

Madison Tax-Advantaged Income



An actively managed bond strategy that invests at least 50% in tax-exempt municipal bonds with maturities of 12 years or less and up to 50% in taxable investment-grade US Treasuries, agencies, or corporates with maturities of 5 years or less.

Philosophy

Madison's philosophy revolves around the principle of "Participate and Protect®," which means we strive to build portfolios that participate as fully as possible in favorable markets and, more importantly, protect principal in difficult markets. We believe that this is best pursued through actively managing fixed income risks and emphasizing quality securities.

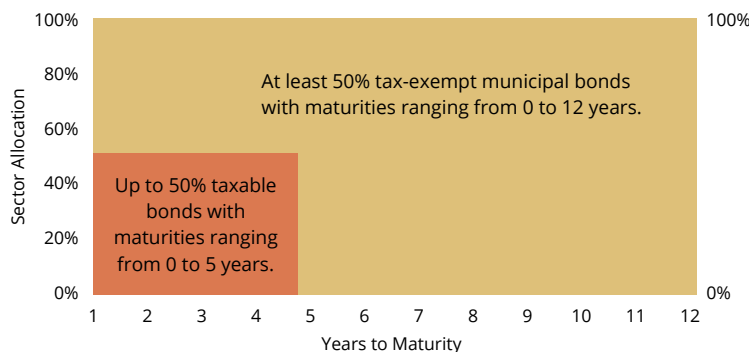
Investment Strategy & Process

We actively manage a portfolio's duration, yield curve positioning, sector/industry allocation, and credit quality through a disciplined and repeatable process that emphasizes downside protection and preservation of capital. By pairing a top-down macro framework with extensive bottom-up credit analysis on corporate and municipal issuers and sectors, we construct a diversified portfolio that reflects our team's views.



Yield Curve Positioning

We position tax-exempt bonds between 0 and 12 years and taxable bonds between 0 and 5 years. Typically, a portfolio holds a small percentage of Treasuries and/or high-quality corporate bonds to allow for tactically repositioning. Over time, this positioning has provided desired liquidity, maximized after-tax income, and generally reduced volatility.



Why Madison Tax-Advantaged Income?

- Active allocation to taxable and tax-exempt bonds based on relative value for the client
- High-quality, high conviction strategy that manages fixed income risks
- Proprietary credit research process
- Experienced team of fixed income investment professionals

Key Facts

Inception	December 2013
Benchmark	Blended Benchmark
Sector Allocation	At least 50% tax-exempt muni Up to 50% taxable
Maturity Distribution	Tax-Exempt: 0-12 yrs Taxable: 0-5 yrs
Investable Securities	Tax-Exempt Muni Taxable Muni US Treasury US Agency Investment-grade US Corporate

Experienced Management

Jeffrey Matthias, CFA, CAIA, CFP
Portfolio Manager, Strategist
Industry since 1987

Michael Peters, CFA
Portfolio Manager, Strategist
Industry since 1987

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



Why Madison Investments?

Madison Investments is a nationally recognized and trusted investment firm offering actively managed, risk-aware investment strategies to a broad range of clients. Our Participate & Protect® philosophy of pursuing superior risk-adjusted returns is at the heart of our value proposition to clients.

Aligned Interests

- Self-invested portfolio managers
- Independent, employee-owned

Investment Excellence

- High-quality investments
- Active strategies with a focus on downside protection

Exceptional Client Service

- Investment-centric service model
- Transparent, easy-to-understand strategies



“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”). 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 and is not investment advice.

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.

Madison’s expectation is that investors in the strategy will participate near fully 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, the 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.

In addition to the ongoing market risk applicable to portfolio securities, bonds are subject to interest rate risk, credit risk and inflation risk. When interest rates rise, bond prices fall; generally, the longer a bond’s maturity, the more sensitive it is to this risk. Credit risk is the possibility that the issuer of a security will be unable to make interest payments and repay

the principal on its debt. Bonds may also be subject to call risk, which allows the issuer to retain the right to redeem the debt, fully or partially, before the scheduled maturity date. Proceeds from sales prior to maturity may be more or less than originally invested due to changes in market conditions or changes in the credit quality of the issuer.

Income may be subject to the alternative minimum tax (AMT) and/or state and local taxes, based on state of residence.

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

Tax-exempt sectors can refer to investment vehicles or nonprofit organizations that are exempt from federal taxes. Taxable sectors are subject to taxes at the local, state, or federal level, or a combination.

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

Duration: a measure of the sensitivity of the price of a bond or other debt instrument to a change in interest rates. Duration measures how long it takes, in years, for an investor to be repaid the bond’s price by the bond’s total cash flows.

Yield Curve: a line that plots yields (interest rates) of bonds having equal credit quality but differing maturity dates. The slope of the yield curve gives an idea of future interest rate changes and economic activity. There are three main types of yield curve shapes: normal (upward-sloping curve), inverted (downward-sloping curve), and flat. Yield curve strategies involve positioning a portfolio to capitalize on expected changes.

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.

For comparison purposes, the composite is measured against a two-factor blended benchmark, which includes the Bloomberg Municipal Bond 1-10 Year Blend Index (50%) and the ICE BofA 1-5 Year Corporate/Government Index (50%).

Bloomberg Municipal Bond 1-10 Year Blend Index: measures the performance of municipal bonds with maturities between 1-10 years.

ICE BofA 1-5 Year Corporate/Government Bond Index: tracks the performance of USD-denominated, investment-grade, tax-exempt municipal bonds with maturities between 1-5 years.

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