

Madison Scottsdale

Disclosure Brochure

For the Madison Scottsdale
Insurance Asset Management Division of
Madison Investment Advisors, LLC

*8777 N. Gainey Center Drive
Suite 220
Scottsdale, AZ 85258
800-767-8020*

March 2015

www.madisonscottsdale.com

For clients other than Madison Scottsdale Insurance Asset Management clients, please refer to the applicable separately provided Disclosure Brochure for Madison Investment Advisors, LLC or Disclosure Brochure for Private Wealth Management Clients.

This brochure provides information about the qualifications and business practices of the Madison Scottsdale Insurance Asset Management Division of Madison Investment Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at 800-767-8020. 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

Madison Scottsdale

Summary of Material Changes to Disclosure Brochure for Madison Scottsdale Insurance Asset Management Division of Madison Investment Advisors, LLC

8777 N. Gainey Center Drive, Suite 220
Scottsdale, AZ 85258
800-767-8020

March 2015
www.madisonscottsdale.com

The following summarizes for your reference changes to the firm's Disclosure Brochure since the last annual update of the brochure (Disclosure Brochure dated March 2014). Some or all of these changes may not be considered material to you or others.

You should keep a copy of this summary with the complete copy of the Disclosure Brochure we previously provided to you. If you would like a complete copy of the current disclosure brochure so that you can review these changes in their entirety, please call us.

Changes from Disclosure Brochure dated August 2014

- The paragraphs in the subsection "Our People" under the Section "Advisory Business" are revised to reflect personnel changes.
- The "Investment Adviser Affiliates" section of "Other Financial Industry Activities and Affiliations" is revised to reflect the removal of Concord Asset Management, LLC.
- The "Trading of Common Stocks" section of "Brokerage Practices" is revised to disclose a new section entitled, "Side-by-Side Management of Commission Paying and Non-Commission Paying Equity Accounts." The new section discusses a potential conflict of interest in selecting brokers to execute transactions for which both "wrap" and non-wrap accounts are managed pursuant to the same strategy.
- The "Trade Allocation Practices" section and "Directed Brokerage and Compensation for Client Referrals" sections of "Brokerage Practices" are revised to clarify disclosures regarding the order in which equity accounts will trade when more than one client is trading a particular security in any strategy.

Changes from Disclosure Brochure dated March 2014

- The paragraphs in the subsection "Our People" under the Section "Advisory Business" are revised to reflect personnel changes.
- The "Investment Adviser Affiliates" section of "Other Financial Industry Activities and Affiliations" is revised to reflect the addition of Hansberger Growth Investors, LP, a new affiliate.
- The "Trading of Common Stocks" section of "Brokerage Practices" is revised to disclose immaterial exceptions we may make to our equity trading rotation process.
- The "Research and Other Soft Dollar Benefits" section of "Brokerage Practices" is revised to clarify how research may be shared among our affiliates.

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

TABLE OF CONTENTS

ADVISORY BUSINESS.....	1
FEES AND COMPENSATION.....	4
PERFORMANCE-BASED FEES AND SIDE BY SIDE MANAGEMENT	5
TYPES OF CLIENTS.....	5
METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS	5
DISCIPLINARY INFORMATION.....	7
OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS.....	7
CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING.....	8
BROKERAGE PRACTICES.....	9
REVIEW OF ACCOUNTS	14
CLIENT REFERRALS AND OTHER COMPENSATION	15
CUSTODY.....	15
INVESTMENT DISCRETION.....	15
VOTING CLIENT SECURITIES	15
FINANCIAL INFORMATION	15
REPRESENTATIVE CLIENT LIST	16
PRIVACY POLICY	17

ADVISORY BUSINESS

Our Firm and Its History

The Madison Scottsdale Insurance Asset Management Division of Madison Investment Advisors, LLC began as Madison Scottsdale, LC in 1993 as a full service investment management firm specializing solely in the insurance industry. On January 1, 2014, Madison Scottsdale, LC merged with its commonly controlled affiliate, Madison Investment Advisors, LLC. We continue to distinguish our Arizona operations and client focus from those of our Madison, Wisconsin headquarters office of Madison Investment Advisors, LLC ("Madison") by continuing to use the "Madison Scottsdale" name for our insurance company client investment management services.

