cash	2.48	-	-

*Figures are rounded to the nearest 0.01% and may not equal 100%.*



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#### Trailing Returns (%)

	MADISON			
	Gross	Net**	MSCI ACWI ex USA <sup>2</sup>	MSCI EAFE
QTD	7.52	7.33	6.25	4.80
YTD	2.52	1.96	-5.44	-7.09
1-Year*	13.37	12.55	3.00	0.49
3-Year*	5.52	4.75	1.16	0.62
5-Year*	10.22	9.41	6.23	5.26
10-Year*	6.59	5.81	4.00	4.62
Since Inception*	7.75	6.95	4.94	4.49

\*Figures are annualized.

#### Experienced Management

**Tom Tibbles, CFA**  
Portfolio Manager  
Industry start 1986

**Patrick Tan**  
Portfolio Manager,  
Analyst  
Industry start 1994

**Alyssa Rudakas, CFA**  
Portfolio Manager,  
Analyst  
Industry start 2009

#### Annual Total Returns (%)

	MADISON			
	Gross	Net**	MSCI ACWI ex USA <sup>2</sup>	MSCI EAFE
2010	9.60	8.80	11.20	7.80
2011	-16.80	-17.40	-13.70	-12.10
2012	19.20	18.30	16.80	17.30
2013	20.30	19.40	15.30	22.80
2014	-7.60	-8.30	-3.90	-4.90
2015	2.00	1.30	-5.70	-0.80
2016	2.30	1.60	4.50	1.00
2017	38.30	37.30	27.20	25.00
2018	-17.10	-17.70	-14.20	-13.80
2019	29.30	28.40	21.50	22.00

**Betty Tam**  
Director of Research &  
Technology  
Industry start 1989

\*\*Net returns are calculated using the highest Madison annual fee of 0.75%, 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 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.

For periods prior to 10/1/2020, the performance shown above represents a track record which was maintained by Hansberger Growth Investors, LP ("HGI"), an affiliated firm of Madison. The presented performance is based upon the HGI International Growth Equity Composite. On 10/1/2020, the portfolio managers and related employees of HGI became employees of Madison. The portfolios managed to this strategy are maintaining substantially the same investment objective, policies and expenses.

## DISCLOSURES & DEFINITIONS

6/30/2020 to 9/30/2020

Top Contributors to Return	Average Weight (%)	Contribution to Relative Return (%)
Alibaba Group Holding Ltd. Sponsored ADR	3.72	0.39
KION GROUP AG	1.42	0.38
Nidec Corporation	1.39	0.37
CyberAgent, Inc.	1.50	0.28
adidas AG	1.94	0.27

Bottom Contributors	Average Weight (%)	Contribution to Relative Return (%)
Treasury Wine Estates Limited	2.30	-0.42
Bayer AG	1.82	-0.38
Prudential plc	2.38	-0.27
Royal Dutch Shell Plc Class B	1.13	-0.25
Credit Suisse Group AG	2.14	-0.21

1. Information is based on a model portfolio which is intended to provide a general illustration of the investment strategy. Individual client portfolios in the program may vary.

2. Due to net of withholding tax returns not being available prior to January 1, 1999, the returns presented for the MSCI ACWI ex USA are a blend of the gross of withholding taxes from inception thru December 31, 1998 and net of withholding taxes from January 1, 1999 thru the current date.

All or some of the information is presented as “supplemental information” included as part of the GIPS® compliant performance presentation for the International Growth Equity Composite on the following page, which must be included with this material. Unless otherwise noted, references to “Madison” are to that composite and references to inception date refer to performance since 7/31/1996. 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 portfolios may invest in equities which are subject to market volatility. Equity risk is the risk that securities held by the portfolio will fluctuate in value due to general market or economic conditions, perceptions regarding the industries in which the issuers of securities held by the portfolio participate, and the particular circumstances and performance of particular companies whose securities the portfolio holds. In addition, while broad market measures of common stocks have historically generated higher average returns than fixed income securities, common stocks have also experienced significantly more volatility in those returns.

Investing in foreign securities presents risks that could be greater or different from investing in U.S. securities. These risks include currency risk caused by fluctuations in currency values relative to the U.S. dollar, political and economic risks, higher transaction costs, and substantially different standards for regulatory, accounting and public disclosure and availability of corporate information. These risks can be greater with some emerging markets securities.

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

**3 Year Sales Growth:** the percentage change of a specific variable within a three year time period.

**Return on Equity ROE (1 yr median):** a profitability ratio that measures the amount of net income returned as a percentage of investors equity.

**Price-to-Earnings Ratio (Forward 2 yr):** measures how expensive a stock is. It is calculated by the weighted average of a stock's current price divided by the company's projected 2 year earnings per share of the stocks in a portfolio.