Successful management of insurance company portfolios requires excellent investment skills combined with a thorough knowledge and understanding of the specific objectives and underlying operations of each insurer. With the portfolio managers of the Madison Scottsdale Insurance Asset Management Division having decades of experience in insurance portfolio management, our clients are provided a demonstrated expertise in the regulatory, tax and operational considerations of the insurance environment.

Apart from performance, Madison Scottsdale is distinguished from traditional managers by our "comprehensive approach" to investment management. Investment management cannot be performed in a vacuum. Albeit important, the insurer's investment portfolio is but one piece of a dynamic and evolving puzzle. Unless the investment portfolio is properly positioned to support and complement all the other dynamics in the equation, optimization of results cannot be achieved. Since both insurance companies and the capital markets are constantly changing, we view this function as an ongoing effort and work closely with management to ensure a free flow of communication.

Our investment style is proactive and addresses the issues that continually confront our clients (e.g., tax issues, impact of mark-to-market securities, risk-based capital, asset/liability matching, etc.). This begins with getting to know our client's needs, and then developing a customized investment program based on individual needs and circumstances.

We're a subsidiary of Madison Asset Management, LLC which, in turn, is a subsidiary of Madison Investment Holdings, Inc. (f/k/a Madison Investment Advisors, Inc.) We share personnel and resources at our corporate headquarters in Madison, Wisconsin and Madison Scottsdale location in Scottsdale, Arizona. The Madison organization has been managing assets since Madison Investment Advisors, Inc. was founded in 1974. The Madison organization is known for its risk-sensitive investment philosophy and active bond and equity strategies. Madison's clients, who entrust the Madison organization with approximately \$15 billion of their assets among the Madison family, include institutional funds, pension accounts, foundations, endowments, corporations, mutual funds, municipalities, individual investors and, of course, insurance companies. All share the similar investment objectives of achieving consistent investment returns with minimal portfolio risk.

Madison is privately held through our parent company, the employees who are the majority owners of Madison Investment Holdings, Inc. Our organization has offices in Madison, Wisconsin, New York, New York, Scottsdale, Arizona and Burlington, Ontario.

Our Principal Owners

Our firm is a subsidiary of Madison Asset Management, LLC which, in turn, is a subsidiary of Madison Investment Holdings, Inc. Madison Investment Holdings, Inc. is employee owned with Frank E. Burgess as the principal owner who also serves as the Chairman of its Board.

Our People

Rather than manage assets on a "star" or portfolio manager system, all of our clients' portfolios are managed on a team basis. The team at Madison Scottsdale (in alphabetical order) consists of the following individuals:

Steve Cherrier – Vice President and Portfolio Manager

For the 24 years prior to joining Madison in 2014, Mr. Cherrier was the Chief Investment Officer for Blue Cross Blue Shield of North Carolina, where he managed over \$4 billion in assets. Mr. Cherrier has considerable experience in insurance company asset allocation, risk analysis, regulatory and total return management. He has served as an officer and board member in the North Carolina Financial Analyst Society and President of the BCBSNC Credit Union. Mr. Cherrier has almost 30 years of investment experience. He earned his BS in Finance from St. Cloud University and is a CFA Charterholder.

Walter Dewey – Vice President and Portfolio Manager

Mr. Dewey has almost 30 years of investment experience. Prior to joining Madison in 2012, he worked at a private investment adviser in Wisconsin and at U.S. Bancorp where he had responsibilities in research, portfolio management, and client relationships. He managed the Firststar Growth Fund and also spent considerable time speaking on investment strategy for the organization at a national level. Mr. Dewey specializes in customized portfolio management for Madison's high net worth client relationships. He earned his BBA in Finance from the University of Wisconsin and is a CFA Charterholder.

William K. Fain – Managing Director and Portfolio Manager

Mr. Fain joined Madison in 2002 with approximately two decades of experience managing taxable and tax-advantaged portfolios for insurance companies. Mr. Fain holds a BS in Finance from the University of Rhode Island and an MBA in Finance from Michigan State University. He previously held the position of Vice President of Portfolio Management at a large, multi-line insurance consortium where he managed various affiliated company and external insurance client portfolios and spent several years prior to that managing the treasury operations for a regional property and casualty insurance company.

Robert E. Fletcher – Managing Director – Business Development and Marketing

Mr. Fletcher joined Madison in 2001 and has more than 30 years in the investment management industry. Prior to joining Madison he held positions ranging from founder of a financial services firm to Vice President of the investment analytics firm Mobius Group. Mr. Fletcher studied Economics at Christopher Newport University and holds the Certified Financial Planner® and Certified Investment Management Analyst® professional designations. He assumed his current role with Madison Scottsdale in 2014.

Anjanette Fowler – Managing Director and Portfolio Manager

With experience in the investment management arenas of several insurance companies since 1989, Ms. Fowler, who joined Madison in 1995, brings a valuable understanding of the unique investment, statutory and accounting considerations particular to our insurance clients and the industry. Prior to managing insurance company portfolios, she directed the Investment Accounting department for a large insurance group. Ms. Fowler holds a BS in Finance from Arizona State University.

Donald J. Miller – Managing Director and Portfolio Manager

Mr. Miller joined our firm in 2010 with over 20 years of insurance company and bank investment management experience. Mr. Miller managed both the fixed income and equity portfolios for Illinois Mutual Life Insurance Company for 15 years prior to joining Madison Scottsdale. He previously served as an investment officer and portfolio manager for Bank One Investment Advisors in central Illinois. He is a CFA charterholder and has an MBA from Bradley University in addition to his undergraduate degree in Finance from Creighton University and a General Banking degree from the University of Illinois.

Alyssa Johnson – Assistant Vice President and Investment Analyst

Ms. Johnson joined the Madison organization in 2003 and oversees the investment accounting and reporting of our Insurance Asset Management Division. She began her insurance career with Marsh & McLennan where she focused on large commercial and industrial projects. Ms. Johnson holds a B.S. in Business Management from Arizona State University.

Marian Quade – Managing Director and Portfolio Manager

Ms. Quade became an officer of our firm in 2012. She also serves as a Managing Director and portfolio manager for our Madison, Wisconsin based affiliates having joined the Madison organization in 2009. Prior to then, Ms. Quade had more than 30 years of investment experience with more than 20 of those as a portfolio manager. She is in charge of the Private Wealth Management team at Madison Investment Advisors, LLC. Ms. Quade served in

a similar capacity for Thompson Investment Management, and previously, was Head of Equities for U.S. Bank. She is a CFA charterholder and has an undergraduate degree in Economics from Stanford University.

Madison is overseen by its Executive Directors as follows (in alphabetical order):

Steven Carl –Executive Director and Head of Business Development

Mr. Carl is the head of distribution for Madison. He also has primary responsibilities for the firm's strategic accounts and institutional business development team. He joined the firm in 2003. Mr. Carl holds a BBA from the University of Wisconsin – Madison, maintains the CPA and CIMA® designations and is FINRA registered. Steve has been a member of the firm's Executive Committee since 2014.

Katherine Frank – Chief Operating Officer and Executive Director

Ms. Frank joined the firm in 1986. Today she has responsibility for the day-to-day business operations of the company, and directly oversees all back office and client service functions. In addition, she serves as the President of the firm's proprietary mutual fund families and has been closely involved in the acquisition and integration of affiliates into the Madison organization. She has been a member of the firm's Executive Committee since its inception. Kay received an economics degree with honors from Macalaster College.

Paul Lefurgey –Executive Director and Head of Fixed-Income

Mr. Lefurgey is the head of Madison's fixed-income team. He joined the firm in 2005 as a Portfolio Manager and assumed leadership of the Fixed Income team in 2007. Mr. Lefurgey has more than 25 years of experience in the industry and holds a BA from Michigan State University. He has also earned the CFA designation. Paul has been a member of the firm's Executive Committee since 2013.

Jay Sekelsky – Chief Investment Officer and Executive Director

Mr. Sekelsky serves as the head of equity investments for Madison and oversees Madison's investment management teams. He joined Madison Investment Advisors in January 1990 as an Assistant Portfolio Manager. He has over 25 years of Investment Management experience, and he holds a BBA and MBA from the University of Wisconsin and has also earned the CFA designation. Jay has been a member of the firm's Executive Committee since its inception.

Together, the Executive Directors are responsible for the duties of the office of the President and Chief Executive of Madison.

Our Services

We specialize in managing the assets of insurance and other companies governed by state insurance law and regulation. We draft specific investment plans for and tailored to the unique needs of each client. As such, we may invest in common and preferred stocks, corporate, government, government agency and municipal bonds, money market instruments and such other securities we may select as appropriate for a client within its written investment guidelines and state insurance regulations, if applicable.