**Long Term EPS Growth:** the annual rate at which a company's earnings are expected to grow.

**EPS Growth (Forward 1-2 yr):** the annual rate at which a company's earnings are expected to grow.

**Price-to-Book Ratio:** measures a company's stock price in relation to its book value (the total amount raised if its assets were liquidated and paid back all its liabilities).

**Dividend Yield:** the portfolio's weighted average of the underlying portfolio holdings and not the yield of the portfolio.

**Active Share** is defined as the percentage of a portfolio that differs from its benchmark index. Active Share can range from 0% for an index portfolio that perfectly mirrors its benchmark to 100% for a portfolio with no overlap with an index.

“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 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.

INTERNATIONAL GROWTH EQUITY COMPOSITE  
ANNUAL DISCLOSURE PRESENTATION

Year End	Gross of Fee Return (%)	Net of Fee Return (%)	Blended MSCI ACWI ex USA Index Return (%)	MSCI EAFE Index Return (%)	# of ports.	Total composite assets at period end (\$Billion)	Total firm assets at period end (\$Billion)*	Composite Dispersion (%)	Composite 3-Yr. Ex-Post Standard Deviation (%)	MSCI ACWI ex USA Index 3-Yr. Ex-Post Standard Deviation (%)	MSCI EAFE Index 3-Yr. Ex-Post Standard Deviation (%)	% of Non-Fee Paying Accounts
2019	29.3	28.4	21.5	22.0	6	0.06	0.21	0.4	13.3	11.4	10.8	Less than 1%
2018	-17.1	-17.7	-14.2	-13.8	6	0.06	0.29	N.A.	13.9	11.4	11.2	Less than 1%
2017	38.3	37.3	27.2	25.0	Five or fewer	0.08	0.32	N.A.	13.3	11.9	11.8	Less than 1%
2016	2.3	1.6	4.5	1.0	Five or fewer	0.12	0.33	N.A.	13.5	12.5	12.5	Less than 1%
2015	2.0	1.3	-5.7	-0.8	Five or fewer	0.15	0.38	N.A.	12.1	12.1	12.5	Less than 1%
2014	-7.6	-8.3	-3.9	-4.9	8	0.46	1.12	0.9	13.6	12.8	13.0	Less than 1%
2013	20.3	19.4	15.3	22.8	16	3.15	*	0.4	18.1	16.2	16.3	Less than 1%
2012	19.2	18.3	16.8	17.3	20	3.50	*	0.3	21.5	19.3	19.4	Less than 1%
2011	-16.8	-17.4	-13.7	-12.1	20	3.15	*	0.3	25.2	22.7	22.4	Less than 1%
2010	9.6	8.8	11.2	7.8	24	4.30	*	0.2	30.4	27.3	26.2	Less than 1%
2009	54.9	53.8	41.5	31.8	22	3.54	*	1.2	28.2	25.2	23.6	Less than 1%
2008	-50.4	-50.8	-45.6	-43.4	26	2.59	*	0.5	23.1	20.9	19.2	Less than 1%
2007	20.3	19.4	16.8	11.2	25	4.89	*	0.2	10.7	10.6	9.4	Less than 1%
2006	25.3	24.3	26.7	26.3	23	3.55	*	0.3	10.5	10.2	9.3	Less than 1%
2005	17.5	16.6	16.6	13.5	14	2.10	*	0.5	12.4	11.6	11.4	Less than 1%
2004	15.0	14.2	20.9	20.3	9	0.45	*	N.A.	17.4	15.3	15.4	Less than 1%
2003	40.6	39.6	40.8	38.6	Five or fewer	0.14	*	N.A.	21.3	17.9	17.8	Less than 1%
2002	-12.9	-13.6	-15.0	-15.9	Five or fewer	0.09	*	N.A.	20.3	16.4	16.0	Less than 1%
2001	-18.9	-19.5	-19.7	-21.4	Five or fewer	0.06	*	N.A.	19.0	15.9	15.2	Less than 1%
2000	-2.8	-3.5	-15.3	-14.2	Five or fewer	0.08	*	N.A.	18.2	16.5	15.8	Less than 1%
1999	54.4	53.3	30.6	27.0	Five or fewer	0.05	*	N.A.	19.4	16.7	15.9	Less than 1%
1998	17.0	16.1	14.5	20.0	Five or fewer	0.04	*	N.A.	-	-	-	Less than 1%
1997	3.9	3.2	2.0	1.8	Five or fewer	0.01	*	N.A.	-	-	-	Less than 1%
1996 <sup>1</sup>	11.4	11.3	4.8	4.5	Five or fewer	0.01	*	N.A.	-	-	-	Less than 1%

<sup>1</sup>Partial Year: 7/31/1996 – 12/31/1996

N.A – Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

As of December 31, 2019, total assets under advisement in this strategy are \$0.41 billion encompassing bundled fee accounts, non-bundled fee accounts and non-discretionary accounts which include model-traded assets. This is presented as supplemental information.