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. 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.

Depending on client or state insurance law requirements, we may manage a portion of a client's overall account on a non-discretionary basis. We will not normally manage an entire client account on a non-discretionary basis.

Our Assets Under Management

As of December 31, 2014, Madison Investment Advisors, LLC managed approximately \$7,972,797,000 in assets on a discretionary basis and approximately \$680,624,000 on a non-discretionary basis (both rounded to the nearest thousand)..

Together with our affiliated investment advisory firms described below in the section entitled, "Other Financial Industry Activities and Affiliations," the Madison organization managed in excess of \$15 billion in assets on a discretionary basis as of December 31, 2014.

Madison Investment Advisors generally will not manage accounts on a non-discretionary basis unless done so as part of a subadvisory relationship. We may make exceptions for accounts in existing client or institutional relationships.

FEES AND COMPENSATION

Fee Schedules

Financial Institutions (accounts over \$10 million)

On the first \$10 million	0.35% annually
On the next \$20 million	0.25% annually
On the next \$40 million	0.125% annually
On the balance	0.10% annually

Financial Institutions (accounts under \$10 million)

On the first \$3 million	0.75% annually
On the next \$7 million	0.30% annually
On the balance	same as above

Other Accounts

On the first \$5 million	0.80% annually
On the balance	0.60% annually

Depending on unique circumstances (e.g., another existing account relationship with a client, etc.), fees may be subject to negotiation.

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.

Other Fees You Should Understand

Portfolio Transaction Costs. We do not have custody of client assets. Therefore, each client must appoint a custodian and may be required to pay custodian fees. Also 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.)

Schedule D Reporting Services. We have arranged for certain insurance company clients to receive, at their request, investment accounting and Schedule D reporting services for a separate fee.

Investments in Investment Companies. Because we may invest client accounts in exchange traded funds (or "ETFs"), you should understand that the ETF itself pays the manager of the fund an investment advisory fee like most other investment companies. Therefore, to the extent we invest in ETFs for your account, 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 in which your account is invested. That fee is described in the offering materials (prospectus) for the ETF. Likewise, the same types of fees are paid in connection with any money market mutual fund that may hold the cash balances in your account.

Refunds of Advance Fees Paid

We may not change our fees without sixty 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

Because Madison Scottsdale is affiliated with Madison Asset Management which manages investment companies, we will not charge you, as a client of Madison Scottsdale, an investment advisory fee on assets that are invested in any investment company managed by any of the investment adviser affiliates in the Madison family. This includes investments in any Madison mutual fund or closed-end fund. However, you should be aware that our affiliates allocate the investment advisory fee paid by the investment company (after reduction of any fees for services that are paid to third parties by our affiliate out of that advisory fee payment) that is attributable to your investment in the applicable investment company to Madison Scottsdale as additional revenue. For a complete discussion of the charges and expenses of any investment company, you should carefully read the fund's prospectus. The fund's advisory 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 is higher than the client's account fee, any recommendation by us to invest in the fund represents a potential conflict of interest.

PERFORMANCE-BASED FEES AND SIDE BY SIDE MANAGEMENT.

Certain "qualified clients" (as defined by Rule 205-3(d) under the Investment Advisers Act of 1940) may 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."

Madison Scottsdale has no present intention of managing client accounts with a performance fee.

TYPES OF CLIENTS

Madison Scottsdale provides specialty investment advisory services to financial institutions, particularly insurance companies. A representative client list is available upon request.

Our minimum account size for insurance companies is typically \$10,000,000. In addition, we reserve the right to refuse to accept proposed management responsibilities or to resign from the management of any individual account. We may accept smaller accounts on a case-by-case basis from clients that are considered "start-ups."

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Our Investment Strategies

Experience has shown us that most insurance companies are extremely well versed in their own business activities, yet often find making complex investment decisions a daunting task. Most investment management firms, however, do not fully understand the world in which insurance companies operate. It is critical that any investment manager hired to manage an insurance company portfolio have a full and complete knowledge of the insurance business. Insurance company portfolios cannot be managed in a vacuum, as investment decisions have a direct impact on all areas of their business. The investment manager must be aware of this at all times and make portfolio decisions accordingly.

Our investment management effort is proactive and addresses the issues that continually confront our clients (i.e., tax issues, impact of mark-to-market securities, risk-based capital, etc.). This begins with getting to know our client's needs, and then developing a customized investment program based on individual needs and circumstances.

The principal objective in managing insurance company assets is to protect and grow surplus. As such:

- Client specific considerations can often overrule investment ones.

- Portfolio construction is just as important as security selection.
- Extreme positions are seldom appropriate.
- Absolute performance is as meaningful as relative performance.

Because each insurance company generally has unique needs and is subject to different regulatory requirements, it is not possible to establish a firm-wide investment strategy that can be used for every client. The following information, therefore, reflects the general investment strategy and philosophy followed by our firm. Within these strategies and philosophies, our general investment strategies are to make long term (securities held at least a year) and short term (securities sold within a year) purchases of securities for client accounts.

Fixed-Income. Our strategy is to determine the overall direction of interest rates and position durations accordingly. We analyze the yield curve to determine the most advantageous portfolio construction. We determine the relative attractiveness of corporate vs. government and/or government agency securities. Based on the results of our analysis, we adjust durations/maturities when conditions indicate and shorten portfolio exposure when necessary to preserve capital.

Equity and ETFs. We identify companies that have had consistent growth and which we believe demonstrate sustainable future growth, rather than “hot” stocks or “trendy” growth companies with comparatively high share values. We look for companies that we believe have underappreciated future growth prospects, are currently out of favor due to a short term, correctable problem or are transforming into a faster growth, higher margin business model. We believe the stocks of these issuers have a blend of both value and growth potential: What we call “GARP” for “growth at a reasonable price.” In addition, if appropriate for any client, we may invest client assets in portfolios of ETFs that we believe will provide the equity exposure and diversification suitable for the client.

Cash Management

Each client custodian “sweeps” non-invested cash balances in client accounts every day into a money market account selected by the client and offered as a service by the custodian. At a 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 funds.

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

Class Action Settlements

Although we may be authorized to vote proxies in client accounts as described below 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

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 a 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. 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 of 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

In addition to Madison Scottsdale's insurance company client focus, Madison serves as investment adviser to individuals, institutions and wrap accounts.

Our New York affiliate, NorthRoad Capital Management LLC, New York, New York, is also a separately registered investment adviser. NorthRoad's services and clientele are similar to those of Madison and it specializes in international equity management. Madison Asset Management owns a majority interest in NorthRoad.

Our Madison Asset Management, LLC affiliate is a joint venture with CUNA Mutual Group (“CUNA Mutual”). Madison Asset Management serves as investment adviser to mutual funds, closed-end funds and wrap accounts. While Madison Investment Holdings, Inc. controls Madison Asset Management, CUNA Mutual has a non-voting equity interest in the firm.

Finally, our Hansberger Growth Investors, LP affiliate, also located at our Madison, Wisconsin office, is a separately registered investment adviser. It has a primarily institutional client base and specializes in international growth equity management. It has a branch office in Burlington, Ontario, Canada.

As disclosed above, Madison Investment Holdings, Inc. (f/k/a Madison Investment Advisors, Inc. prior to December 1, 2010), a separately registered investment adviser, is the parent company for the Madison organization.

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

Sub-advisory Services By 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. For example, we may delegate a percentage of a client's account for management by our NorthRoad Capital Management affiliate in order to provide international equity management if suitable. 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

We act as investment adviser, through our Madison Asset Management affiliate, to the Madison Funds (consisting of 26 separate funds) and Ultra Series Fund (consisting of 16 separate funds). In addition to these mutual funds, Madison Asset Management is the investment adviser to the Madison Strategic Sector Premium Fund ("MSP"), a closed-end fund traded on the New York Stock Exchange ("NYSE"), and the Madison Covered Call & Equity Strategy Fund, also a closed-end fund traded on the NYSE. Some of Madison Asset Management's officers hold offices in each of the investment companies affiliated with Madison Asset Management. In particular, Katherine Frank serves as Trustee of the Madison Funds, the Ultra Series Fund and MSP.

As an affiliated company, we receive management fees indirectly through Madison Asset Management and we share our resources with Madison Asset Management.