*International Growth Equity Composite* contains fully discretionary accounts invested according to HGI LP's growth equity style in equities of companies domiciled outside the U.S. Cash is a residual of the investment process. For comparison purposes the composite is measured against the MSCI All Country World Index Excluding U.S.A. ("MSCI ACWI ex USA"), which measures the returns of equities of companies which are domiciled outside the U.S., and the MSCI EAFE (Net) Index, which measures the returns of equities of companies domiciled in developed markets in Europe, Australasia, and the Far East. Both indexes are compiled by Morgan Stanley Capital International, and are float weighted with net dividends reinvested. Due to net of withholding tax returns not being available prior to January 1, 1999, the returns presented for the MSCI ACWI ex USA are a blend of the gross of withholding taxes from inception thru December 31, 1998 and net of withholding taxes from January 1, 1999 thru the current date. Prior to January 1, 2015, the composite was measured against the MSCI ACWI (Gross) ex USA Index, and the MSCI EAFE (Gross) Index. The benchmark changes were applied retroactively to provide a better comparison to the composite for which the return is net of withholding taxes. Investors may not invest directly in these indexes. For the period from July 31, 1996 through January 12, 1999, the track record presented here consists of portfolios with substantially similar investment objectives, policies and strategies managed by three senior members of HGI LP's management team while they were employed by Indago Capital Management in Toronto, Ontario, an affiliate of The Canada Life Assurance Company, an advisor not affiliated with HGI LP. For periods between January 13, 1999 and July 31, 2014, the track record presented here consists of the composite of the same name maintained by Hansberger Global Investors, Inc., ("HGI Inc.") an advisor not affiliated with HGI LP. See the disclosures below regarding the acquisition of the international growth strategy assets of HGI Inc. by HGI LP after July 31, 2014.

\*The firm is defined as Hansberger Growth Investors, LP (HGI LP), a subsidiary of Madison Asset Management, LLC, and an investment adviser 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.) The firm maintains a list of composite descriptions, which is available upon request. The International Growth Equity Composite was created on August 1, 2014 and continues the performance of the same composite created on December 2008 by HGI Inc. The international growth management team of HGI Inc. who were responsible for composite performance prior to August 1, 2014 joined HGI LP on August 1, 2014.

HGI LP claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. HGI LP has been independently verified from August 1, 2014 through September 30, 2019. HGI Inc. was independently verified for the periods from January 1, 1995 through December 31, 2013.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The International Growth Equity Composite has been examined for the periods August 1, 2014 through September 30, 2019. The verification and performance examination reports are available upon request. The International Growth Equity Composite, while being maintained by HGI Inc., was examined for the periods from July 31, 1996 through December 31, 2013. The HGI Inc. verification and performance examination reports are available upon request.

Returns are based on fully discretionary accounts under management, including those no longer with the firm. Beginning with August 1, 2014, 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. Prior to August 1, 2014, there was not a significant cash flow policy. The returns presented represent past performance and do not indicate future results, which may vary.

Valuations and returns are computed and stated in U.S. Dollars. Returns are presented gross and net-of-fees and include the reinvestment of all income and are net of withholding taxes on dividends. Net returns are calculated using the highest fee of 0.75% within the product's standard fee schedule, deducted quarterly in arrears. From inception thru December 31, 1998, the performance presented contains a certain percentage of portfolios that were mutual funds. During this time period, the net of fee mutual fund performance was used to calculate the gross of fee composite performance which was reduced by fund investment advisory fees, other fund expenses and then reduced again by the highest fee (0.75%). Period-end composite accounts using net mutual fund performance to calculate gross composite performance as a percent of total composite assets were as follows: 100% in 1996, 100% in 1997 and 28% in 1998. During some periods after December 1998, but prior to August 2014, the composite contained at least one portfolio which was net of a bundled fee consisting of trading expenses and custody costs. Both the gross and the net returns are net of the entire bundled fee. Period-end composite accounts with bundled fees as a percent of total composite assets were as follows: 0.5% in 2007, 0.5% in 2008, 0.5% in 2009, 0.5% in 2010, 0.5% in 2011, 0.3% in 2012 and 0.3% in 2013. The annual composite dispersion presented is an equal-weighted standard deviation calculated for the accounts in the composite the entire year, however, is not presented for periods when the statistic is not meaningful due to an insufficient number of portfolios in the composite over the given time periods. On January 1, 2015, the three-year annualized ex-post standard deviation of the benchmarks were adjusted retroactively to coincide with the change from gross to net of withholding taxes as stated above. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

This product's standard fee schedule is 0.75% on the first 50 million, 0.50% on the next 100 million and 0.40% thereafter. Actual investment advisory fees incurred by clients may vary. Additional information regarding HGI LP's fees is included in its Disclosure Brochure.

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