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 (Madison Funds and Ultra Series Fund). 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. A number 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 have imposed restrictions upon ourselves or 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, or 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 if there is a possibility that we may be trading the same security on any client's behalf within a week of the employee trade. Employees are also prohibited from investing in IPOs. We, our officers, employees or directors, are required to pre-clear securities trades in order to avoid a conflict of interest between individual and client interests. Our Code of Ethics contains various exemptions for personal securities trades that we believe do not involve potential conflicts, such as Treasury Securities, open-end mutual funds and stock of companies that we will not purchase for clients. Finally, we may manage accounts for employees in the same manner as other clients of our firm or its affiliates 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 (or its affiliates) 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 below). 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 (although our Code of Ethics is intended to prevent such conflicts of interest). A copy of our "Code of Ethics" is available to any person upon request.

Prohibition on Use of Insider Information

We have 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 purchase and sale of bonds is completely different from the process of buying and selling stocks (described below). Common stocks are traded on national exchanges or generally large, liquid over-the-counter (“OTC”) markets. Directed brokers (see the discussion below entitled, “Directed Brokerage and Compensation for Referrals”) and virtually all others, have full access to these markets to efficiently execute common stock transactions. The vast majority of bonds are not traded on 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 and holds for resale to its customers. 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 of its clients.

We use a three-step process to buy/sell bonds for client accounts, as follows: (1) “free to trade” – if, with respect to a client account, we are free to choose the brokers we wish to trade with, we typically contact at least three brokers before executing a trade in order to seek best execution; (2) “in competition” – for client accounts that require us to include a designated broker 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, we will not contact any other broker and instead will negotiate with that broker on any particular trade. When bonds are purchased, the type, sector, maturity, coupon and yield objectives are determined. Under normal circumstances, we will identify the issue we wish to purchase. The broker is asked to offer all such issues available, noting the required block size for all clients using that broker and/or custodian. The broker will offer any bonds meeting our criteria available in its current inventory if we have not identified a specific issue.

If these initial offerings are inadequate, we will work closely with the broker to locate additional attractive bonds from other dealers. We believe this to be in our clients’ best interest because it gives clients access to the best priced, most attractive securities from a number of dealers. By aggregating the purchases or sales of a broader base of clients, including those who use other brokers and/or custodians, we may be able to find additional bonds available in larger blocks, resulting in better overall prices. However, in light of the unique financial position of each of our firm’s insurance company clients, it is more common that we will buy individual bonds for client accounts in recognition of each client’s unique investment needs and restrictions, particularly with regard to corporate and municipal bonds. Therefore, clients should not expect that if we are buying (or selling) a particular fixed-income security for one of our firm’s clients that we would also buy (or sell) it for another client’s account. We believe we follow fair and considered procedures if a particular investment is equally suitable to more than one client based on our recommended portfolio structure for each client.

When the client designated directed broker confirms a specific transaction, the same applicable commission agreed upon by the client shall be received by the broker as a principal, regardless of whether the bonds were acquired

directly from the directed broker or indirectly from another broker/dealer. The commission may differ between our clients due to the dollar value or number of bonds being purchased or sold, the maturities of the bonds and the total arrangement between the client and their broker. These practices are followed unless they are specifically modified or limited by Madison Scottsdale or the client.

Trading of Common Stocks

When we trade the same security in more than one client account at the same time, we attempt to batch or “bunch” the 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. Due to the unique needs of our insurance company clients, however, executing trades in block transactions for them is more of an exception than the rule. If, for any reason, we cannot batch transactions, we will follow the procedures described below under “Trade Allocation Practices.”

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 Referrals.”) Whenever applicable, we will attempt to batch 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.

The commission amount and per share commission rate will differ between our clients with directed brokerage relationships versus those clients that do not have such relationships due to the dollar value and the size (number of shares) of the trade for each account, and the total 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.

For clients that do not direct the brokerage on their accounts, we may use non-market maker brokers to execute securities traded OTC. To fill OTC trades, non-market makers may transact with a market-making broker on the other side of the trade. A market-making contra broker may mark-up or down a security for which it makes a market. If this happens, this is a cost that such clients will incur in addition to the regular commission the non-market maker charges to perform the trade on an “agency” rather than a “principal” basis. Generally, the OTC trades we will execute in this manner will involve companies with large market capitalizations and/or high average daily trading volume and we monitor the price and execution we receive for such trades. We believe such clients receive best price and execution under the circumstances when using such non-market makers..

Normally, no commission is added to transactions in the case where the client has established a “fee in lieu of commission” account. We often trade the same securities for accounts that pay commissions and those that do not. We may identify instances for which we are unable to achieve best execution of securities trades in “fee in lieu of commission” or “wrap” accounts that we manage. This is most likely to occur when the client’s designated broker is unable to execute a transaction in a timely manner or in connection with trading securities that are relatively less liquid than securities with very large market capitalization. In those circumstances, to the extent permissible we will seek to execute a trade as a “step-out” transaction with another broker that has agreed to execute the transaction without charging a commission. We will, however, trade with such brokers at their prevailing commission rates for our non-wrap clients for whom we have brokerage discretion either as part of the same “block transaction” or for different transactions.

Side-by-Side Management of Commission Paying and Non-Commission Paying Equity Accounts

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, commission rates and willingness to step-out trades. 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. However, to the extent traded as a block

(or sequential blocks – combining like client types – with the same broker), some accounts will pay commissions and others will not.

For example, we believe it is more important that all clients in the same strategy are able to buy shares of ABC Co, at \$25 per share using a single broker in transactions we control rather than utilizing several brokers such that some clients buy the same shares at \$26 per share and others at \$25.50 per share, etc. The different prices achieved by execution by different brokers could be the result of price movement of the shares in the market caused by our own transaction or other market forces. The execution price difference could be materially more than the difference in potential commission rates which normally range from \$0.01 to \$0.04 per share. However, this is a potential conflict of interest because we may manage some of our client accounts in any particular equity strategy directly and others indirectly through a “fee-in-lieu of commission” (or “wrap” account) program. The nature of wrap account programs is that clients have already paid the costs of trading commissions as part of their program fee but our direct clients will normally pay a commission in connection with each trade. Therefore, in order to control the execution of trades in the market when permissible or possible, we have an incentive to trade with (and pay commissions to) brokers who have agreed to also execute transactions for “wrap” accounts without charging additional commission (as disclosed above). Although we believe such commission rates are reasonable and our procedures are designed to achieve best execution based on the factors we find most important explained above, you should be aware that it is possible that, when executing trades for both commission paying and non-commission paying equity accounts with the same broker, the commission rates paid by non-wrap clients could be lower if we did not seek to control the execution of both commission paying and non-commission paying accounts by using the same broker for both.

Trade Allocation Practices

When the firm has trading authority and brokerage discretion, we seek to allocate trades fairly across the various accounts we manage. If we cannot batch all transactions for all clients in a single transaction or sequential transactions with the same broker (sequential blocks containing like client types will, themselves, regularly rotate), then we follow our trade allocation policy among clients that are transacting in the same security in the same strategy. 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 batched 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 random 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.

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 or a new 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 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 on a random basis as described in the "Trade Allocation Practices" discussion above.

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 batch 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. 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. As a general rule, 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. Simply put, directing brokerage may cost clients more money.

Other Fees in Connection with Trading

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 or commissions. 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 in connection with trading of stocks and bonds.

Accounts with Different Investment Objectives

Because we provide customized management to each of our insurance company clients based on a variety of client specific factors and the fact that different portfolio management personnel may manage our various client accounts, there are, or are expected to be, differences between and among our insurance company clients with respect to portfolio holdings and the timing of transactions. As such, we may not always allocate investment opportunities on a *pro rata* basis. There will be circumstances where: only some of our clients participate in investment transactions (for example, to avoid odd lot positions or inefficiently small positions); the level of participation between and among our clients in investment transactions is not on a *pro rata* basis; and investment transactions among our clients vary in other respects. Such non-*pro rata* investment transactions among our insurance company clients will be made in our discretion when deemed appropriate given the differences between the clients involved; appropriate because the target holdings of the particular investment that we have established with respect to the clients involved differ from client to client; and/or otherwise to be in the best interests of the clients involved.

It is our general policy that no insurance company client will receive inappropriate preferential treatment or otherwise be treated unfairly; and we will seek to uphold this policy when making decisions regarding investment allocations

It is also 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 or one of our affiliates manage an account that involves significant short term trading or pursues unique options strategies. In general, however, our positions with regard to any security will be net long. The Madison organization seeks to avoid a conflict of interest by attempting to limit such situations to, for example, instances in which there is a readily available supply of the securities being purchased or sold and the transactions in a security do not affect its market price.

Research and Other Soft Dollar Benefits

Madison Investment Advisors, LLC 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 and to monitor our use of soft dollar research and other services received in connection with client transactions. During our last fiscal year (ended December 31, 2014), Madison's 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.

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 of 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 purchase with our own money. (See, also, the section above entitled, "Other Fees in Connection with Trading.")

What is the "research" that would be 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, etc.). Third party research is provided by the payment by a broker, in full or in part, for research services provided by third parties. Both types of research may involve electronically and facsimile provided research and electronic portfolio management services and computer software supporting such research and services. Typical third party research providers include, by way of example, First Call Notes, Bloomberg, Research Direct, First Call Earnings Per Share Estimates, Baseline, Bondedge, Leuthold, TraderForum, ISI, Bank Credit Analysis, S&P Creditweek, Global Sector Review, etc. 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 from brokers products or services which are used by us both for 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 of 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 Madison headquarters and Scottsdale branch office location) since such amounts can be quantified and unbundled from the cost of execution only.

Unmanaged and Non-Discretionary Account Assets

As an accommodation, for specified assets that are not managed by Madison Scottsdale or are otherwise not subject to its investment management discretion but which are maintained in the same account as the assets managed for a client by Madison Scottsdale (so that the client has a consolidated account statement of all assets and for which the power of attorney given to Madison Scottsdale 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/dealer for settlement at the client's designated custodian pursuant to the client's negotiated broker/dealer commission schedule. Although we will relay such information, it is the client's responsibility to contact his/her/its broker/dealer directly to ensure the timeliness of any transactions in Accommodation Account Assets. In all cases, if a client desires Madison Scottsdale to initiate any securities transactions in the client's Accommodation Account Assets, the client should understand that Madison Scottsdale is not a broker/dealer and that any such instructions may not be communicated to the client's designated broker/dealer on as timely a basis as they would have been had the client contacted the client's broker directly. Clients should understand that Madison Scottsdale accepts no responsibility for losses to client's Accommodation Account Assets resulting from our failure to timely relay client instructions as described above, or from our failure to accurately relay such instructions.

Any instructions regarding Accommodation Account Assets must be provided orally to Madison Scottsdale personnel to ensure that the instructions are received and promptly confirmed in writing by letter or e-mail. Madison Scottsdale will, in turn, confirm a client's instructions in this manner, but such confirmation is not a brokerage transaction confirmation. Because Madison Scottsdale 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/dealer to ensure that the client-directed trade was communicated correctly. Clients should contact Madison Scottsdale and the client's broker/dealer 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 we are 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 Scottsdale is a cash account. In such situations, the client should establish a separate account to accomplish its transactions directly with its selected broker/dealer. Madison Scottsdale will not normally manage assets for clients in margin accounts.

REVIEW OF ACCOUNTS

We review our investment advisory accounts and managed portfolios frequently, with a general review occurring as often as weekly, and more specific reviews made less frequently but 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 a peer review committee consisting of our office's investment personnel and certain members of Madison's investment management team.

Complete reports are furnished to all clients on a monthly basis. In addition, all clients receive separate monthly accounting reports from their portfolio custodian detailing all cash and asset transactions and activity. In general, meetings with clients are held at least annually, or more 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

Refer to the section entitled “Brokerage Practices—Directed Brokerage and Compensation for Client Referrals,” above. We do not have arrangements to pay third parties any fees or other compensation for referring a client to Madison Scottsdale.

CUSTODY

We require each client to select a qualified custodian to hold its account. We will not serve in this capacity. 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 account statements we normally provide.

INVESTMENT DISCRETION

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

VOTING CLIENT SECURITIES

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 and intent 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 account portfolio manager and he or she will give you that information. You may also request a complete copy of our written proxy voting procedures by calling us at 800-767-8020 to request a copy.

FINANCIAL INFORMATION

Not applicable.

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 SCOTTSDALE 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 account transactions
- Assets 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 Scottsdale 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.

Page 2**Who we are**

Who is providing this notice?	Madison Investment Advisors, LLC d/b/a Madison Scottsdale ("Madison"), 8777 N. Gainey Center Drive, Suite 220, Scottsdale, AZ 85258
--------------------------------------	---

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?	<p>We collect your personal information, for example, when you</p> <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 <p>We also collect your personal information from other companies.</p>
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only</p> <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 <p>State laws and individual companies may give you additional rights to limit sharing.</p>

Definitions

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

Other important information